MAIZE

1983

JANUARY — DECEMBER

(3) Maize

Maize Board hailed for urea decision

Pietermaritzburg Bureau

THE Maize Board has announced that it will sell its stock of urea to farmers at a reduced price in an attempt to stave off the effects of the 13,3 percent increase in fertiliser announced last week.

The decision by the board to sell 74 000 tons of urea, which is part of a consignment of 208 000 tons which it imported as an exchange for maize last year, has been welcomed.

The secretary of the Natal Agricultural Union, Mr Alwyn Bisschoff, said the chance for farmers to buy fertiliser at a cheaper rate in times when they were being battered by rising prices and feeling the effects of drought should be welcomed.

Two amounts

The sale of urea would originally have been handled by the South African fertiliser industry, but after discussions with the Minister of Industry, Commerce and Tourism, Dr Dawie de Villiers, it was agreed that the board could offer farmers 74 000 tons of the imported urea.

This would be sold to the farmers through the co-operative in two amounts, 34 000 tons from February 1 and 40 000 tons from July 1, the chairman of the board, Mr Crawford van Abo said.

The price at which the imported urea will be sold is R282 a ton, which is R98 a ton less than the price announced after last week's increase.

Mr Mike Tarr, a PFP spokesman on agricultural matters said he welcomed the Maize Board's action and hoped that the Government allowed and encouraged further swop deals by the Maize Board as these could only benefit the consumer.

Mr Tarr said it was only right that the urea be passed on to the farmers at a reduced price as it was their maize which was used to buy the urea.

'I only hope the urea is distributed among the farmers in a fair and equitable way.'

Mr van Abo said the price at which the urea was being offered to farmers was a good example of the possibilities that could be achieved through barter transactions, 'not only for the producer, but for the whole industry, including the manufacturers of certain inputs'.

Concern

Mr Bisschoff said that while there would be concern among organised agriculture if dumping of cheap imports were allowed, he said there was merit in allowing a measure of competition between local producers and imports.

The 74 000 tons available to farmers this year represented about 25 percent of the total annual consumption by the market but, said Mr van Abo, although it was a limited quantity, it was a direct contribution towards helping the producer to lower the costs of inputs.

(3) Maize

Star 5/1/83

Maize farmers harvest a heavy crop of losses

By Hannes Ferguson, Farming Correspondent

The Maize Board's recent announcement that it would now sell urea fertiliser at a discount, highlights the complexity of the country's maize problems.

In May last year, the board bartered 208 000 tons of maize for 200 000 tons of urea. The Government ruled, however, that the board sell the urea to fertiliser companies only, which in turn sold to farmers at a substantial profit.

About 70 000 tons were actually marketed this way, farmers having to pay nearly R100 a ton more than the price the board would have charged.

Now the Government has rescinded its ruling, allowing the board to supply farmers direct and at cost.

The fertiliser merry-go-round actually involves the entire structure of maize production and marketing.

South Africa consumes about 6 million tons of maize annually, including maize feed. In a normal year, production is around 12 million tons but it is climbing as maize technology is improving.

What do we do with the surplus? We export it but the export price earned is way below production cost.

Production costs are high because our farmers pay much more for their input — fertiliser, weedkiller, tractors, implements, fuel — than their counterparts in other countries. One of the factors making inputs expensive is the protective import duty levied on them.

If maize farmers could buy their requirements on the world market, they could again sell their exports without a loss on the world market. That would mean idle local fertiliser and tractor factories, causing more unemployment.

Increasing the maize price domestically to balance the high price of inputs would be bad politics and inflationary.

The only remaining variable in this equation is the rand-dollar exchange rate. If the rand was traded on money markets at, say 60 cents instead of 90, exports would earn more rands and import duties could be lowered.

Many economists believe that for the agricultural sector, the rand is indeed much over-valued.

In this situation, the board's preference for barter trade becomes highly practical. It exchanges maize and fertiliser at their true values, bypassing the exchange rate mechanism.

Such barter transactions help tremendously in making South African maize exports more competitive.

But why all this complicated trade if we can artificially curtail maize production?

Firstly, South Africa would lose foreign exchange to the tune of R600 million a year.

Secondly, limiting maize by quotas or otherwise would create new overproduction of alternative crops such as sunflower, groundnuts or sorghum. Curtailing production clearly is not the answer.

Should there be hardly any maize surplus as in this bad season, the price situation has still been created by surpluses and high costs of inputs. At the New Year's eve emergency drought conference in Bethal, farmers told visiting ministers that their eagerness to keep down the prices of food had not been matched by their ability to hold down the cost of producing that food.

The result was that the maize farmers' present fight for survival was not only a question of drought, but it was inherent in the Government's agricultural policy. It took an almost 3-ton hectare maize crop to break even.

A super crop would yield about 4-ton hectare, so any serious drought would immediately threaten thousands of farmers with bankruptcy. Drought relief was only part of the remedy, they said. What was needed was a total review of Government agricultural policy.

Housewives and firms meet maize producers

Maize (3) RDM 22/1/83

Mail Reporter

TWO organisations, the Housewives' League of SA and the Federated Chamber of Industries, this week met South African maize producers to discuss the National Maize Producers Organisation (Nampo) suggestion for a free market system to operate in the selling of maize.

Mrs Joy Hurwitz, national president of the Housewives' League of SA, said yesterday that the league had met the chairman of Nampo, Mr H P de Jager, and the executive of Nampo.

"We have always considered it vital that producers of any commodity should liaise with consumer organisations so that we can understand their problems and they in turn understand those facing their customers," Mrs Hurwitz said.

"The problems of the maize industry and its future, and relevant national consumer issues related to same were discussed at length".

Mrs Hurwitz said a further report would be issued after the delegates had reported to their national executive.

Mrs Hurwitz said the league considered the discussion as a positive and constructive breakthrough which would mean a closer association between consumers and maize producers.

Mr R J Ironside, president of the South African Federated Chamber of Industries, said officials of the FCI had met Nampo in preliminary discussions on Nampo's proposal for a "world market related economic order for the maize industry with the retention of the current single channel marketing system".

He said the FCI agreed with Nampo that the maize industry in SA faced serious problems.

He added that the FCI was willing to continue discussions with Nampo as to the best means of resolving the problems of the industry and of agriculture as a whole against the background of the current debate over inflation and the creation of more jobs.

Maize boss tilts at Government's trade protection

(3) Maize ~~(2) Control Boards~~

Star 26/1/83

Leaders in agriculture met in Pretoria last week to discuss the future of their industry. The message was a gloomy one — prices will continue to soar as farmers struggle to cope with high input costs. Colleen Ryan reports.

Consumers are not benefiting from the Government's protectionist policies, says Dr C S le Clus, head of the Development Foundation for the National Organisation of Maize Producers.

"Protection costs money and, inevitably, the consumer must pay for it," he told Agrocon delegates.

"The current way protection is handled is by imposing heavy taxes on imports or by banning them completely," said Dr le Clus.

This policy caused inflation and was against the spirit of the Carlton conference. The Government had promised to move towards a more market-related economy, he said.

"It is interesting to note that the countries that have had the most success in reducing inflation have had the least protection in their economies," he said.

"We believe that South Africa should move towards a system in which protected industries are subsidised directly by the Government's central budget funds," Dr le Clus said.

If such protection were aimed at local industries it would lead, inevitably, to reduced consumer prices, Dr le Clus explained.

The Maize Board would show a loss of R221 million for the 1982-83 financial year, he said.

"The industry cannot continue with the joint execution of the three tasks currently performed by it," he told the congress. "These tasks are to produce cheap food, to earn foreign currency and to subsidise domestic industries."

Producers had decided to accept a world market- related economy for the industry, he said.

"The domestic selling price and the cost required to produce maize must be subjected to the discipline of the international market."

The policy could not be introduced solely for the maize industry but had to be implemented on the broad scale.

"It is now up to the other sectors to decide whether they will accept a free market approach," Dr le Clus said.

(3) Maize Hansard Q. Col. 88 11/2/83

Maize crop

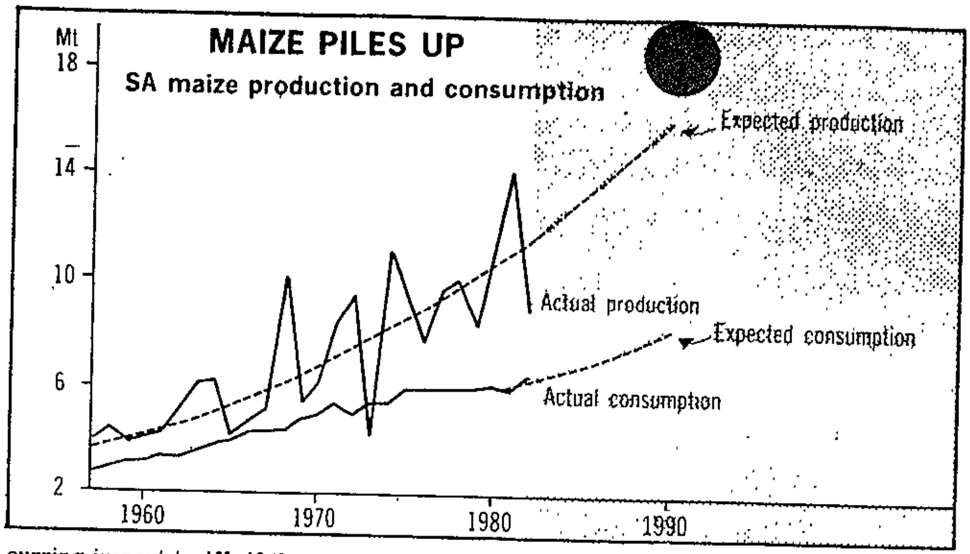
*27 Mr. R. W. HARDINGHAM asked the Minister of Agriculture:

(a) What is the estimated tonnage of the 1983 maize crop and (b) what quantity of the 1982 maize crop is still in hand?

†The MINISTER OF AGRICULTURE:

(a) It is at this stage not possible to give a reliable estimate of the tonnage of the 1983 maize crop. The first official crop estimate of the Department will be released towards the middle of March 1983 and will be based on conditions prevailing at the end of February 1983.

(b) It is at present not possible to give a precise figure of the end of the year stock as at 30 April 1983. The Maize Board's sales have increased substantially during the past two months due to the prevailing drought conditions. It is expected that this pattern will continue for the remaining 2½ months of the present marketing season which makes advance estimates difficult. It is, however, almost certain that more than the normal 900 000 tons of maize, which represents approximately 2½ months' internal sales, will be in stock at 30 April 1983.



curring import tariffs if they were not satisfied with the quality or service offered by local companies. This would place great pressure on all subsidised industry to become more competitive.

As subsidies would be an expenditure item in the Budget rather than a revenue item (as are tariffs), the Minister of Finance would also be under pressure to keep them to a minimum. This would force further efficiencies in the subsidised industries.

So far, the responses to Nampo's lobbying of the Federated Chamber of Industries (FCI) and the Afrikaanse Handelsinstituut (AHI) have been bland and non-committal. But this masks a turmoil below the surface. Some of their members fear that free competition might force them out of business. Others would stand to benefit, like the maize farmers, from lower cost manufacturing inputs making them automatically more competitive.

Industrialists tend to believe that government could well begin to switch to direct subsidies as they are under no illusion about the power of the maize lobby. They believe it played a part in the Prime Minister's decision to remove Pietie du Plessis from the post of Minister of Agriculture for apparently not supporting maize interests with sufficient vigour. And they say it was behind the low price increases granted to fertiliser manufacturers last year.

Returns in this industry are now lower than agreed by government in its original price control formulae. Insiders predict no further additions to manufacturing capacity, despite a growing demand which already exceeds present output capabilities.

Industrialists are reluctant to discuss Nampo's scheme openly, but in private they concede that it would reduce costs and place the economy as a whole on a more competitive footing. They also admit that it would be a step towards a more market-related economy.

But as one bluntly puts it: "The big question is

The Association of Chambers of Commerce of SA (Assocom), which has a higher proportion of trading than manufacturing members, is naturally more in favour of direct subsidies. And at its congress in October, it called for a government investigation into the effects of tariffs on maize prices and the development of a more market-related approach to the industry.

The Nampo proposals have also caused a stir in organised agriculture as sectors such as wine, cotton, wheat and tea would be hurt if protection against all imported agricultural products were lifted.

The proposals amount to a challenge to government to keep its word in placing more emphasis on free market forces. If it does not respond, the chances are that the Herstigte Nasionale Party and the Conservative Party could be persuaded to exploit a concept of greedy industrialists getting rich under government protection at the expense of farmers, and maize farmers in particular. Nampo has already had meetings with opposition parties on this.

The problems of the maize farmers stem largely from the fact that they have of late been producing ever-growing surpluses which must be sold, often below cost, on world markets. This has exerted upward pressure on local prices to the extent that local maize is cheaper than imported maize only because of the costs of transport.

Critics of Nampo maintain that the maize farmers' problems could be solved simply by trimming production to serve the local market only. But Nampo is naturally loath to curb its activities voluntarily. It also points out that the vagaries of the SA climate cause wildly fluctuating harvests, making it advisable to plant for a surplus each year (see graph). The 1980-1981 crop, for example, was more than double local demand, but this season's may not even meet demand because of drought.

This view is shared by government. And Premier Group chairman Tony Bloom has said that in an increasingly hungry world a surplus of SA maize is of inestimable value and that it would be very bad for the country to have to go "cap in hand" for food overseas.

Until the early Seventies, when farmers could produce little more than the country's needs, their local price was lower than world prices, and they made good profits. Now their profits are under severe pressure, despite increasing crop yields.

According to Nampo, the industry realised a surplus (excluding provision for the costs of land and management) of R438m, which amounts to 69% of a turnover of R633m in 1973-1974. In 1980-1981, the surplus was only R349m, 21% of a turnover of R1 674m. Deficits of R608m and R480m are expected for the next two seasons.

It would be unfair to say that this turnaround in farmers' fortunes is due to a growing inefficiency. The main causes are, rather, the rising surplus, a real fall in world prices due to depressed demand and the increasing real costs of farming.

This is illustrated by Nampo's claim that between the 1973-1974 season and the 1980-1981 season local farmers had to produce 20% more maize to pay for a tractor tyre

It could be argued that government has supported farmers in the past with high administered selling prices, subsidies and cheap Land Bank loans. But these remedies are either no longer available or not sufficient to solve the problem.

The authorities have already committed themselves to allowing Land Bank interest rates to approach market-related levels. And the expected deficits on the latest maize crops are so big that there would be risks of widespread economic dislocation and social implications if they were to be eliminated merely by raising prices or subsidies.

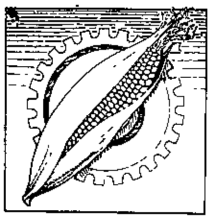
An alternative is quotas for maize farmers, forcing them to shrink their capital assets to producing no more than anticipated local demand. The strategic implications of that have already been spelled out. The other option is Nampo's proposal.

Clearly, some of the large manufacturers with considerable capital investments at stake will soon be beating a path to Pretoria. They will seek reassurance that much of what they produce — from light bulbs to plastics — should continue to enjoy the strategic status of the past. It will give government a good opportunity to reassess its policy on strategic requirements and self-sufficiency. For the protagonists have so much at stake that it will be difficult to avoid the issue.

PROTECTION ③ maize

The mealie factor

FM 4/2/83



There is growing unease among some large manufacturers. It contrasts with the confidence of the last two decades when, behind the barriers of government protection, local industry blossomed and enjoyed prosperity equalled in few other parts of the world.

Behind the new mood is government's reassessment of some protectionist policies. Protected manufacturers fear that it could lead to greater exposure to competition from abroad.

There are many factors behind the reassessment. One is the perceived futility and high costs of attempting to make the country self-sufficient in too many manufactured goods. Another is the realisation of the need to stimulate rather than reduce the country's two-way foreign trade (See *FM*. November 12).

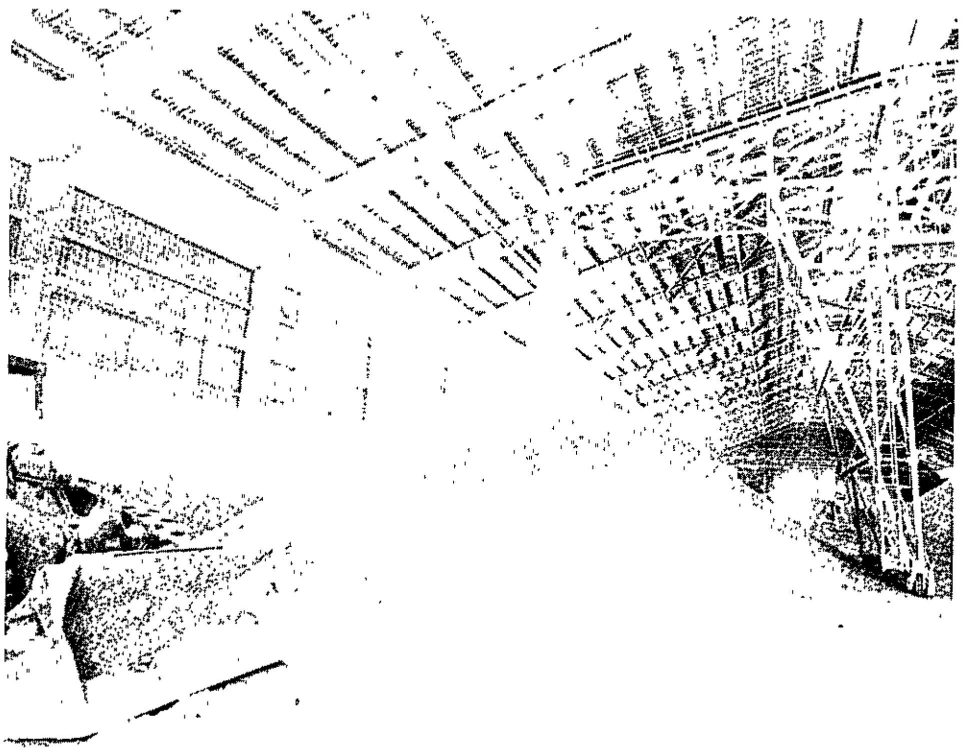
The catalyst in a new industrialisation policy could be the country's maize farmers. Members of this politically powerful lobby are in a corner largely because of government's industrial protection policies.

Through their representative body, the National Maize Producers' Organisation (Nampo), they argue that a major reason why SA maize cannot be sold at a profit on world markets is that farmers are obliged to pay inflated prices for items such as weed-killers, insecticides, fertilisers, bags, fuel and tractors produced by protected local manufacturers.

These higher prices, says Nampo, are in effect subsidies to local industry. It contends that if government sees fit to support artificially certain industries, it should do so directly through the Exchequer and not through inflationary import tariffs. It estimates that protection of the industries producing all farming inputs, excluding fuel, costs the maize farmers an additional R147m/year or 11% of their production costs.

Nampo wants a new deal. In return for the removal of all protective tariffs and import controls on its inputs, it is prepared to forgo existing protection measures against imported maize.

Of course, Nampo realises that the removal of all protection could mean severe hardship to, even closure of, some manufacturers, who together represent an enormous capital investment. Therefore, it suggests that government keep alive those industries worthy of protection through a system of production subsidies which would place locally-made goods on a price parity with imports. The subsidies would be raised through taxes and subject to parliamentary controls.



As the surplus grows, profits are squeezed

One advantage would be that the precise cost of protecting each industry would be known, allowing a more rational assessment. Under the present "hidden" method of subsidisation, nobody knows exactly how much the country spends to protect which local industries.

Nampo estimates that the total cost is in the region of R1 000m/year. However, more accurate figures should be available soon. The Minister of Industries, Commerce and Tourism, Dawie de Villiers, has commissioned a special investigation by the Bureau of Economic and Political Research at Pretoria University to ascertain the impact of protection on the economy. This will give government a better idea of how to budget for subsidies.

Direct subsidies would allow customers to buy from foreign suppliers without in-

Minister De Villiers will have to shout the odds

tion portion (R5,33 per head of cattle) of the total levy of R10,15 per head was paid to the outside area butchers for December 1982 with the request that the benefits be passed on to the consumer.

(c) The Meat Board has, until further notice, decided to sell frozen mutton at a special discount of R1,00/kg to State subsidized old age homes and orphanages on the following basis:

Old age homes=3½ kg per person per month.
Orphanages=6½ kg per child per month.

The total subsidy granted by the Board amounted to R30 000 at 31 December 1982. This amount is included in the total subsidy mentioned under question (a).

18/2/83 Hansard Q. Col. 219 – 220

Agricultural products: price increases

119. Mr. E. K. MOORCROFT asked the Minister of Agriculture:

(1) Whether any applications for price increases of any agricultural products in 1983 have been received by his Department; if so, from what organizations;

(2) what in each case (a) was the increase requested, (b) were the reasons given for the application and (c) was the response of his Department;

(3) whether any increases have been or are to be granted; if so, what is the increase in each case;

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

The MINISTER OF AGRICULTURE:

(1) No

(2), (3) and (4) Fall away.

Hansard Q. Col. 220

Subsidies: bread/maize/butter

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

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

The MINISTER OF AGRICULTURE:

(a) R181 968 823,44 (1981/82 financial year).

(b) R82 949 863,32 (1981/82 financial year).

(c) R3 210 715,75 (1981/1982 financial year).

~~Hansard Q. Col. 220~~ 18/2/83

Rail commuter services

142. Mr. A. SAVAGE asked the Minister of Transport Affairs:

Whether the South African Transport Services made a profit or sustained a loss on rail commuter services in the 1981-'82 financial year; if so, (a) what was the amount of such profit or loss and (b) (i) in which areas and (ii) in respect of which services was the profit made or loss sustained the highest?

The MINISTER OF TRANSPORT AFFAIRS:

A loss was sustained.

(a) R382 million.

(b) (i) All areas. (ii) Third class.

18/2/83 Hansard Q. Col. 221 – 222

Road transportation inspectors

~~145. Mr. P. R. C. ROGERS~~ asked the Minister of Transport Affairs:

(1) Whether in the execution of inspections of vehicles on the open road road transportation inspectors of his Department are required to indicate their presence; if so, by what means;

(2) whether they are accompanied by members of the South African Police while carrying out such inspections;

(3) whether they are entitled to carry fire-arms openly when stopping approaching vehicles; if so,

(4) whether they are permitted to carry automatic rifles; if so, who supplies them with these weapons;

(5) whether they are trained in the use of such weapons?

The MINISTER OF TRANSPORT AFFAIRS:

(1) No. However, in terms of the provisions of regulation 26 (1) of the Road Transportation Regulations, 1977, every inspector must wear an identification card issued by the Director-General: Transport. When so requested an inspector must show his identification card to any person with whom he is dealing in his official capacity. For their own safety and to make them clearly visible, especially during the night hours, inspectors wear luminous sleeves and girdles and make use of luminous stop signs blue flickers and lights and identification plates on their motor cars.

(2) No. Not during the normal course of their activities. However, occasions do arise during which inspectors are assisted by the South-African Police or when they assist the South African Police, e.g. during boycotts, organized road blocks etc.

(3) Yes.

(4) No, but they are issued with semi-automatic fire-arms by the Department of Transport.

(5) Yes.

Weeds Act

152 Mr. M. A. TARR asked the Minister of Agriculture:

(1) How many prosecutions were instituted under the Weeds Act, No 42 of 1937, during the latest specified period of 12 months for which figures are available;

(2) what was the total expenditure incurred by the State in respect of section 5 of the said Act for the latest specified period of 12 months for which figures are available?

The MINISTER OF AGRICULTURE:

(1) One.

(2) R2 209 933.

Hansard Q. Col. 222 18/2/83

Identity documents/influx control

155. Mr. D. J. DALLING asked the Minister of Law and Order:

How many Blacks in (a) the Sandton municipal area and (b) Alexandra were charged with offences relating to (i) identity documents and (ii) influx control laws in 1982?

The MINISTER OF LAW AND ORDER:

	(a)	(b)
(i)	987	67
(ii)	1 431	139

Hansard Q. Col. 22[illegible] 18/2/83

Patrol vehicles

156. Mr. D. J. DALLING asked the Minister of Law and Order:

 B MAIZ

Cut in maize exports will hit harbour

EAST LONDON — Harbour business here would be hit hard if maize exports dried up with a substantial drop in the number of ships calling at East London.

This was the view yesterday of the South African Transport Services (SATS) systems manager, Mr A. J. Jonker, and the chairman of the chamber of commerce, Mr George Orsmond, who is also a member of the Harbour Advisory Committee.

They were asked to comment on a prediction by the general manager of the National Maize Producers' Organisation (Nampo), Dr Pieter Gous, that maize exports next year would be practcially nil.

Dr Gous said that the country's maize producers were facing the worst drought in living memory, and the country was close to having to import maize for domestic consumption.

Mr Jonker said that maize was the harbour's primary export commodity.

"If that dries up, we could face difficulties in time with employing people at the grain elevator," he said.

"But this is the sort of fluctuating situation one finds oneself in, we have had it before when for a period there have been no maize exports, and no doubt we will experience it again.

"I think good times will come again. It will not be the end of the world."

Mr Jonker said if maize exports stopped, however, it would give the harbour an opportunity to overhaul the grain elevator.

"At present we have had very little time for maintenance. When the elevator is out for a long period of time, we could take advantage of the opportunity to have a general overhaul without interrupting an export programme."

Mr Orsmond said a halt to maize exports because of the drought would mean a substantial drop in the number of ships coming to the harbour.

But, he said, there was no point in panicking.

"It will enable the harbour to give their facilities an overhaul. They have been working at such top capacity that they have not really had much chance to give the elevator a thorough overhaul.

"It just shows, though, why a drought has such vast repercussions." — DDR

D. Dispatch 22/2/83 3 maize

Maize sold as fodder

ZWELITSHA — The maize crop destroyed by the crippling drought in the Tyumie citrus area was being baled as fodder to feed livestock, the Ciskei Deputy Minister of Agriculture and Rural Development, Mr V. H. Mafani, said yesterday.

Some farmers had already started grazing their livestock on the maize fields that had been scorched by the sun.

More than 18 000 tons of maize stover were currently being sold to tribal authorities and individual farmers.

Mr Mafani said farmers had suffered a terrible loss of the maize crop because of the drought. Even if rain fell the crop would not be helped so it was being turned into maize hay for fodder.

The feed was being sold to Ciskeian farmers only, he said. — DDR.

Drought bites even harder

D. Dispatch 23/2/83 Maize 3

EAST LONDON — The drought has tightened its grip on Transkei with no hope for the maize crop and a sharp rise in stock losses

In Ciskei the drought has been described as the worst in living memory and the situation is deteriorating daily, according to the Director for Planning, Mr Gary Godden

About 7 250 of the 16 754 stock losses in January have been directly attributed to the drought in Transkei and an irrigation scheme at Sterkspruit has had to be abandoned because of lack of water from the Tele and Orange rivers

The director of veterinary services in Transkei, Dr C Santos said yesterday that if the situation persisted, severe stock losses could be expected.

"In 1981, 10 553 stock losses were recorded for January through old age, plant poisoning and other diseases.

"The 1982 figure for January was 8 563. When compared with the latest January figures, it shows the extent of the devastation," Dr Santos said

There has, however, been no indication of a cut in Transkei maize quota from South Africa.

Last week South African maize producers said there would be a cutback on maize exports because of failed crops

The managing director of one of the biggest maize importers, Mr A Cunningham, yesterday said the cutback seemed unlikely to affect Transkei's quota

The Ciskei Government is continuing with drought relief work but a grant-in-aid of R6 million for drought relief from South Africa has been exhausted.

The government has applied for more funds and is waiting for a reply, according to Mr Godden

He said the water shortage was the worst he had known in Ciskei.

The Ciskei Government and the South African Defence Force is helping to cart water to areas which have no water whatsoever

Irrigation schemes have not dried up, according to Mr Godden They are still holding their own as far as water from dams is concerned, but resources are dwindling daily.

Mr Godden said farmers were suffering heavy livestock losses. Cattle and sheep were dying in great numbers daily and even if the cattle pulled through now "many would not be strong enough to survive the coming winter."

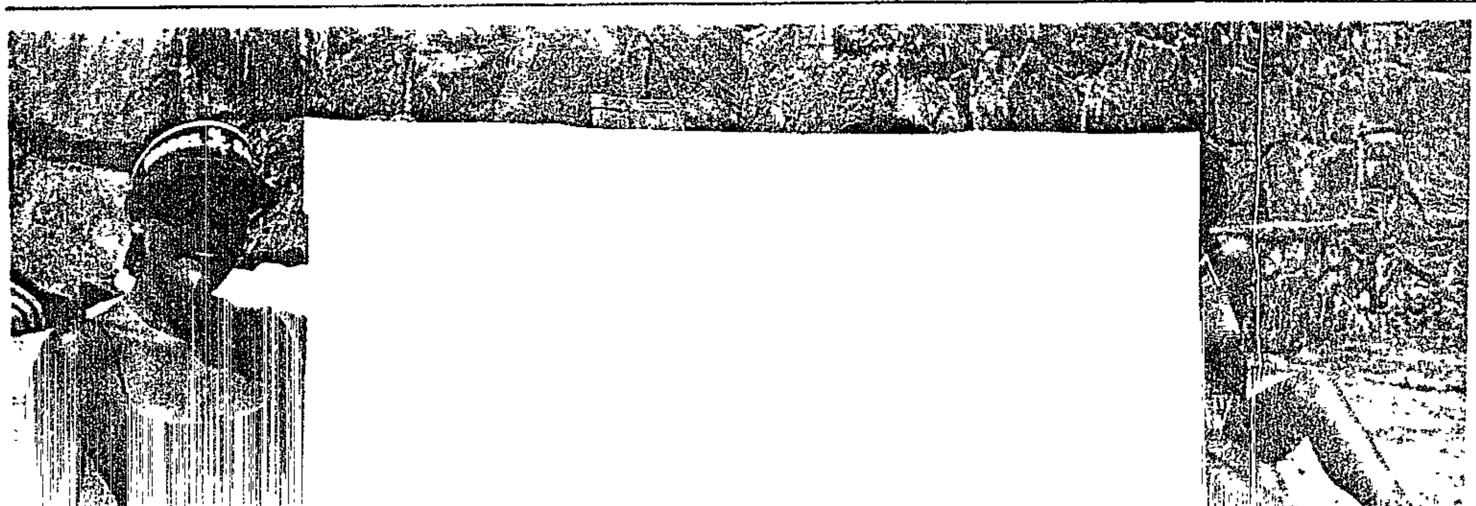
Mr Godden said the Ciskei Livestock Board was helping farmers by buying their stock, but they could not get decent prices for lean stock.

The Department of Health is also monitoring the situation to prevent any danger of malnutrition

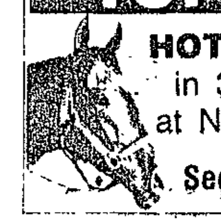
● Despite drizzle and rain in Border regions over the past few days weather conditions remain relatively stable.

The Weather Bureau in East London reported the maximum temperature yesterday at 25 C and the humidity 98 per cent early yesterday morning

Port Alfred had 20 mm of rain on Saturday night and Grahamstown 3 mm. Dam levels at Port Alfred remained low because the catchment areas in Grahamstown supplied its dams



Wedding pictures page 14



TOP HOT in 3 at Ne See

Petrol cu knock inf

CAPE TOWN — The 1,6 cents a litre fuel price cut announced yesterday is expected to make a significant impact on the current 14,4 per cent inflation rate.

The price cuts announced by the Minister of Energy Affairs, Mr Pietie du Plessis, affect diesel and othe... prices ar... to "a... r...

Gold pri

NEW YORK — The price of gold fell nearly $20 an ounce yesterday in the belief that lower oil prices would reduce inflation, dealers said.

Prices fell to around $486 an ounce here com...

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Nampo warning on drought

Agriculture 'at the brink of disaster'

3
Maize
ROM
23/2/83

By GERALD REILLY
Pretoria Bureau

TWO years of drought have pushed South Africa's agricultural industry to the brink of disaster, the general manager of the National Maize Producers' Organisaton (Nampo), Dr Piet Gous, said yesterday.

For the mealie farmer, he added, it was already an unprecedented disaster. The scale of damage caused by months of below average rainfall was alarming.

He estimated the 1982/83 maize crop at just over 7 million tons — just enough to meet the local demand — and it could be less.

"As long as the rains hold off we will continue to lose 50 000 tons of maize a day, which represents a loss of income to farmers of R10-million a day."

Good rains now would not increase the crop prospects, but would stabilise the situation and prevent further disastrous losses.

Dr Gous said drought had stripped vast areas of the country's ranching areas of grazing, and cattle losses could be calamitous during winter and spring, unless widespread soaking rains fell within the next week or two.

In the "homelands", he said, cattle were dying in their hundreds, and the winter, only a few months away, was a feaful prospect.

Dr Gous said Nampo would meet the maize board next month to discuss prices for the drought-ravaged crop. Higher prices would be demanded, but just how much higher had not yet been decided.

"We could justify a price of R380 a ton. But obviously that kind of price would kill demand.

The current price is R155 a ton, and the producers net return R134 a ton, when the big levy to compensate for export losses is taken into account.

Dr Gous said this year's small crop would leave no export surplus, which was to the advantage of the individual farmer, who would not have to support heavy losses in maize sold abroad.

Drought, however, had robbed the country of hundreds of millions of rands in foreign exchange, which would have been earned in a normal season by maize and other agricultural exports.

Dr Gous said farmers already burdened by crippling debts would have to be given substantial assistance if they were to be in a position to plant the 1983/84 summer crops.

Inflation: 'Mollycoddled' farmers in firing line

(3) Maize

UNNECESSARILY HIGH FOOD PRICES TAKE MAIN BLAME FOR UPTURN IN CPI

By John Spira

INFLATION, which accelerated to 14,4% for the 12 months to the end of January, could be significantly reduced if the South African policy of mollycoddling the inefficient farmer were abolished.

This is an amalgam of the views of several produce traders canvassed by Business Times this week, following the release of the latest consumer price index (CPI) figures, which showed that a whopping 1,9% rise in food prices in January was primarily responsible for the overall upturn in the CPI

One of the traders interviewed pointed out that the artificially high prices of farm land in South Africa is a telling symptom of food prices, which are considerably higher than they need be.

He says that under normal climatic conditions a good maize yield in this country is five tons a hectare. Such land has a value of around R1 000 a hectare.

In Argentina and Australia, by contrast, a similar piece of land with a similar yield has a value of R500 a hectare

The wide divergence in values is all the more remarkable when it is appreciated that much of the farming land in Argentina produces high yields without the need to add fertiliser to the soil.

Another trader whose views were sought drew attention to the impact of the interest factor on land, which is twice as expensive as it should be.

If one applies an interest rate of 15% to the difference in the cost of farming land as between South Africa and Argentina, then local farming land costs an extra R75 a hectare a year.

This is equivalent to a R15 difference in the cost per ton of the land's produce — an important factor in light of the fact that the local cost of maize production of around R300 a hectare is already high by world standards.

Moreover, the farmers of few countries elsewhere enjoy the same tax privileges as they do in South Africa.

In spite of these privileges, food production costs here are a good deal higher than in other advanc[illegible] countries.

The high average cost of S[illegible] African maize production is espe[illegible]ly disadvantageous when it comes the export market.

This is because transport costs South Africa (where the produce [illegible] to be transported long distances the coast) are higher than in [illegible] other countries (where the [illegible] farming areas are generally situ[illegible] close to port facilities)

A third trader called for the [illegible]tion of the use of the inefficient fa[illegible]er as the base for determ[illegible] subsidies.

"Until this system is scrapped," said, "food prices will continue hamper efforts to reduce increases the CPI."

'Zero chance' of more mealies coming up for export

27/2/83

Drought halts sales

S. Tribune

(3) Maize

Finance Reporter

EXPORT sales of maize, the farming sector's biggest foreign exchange earner, have been brought to a halt by the drought.

The Maize Board held a tender for one cargo of maize last Thursday, but according to the board's general manager Hennie Nel, "the chance of any further units being offered is zero".

Sales by the board direct to grain traders came to a stop some time ago.

So dismal has the outlook for this year's harvest become that traders are worried that the board may slap an embargo on the few cargoes sold in recent weeks which are due for shipment from East London during April.

They have been told, however, that no such plans exist at present.

The drought has forced a drastic review of the size of the 1983 crop. The first official estimate by the Department of Agriculture will not be published before mid-March, but the hopes of less than a month ago for an 8 million ton crop have evaporated.

Last year's crop totalled just above 8 million tons, which was well below the 1981 record of 14,2 million.

Current estimates of the 1983 harvest range around 7 million, although Nel said this week that "we can forget seven million tons".

The National Maize Producers Organisation (Nampo) reckons that each rainless day lops another 50 000 tons off the crop (that means more than a quarter of a million tons in the past week).

The suspension of the maize export programme is a cruel blow not only to farmers, but to the entire economy. The loss of earnings from maize will undo much of the benefit of the higher gold price.

South Africa shipped 5,5 million tons abroad in the 12 months to April 1982, and has exported another 4,4 million tons since last May.

It has been the world's fifth largest maize exporter in the last two years, with the bulk of foreign sales going to Japan, Taiwan and the UK.

The wilting crop has raised the spectre of maize imports for the first time in a decade.

Local consumption is around 6,5 million tons. But Nel says South Africa is unlikely to have to turn to imports this year, thanks to carryover stocks from 1982 totalling about 1 million tons. A final decision on imports will only be taken when harvesting is underway later in the year.

Clearly, if the 1984 harvest is also hit by drought, South Africa will have little choice but to turn to other suppliers for one of its most staple foods.

The small crop this year has encouraged farmers to ask for a hefty hike in producer prices for the season beginning in May. A Nampo official says that farmers can justify a price more than double their present return of R155 a ton.

Such a jump is obviously out of the question, but the chance of the government persuading maize farmers to accept a single digit increase is equally slim, especially with by-elections looking in two key farming constituencies.

The export cutbacks may have another unfortunate effect. South African maize is currently sold at a premium to ruling world market prices.

According to one trader, the suspension of sales could dent South Africa's future ability to insist on a quality premium from its traditional customers. He points out that Australia imports wheat to meet domestic demand before it cuts exports in a bad year.

MAIZE 3 maize

The noble farmer

FM 4/3/83

With bumper losses and a disastrous crop expected this year, the Maize Board (MB) has drastically changed the direction of its advertising.

Previous MB ads exhorted the public to eat more mealie pap. Now they promote the image of the maize farmer.

A spokesmen for KMP, the MB's ad agency, says the campaign is meant to "show the public that the farmers are not just land barons riding around in Mercedes. They are having a very hard time."

Says MB chairman Crawford von Abo: "We have to do something to impress on the public the extent and importance of maize production — something people often tend to overlook; and how its well-being can influence other sectors."

Employment

The campaign plugs the fact that the maize sector employs tens of thousands of blacks and spends R1 000m/year to the benefit of the local tractor, agricultural machinery, fertiliser, insecticde and fuel industries. Von Abo maintains it is just coincidence that it appeared so soon after the MB and Nampo started lobbying for more freedom in buying requirements from overseas at prices below those of local manufacturers.

"There is no connection between the two," he says. "Nor do they form part of a total strategy. In fact, the advertising campaign was decided on in April last year, well before the first public demands for market-related prices were made.

"But the industries we deal with will have to get their ranks in order. We aren't predicting what will happen if they do not get our support. We just believe they should be more exposed to competition and world-related prices."

The Natal Mercury, Friday, March 4, 1983

Natal maize men to lose R80m

Mercury Reporter (3) Mang

NORTHERN Natal maize farmers stand to lose more than R80 million this year because of the crippling drought which has reduced crop yields to a minimum.

The general manager of the Natalse Landboukoöperasie in Dundee, Mr Pieter van Rooyen, said yesterday that 500 000 tons less maize than anticipated were now expected to be harvested.

'At the season's start we estimated crop yields to be in the region of 600 000 tons — but now we'll be lucky to harvest 100 000 tons,' he said.

'This means farmers will be indebted to the Land Bank to the tune of about R60 million,' he said.

Mr van Rooyen said that they were hoping for an announcement from the Government before the end of the month for a request for all debts to be consolidated and a 10-year period for repayment to be granted.

The future of many of the farmers hung in the balance, he said, and many could be forced to quit if the extension for repayment of loans was not granted.

Critical

'It also depends, of course, on whether the drought breaks.

'July and August will be the critical months and we'll know by then whether farmers will be forced to leave,' said Mr van Rooyen.

He said that many livestock farmers in the area, which extended from the Drakensberg to the Transvaal border, had only enough water for their animals for the next month or two.

'The position of the sugar farmers is equally as bad and a lot have already started cutting cane for cattle fodder which is in great demand.'

There was still, however, great spirit among the farming community, he said.

'The farmers here are not the sort to just give up — they're a hardy bunch and have not lost their sense of humour, in spite of the uncertain future many of them face.'

Not a full answer

10

Day of the ...

SA may have to import maize

(3) Maize 5/3/87

By GERALD REILLY
Pretoria Bureau

THE Maize Board may be compelled to import maize this year to supplement the local drought-ravaged crop.

There is an "outside" possibility that wheat will also have to be shipped into South Africa.

South Africa stands to lose millions of rand in foreign exchange because there is no export surplus and the loss could be increased if the country has to import maize and wheat.

The chairman of the Maize Board, Mr Crawford von Abo, said the drought would rob South Africa of R600-million in foreign exchange earnings from maize exports during the 1983/84 season.

This was the extent of export earnings during the current season.

The board, he said yesterday, stopped exporting maize several months ago when it became clear this season's crop would be far below average.

The SA Transport Services would also lose out. Revenue from moving maize to the coast for export in a normal year totalled about R123-million.

Pretoria sources said yesterday that the Maize Board had a carry-over of about one-million tons into the new season, which starts in May.

Though the first official estimate of the crop by the Department of Agriculture is only announced later this month, it is considered unlikely that the crop will reach 7-million tons and it could be considerably less.

Mr Von Abo said the crop was not likely to be big enough to meet the domestic demand, which amounts to nearly 7-million tons.

The general manager of Nampo, Dr Pieter Gous, estimated that as long as the rains hold off farmers will lose 50 000 tons or R10-million a day.

Meanwhile, the general manager of the Wheat Board, Mr Denis van Aarde, said the board had a surplus of 500 000 tons from last year's record 2 300 000 ton crop.

About 200 000 tons would be retained as a carry-over to be added to the normal four months carry over.

He expected a small crop in the Free State, which normally produces 60% of the total havest.

The crop, planted in May-June, is already endangered because of the drought and if no rains fall before the end of this month yields could fall drastically.

The Natal Mercury
Saturday, March 5, 1983

Fight for survival

(3) Maize

Mercury Reporters

FARMERS in several regions of Natal are fighting for survival against massive crop failures through the drought, and many have written off completely the chance of harvests this season.

A Paulpietersburg maize grower, Mr J Solms, said yesterday he expected to lose R600 000 this year, while an estimated R80 million loss was collectively predicted for other maize producers in the area.

Mr Solms, who had expected to reap about 8 000 tons, now expects only 1 200.

Farmers in the district had told him they had never experienced such a dry period — not even during the notorious drought of 1933.

'The fight for survival is on,' Mr Solms said.

But farmers are not alone in their plight — even hotel guests have been affected.

Newcastle innkeeper Barry Noble has asked guests to bear the desperate situation in mind when they bath and shower.

The Newcastle High School headmaster, Mr J H Beukes, said gardens in the town looked worse than they did during winter.

'Although people are using bath water to flush their toilets, we do seem better off than some.

'A Dundee visitor here yesterday asked for drinking water to take home with him.'

Dundee's Deputy Town Clerk, Mr L E Pienaar, said households were now restricted to two kilolitres a week and that water supplies to homes would be cut off if this limit were exceeded.

'There's only enough water in local dams to last two weeks. If we don't get rain we'll have to set up tanks at various points for people to collect drinking water.'

Only two 25 ℓ containers a person would be allowed at a time if such drastic steps were taken.

Water restrictions in Dundee include a total ban on watering gardens, even from left-over bath water, topping up swimming pools and washing cars.

Sugar farmers on Natal's North Coast also face enormous crop losses.

Mr Dave Addison estimated only a 60 percent yield.

'We've had four bad years in succession. The growing period just past — from September to February — has been the worst in 50 years.

'But if good rains fall before April there is still hope that we'll be able to recoup some losses,' Mr Addison said.

In the Midlands, the maize crop has been the severest casualty of the drought.

Lease land

Towns surrounding Durban and on the South Coast have so far escaped water restrictions.

Several said they had had to lease land to provide grazing, and also to reduce their livestock herds, which would otherwise not survive through the winter.

The Town Clerks of Greytown, Mooi River, and Estcourt all reported that they had not yet considered restrictions, and Mr T Millward, secretary of the Lower South Coast Water Corporation, which controls the water supply between Hibberdene and the Transkei border, said the Umzimkulu River was more than adequate for their needs — at the moment.

But the secretary of the Ixopo Health Committee, Mrs F H Turner, said if no rains fell this month restrictions would have to

Driest February

PIETERMARITZBURG experienced its driest February since 1903, the Darvil weather station reported yesterday.

Imports may be needed to bolster local maize crop

Mercury Correspondent

PRETORIA—The Maize Board may be compelled to import maize this year to supplement the local drought-ravaged crop.

There is an 'outside' possibility too that wheat may also have to be shipped into South Africa.

So not only will South Africa lose millions of rands in foreign exchange because there are no export surpluses, but the loss will be increased if the country has to import maize and wheat.

The chairman of the Maize Board, Mr Crawford von Abo, claims the drought will rob South Africa of R600 million in foreign exchange earnings from maize exports during the 1983/84 season.

This was the extent of export earnings during the current season.

The board, he said yesterday, had stopped exporting maize several months ago when it became clear this season's crop would be far below average.

The South African Transport Services would also lose out. Revenue from moving maize to the coast for export in a normal year totals about R123 million.

Pretoria sources said yesterday the Maize Board had a carry-over of about 1 000 000 tons into the new season which starts in May.

Although the first official estimate of the crop is announced only later this month, it is considered unlikely that the crop will

Flowing

Mr Peddy Bam, chairman of the Ixopo Water Catchment Association, described the position of farmers in the area as serious.

The Ixopo River was flowing reasonably at its source, but was 'barely flowing' where it met the Umkomaas River.

There was a particularly dry area around Richmond.

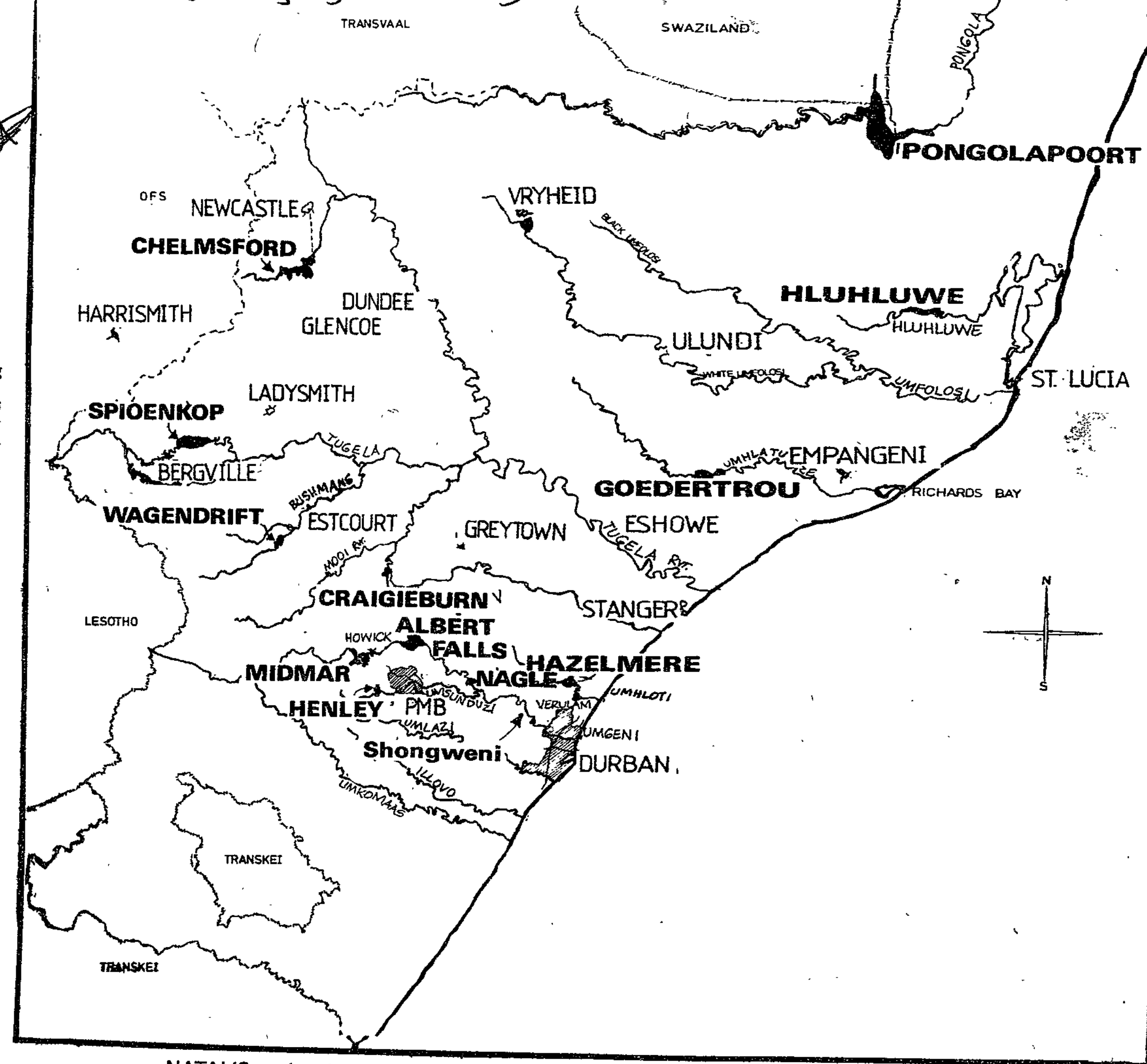
Some farmers there had had to dig pools in the riverbed to find water, which then had to be boiled for household use.

Farmers at Estcourt and Mooi River are also in difficulty.

Mr K Adams, who farms maize in the Ntabamhlope area, near Estcourt, said his entire crop had been written off.

All he could do was cut it for silage.

The livestock situation was not so bad because water could still be pumped from the Wagendrift Dam.



NATAL'S major dams ... and how much water there is in them.

DAM	RIVER	CAPACITY m³ X 10	% 1982	% 1983	PURPOSE
SPIOENKOP	Tugela	282	100	78,67	Ladysmith water supply
CHELMSFORD	Ngagane	198	23	15,0	Newcastle and industrial water supply
WAGENDRIFT	Bushmans	60	97	96,4	Irrigation and Estcourt water supply
CRAIGIEBURN	Mnyamvulu	25	97	80,0	Irrigation of Muden and Msinga
MIDMAR	Umgeni	178	85	37,5	Water supply to Howick, Pietermaritzburg, Cato Ridge, Camperdown, Hammarsdale, Pinetown and irrigators
ALBERT FALLS	Umgeni	287	14	9,18	Balancing reservoir for Nagle Dam
HAZELMERE	Mdloti	24	99	86,7	Water supply for North Coast regional water supply corporation and irrigators
GOEDERTROU	Mhlatuze	321	0	11,7	Irrigation, Water supply for Mhlatuze Water Board
HLUHLUWE	Hluhluwe	29	87	22,9	Hluhluwe water supply, irrigation
PONGOLAPOORT	Pongola	2501		1,89	Irrigation
HENLEY	Umsunduzi	1,8	—	64	Water supply Pietermaritzburg not in-

SA's poor maize harvest will hit other states

10/3/83 By GERALD REILLY RDM
Pretoria Bureau

SOUTH Africa's disastrous mealie crop will intensify hunger and famine conditions in countries throughout drought-stricken Southern Africa, according to Pretoria sources.

South Africa is regarded as the granary of the region, but there will be no surplus to compensate for crop failures this year.

Botswana, Lesotho and Swaziland are part of a customs union, and are regarded as segments of the South African domestic market. The independent states — Transkei, Ciskei, Venda and Bophuthatswana — are also part of the customs union.

But South African maize also finds its way to Zaire, Zimbabwe, Zambia, Malawi and even to Tanzania.

The crop this year, according to the National Maize Producers Organisation (Nampo), will be less than 7-million tons — barely enough to meet the domestic demand.

However, there is a carry-over from last season of 1 300 000 tons and it may be possible to scrape through without having to import maize.

It is understood that the Maize Board, which stopped all exports several months ago, is ready to import maize at prices about 40% above the local price of R154 a ton.

The general council of the SA Agricultural Union met in Pretoria yesterday in an atmosphere of crisis.

The council, which meets again today, is expected to recommend massive State financial aid for the industry.

It will call for the urgent financial rehabilitation of farmers broken by two consecutive years of drought.

Without this — and the aid has to be long-term and generous — hundreds of farmers will be ruined.

The SAAU's chief economist, Mr Johan Willemse, said the drought and the desperate plight of producers could have a serious long-term affect on food production.

The 1982/83 season's production loans from the Land Bank amounted to about R908-million.

And the carry-over of Land Band debts from the 1981/82 season was about R370-million, Mr Willemse said.

Business Mercury

(3) Maize Mercury 15/3/83

Free S A maize from import charges says economist

By Denyse Armour

DESPITE recent denials that the Maize Board had started looking into importing maize to save the rural economy from total disaster, a local source last week confirmed that the South African maize industry has entered into informal negotiations with the U S.

The agricultural economist, who studies U S trade, said S A would be wise to start importing maize as soon as possible and advised the Government to discard import duties and surcharges, amounting to about R12 a ton, until the situation improves.

'A problem will arise if a start is not made soon — not with obtaining the maize, because the U S has more than enough to sell, but with the shortage of bulk offloading facilites in S A.

Other commodities have to be imported, including wheat, rice, soya and sunflower seed,' he said.

The U S has had its best maize harvest for years and is having problems finding markets for its large surplus. This is likely to bring down the international price of maize. Whereas the price of local maize will have to increase in price because of the shortage, the U S's maize will become cheaper.

The current domestic maize price of R155 a ton is set for revision on 1 May. The international price is R132 a ton, with transport costs of about R30 a ton when imported by S A.

If the Maize Board negotiate a 7,5 percent increase, as did sugar farmers and import duties on maize are dropped, South African maize will be on a par with imported maize, if not more expensive.

The U S maize stock could exceed 89m tons this year, more than double the level two years ago, with the largest carry-over since 1960.

In an attempt to reduce maize supplies the Government has introduced a 'payment-in-kind' programme where a farmer must withdraw a certain proportion of his land from production, in addition to the 20 percent set-aside criterion previously announced. In return, he will be paid with grain from the reserve.

As the Maize Board's current marketing campaign tells us, maize is a crop which sustains South Africa's food production.

Their advertising is an ill-timed reminder that this year the country has very little maize, not even enough for domestic consumption, with production falling substantially short of six million tons.

The current drought, the worst of the century, has already led to the devastation of this country's rural economy. But our neighbours are also suffering.

Over the past years S A has increased supplies to countries such as Botswana, Lesotha, Swaziland and SWA/Namibia.

We have also exported maize to Angola, Mozambique, Malawi, Zambia and Zaire, although their are no figures available to confirm this. S A exports an average of 1,5m tons of maize to 'unknown destinations' each year.

Crops throughout Southern Africa have been hit by this year's drought which has led to an increased demand for maize throughout the region.

This would usually have been met by S A, at a price considerably higher than its from export sales on the international market.

Harvest

But this year's harvest, to be marketed from 1 May 1983 to 30 April 184, is estimated to be less than six million tons. Even with the carry-over of 1,2m tons it seems likely that S A will have to import maize from the U S or Argentina to satisfy local demand.

Mr John Harrison, agricultural economist with S A Farm Consultants, said maize and sorghum were the region's staple foods. He estimated that Swaziland imported an average of 30 000 tons, mainly from S A, Mozambique an average of 200 000 tons, Lesotho 150 000 tons, Angola 150 000, Zambia 400 000 and Botswana 100 000.

Demand is likely to increase further this year with even subsistance crops being destroyed by the drought.

It is known that Mozambique is having serious food shortages, with over 600 000 people being close to starvation due to the drought and the anti-Government activities of the MNR forces in the southern provinces.

Food shortages are also anticipated in Swaziland, where grain production has dropped 40 percent due to the drought. Cereal imports are expected to increase by more than 400 000 tons this year.

The drought has also effected Zambia's southern regions and a shortfall of two million tons is expected.

Lesotho's Minister of Agriculture, Mr Peete, said last month the country faced a national disaster due to the drought. He said the shortfall in the grain harvest was estimated at 259 170 tons.

Botswana's latest Agricultural Situation Report (February 1983) says that if the drought continues food crop production could fall as low as 10 000 tons.

Some of these countries will be helped out by Zimbabwe, where although this year's harvest is also disastrously low, a substantial surplus still exists from the bumper 2,4m harvest in 1981/1982.

Transport

Others will have to buy maize on the international market, facing high transport costs while their economies are still effected by the recession. It seems likely that S A would supply as much maize as could be paid for to Botswana, Lesotha, Swaziland and SWA/Namibia.

Dr Pieter Gous, general manager of the National Maize Producers' Organisation (NAMPO), said S A could import yellow maize, destined for animal consumption, from Argentina. However, there was nowhere from which S A could import white maize for human consumption.

Although the Maize Board claims S A has no overseas export contracts to fulfil this year Mr Harrison said it would be shortsighted to lose a market share which has been built up over the years.

It seems likely that 'escape clauses' in existing contracts will come into effect in the 1983/1984 marketing year sel was knocked down to Mr Millward for R110 000

In the picture, Daryl Chiazzari reads the closure

EXPORTS OF MAIZE IN METRIC TONS

	1980/1981	1981/1982
HONG KONG	163 000	28 000
JAPAN	765 000	2 222 000
ITALY	101 000	—
NETHERLANDS	15 000	24 000
PORTUGAL	11 000	11 000
WEST GERMANY	45 000	33 000
REUNION	34 000	38 000
SPAIN	58 000	27 000
TAIWAN	611 000	846 000
UNITED KINGDOM	139 000	258 000
BOTSWANA/LESOTHO/ SWAZILAND/SWA	189 000	214 000
DESTINATION UNKNOWN	1 502 000	1 500 00
MAIZE PRODUCTS	148 000	297 000
SURPLUS BY-PRODUCTS	475 000	428 000
TOTALS	4 256 000	5 924 000

(3) Maize

Maize crop is slashed by 60%

RDM 17/3/83

By GERALD REILLY
Pretoria Bureau

DROUGHT has slashed the country's maize harvest this year by more than 60%, according to the first official estimate of the crop by the Department of Agriculture.

Released in Pretoria yesterday, the estimate stands at 4 700 000 tons — one of the few crops of less than 5 000 000 tons since 1945.

This falls almost 2 000 000 tons short of local consumption needs, and even with the 1 300 000 ton carry over from last year the Maize Board will almost certainly have to import this year.

The disastrously small crop will deprive the country of foreign exchange export earnings of between R600-million and R800-million — in addition to the foreign exchange needed to purchase imports.

And to import maize inferior in quality to local maize will cost about R240 a ton — about R100 a ton more than the local price.

However, the price to the consumer should be unaffected. According to the Maize Board, the Government will probably carry the burden of the extra cost of imported maize.

Agricultural economists point out that much of the R900-million borrowed from co-operatives in production loans had been lost. Added to this huge debt is a further R850-million — carried over from previous seasons.

Hundreds of farmers have lost their "creditworthiness" and unless generous aid is forthcoming from the state they will be unable to plant the 1983/84 summer crops.

Pretoria asked to help free Czechs

By RICHARD WALKER

NEW YORK — The United Nations has sought South Africa's help in trying to free the group of Czechs captured by Unita in southern Angola

South Africa agreed on Thursday to act as message bearer, but advised that the best chance of success lay through the International Red Cross More than 60 people are involved according to a UN spokesman who said the Secretary-General Javier Perez de Cuellar had "expressed his concern" to Pretoria

The UN move followed a plea from Czechoslovakia, whose ambassador Mr Stanislav Suja saw the Secretary-General on Wednesday night. Dr Suja called it "a kidnapping of advisers" to the Angolan government

The UN chief contacted the UN high commissioner for refugees in Geneva to see what could be done and had Mr Virendra Dayal, a UN political affairs specialist, contact South Africa's UN mission

Mr Dayal was told that Pretoria was in no way responsible for the actions of Unita, but that it was willing to convey the Secretary-General's message Mr Dayal was also urged to recall that last year's complex prisoner exchange was accomplished through the Red Cross

The UN cannot deal directly with Unita, but only with governments

The International Committee of the Red Cross said yesterday it was prepared to "play our role as a neutral intermediary" should parties concerned negotiate an exchange of prisoners held by opposing forces in Angola

Unita had asked the Red Cross to help arrange an exchange of some of the Czechs for "some British people".

The agency's spokesman Mr Pascal Gondrand said, however, he doubted whether an exchange was imminent.

An account published in Prague on Thursday said 21 children were among the 64 Czechs captured by Unita.

(3). Maize RDM 19/3/83

SA will spend R400m to supplement maize crop

By GERALD REILLY
Pretoria Bureau

SOUTH AFRICA will have to spend about R400-million importing maize to supplement this season's 4 700 000 ton crop — the smallest harvest for many years

The chairman of the Maize Board, Mr Crawford van Abo, said yesterday that the official estimate was made at the end of February

"Since then further heavy damage has been caused to what was left of the crop, and the final harvest may be considerably smaller "

Maize, he said, was plentiful on world markets — but only yellow maize

"We will have to start mixing white with yellow maize, and the sooner we start the better."

Mr Von Abo estimated that the Board would have to import about two million tons

The landed price of the yellow maize in South Africa he said, would be about R200 a ton, compared with the current local price of R155 a ton

However, by the time storage and transport costs were added the inland price would rise to about R240 a ton

He added the whole world now knew South Africa was in the market for maize and prices would be "hard"

The board froze its export programme several months ago. This had resulted in a bigger than normal carry-over of 1 300 000 tons.

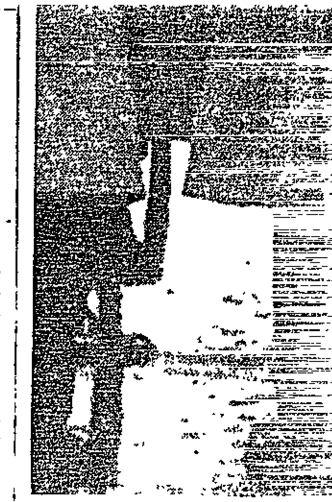
On the recommendation of the National Maize Producers Organisation that the price of maize be raised by 25%, Mr Von Abo said if this were agreed to, the producers return would be R189 a ton, compared with R134 a ton last season.

He said, however, that drought had forced up farmers' costs by 92% to R354 a ton If the price were to be fixed on this basis, maize would be priced off the market

The PFP's spokesman on consumer affairs Mr Harry Schwarz, said there was hunger in the townships already and if the consumer price of maize were to be raised by 25% there would be starvation

In our sensitive socio-political environment — rendered even more sensitive by massive unemployment — every effort must be made by the government to see that prices of essential foods are not allowed to rise beyond the consumers ability to pay."

The government would have to make extraordinary efforts to assist both the farmer and the consumer, he said



King Hussein of Jordan revic[...] don, where he and other Ara[...] London to seek Britain's su[...]

Still no light relief . . .

Crime Reporter

A PRISONER who swallowed a light bulb is now enlightened that stunts do not keep one out of prison cells

Mr Ally Dorsen, who was carried out of Court 4 on Thursday with severe breathing problems, is recuperating in the Johannesburg Prison in Diepkloof

Mr Dorsen collapsed minutes before he was due to appear before a magistrate

He had swallowed the light bulb while waiting with other prisoners in the court cell area for his case to be called

Mr Dorsen's relief from cell-life did not last long however he was treated at the Coronationville Hospital and discharged — into the arms of policemen who immediately took him to the Johannesburg Prison

Mr Dorsen swallowed the light bulb after unsuccessfully trying to swallow a bottle

He had also attempted to injure himself two days earlier at the Newlands Police Station and tried unsuccessfully to escape while being taken to the Coronationville Hospital for X-rays

Aussies ask SA to hand over Moll's 3 passports

By MARSHALL WILSON

MELBOURNE — The Australian Department of Foreign Affairs in Canberra is anxious to retrieve the three passports used by Perth businessman Christo Moll, now facing court action in South Africa.

And almost certain to attract just as much government attention is the link between self-styled "Prince" Leonard of Hutt and his alleged representative in White River, former international banker Mr Dirk Brink.

A West Australian farmer who has officially seceded from the Australian federal system and maintains his farm "Binnu West" at Northampton as a separate state which he calls Hutt, Prince Leonard is in fact just plain, ordinary Mr Leonard Casley to the Australian Government.

Yet so far at least he has run his tiny enclave as a separate entity in the vast outback of Western Australia, issuing his own Hutt River passports and appointing ambassadors abroad to London, Hong Kong and now White River.

In the light of the startling evidence to come out of Mr Moll's court appearance in Pretoria these past few days — and especially the allegation that Mr Moll once stayed at the farm of former BOSS chief General Hendrik van den Bergh — Australian officials are sitting up and taking note.

Mr Moll, the Runyonesque figure who described himself as a diamond dealer and who is alleged to have defrauded several of Perth's leading doctors before he fled Australia in 1979, is still wanted for questioning here by both federal and state police in connection with currency deals.

Foreign Affairs in Canberra are entitled to know how Mr Moll came to have three Australian passports, as claimed in court this week, and how and why he allegedly doctored a passport to gain entry to South Africa.

They would also like to see Mr Moll's passports — numbers K607153, G705085 and H821906 — which Mr Moll is believed to have used to establish his identity at various banks in Europe since he fled Australia

What Australian officials would like to know, in view of the evidence by Mr Murray Quartermaine, "ambassador at large" for the mysterious Hutt River empire, is the precise nature of Quatermaine and Moll's links with former South African Information Department chief Dr Eschel Rhoodie

They would like to know how it happened that a nationalised Australian on the run was afforded shelter by the South African Government

The Australian government has officially asked South African officials for the return of Mr Moll's passports, and doubtless will monitor very closely from now on Mr Quartermaine's testimony in Pretoria

Bentley tourists prepare to go home

Mail Correspondent

CAPE TOWN. — More than 50 of the world's best preserved Bentley cars — all more than 50 years old and collectively insured for more than R4-million — toured the Cape Peninsula yesterday.

Yesterday was the last day for the cars which were taking part in the International Total Vintage Bentley Tour of South Africa. They completed the penultimate stage from Oudtshoorn to Cape Town via the Little Karoo on Wednesday.

Thursday was a day of rest after a gruelling 4 000km drive which began in Durban on March 4 and covered Northern Natal, Transvaal, the Northern Cape, Free State, Karoo, Eastern and Southern Cape, Little Karoo and finally the Western Cape

The tour cost R100 000 to organise.

Thirty-four of the Bentleys are from eight foreign countries, with 20 entered by South African owners Only two of the cars, which were all manufactured before 1931, had to drop out because of mechanical damage which could not be repaired along the route.

Today the 28 British entries will be put in containers in Cape Town and shipped back to Southampton so their owners who will fly home, can compete in an English rally at the end of the month The other overseas cars are from the United States, Holland and New Zealand.

Court order on Sabena

BLOEMFONTEIN. — The Appeal Court yesterday held that Sabena Belgian World Airlines had not shown it had lawfully cancelled a lease agreement with Mr Maurits Phillip ver Elst, of Bryanston, for a property in Linden, Johannesburg

The court set aside a judgment of the Transvaal Supreme Court which had upheld an appeal by the airline against an order that it pay R11 700 for rent on the property from April 1976 to

Church Services

Offer of flat for night

Maize chief warns SA tractor industry

S. Express 20/3/83

3 Maize

By SIMON BLOCH

THE local tractor industry must get its house in order if it wants to compete against imported products, according to Mr Crawford von Abo, chairman of the Maize Board.
at a landed cost of about half that of similar tractors on sale in South Africa — and three more are on the way.
South Africa — and three more are on the way.

Mr Von Abo would not comment on speculation that the tractors were from Rumania, an Eastern bloc country, although plates on the engines and gearboxes indicated they were.

The landed price of an imported 45,6kW 640 tractor with two-wheel drive (including tax) was R8 709. An imported 45,6kW 640DT model with four-wheel drive cost R10 906 and the 36,8kW crawler R9 547.

Similar tractors sold in South Africa cost about R18 300, R23 000 and R21 500 respectively.

Just before the ADE programme — making it compulsory for new trucks, buses and tractors to have ADE engines — became effective, farmers went on an all-out splurge in a last effort to buy machinery with imported engines.

In the first eight months of last year tractor sales plummetted to 6 621 units from 15 922 in the same period of 1981 — a drop of 58,4%.

(3) Maize Hansard 21/3/83
Q. 61, 744-745

Maize

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

(1) What is the estimated carry-over of maize from the 1982 maize crop;

(2) what is the estimate in respect of maize production for 1983?

The MINISTER OF AGRICULTURE:

(1) Approximately 1,2 million tons

(2) 4,698 Million tons (first official estimate, based on conditions at the end of February 1983).

(3) Maize (3) ~~Dairy~~ (3) ~~Wheat~~

Agricultural products: subsidies

~~Hansard~~ Hansard Q61, 790

24/3/83

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

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

The MINISTER OF AGRICULTURE:

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

(b)

	1981-82
Maize	R82 950 000
Butter	R3 210 000
Bread and meal in small packets	R181 069 000

Maize and dairy prices set to rise

By GERALD REILLY
Pretoria Bureau

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

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

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

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

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

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

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

The price rises will also boost inflation.

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

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

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

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

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

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

Mount Currie farmers expect the maize crop to be a total write-off.

In Dundee, the maize yield should be slightly better than last year, when it was also severely affected by drought, while in Klipriver and Bergville maize yields are expected to vary between 10% and 50% of normal.

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

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

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

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

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

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

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

(3) Maize

New maize set to beat drought

(3) maize

Star 11/4/83

By Hannes Ferguson, Farming Correspondent

In this year of shrivelled maize fields and ruined farmers, a maize hybrid which can flourish on half the normal rainfall has been developed.

Research on the drought resistant strain began three years ago, when Sensako — the farmers' co-operatives seed growing centre — finalised a licensing agreement with an American seed group, Dekalb.

Sensako was looking for a maize plant which could make better use of sunlight in a densely planted field without wasting too many plant nutrients on leaves growing in the shade.

In the better South African rainfall areas, maize plant populations have been increasing to 40 000 a hectare and more. The good crop of 1981-82 encouraged the trend, but created a need for improved conversion of sunlight into green matter by the fewer number of leaves on every plant.

One Dekalb line looked promising. Testing the resultant crosses, the Sensako breeders found they were amazingly drought-resistant.

The fewer leaves meant less transpiration and better moisture economy in the plant. The bad season of 1982 saw market preferences changing, with the emphasis on drought resistant qualities.

Hybrids with an extensive root system resulted in further drought resistance.

Drought causes the plants' cobs to emerge too late to be properly pollinated by the pollen from the plumes at the top of the stems. In many of the hybrids the emergence of cobs and plumes coincided and selection meant the trait could be fixed in the offspring.

Then came a surprise. American "corn" grown in a more temperate climate does not suffer as much from low night temperatures. This quality was inherited by some hybrids from their American parent. Early stunting due to chilly October or November nights could now be eliminated by selection.

The cherry on the top was the discovery that the American parent line of maize continued to grow when temperatures exceeded the 30 deg C at which South African maize plants usually stop growing.

Their heat tolerance was a couple of degrees higher and the characteristic showed up in some of the crosses. Further selection produced the new Senkalb 2232 — fewer leaves with a higher green matter production, large root systems, safe pollination, cold and heat tolerance.

Small areas were planted with the strain this season. When other maize plants started to curl up their leaves lengthwise — the first stage of wilting — the strain continued to look healthy. The intense heat of December and January did not stop it growing.

A Western Transvaal farmer in the Coligny district, who had planted the new strain in the last week of November, had 70 mm of rain between then and December 6. The next 12 mm of rain did not fall before January 13.

After that, the field received a total of 50 mm. Still the farmer reaped a reasonable crop from it.

Normally 600 mm of rain a season is regarded as necessary to grow a maize crop.

As other seed producers follow suit, the South African maize industry may have found a new weapon against the drought monster — although the weather will always have the last word.

SA cancels maize for Taiwanese

Star 13/4/83

Maize

TAIPEI — South Africa has been forced to cancel delivery of 760 000 tons of maize to Taiwan because of drought, Taiwanese officials said today.

A spokesman for the Board of Trade said Taiwan agreed to the cancellation at talks with a South African delegation in Taipei yesterday.

He said that last April South Africa agreed to supply 600 000 tons of maize a year between July 1982 and June 1985.

But the South African team had now told Taiwan their country could not provide the maize.

— Sapa-Reuter.

CAPE TIMES 15/4/83 ~~Argus~~

3 Maize

Farmers face ruin — survey

Own Correspondent

PRETORIA. — Thousands of maize farmers, their 1982/83 crop destroyed by drought, have been trapped in insolvency which will have dramatic consequences for the entire national economy.

This alarming assessment is made in a survey by a Pretoria University agricultural economist, Professor J P F du Toit.

The survey was carried out in the Wolmaransstad district which Professor Du Toit says is typical of most of the country's big maize-producing areas.

"There is no question that thousands of farmers, who have had their credit extended beyond normal limits and their resources exhausted, are facing imminent ruin."

Professor Du Toit said the picture could hardly be grimmer, and there were no quick solutions.

A major and urgent problem was to keep as many farmers on the land as possible, and to find the massive credit which would be needed to plant the 1983/84 summer crops.

"South African maize farmers have never been in so desperate and so hopeless a situation. A massive rescue operation costing millions of rands will be needed."

The ripples of the crisis on the Transvaal platteland would have serious economic consequences for industry and even the banking sector, the survey found.

The Land Bank had lent vast amounts to farmers — last year R900-million was provided for production credit alone — and with failed crops farmers were unable to meet their commitments.

The crisis extended to commercial banks who had stretched farmers' credit.

Companies supplying farmers with items such as fertilizers, tractors and farm machinery were assessing with growing concern the disastrous effects of the drought on their sales and turnovers.

The government had aided farmers by permitting the consolidation of debt and spreading the repayment period over 22 years.

While this had brought long-term relief it had done nothing to solve the immediate problem.

The survey found that the average maize farmer could be in debt to the extent of R130 000.

FIN MAIL 9/5/86.

AGRICULTURE (3) MAIZE

Sunflower option

The recent 17,6% increase in the producer price of sunflower seed to R400/t should be a signal to debt-ridden maize farmers to switch to sunflower. Such a move would save the country valuable foreign exchange on costly vegetable oil, while improving farmers' profitability.

However, while government continues to regulate the maize industry and ensures that consumers subsidise so-called "export losses" on surpluses, there is little financial incentive for maize farmers to make the switch.

The current fixed-price, single channel maize scheme allows the industry to recover export losses from local consumers (*Business* May 2), who have to pay the industry's Stabilisation Fund levies of some R45/t.

In a free market, the projected R370m "loss" on the export of a 2,2 Mt yellow maize surplus into overstocked world markets would automatically induce farmers to move out of maize and into sunflower production.

However, in SA's currently over-regulated and structured agricultural sector, increased sunflower production depends on whether farmers find it more profitable to produce low-yield sunflower rather than subsidised maize.

More profitable

SA's current average maize yield is some 2 t/ha, while sunflower yields about 0,9 t/ha. And with the latest guaranteed maize price increasing to R240,35/t for white and R225,27/t for yellow, it remains more profitable to stay with maize.

Meanwhile, the shortage of sunflower is costing SA valuable foreign exchange.

Over the past three years, some 360 000 t of vegetable oil has had to be imported at a cost to the country of around R400m. This year, SA will again have to spend millions on costly imports.

Current vegetable oil consumption is about 220 000 t a year, but SA produces only about 177 000 t in a normal season, notes Deputy Agricultural Economics and Water Affairs Minister Gert Kotze.

This is is made up of about 30 000 t of groundnut oil, 145 000 t of sunflower oil and 2 000 t of soya oil.

Oil Seeds Board GM Jan du Preez tells the *FM* the current sunflower seed crop is projected at 270 000 t. Although up on last year's 238 000 t, it is still well below SA's requirements.

"This indicates a permanent shortage of vegetable oil, given the area planted and the average yields for the industry," adds Kotze.

The strong local demand could easily absorb another 300 000 t of sunflower seed at the new higher price. However, until it acts to prevent powerful agricultural lobbies from twisting market forces to protect their industries, SA will have to continue spending foreign exchange on imports which should not be necessary. ■

Maize Board eases selling regulations

20

Star

(3)

In an effort to assist drought-stricken farmers, the Maize Board has agreed to relax regulations and allow the selling of unthreshed maize.

"Producers who are unable to thresh their maize profitably because of drought damage will be permitted to sell their maize in unthreshed, ground or unground forms," said a statement released by the Maize Board.

Producers have been asked to apply to the board for a permit. An inspector will be sent to farms to assess the situation.

"Farmers are asked to apply to the board before the maize has been cut and baled as it will be easier to assess the maize content if the maize is still on the land".

(3) Maize E. Vosi

to soar in ~~(3)~~ wake of maize rise

23/4/83

By LINDA GALLOWAY
Weekend Post Reporter

FARMERS, reeling under the worst drought in memory, have been dealt a body blow by the 9,6% increase in the price of maize, farmer union officials said today.

The increase will filter through to the shops within the next fortnight, with poultry and eggs probably heading a price spiral.

And fears have been expressed that the rise could contribute to malnutrition among blacks. Maize is a staple and the increase comes at a time of high unemployment and unparalleled drought.

The general secretary of the SA Poultry Association, Mr Z Coetzee, said price rises were inevitable because of the high percentage of maize in animal feeds.

And according to an honorary life vice-president of the East Cape Coastal Agricultural Union, Mr Edgar Crews, the maize price rise is "going to go like a bullet through every sector of the population".

"As a dairy farmer I can say that it will hit the farmer hard because he will have to buy maize meal to supplement his stock-feed, and in greater quantities because of the drought."

The maize increase would therefore be passed on to the consumer by way of rises in the price of meat, poultry and dairy products.

Some of the money generated by the increase will find its way by way of a levy to the depleted Stabilisation Fund, a cushion to offset maize export costs, and this has been broadly welcomed.

A spokesman for a large supermaket chain, Mr Gordon Utian, said the Government could have afforded to defer the increase until conditions in the country improved.

"Farmers already hit by the drought will suffer the most," he said.

"The recession has hit the economy hard, unemployment is rising as is malnutrition.

"The poor people of South Africa eat mealie-meal, not bread.

"It is ironic that the rural areas need emergency relief feeding, and the cost of their staple food is to be increased."

In Cape Town the secretary of the Western Cape Agricultural Union, Mr Gert Bosch, said the increase wopuld seriously affect his region.

The region's intensive stock feed industry, already damaged by high maize transport costs from inland, would be dealt another severe blow.

Production costs of dairy, pig and poultry farmers would rise sharply as maize formed the main part of their feed supplies.

In a statement the director of the Consumer Council, Mr Jan Cronje, said the price rise was especially regrettable as the combating of inflation was a Government priority.

The council sympathised with drought-stricken farmers, but maize was the staple of people in the lower income groups, many of whom would find it increasingly difficult to provide for daily needs.

Farmers angry over maize hike

Mercury 23/4/83

(3 maize

Finance Reporter

ANGRY maize farmers yesterday condemned new prices as too low and called for the scrapping of the Maize Board, but consumer organisations attacked the increases and warned of their effect on poor people.

In a statement after a marathon meeting of the Maize Board and the Minister of Agriculture, Mr Greyling Wentzel, Mr Hennie de Jager, chairman of the National Maize Producers' Organisation said: 'Nampo does not see how the maize producers in this country can survive as long as the Government continues to determine maize prices arbitrarily.'

On a recommendation from Nampo the Maize Board had proposed an increase of 25 percent in the producer price.

The minister rejected this and announced an increase of 9,6 percent with immediate effect.

Salvation

Farmers will now get R167,50 a ton for their maize which will be marketed by the Maize Board at R170 a ton.

'Under the present circumstances it seems that the salvation of maize farmers lies in the lifting of Government control over maize and placing the industry in the hands of Nampo, with a consortium of grain co-operatives as the possible trading arm,' Mr de Jager said.

He pointed out that maize farmers' debts with co-operatives had increased in the past four years from R13 million to R80 million to R369 million to a possible R1 000 million this year.

However farmers had been paid a constant price during that time.

'Nampo cannot accept that the Government is prepared to import maize at a price of about R200 a ton, while paying local producers R167,50 a ton,' Mr de Jager said.

The maize crop this year stood at an estimated 4 350 000 tons, resulting in a domestic shortfall of more than 2 000 000 tons, which needed to be imported at world prices.

Maize Board officials said the minister had rejected a 25 percent increase because of possible import problems next year, and almost certain consumer resistance to a price of R195 a ton.

The board expressed dissatisfaction over the new price but said it would have to administer it.

Mr Crawford von Abo, chairman of the Maize Board, criticised the country's policy-makers for failing to consider rising costs in agriculture.

He estimated that the increase would mean farmers stood to lose about R996 million.

Sapa reported that Mr Gordon Utian, of Checkers, said in Johannesburg last night: 'We are deeply disturbed that the Government has allowed any increase at all in the price of maize.

'The poor people of South Africa eat mealie meal not bread. The Government could have afforded to defer the price increase until the situation had improved,' said Mr Utian.

Our Correspondent in Pretoria reports the Consumer Council warned yesterday that the increased maize price would hit the lower income groups hard. They would find it increasingly difficult to provide for daily needs.

Govt holds down maize price rise

Inflation rate drops to 13,6%

RDM
3 Maize 23/4/83

By GERALD REILLY
Pretoria Bureau

SOUTH Africa's inflation rate dropped to 13,6% — a fall of 1,3% — for the year to the end of March, according to the Consumer Price Index released in Pretoria yesterday.

And a Volkskas economist, Mr Adam Jacobs, said it appeared the downward trend in the rate had begun.

Hopefully, he said, the rate for the whole of 1983 would decline to between 12 and 13%.

The 9,6% increase in the maize price announced yesterday seemed to indicate, too, that the Government was taking a tougher line on administered prices.

But he warned that consumers should prepare for rises of the order of 15% in the price of maize products.

Farmers had asked for an increase of 25% in the price of maize.

The price was announced after a prolonged wrangle yesterday morning between the Minister of Agriculture, Mr Greyling Wentzel, and the Maize Board.

However the Minister, it is understood, refused to budge on the Government's decision, and told the board it would have to work on an increase of 9,6%.

And at a Press conference the chairman of the board, Mr Crawford von Abo, claimed "the price the Minister has announced will mean a loss to producers of R1 000 million".

A National Maize Producers Organisation (Nampo) spokesman said the disaster which had struck the mealie industry after two years of drought would be greatly compounded by the small price increase.

Thousands of farmers were in a critical financial position.

"Already we have indications that some farmers are considering switching to other farming operations. A situation could arise wehere we will have to pay farmers a premium to persuade them to grow maize."

The Minister gave thre reasons for rejecting a 25% increase:

- It would have been an incentive for planting on marginal ground;
- The high price would have created problems if large quantities of maize had to be exported next year;
- Consumer resistance to too high a price.
- Farmers would themselves be large users of maize this year because of the drought.

The Minister said the Government had given the Maize Board the go-ahead to import maize to supplement the expected shortfall on the local market, and had agreed to finance any losses caused by importation.

The director of the Consumer Council Mr Jan Cronje, said the increase was regrettable, and it would hit the lower-income groups hard.

It was heartening, however that the 9,6% increase was lower than the inflation rate.

Maize he warned, was the staple diet of millions of South Africans, and a base for a large number of products. The increase would not be limited to maize meal, but would hit the consumer at different levels.

The lower income groups would find it increasingly difficult to provide for daily needs.

Consumers were under great financial pressure. This was shown by the 770 000 summonses issued for debt in 1982. It should be remembered, too, that few workers received wage adjustments this year.

- Mealie export contracts with Taiwan worth many millions of rands have been cancelled because of South Africa's drought ravaged crop, it was revealed yesterday.

After discussions between the Board of Foreign Trade in Taipei and a Maize Board mission headed by Mr Von Abo, it was decided:

- That the 165 000 tons of maize which should have been delivered by May 31 be cancelled.
- That the 600 000 tons of maize due for delivery by the end of May next year also be cancelled.

Eggs, poultry will follow rise in maize price

(3) maize (3) ~~poultry~~ (3) ~~eggs~~ Star

By Sheryl Raine.
Pretoria Bureau.

23 APR 1983

The price of eggs and poultry will rise rise within two weeks as a result of the Government's announcement to raise the price of maize by 9,6 percent. Mr Z Coetzee, general secretary of the SA Poultry Association, confirmed yesterday that the increased maize price would affect the production costs of poultry and eggs due to the high percentage of maize in animal feeds.

He predicted the price of eggs and chickens would rise within two weeks or as soon as the various parties involved in egg and poultry production had been consulted. Neither consumers nor farmers were happy with the Government's latest maize price hike.

Farmers who had demanded a 25 percent price increase angrily accused the Government of arbitrary price fixing, and of approaching price fixing from a predominantly political standpoint.

In a statement issued yesterday, the National Maize Producers Organisation regretted the number of man-hours wasted by the maize industry in determining price recommendations when the Government arbitrarily fixed prices anyway.

A spokesman for the Meat Board said although the price of red meat would not automatically rise immediately because of the maize price increase, it could affect the floor price of red meat when this was fixed towards the middle of the year.

According to the South African Agricultural Union, milk production will rise 0,75 c a litre.

The Consumer Council regretted that the maize price had to be increased, but was pleased at the 9,6 percent limit.

Mr Jan Cronje, director of the Consumer Council, warned that blacks especially would find it increasingly difficult to provide their daily needs.

A spokesman for a supermarket chain, Mr Gordon Utian, said last night the increase in the maize price would not help the drought-stricken farmer.

"We are deeply disturbed that the Government has allowed any increase at all in maize prices," he said in a statement.

"It will exacerbate the situation caused by the recession and the drought.

"On the one hand, the rural areas are needing emergency relief feeding, on the other, the price of their basic food is being increased.

"The poor people of South Africa eat mealie meal not bread. The government could have afforded to, and should have, deferred the price increase until the siutuation had improved," said Mr Utian.

Maize men seek freedom

Star 25 APR 1988 By Hannes Ferguson, Farming Correspondent (3) maize

Maize farmers have demanded the abolition of State control over the marketing of maize.

The chairman of the National Maize Producers' Organisation (Nampo), Mr Hennie de Jager, said the Government was prepared to pay R196 a ton for 3 million tons of imported maize, but would pay South African farmers only R167,50 a ton for the other 3 million tons required.

This was a reversal of import tariff protection, and unacceptable to any farmer.

The maize producer could not survive on politically motivated price structures, Mr de Jager said. It had always been believed that the control board protected the farmer, but now it was clear the Marketing Act was used as a political tool.

Mr de Jager added that Nampo members on the board agreed it could be abolished and maize marketed on a business footing. Nampo and the co-operatives would look after the farmer far better than the Government was willing to do.

Farmers reject Govt pricing

Maize cut could cost SA millions

(3) maize
STAR
28 APR 1983

Hannes Ferguson and Sheryl Raine, Pretoria Bureau

A planned cut in South Africa's maize production could have serious effects on the country, causing widespread unemployment and losing hundreds of millions of rands in foreign exchange, agricultural economists warned today.

The full council of the National Maize Producers Organisation (Nampo) yesterday called on maize farmers to cut production by half in response to the recent Government decision not to increase the price of maize by more than 9 percent.

This, Nampo said, made it impossible to continue maize farming on the present scale. No maize quotas for farmers would be imposed at present.

Agricultural economists commented that a glut of sunflower, sorghum, ground nuts, beef and later also milk could be expected.

Maize exports would virtually cease. The SA Transport Services would lose about R170 million in freight and South Africa would annually lose about R700 million in foreign exchange.

The planned development of Richards Bay as a maize export harbour would have to be scrapped. Fertiliser companies would lose on sales and the South African tractor manufacturing industry would have to reconsider its future.

Dr Kit le Clus, chief of research at Nampo, said up to 50 000 farm labourers could lose their jobs if production was cut by half.

This could lead to the labourers, their relatives and families converging on urban areas in search of work.

Best land

Dr le Clus believed that if maize farmers cut their production by half, only 40 percent of the land currently under maize would be farmed next year.

This would not necessarily mean that the country would produce only 40 percent of its usual maize crop because farmers would use only the best land for maize.

Even if farmers produced half the amount of maize that they used to in a good year, this could be sufficient to meet local demand.

Apart from the retrenchment of farm labourers, farm input industries such as fertilisers and fuel would also be affected.

"Already certain industries in the Bothaville maize producing area have retrenched about 700 black men.

"If this is the price we must pay to get inflation down, that is the Government's prerogative," said Dr le Clus.

Nampo has asked the Minister of Agriculture and Fisheries, Mr J J Wentzel, to explain the Government's decision to limit the maize price increase to nine percent.

The bill for imported maize is expected to be between R200 million and R300 million it was disclosed today.

The quality of the imported maize would "obviously be inferior to South African maize", but would be suitable for animal feed, according to Mr Hennie Nel, general manager of the Maize Board.

Mr Nel said the Government would have to pick-up the bill for importation. "The price of the imported maize to consumers will be the same as that of the locally-produced maize."

The cost of importing the maize depended on the purchase price and the costing was based on preliminary calculations.

It is the first time since the early 1960s that the country has had to import maize.

29 APR 1983

No simple solution seen to maize row

3 ~~General~~ Maize

STAR

By Colleen Ryan, Consumer Reporter

Consumer Council director Mr Jan Cronje has called on the National Maize Producers' Organisation (Nampo) to hold further talks with the Government to avert an economic crisis.

Earlier this week Nampo told maize farmers to cut production by half — a move which could result in widespread unemployment and the loss of millions of rands in foreign exchange.

The cut call was made after the recent Government decision to limit the maize price increase to 9,5 percent. Nampo asserts the "poor" price would make it impossible for farmers to produce maize on the present scale.

"The Minister of Agriculture said his door is open for discussions and it is essential some compromise is reached," Mr Cronje said.

"There's no simple solution and whatever the outcome, consumers will suffer," he said.

"We cannot support Nampo in its call for a 25 percent increase in the maize price — consumers will not be able to afford it."

He said he was disappointed that Nampo was encouraging farmers to plant only on their best land.

"It may be a way out for Nampo but it will create severe problems for South Africa," he said.

A possible solution was for the Government to grant maize farmers a temporary subsidy.

KWADI: Government is forcing people to starve.

Maize increase under heavy fire

3 maize

By ALI MPHAKI

BLACK women leaders have reacted strongly to a 9,6 percent rise in the producer price of maize.

They pointed accusing fingers to the Government for having agreed to the rise, which is likely to affect thousands of blacks whose staple food is mealie meal.

The Minister of Agriculture, Mr Greyling Wentzel, last week refused to agree to an increase of 25 percent demanded by maize farmers but settled for the 9,6 percent increase, a decision that left many farmers unhappy.

The killer drought that has gripped the country for the past two years was said to be the main factor that led to the demanded increase.

But Miss Amanda Kwadi, a member of the Womens Federation of Southern Africa, said the Government was taking advantage of the drought in order to raise the price of maize. She said with 85 percent of the country's population depending solely on mealie meal for food, the Government was forcing people to die from starvation.

"The Government, instead of subsidising maize, is busy pouring millions of rands into defence. They have no reason to increase the price of maize when so many people are out of jobs and thousands are facing the prospect of retrenchment. The industrialists are just selfish and greedy," she said.

Mrs Deborah Mabiletsa of the Housewife League said the cost of living was becoming increasingly beyond the buying power of lower income groups. She said this was a matter of grave concern as the Government was driving the people to the point of starvation.

"It does not matter to them whether we are going to die or what because we are black and there is absolutely no reason why they cannot subsidise maize. It is a struggle for survival," she said.

A Soweto mother of seven, Mrs Martha Thopeng, said the increase would be a terrible blow for her family. "These are the signs of the times," she said.

X (3) Maize Hansard 29/4/83
Q. Col. 1141 1142

Maize

*3 Mr R. W. HARDINGHAM asked the Minister of Agriculture:

What is the estimated cost of storage of maize per ton per month?

The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES (for the Minister of Agriculture):

Depending upon interest rates, the remuneration for maize storage based upon month-end stocks held by agents in grain elevators varied between R1,89 and R2,42 per ton per month during the 1982/83 season. Furthermore, a single annual payment of R2,63 per ton was made in respect of elevator storage capacity in 1982/83. The storage costs for grain in bags varied between R2,07 and R2,65 per ton per month in 1982/83.

Maize

*4 Mr R. W. HARDINGHAM asked the Minister of Agriculture:

What is the estimated quantity of maize that can be accommodated in the present storage facilities?

†The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES (for the Minister of Agriculture):

Total grain elevator capacity available in the Republic is 13 788 000 tons. Only a few elevators handle maize exclusively. In addition to maize, the majority also handles grains such as wheat, grain sorghum and sunflower seed.

MAIZE FARMERS

To laager, to laager

(3 maize) FM 29/4/83

Government's decision on this year's maize price should achieve what critics of the system long waited for — a flushing out of thousands of less efficient farmers and those on marginal lands.

But this will have painful consequences, warns Pieter Gous, chief executive of the National Maize Producers Organisation (Nampo). The effects, he says, will ripple through the entire economy and impact sharply on protected producers of farming inputs and black employment.

He estimates that SA's total area under maize, which has for decades hovered around 4m ha, will drop by 40% to about 2,5m ha next year.

"Under the present cost/price structures it is physically impossible for farmers to make a profit on at least 50% of the existing maize lands," he says. "In the present drought, production costs average R399/t while the price fixed by government is R167,50/t. Farmers will thus make a loss of R232/t this year.

"Last year they lost R50/t and have stayed in the business only by going deeper into debt, but the crunch will come in 1984 when many will be unable to carry on"

This week the head committee of Nampo formulated what Gous describes as an emergency survival plan for its members.

Farmers have been told to plant only their highest potential land.

They have also been told to drastically reduce expenditure on farming inputs such as tractors, fertiliser and weedkillers and to cut labour to an absolute minimum. Gous says the huge reduction in land worked will result in loss of jobs and displacement of hundreds of thousands of black workers and their dependants currently living on white farmlands.

"Coping with this problem will be government's responsibility as my job is to help as many farmers as possible to survive" he says." In any case if it is not faced now it will only be more difficult to solve in the future."

Nampo's third survival suggestion to members is that they sell as little maize as possible and use it rather as a cattle feed to build up beef herds of their own. "With the drought getting worse and grazing lands becoming more scarce this is an obvious way to make money," he says.

The move will also embarrass government as it will necessitate greater imports of maize which, despite the latest price increases will be more costly than the local product. World maize prices have risen sharply in the last few months, due in some small measure to SA's own poor crop and a drastic reduction in US plantings caused by unfavourable weather and officially restricted production.

Argentine fob prices are up 33,5% to R147,82/t and US Gulf fob prices up 36,5% to R148,91/t. Thus, even if Nampo's requested 25,9% price increase had been granted this year, landed cost of imports would have been higher than local maize prices.

Gous says imports now land at Durban harbour at R199/t before cleaning and drying to SA standards; there is then an extra R30/t for railage to the Reef. By comparison the local cleaned, dried product sells for R167,50/t.

This year's budget set aside R36m to offset the increased cost of imported maize, but Gous believes that an additional R30m will be needed to cover the price increases and the smaller than expected deliveries from local farmers.

Latest estimates put the current crop at about 4,3 Mt (not all of which will be offered for sale) and local demand at 6,7 Mt. With 1,2 Mt stored from previous crops, about 2 Mt will have to be imported.

"I cannot understand how Jan Cronje of the Consumer Council can say he is pleased that government has kept down the maize price increase," says Gous. "If he were truly responsible he would have deduced that this will force local farmers out of business and require the importation of more costly maize."

Nampo has invited Agriculture Minister Greyling Wentzel to a public meeting in Klerksdorp to explain how he arrived at the latest price.

He is likely to get a hot reception. Says Gous: "Farmers need to know government's strategy on agriculture, if it has such a strategy at all."

MAIZE CUTBACK (3) maize FM 29/4/83

Is this the way to sound agriculture?

There is some similarity between Nampo's recent decision to cut back drastically on its maize plantings (See P 563) and the logic behind the national suicide of the AmaXhosa in the eastern Cape in the last century. It must not be allowed to persist.

The maize farmers stand a good chance of driving home the justice of their point of view. It is, broadly speaking, that they are unable to contain their costs because their materials and equipment are provided by protected industries at relatively high prices. So the only means of protecting their income is through increases in the maize price, which Pretoria won't grant to their satisfaction.

Problem is whether the maize farmers will be able to sustain themselves and their farms from circumscribed crops. If they are counting on their ancestors rising up to succour them, they ought to think again.

For, in fact, they might be doing just what Pretoria wants. Bumper crops from over-fertilised land, once the rains come, could create financing problems once more. Much of the credit created to finance earlier bumper crops has not yet been repaid, so any significant additional credit creation would not be viewed phlegmatically from Church Square. It would most certainly send the money supply shooting skyward, which, in turn, would send the general price level rising even faster than at present.

Moreover, if the gold price should begin to rise again, the purchasing of maize on world markets may be a convenient way of coping with inflationary domestic liquidity.

Nor should the maize farmers forget that they are reducing drastically the productive capacity of their resources. Recovering it again could be difficult.

Having said that, there is much to be said for the justice of the maize farmers' stand. They have shown that they are able to produce at below the landed cost of imported maize. They have done this despite the artificially high cost of agricultural inputs. And they are entitled to a fair return on their investment.

We want in this country a sound and competitive agricultural sector. So government will ultimately have to allow farmers to buy their equipment and fertilisers at the most advantageous price worldwide. And the prices of major agricultural crops will have to be determined by world supply and demand.

Thus the maize farmers' confrontation with Pretoria must not be allowed to deteriorate into an intransigent last stand, sacrificing farming efficiency to protect uncompetitive chemical, plastics and diesel engine industries. We hasten to add that it is not the protected manufacturers at fault. Government got them into this mess and it must now get them out.

The fact that there is a confrontation is a further indication of the futility of attempting to administer prices. The degree to which resource allocation is thus distorted is far more detrimental than fluctuations in market prices.

Nampo shock over maize

(3) Maize

Industrial Week 2/5/83

By Mick Collins

MASSIVE losses in foreign exchange and widespread unemployment could result from last week's call by the National Maize Producers Organisation (Nampo) which urged farmers to cut their maize production by half.

The Nampo move came after a Government announcement that maize prices would be pegged and could not be increased by more than 9%

A spokesman for Nampo told Industrial Week that this could mean the cessation of maize exports which earn SA over R700-million a year in foreign exchange.

The spokesman said that the Government move made it virtually impossible for farmers to continue to plant maize at the present rate and hope to show a profit.

Chief of Research at Nampo, Dr Kit le Clus, said that the jobs of up to 50 000 farm labourers would be in jeopardy if production was cut by half.

Allied industries, such as fuels and fertilisers, would also be affected, he said.

Already some 700 workers in the fertiliser industry at Bothaville have been laid off,

SA Transport Services (Sats) deeply in the red and facing a grim year, would lose nearly R170-million in freight charges if farmers heed Nampo's call

Also hard hit would be the Richards Bay area where elaborate plans are under consideration to develop the harbour into a key point for maize exports

Economists have warned in the past that the development of Richards Bay is essential if the harbour is to survive

The tractor manufacturing industry would also suffer a serious setback if the proposed moves are implemented

This in turn could have a ripple effect on the Atlantis Diesel Engine (ADE) programme which due to the recession, has been slowed down considerably

ADE recently laid off more than 200 workers amid reports of growing stockpiles of engine blocks.

The total tractor market forecast is between 8 000 and 9 000 units which is the lowest on record.

The Nampo spokesman said his organisation has asked the Minister of Agriculture and Fisheries, J J Wentzel, to come forward with an explanation for the Government's decision on the maize price.

pledges to rry forget

Mr Robbie help his harrow-

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who wants her to for- that she in an in-

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sharing her

father's bed. "The doctor has given her tranquillisers to help her sleep," Mr Bekker said.

He said his other daughter, Kim (25), was the first person to break the news to him that Kerry was safe. "I got a lump in my throat and couldn't speak."

When Kerry saw her father she flew into his arms and started crying.

"She was filthy. Her hair was in a terrible state and Kim put her in the bath and gave her a good scrub," he said.

Mr Bekker has not made any definite plans for the future. "I want to play things by ear. I have made the necessary arrangements should she need psychological treatment at a later stage."

He thanked the hundreds of people who had telephoned him. "I never realised there were so many people who cared."

Maize mix planned as stocks dip

③ MAIN SPAR

11 MAY 1983

Consumer Reporter

The Maize Board plans to mix white and yellow maize in an attempt to stretch the available supply of white maize

Although consumers prefer white maize, the board does not have sufficient stock to continue producing "pure products," the general manager of the Maize Board, Mr Hennie Nel, said in a statement today.

"Because of the poor maize crop it is now necessary to introduce mixing."

The new mix will be produced from June 1 and will consist of 70 percent white maize and 30 percent yellow maize.

Some of the most interesting and valuable coins and coin collections seen in South Africa are being offered in a postal auction. Two of the star items are a one-ounce Magic gold collection and South Africa's only unique coin, an 1898 Kruger Pond overstamped with a single nine. The one-ounce Magic gold collection has a reserve price of R45 000, but is expected to go for more than R50 000. The collection comprises 40 one-ounce gold coins, gold medallions and gold pieces from all over the world, including Tony Factor's "original gold bar". Here Miss Dorian Blanchard of the South Gold Coin Exchange holds the 1898 Kruger Pond, which is to fetch in excess of the reserve price of R125 000.

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'Suicide' letters read in court

Own Correspondent

CAPE TOWN — Suicide letters written by a Parow businessman who allegedly murdered his wife described the intense love he felt for his wife.

In one, Mr Jacob Honing wrote that if he could not have his wife, no-one else could. In another, he said his love for his wife was "stronger than me" and he asked forgiveness for what he had done.

At the Supreme Court trial yesterday, Mr Honing's half-brother, Mr Abraham Honing, testified that two days after his brother had attempted to commit suicide, he had found letters in his car. He had read one and then handed them to the police.

Mr Honing has pleaded guilty to shooting his wife, Mrs Angela Diane Honing, on May 17 last year.

Earlier, Mrs Pat Hodgson, a neighbour, testified that a day before the shooting she had agreed to go with Mrs Honing to the attorney. After leaving the attorney's offices, she had taken Mrs Honing home and they had agreed to have brunch together after Mrs Honing had gone to the bank.

While waiting for her return, she saw Mr Honing drive past. A few minutes later Mrs Honing returned. Then, after 11 am, she heard screams and a bang. She peered over the wall and saw Mrs Honing, a sleeve ripped, staggering down the driveway.

Mrs Hodgson asked: "What on earth is happening here?" Mrs Honing replied: "Pat, please help me."

Mrs Honing staggered down the driveway, Mrs Hodgson said. She then saw Mr Honing leave.

Mrs Hodgson said the Honings were frequent visitors and the atmosphere was always harmonious.

The case continues today.

'I kidnapped girl for 10 days'

East Rand Bureau

A 24-year-old man today admitted in the Springs Magistrate's Court having kidnapped a girl on April 29 and kept her prisoner for 10 days.

Mr Rudolph Mbuyisele Bonakele of no fixed address pleaded guilty to several charges.

Mr P D Nel, who ruled that the young girl may not be identified, warned Mr Bonakele that if he was convicted on the charges when he appeared in the circuit court he could be sentenced to death.

The case was postponed until May 18 and the accused remanded at the Springs police cells.

Boycott closes college

11 MAY 1983

DURBAN — The field College of tion was closed after more than 1 dents continued cott lectures manded that the Dr Ganesh Nair, them.

The boycott, started on Monday lowed student pro over a political at the college last F to which the Minist Internal Affairs, Mr de Klerk, and other ernment officials invited. The meeting organised by the Council. — Sapa.

11 MAY 1983 (3) MAIZE

SA to import 1,4-m tons of grain says Minister

Political Staff

STAR

CAPE TOWN — South Africa is to import a massive 1,4 million tons of maize or other feed grains to help relieve the acute drought conditions, the Minister of Agriculture, Mr Greyling Wentzel, revealed in Parliament yesterday.

Replying to a question by Mr Errol Moorcroft (PFP, Albany), Mr Wentzel said the maize was being imported to replenish "possible shortages".

Mr Moorcroft said the amount of maize to be imported was equal to 50 percent of the amount used by farmers for stock-feeding during a normal year.

In a statement, Mr Moorcroft said there would almost certainly be a drastic increase in the consumption of maize, with farmers feeding it to their stock to maintain and improve conditions.

He warned: "We will hardly be producing enough maize locally this year for our human consumption and, for this reason, the amount to be imported is not excessive.

"If anything, it will not be enough."

Mr Wentzel said the importation of the maize had been put to tender.

Govt maize pricing under review

Farming Correspondent

After intense pressure by maize farmers, an impartial body is to review the financial consequences of the Government's maize pricing policy.

The Minister of Agriculture, Mr Greyling Wentzel, announced yesterday that the standing committee on agriculture under the chairmanship of Dr A S Jacobs, vice-president of the SA Reserve Bank, would before August 15 report to him on the financial prospects of maize farming in South Africa.

The Minister in effect acknowledged that the maize industry was being used as a vehicle to subsidise the fertiliser and tractor industries.

The recent producer price for maize covered only half the current production costs. This led to demands to scrap the Maize Board as well as the whole control board system, which was alleged to be used as a Government weapon against farmers.

Star 17 MAY 1983 Maize

(3) Maize Mercury 24/5/83

S A buys maize in America

Washington—Exporters said that South Africa probably bought at least 100 000 tons of maize at the recent tender.

Current competitive maize prices on the world market lead exporters to believe the bulk of the business was U S origin.

Maize Board general manager Mr Hennie Nel said in Pretoria: 'The tender was for 100 000 tons and that was the only quantity we were looking for.

He said no results are available yet from the tender, the second held this year, because of the devastating effect of the drought on the domestic crop.

The first tender was for 600 000 tons cif South African ports. The board has estimated that it will need about 1,5m tons of imported maize to meet local requirements.

South Africa originally tendered for 100 000 tons of maize for last-half October and first-half November delivery c and f South African ports, American dealers added.

Meanwhile, the S A Maize Board said that the mixing of maize has been postponed for a month.

In order to supplement local stocks of white maize, it was announced on May 10 that from June 1 yellow maize would be mixed with 70:30 with white maize (maximum of 35 percent yellow).

On the recommendation of the Maize Board, the Minister of Agriculture has approved a delay in the scheme.

The board said the reason for postponing the mixing was that yellow maize was being delivered so slowly to the board's agents that the demand for yellow maize for feed and dispatch to the drought-stricken areas can hardly be met.

Mr Nel expected that the rate of delivery of yellow maize would increase in June and with the imported yellow maize expected from the middle of June, 'it should be possible to put the mixing arrangements into operation without disruption on July 1

'The ratio of white to yellow will remain unchanged for the time being.'

(3) maize D. Dispatch 27/5/83

Maize Board to consider legal action

EAST LONDON — The Maize Board may take legal action against a tenderer who failed to fulfil a contract for the importation of 100 000 tons of yellow maize.

The maize — part of a 600 000 ton consignment — was due to be mixed with local white maize to make South Africa's drought-ravaged maize crop go further.

A Maize Board spokesman said the board had decided at this week's monthly meeting to ask the state attorney to see whether they could institute claims against the tenderer.

He added that the failed delivery would have little effect on the maize mixing plan as the other 500 000 tons was due to arrive in South Africa soon.

Tenders for the "failed" 100 000 tons would go out next week. — DDR

MAIZE (3) maize

Mixed blessing

FM 27/5/83

By July, consumers should see the first results of the Maize Board's (MB) decision to market mixed white and yellow maize. The move is designed to stretch supplies following this year's poor crop.

Millers have been given a deadline by which to sell existing stocks to ensure marketing uniformity.

From July 1, all maize products for human consumption will have to consist of a 7:3 ratio of white to yellow maize. This will continue until May 1984. It is the first time that the MB has resorted to mixing since 1973-1974, when the ratio was set at 4:1. This time round, the mix will contain a maximum 35% of yellow maize.

The latest arrangement also differs in that it involves imports — for the first time since 1962-1963 — as well as mixing. As much as 1,5 Mt of yellow maize will be bought, mainly from the US, for mixing, balanced feed manufacture and to support drought areas.

The imports will supplement white maize production for human consumption (3,5 Mt in 1982-1983) and yellow maize-based balanced feed (2,8 Mt).

The minimum price will be R170,05/t, the same as best quality white maize. Government's subsidy will be R100m

The deadline was earlier set for June 16, but this week Agriculture Minister Greyling Wentzel announced a postponement. More time was necessary because yellow maize is being delivered to MB agents so slowly that demand for the product for feed and for despatch to drought stricken areas can hardly be met

The quality of maize to be imported remains uncertain, says board GM Hennie Nel. The first shipment is due to arrive by mid-June.

The MB could have elected to use all-white supplies for human consumption before using yellow. However, Nel says that mixing the two from the start has less disadvantages and should be more acceptable to the public. "The mixed consumer product is pale yellow in appearance," says an industry source. "But nutritionally it's indistinguishable."

Another source notes that its white maize should be sold long ahead of the deadline for mixing He adds that the MB hopes to clear the market, to discourage bulk purchases for later sales after introduction of the mix

25c (incl GST) JOHANNESBURG SATURDAY MAY 28 1983 Country 30c (incl GST)

STAR

Import debacle embarrasses Cabinet Minister

New maize bungle may cost millions

(3) maize

By Hannes Ferguson, Farming Correspondent

Direct intervention by the Minister of Agriculture, Mr Greyling Wentzel, to increase imports of maize has ended in a major embarrassment for the Government.

Under pressure to import maize at a price not too much higher than the South African producer price, Mr Wentzel by-passed the Maize Board to do the bargaining himself. His scheme has ended in disaster.

The maize saga began earlier this month on May 6 when the Maize Board ordered the importation of 600 000 tons of maize at a tender price of R172 per ton (alongside quay).

Mr Wentzel then suddenly asked for a further tender for 100 000 tons.

When tenders were opened on May 20, the chairman of the National Marketing Council, acting on the Minister's instructions, accepted a tender by an outsider at a price said to be R20 per ton below the going rate.

The tenderer subsequently defaulted on his required performance guarantee and the Maize Board, which administers the importation of maize had to ask the State Attorney to recover damages to the State which could amount to more than R500 000.

Earlier the Minister had refused to exercise options obtained by the Maize Board at the beginning of April to import up to 1,5 million tons of maize at R165 per ton. Delaying purchases on a rising world market, he had to pay R4,25 million extra when he ultimately bought the 600 000 tons on May 6.

Agricultural economists comment that if the world maize price keeps rising, Mr Wentzel's do-it-yourself policy may in the end cost the State a total loss of R45 million.

The price of imported maize has considerable political significance, they say.

After all charges and costs, a quayside price of R172 per ton is equivalent to a total landed price of about R202 a ton. But if the Government is seen to pay R32 a ton more for imported maize then the R170 it pays the South African producer, its support in many areas would fall still further.

The ill-fated tender the Minister accepted on May 20 would have been a political skin-saver.

Maize tender failure may cost State a fortune

29/5/83 S.Times
(3) Maize

THE failure of a tenderer to meet delivery of 100 000 tons of yellow maize could cost the State hundreds of thousands of rands if the price of maize on the international market increases by as little as R2 a ton.

By Amrit Manga

The chief executive of the National Maize Producers Organisation, Pieter Gous, has questioned "the wisdom of the marketing board in putting out a tender for as little as 100 000 tons so soon after the acceptance of a tender for 600 000 tons on May 10".

He asks: "On what consumption basis did the board put out the tender?"

The National Marketing Council accepted a tender for the import of 100 000 tons of yellow maize on May 20 as part of its plan to alleviate the 1,5-million-ton shortage following low crop yields.

The successful tenderer failed to provide the "required performance guaranteed", according to the Maize Board.

Supply-and-demand conditions for "decent quantities to be delivered within decent time periods" should be carefully considered before tenders are put out, especially when the deal runs into millions of rands, according to maize producers.

According to a statement issued by the Maize Board, the State faces considerable losses, but the exact amount will not be known until after the new tender is called for and the price is known.

It was decided at the board's monthly meeting this week to request the State Attorney to examine the possibility of instituting claims against the tenderer and whether the difference in prices could be recovered.

The delay in the mixing of white and yellow maize, announced by the Maize Board this week, is, however, not linked to the failure of the 100 000-ton tender.

"Farmers were supplying yellow maize at a slower rate in the face of accelerating demand, mainly because of the low crop but also because some were stockpiling their produce."

The mixing of yellow and white maize in a ratio of 30%:70% became a necessary interim measure for the first time since 1974 because of the poor crop and with only insignificant stocks of inferior quality white maize at unrealistic prices being available.

The chairman of the marketing board of the National Marketing Council, Roelf Kotze, could not be reached for comment.

Another maize shock to hit taxpayers

S. Times 5/6/83 (3) Maize

By Amrit Manga

INEFFICIENCIES leading to delays of up to a month in the decision to import 1,5-million tons of maize have already cost the taxpayer R4,2-million, and the figure will increase when imported maize is transported inland later this year.

Pieter Gous, chief executive of the National Maize Producers' Organisation, estimates that additional costs will run into millions of rands. At present the transport of maize costs R30 a ton.

The Maize Board in a Press release refused to take any blame for the costly delay. Statements to the same effect have also come from the Minister of Agriculture and the National Marketing Council.

At a meeting of the Maize Board last week, it was pointed out that the need for the import of maize became obvious when it was decided in January to cancel all exports.

The board informed the Minister on March 4 that it had decided to increase its strategic stockpile of 900 000 tons, normally carried forward into the next season, to 1,2-million tons.

Despite this 33% increase in the strategic surplus, the board informed the Minister that the season's estimated yield would not meet the country's domestic consumption.

The board estimated that an additional 850 000 tons of white maize and 550 000 tons of yellow maize will have to be imported to satisfy expected demand until the end of the current marketing season.

Failure of the Marketing Council and the Minister to respond to the Maize Board's request "forced the board to forgo options for the import of maize at very reasonable prices", costing millions to the State.

The option available to the board at the time was for 1,4-million tons at approximately R7 a ton cheaper than the price eventually accepted, on March 11, for the import of 600 000 tons.

Illustrating the added cost of delays, Mr Gous says: "The 600 000 tender would be delivered only in July this year.

"This would make shipment of maize for animal feed to the coastal regions necessary, depleting inland supplies sooner than expected, and making it necessary to transport maize back inland when imports arrive.

"Shipping maize back and forth at a cost of R30 a ton would have been totally unnecessary if tenders had been called for earlier in the year, saving taxpayers millions."

At the time of going to press no comment was available from the National Marketing Council.

Black plea for maize enrichment

Star 13/6/83

By Jean Hey

The black literacy magazine Learn and Teach which has campaigned for more than a year for the boycott of unfortified maizemeal, carries an open letter in its latest issue.

It asks maizemeal companies and the Department of Health to add certain vitamins to the food.

Vitamin-enrichment of maize could help curb two of the most widespread diseases facing blacks — cancer of the gullet and pellagra.

The Medical Research Council told Parliament recently that cancer of the gullet was now the most common cancer among black South African males, and had reached "epidemic proportions" in Transkei.

It said lifelong inadequate nutrition was a major predisposing factor.

"In Africa the problem has emerged in places where the staple diet has been based primarily on maize," it said.

The cancer regresses when certain nutrients are added to diet. "Nicotonic acid and riboflavin are particularly effective."

Not only does the addition of these vitamins when added to maizemeal help prevent cancer of the gullet, they also help protect the consumer against pellagra as this disease is caused by vitamin deficiency.

The symptoms are diarrhoea, dermatitis (inflammation of the skin) and dementia (madness).

About 100 000 South Africans are treated for pellagra each year, according to the Department of Health — an estimate which the Medical Research Council believes is conservative.

17/6/83
Star

NEWS

(3) maize

Tender error could threaten maize crops

Mr Greyling Wentzel . . . boycotting Maize Board?

By Hannes Ferguson

Another maize tender scandal erupted this week when it was disclosed that imported maize may carry a dangerous plant disease.

Free State cattle fatteners have been told by a special representative of the Minister of Agriculture, Mr Greyling Wentzel, that maize arriving at Cape Town on Sunday on the ship Sea Grande Ace may be carrying mosaic disease which is a threat to the maize industry.

The Minister asked cattle fatteners to import barley instead of maize to fatten their cattle.

A source in the Department of Agriculture said that Mr Wentzel was boycotting the Maize Board because maize farmers had criticised him.

As a result the maize import tender documents were not drawn-up by the Maize Board but by the State attorney who forgot to insert a clause that the maize supplied must be free of mosaic disease.

However, the Minister has decided that the imported maize should be sold only in Natal and not in the Free State or Transvaal.

REVOLUTIONARY LAND SHAKE-UP WILL CUT MAIZE OUTPUT BY HALF

Farmers to be told: Grow less

3 Maize

By WILMAR UTTING

THE Government is poised to unveil a revolutionary new agricultural policy that will mean telling maize farmers to cut their output by half.

The policy envisages a free market system instead of the controversial agricultural boards that fix quotas and prices and control supplies of farm products.

Experts in the maize industry have already proved there is no hope for farmers producing for export, and now say that 2 000 000ha of maize fields should be turned over to other branches of farming, particularly cattle breeding.

The message for farmers is: adapt or die.

This week Dr Kit le Clus, chief research officer for the National Maize Producers' Organisation (Nampo), said: "Farmers can forget about exporting, forget about foreign reserves and must cut back production to supply only the local market, 6 400 000 tons, plus a bit in hand, say a total of 6 700 000 tons."

This crop could be grown on 2 300 000ha of mealieland, leaving 2 000 000ha for other crops or pasture.

● Mr Greyling Wentzel ...called for urgent probe

Last month, the Minister of Agriculture, Mr Greyling Wentzel, called on the standing committee on agriculture, chaired by Dr A S Jacobs, vice-president of the Reserve Bank, to urgently investigate problems in the debt-ridden maize industry.

● Dr Kit le Clus ..."forget exports"

Dr le Clus, one of the maize experts seconded to the committee, said this week an announcement by the Minister at the end of August would be the first step towards dramatic changes in the country's entire agriculture policy.

"The Minister will announce to a special conference of Nampo that farmers must cut back maize production to supply local needs only. It will be absolutely totalitarian," Dr le Clus said.

"The farmers will be told to toe the line or suffer the consequences — and the consequencies are bankruptcy and sufferin."

The obvious answer was to turn over mealielands to pasture and concentrate on cattle, he said.

To allow free marketing of beef, the Government now envisaged the abolition of the quota system and the introduction of free marketing. "This in turn will mean competitive markets and more and cheaper beef. Beef consumption will rise."

This could lead to a fundamental change in eating habits and could bring red meat back to the ordinary man's table.

Interviewed at the organisation's headquarters in Bothaville, Free State, Dr le Clus said soaring production costs and internal transport, added to high interest rates, had led maize farmers into debts that would mount to a staggering total of between R800-million and R1 000-million by the end of this year.

Even a record crop of 14-million tons next year would mean farmers just breaking even and would do nothing to cancel debts.

Since the golden years of 1974 and 1975, when maize profits reached more than R400-million annually, farmers had supported fluctuating prices by borrowing against land values.

They borrowed against values fixed not by productivity but by the inflated prices paid by the Government and mining houses who needed the land for purposes other than farming.

There was little opportunous rethink by the Government, Dr le Clus said. Wheat, for example, could be imported at R235 a ton, compared to the local price of R275.

"The obvious alternative is cattle breeding and this means there must be a serious over to other grains, Dr le ment on supply policy.

"The quota system that supports the Meat Board's theory of limiting the market to smaller supplies of meat that sells at high prices would have to be changed to allow for a bigger supply of beef on the market," he said.

He identified the difficulties that had killed the export market as:

● Soaring production costs.
● High interest rates.
● Protection of local industries at the farmer's expense.

Farmers had been forced to pay more for local fertilisers, machinery and other production items than they would for imported items.

The cost of rail transport had gone "through the ceiling". Even locally-produced jute bags cost more.

"We import jute fibres from Bangladesh and weave them in Butterworth, Transkei and in Paarl. They cost 94c each.

"But Bangladesh will sell us the finished article at 50c.

"Now the Government says the present policy is used to protect us in case of boycotts. But if Bangladesh means to cut off supplies — and the country is so poor that is unlikely — it will be the supply of the fibres, not the supply of bags.

"The result of the whole exercise is zero," he said.

Maize profits had plummeted. In 1974/75 a crop of 8 800 tons yielded a profit of R318,5-million. A crop of 8 141 tons in 1978/79 produced profits of only R46,3-million.

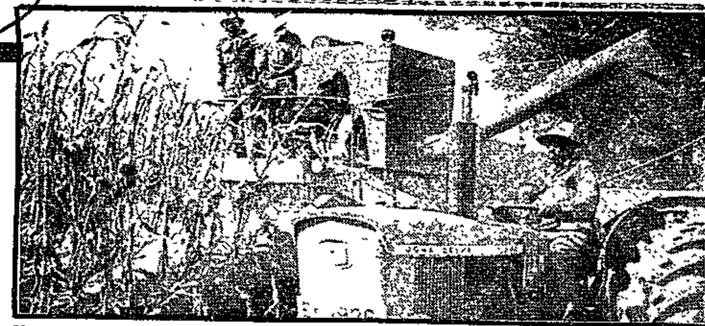
And by 1981/82 a similar-size crop resulted in a loss of more than R417-million.

For too long the taxpayer had borne the cost of protecting local industry by paying more for the product, Dr le Clus said, but the taxpayer did not know how much he was paying or even for what he was paying.

"If, instead of those protective costs being hidden in the cost of the product, they were borne by central Government and detailed in the finance budget, they could be passed on as taxation.

"The taxpayer would pay a bit more, but prices would drop. The farmer would get less money per unit, but would produce more," he said.

"We'd be able to see exactly what we are paying for."



● Maize harvesting in full swing — it's too much of a good thing.

Warning on control boards 50 years ago

~~Control Boards~~ (3) Hau
S. Express 19/6/83

WARNINGS of the disasters that could follow if control boards were given the power to fix and control agricultural prices were strongly voiced 50 years ago by a Government commission of inquiry.

Headed by Dr P R Viljoen, the then Secretary for Agriculture, the commission was appointed in 1933 to advise on procedures for orderly marketing.

The commission accepted the value of control boards which acted as advisers — but rejected outright that they should act as one-channel marketers who could fix and control prices. The healthy practice was that of competitive, free marketing, the commission said.

Dr Kit le Clus, chief research economist for the National Maize Producers' Organisation, questioned this week whether the dire straits in which the maize industry found itself were not because the warnings of the 1933 commission had been ignored.

The Viljoen Commission pointed out: "One-channel marketing which has as its object the fixing and control of prices, is economically unsound and socially unhealthy and while it may temporarily benefit producers it will inevitably lead to over-production, maladjustment of supply and demand and an ultimate collapse of prices."

This unanimous conclusion was accepted at the time, but overruled two years later when single-channel marketing was introduced in an attempt to protect farmers in a time of widespread depression and distress.

US maize shipment arrives

CAPE TIMES 20/6/83

3 MAIZE

Staff Reporter

THE first 25 000-ton shipment of maize imported from the United States was discharged in the Cape Town docks yesterday.

This was the first delivery of the 600 000 tons of maize to be imported from the United States and Argentina in the next six to seven months — the result of the South African maize shortage caused by the drought.

The manager of the Maize Board, Mr Hennie Nel, said in Cape Town yesterday that most of the present import — yellow maize — would be used for animal fodder, but some of it could be used for human consumption as well, as 30 percent yellow maize would be added to white maize from July 1.

Most of the maize discharged was earmarked for distribution points in the Western Cape but some will be taken as far as East London.

Mr Nel said the maize, which South Africa was forced to import, was an essential form of nutrition for South Africa as the whole dairy industry and chicken industry depended on adequate supplies

He said the maize shipment was of a good quality and free from plant diseases.

He said the prospects for a good harvest this year were good, but he was worried about the unseasonal rain in the Free State and certain areas of the Transvaal. He hoped this rain would not be the forerunner of another dry season.

(2) Maize

Maize Q. 61. 1628-30
22/6/83

*18. Mr. M. A. TARR asked the Minister of Agriculture:

(1) Whether the Maize Board recommended the importation of maize in 1983; if so, (a) why and (b) on what date;

(2) whether a decision was subsequently taken to import maize; if so, (a) who gave the necessary authorization, (b) when was it given, (c) how much maize is to be imported and (d) where is it to be imported from;

(3) whether tenders were invited for the importation of such maize; if so, who was the successful tenderer;

(4) whether tenders have since been invited for further maize imports; if so, (a) when, (b) why, (c) who gave the necessary authorization and (d) who was the successful tenderer;

(5) whether tenders for transporting such maize have been invited; if not, when will they be invited; if so, (a) who is reponsible for awarding the tender, (b) who submitted tenders and (c) who was the successful tenderer;

(6) (a) when will the first shipment of imported maize be landed and (b) where will it be stored;

(7) whether the consumer price of such maize will differ from the sum of the landed cost plus the cost of inland transportation; if so, (a) what will be the extent of the difference and (b) who will receive this money?

†The MINISTER OF AGRICULTURE:

(1) Yes.

(a) To provide for the expected local requirements.

(b) At the meeting of 21 to 24 March 1983.

(2) Yes.

(a) The Minister of Agriculture.

(b) On 28 March 1983.

(c) 1,4 million tons as estimated by the Maize Board.

(d) Any country.

(3) Yes—for 600 000 tons. Louis Dreyfus and Co. Ltd

(4) Yes—for 100 000 tons

(a) On 18 May 1983.

(b) A further quantity of maize was needed over and above the quantity of the first tender

(c) The Minister of Agriculture.

(d) Springbokvlakte Ondernemings (Edms) Bpk.

(5) No, maize is imported on a c.i.f. basis. (a), (b) and (c) fall away.

(6) (a) On 20 June 1983.

(b) The imported maize will be railed directly to buyers

(7) Yes.

(a) The extent of the difference will depend on the tender price and the inland handling and transport costs.

(b) All debits and credits are for the account of the State.

Mr. P. G. SOAL: Mr. Speaker, arising out of the hon. the Minister's reply to subsection (5), will there be an opportunity for one of the national carriers like Safmarine to transport this maize to South Africa?

†The MINISTER: They had the opportunity.

†Mr P. A. MYBURGH: Mr. Speaker, arising out of the hon. the Minister's reply, I should like to put a further question to him. It is in regard to the maize which was recently landed in the Cape and which is being used locally in the Western Cape and was transported directly from the harbour to the consumers. Is there any possibility that those consumers can enjoy the benefit of the cheaper price of maize as it is landed and that they do not have to pay the full price which they would have to pay in any case for maize coming from the interior?

†The MINISTER: The answer is "no". Other methods are being considered to accommodate the people of the Western Cape.

Mr. P. G. SOAL: Mr. Speaker, arising out of the hon. the Minister's reply to my supplementary question, is he indicating that Safmarine will be given the opportunity to undertake such transport in future?

†The MINISTER: As far as I know, they had the opportunity.

†Mr. P. A. MYBURGH: Mr Speaker, further arising out of the hon. the Minister's reply, in which he said that other methods are being considered to benefit the Western Cape consumers, can he give us an indication of what this might comprise?

†The MINISTER: At this stage it is not possible. It is still being discussed.

ARGUS 23/6/83

W Cape outrage at Govt's maize policy

MAIZE

Staff Reporter

WESTERN Cape farming and business interests today expressed outrage at Government policy which prevented local consumers enjoying the benefits of maize landed in Table Bay.

"We are being made to pay for the drought up north," said Mr Gert Bosch, secretary of the Western Cape Agricultural Union.

FIRST BATCH

This follows confirmation in Parliament yesterday by the Minister of Agriculture, Mr Greyling Wentzel, that Western Cape consumers would have to pay the same price for imported maize, landed at their doorstep, that they paid for maize from the interior of South Africa.

The price paid for interior maize is R170 a ton plus between R30 and R40 for railage costs.

The first batch of imported maize landed in Cape Town last week cost R172 a ton. Railage costs would be much lower due to shorter distances

The second consignment to be landed shortly will cost the Maize Board only R160 a ton.

Mr Philip Myburgh, the deputy Opposition spokesman on agriculture, said the price of imported maize could drop to as little at R151 a ton.

He said local farmers could have saved between R10 and R20 a ton on the first consignment if they had been given the advantage of their close proximity to the harbour.

This advantage would have increased by another R10 a ton for the second load.

He said the fact that local consumers would not benefit was unfair to the Western Cape, which depended on maize for milk and meat production.

Western Cape agricultural interests recently sent a delegation to the Minister and the Maize Board, and there was great dissatisfaction at the reply they received.

OFFSETTING

Mr Myburgh said the Maize Board profit on imported maize was offsetting the loss caused by the poor crop due to the serious drought in the interior. This meant Western Cape consumers were effectively paying for the drought.

Mr Brian McLeod, the director of the Cape Town Chamber of Commerce, said the Western Cape was in a no-win situation.

"If we have to pay railage for maize from the Transvaal and Free State, should we have to do the same when the maize is landed right here?" he said.

3 Maize

SA heading for severe maize shortage

By Hannes Ferguson, Farming Correspondent

An acute maize shortage may develop within months, maize industry sources have warned.

They said that producer deliveries to co-ops and other Maize Board agents were far behind schedule and might not top 3,2 million tons. This was about 700 000 tons less than expected and equal to the tonnage to be imported, for which tenders had already been accepted.

The Minister of Agriculture, Mr Greyling Wentzel, has announced that no further tenders for the importation of maize would be called.

There will still be a shortage of 2,6 million tons, after using the carry-over from last year. This would, the Minister said, be covered by importing barley instead of maize.

The changeover was said to be prompted by the discovery that the imported maize could not be certified as coming from farms free from mosaic maize disease.

The Director of Seed and Plant Protection in the Depertment of Agriculture, Mr J F van Wyk, said however that the mosiac threat had been satisfactorily solved by sending the imported maize to millers and cattle-fatteners in the Cape Province and Natal, away from the heartland of maize production in Transvaal and the Free State.

But most of the feed millers and large cattle-fatteners in the Transvaal who were contacted were unhappy about the Minister's suggestion to change over to barley.

Barley could possibly be 10 to 15 percent cheaper, but its feeding value was also 12 percent less than maize. The farmers would continue using maize unless the Goverment subsidised barley which they said was highly unlikely.

They also had no facilities for storing and handling barley, which in any case would have to be processed by a roller mill before being used.

Co-ops which receive most of the maize delivered by farmers said there would still be maize stocks for four or five months. After that, there could be a critical shortage unless the Minister dropped his ban on maize importation.

The Maize Board is expected to discuss the deteriorating supply position at length this month.

SA carriers lose out on maize import

27/6/83

Mail Correspondent

CAPE TOWN. — Safmarine and other South African shipping lines have, because of the import system preferred by the Government, lost out as carriers to this country of 600 000 tons of maize from the United States and Argentina.

Ministerial replies to Progressive Federal Party questions in Parliament last week showed that no tenders for transport of the maize to South Africa were invited by the Government, as the maize was bought on a CIF (cost insurance freight) basis.

The Minister of Agriculture, Mr Greyling Wentzel, said that as far as he knew, Safmarine had been "given an opportunity" to carry the maize.

Mr Michael Findlay, corporate general manager of Safmarine, said that in the CIF system preferred by the Government, the successful tenderer — in this case Louis Dreyfus, a French-based company — had full control over delivery.

Louis Dreyfus could invite tenders for transport of the maize. Athough Safmarine could tender in competition with other shipping lines, Louis Dreyfus had the final say in the appointment of the carrier.

Mr Findlay said "This is in contrast to the FOB (free on board) system, in which the importer has control over the whole operation, including the appointment of a carrier.

"We naturally prefer the FOB method, and have had talks with the departments of transport and of agriculture to try to persuade them to change their approach in the interests of South Africa's shipping lines."

Mr Philip Myburgh, MP for Wynberg and an Opposition spokesman on agriculture, said he hoped Western Cape farmers would benefit from the lower landed prices at which the further shipments of maize were to be imported.

Mr Myburgh said farmers in the Western Cape were "most upset" that they were being supplied with the imported maize at prices that would apply had it been railed from the north.

He believed a further shipment of maize was being imported at R151 a ton, as against the R172 a ton paid for the consignment discharged in Cape Town docks this month. He hoped Western Cape farmers would get the benefit of this lower price.

Maize farmers deny clash

27/6/87 Star

By Hannes Ferguson, Farming Correspondent

Maize farmers have denied reports that they have clashed with the Minister of Agriculture, Mr Greyling Wentzel.

The president of the National Maize Producers Organisation (Nampo), Mr H de Jager, said today that reports of a break between the Minister and maize farmers were totally unfounded.

He said a close understanding existed between maize farmers and the Minister.

Although maize farmers faced many serious problems they were being studied by the Jacobs Committee.

Nampo had had discussions with the Minister on May 13 and it had been agreed to enlarge the Jacobs Committee by co-opting the National Marketing Council chairman as well as three Nampo delegates.

Now SA must import another 1,57-million tons

Shock disclosure on maize shortage

(3) Maize. ROM 29/6/83

By GERALD REILLY
Pretoria Bureau

SOUTH AFRICA'S maize shortage is far greater than at first estimated — and the financial plight of farmers far more serious, according to the chairman of the Maize Board, Mr Crawford von Abo.

Addressing a Press conference in Pretoria yesterday he said to compensate for the shortage a further 1 570 000 tons of maize would have to be imported.

He assured consumers, however, the board was able to handle the importation of enough maize to meet the local demand.

Discussions on the importation of the needed maize were now in progress with the Minister of Agriculture, Mr Greyling Wentzel.

The huge import of 1 570 000 tons was in addition, he said, to the 700 000 tons already imported, and 1 200 000 tons carried over from last season.

According to the board's agents only 3 180 000 tons of local maize would be delivered. This takes into account the amount kept on farms as stock feed and for other purposes and is about half the amount needed for South African consumption.

The original crop estimate by the Department of Agriculture was 4 698 000 tons. The last official estimate was 4 161 000 tons.

Mr Von Abo said the crop had cost farmers R1 752-million to plant. Their return was estimated at only R635-million.

Because of further drought damage, losses had increased by another R100-million in June. This meant that farmers were in the red to the extent of more than R1 100-million.

Mr Von Abo said he had no doubt the Government and particularly the Ministry of Agriculture was aware of the worsening financial plight of farmers and that Government support was needed.

Meanwhile R100 000 worth of Impala maize meal and Jabula food was donated yesterday by Premier Group Ltd to Operation Hunger.

At a ceremony at the Premier Group head offices, Mr Lance Japhet, director of Premier Group, presented a pledge of R100 000 to Mrs Hazel Moolman, acting director of the Institute of Race Relations which distributes food in drought stricken areas.

The Premier Group will supply the food over a period of four months whereafter Impala and Jabula will be available to Operation Hunger at greatly reduced prices for as long as needed.

The Impala maize meal will be available to people of KwaZulu, Gazankulu, Venda, and Lebowa. Vouchers for 12,5kg packs will be distributed by Operation Hunger and free Impala meal can then be collected from the local stores.

Operation Hunger feeds more than 16 000 children in the Bushbuckridge area, 6 000 in Acornhoek in the Eastern Transvaal, and 10 000 children through mission stations in several areas in Lebowa. It also helps the Red Cross in the Okiep area of the Northern Cape and funds five feeding schemes for pre-school and primary school children in Bophuthatswana.

SA to buy yet more maize

(3) Hang-Star 29/6/83

The maize industry is on the brink of financial disaster with the disclosure that South Africa must import a further 1,57 million tons of maize to supplement the huge shortage.

The shortfall in this year's maize crop was far greater than expected and the financial plight of farmers far more serious, said the chairman of the Maize Board, Mr Crawford von Abo.

Maize farmers were in the red to the tune of R1 100 million. This year's maize crop had cost farmers R1 735 million, while their return was estimated at only R635 million, he said.

The Maize Board was currently holding discussions with the Minister of Agriculture, Mr Greyling Wentzel, to arrange for the maize imports.

(3) Maize Hansard 29/6/83 X
Q. 601. 1739

Maize

*21. Mr. P. G. SOAL asked the Minister of Agriculture:

(1) Whether, with reference to his reply to Question No. 18 on 22 June 1983, he considered awarding the contract for the importation of maize on a free-on-board basis; if not, why not; if so, why was this contract not agreed to;

(2) whether he will award future contracts on this basis; if not, why not;

(3) whether he will make a statement on the matter?

The MINISTER OF AGRICULTURE:

(1) Yes. After considering all the factors

involved as well as the fact that the Maize Board recommended importation on a c.i.f. basis, it was decided to conduct imports on that basis

(2) Depending upon the manner in which imports progress future imports on a f.o.b. basis are not excluded.

(3) No, not at this stage.

Maize

*22. Mr. P. G. SOAL asked the Minister of Agriculture:

What was the tender price per ton in respect of each of the two tenders awarded for the importation of maize as referred to in his reply to Question No. 18 on 22 June 1983?

†The MINISTER OF AGRICULTURE:

First tender price, R172,74 per ton c.i.f. Second tender price, R151,00 per ton c.i.f. The latter tender did not materialize and a third tender for R160,09 per ton c.i.f. was subsequently accepted.

X

Taxpayers will foot R400 million maize import bill

Mercury 30/6/83

Mercury Correspondent

JOHANNESBURG—Maize imports to supplement the country's smallest crop in many years will cost about R400 million, according to Pretoria sources.

This is one of the major costs resulting from the worst drought in half a century.

According to agricultural authorities the actual cost of the drought in terms of lost farm production, devastated grazing lands, and in the expected Escom and water tariff hikes, was virtually incalculable but could amount to several thousand million rands.

This was not taking into account the cost to industry if production was affected later in the year by power rationing.

The chairman of the Maize Board, Mr Crawford von Abo, announced in Pretoria earlier this week that the board would have to import another 1 570 000 tons of maize, in addition to the 700 000 tons already imported, and the 1 200 000 tons carried over from last season.

Of the 700 000 tons, 600 000 tons were bought at a price of R172,74 a ton and 100 000 at R160,09 a ton.

No shortages

However, when offloading, insurance and other charges were added, the gross price would amount to about to R200 a ton, he said.

The board's agents estimated the total maize deliveries would amount to just over 3 000 000 tons, or less than half of the quantity needed to meet the local demand.

Mr von Abo assured consumers that the necessary quantity of maize would be imported and there was no need to fear shortages.

However, from tomorrow, South African consumers would have to put up with a white-yellow maize mix as part of the effort to spread scarce white maize.

And the Government has said that, irrespective of the cost of imported maize, the consumer price would not be affected.

This means that the difference between what the country has to pay for imported maize and the price it sells for locally will come from the taxpayer.

Good rains save maize and avert need to import more

GOOD rains have saved South Africa's maize crop, averting the need for imports during the 1985-86 financial year.

Official estimates released by the Department of Agriculture show this year's maize crop at 6,7-million tons — a big improvement on last year's 4,3-million tons.

The general manager of the Maize Board, Mr Hennie Nel, said it would not be necessary to import maize for the 1985-86 year.

Higher price

In spite of this good news, consumers are likely to pay more for maize products when the new maize price is announced in May.

The National Maize-Producers Organisation is to meet the Maize Board on March 26 to ask for a higher price. The present producers' price is about R214 a ton and Nampo is asking for R270 a ton.

Nampo economist, Dr Kit le Clue, said farmers needed a big increase to meet soaring production costs.

The Government is likely to agree to an increase but analysts say it will not be as high as the Nampo demands.

Communist

Meanwhile the last few shiploads of imported maize for the 1984-85 year will arrive in South Africa in the next few weeks.

Mr Nel confirmed that 20 000 tons of yellow maize had been bought from communist China as part of the import programme.

He said the Chinese maize cost R18 a ton less than US maize and was of a very good quality. The maize shortfall from June 1983 to today amounted to 4,3-million tons.

● Last year South Africa imported 2,5-million tons of maize at a cost to the taxpayer of R700-million, reports The Argus Financial Staff.

Normal

If the Maize Board's estimate proves correct, the country could see huge savings in foreign exchange.

In a normal year exports of maize earn between R400-million and R500-million.

The higher cost of overseas maize and the transportation cost meant the Government had to pay out R200-million in subsidies last year.

23 000 chicks die as wind destroys batteries

Tygerberg Bureau

THE unseasonably cold, wet weather has damaged fruit and vegetable crops in the Boland and R200 000 damage was caused on a Durbanville farm when wind destroyed five chicken batteries and killed 23 000 hatchlings.

Rainfall in the Peninsula this month seemed to be breaking every record, a D F Malan airport weather office spokesman said today.

So far over eight rainy days, a total of 71,9mm has been recorded. Last March 31,9mm was recorded over nine days and the average for March was only 14,4mm.

Ceres has had record rainfall — 213mm in the past two days which is almost double the record of 125mm in March 1902.

The average March rainfall for the region is 24mm.

Snow fell on Friday night on the Brandwacht and Waaihoek mountains near Worcester and there are fears that the wet weather will rot grapes still on the vine.

Brown rot has already appeared on yellow peaches, and potatoes and onions are also rotting.

Maize shipped to EL

Weekend Post Reporter

EAST LONDON — East Londoners can expect at least two maize-carrying ships to offload in the Buffalo harbour each month, according to the Acting South African Transport Services System Manager, Mr L O du Toit.

The first of the ships carrying imported maize, Anchiles, docked in the harbour this week.

Mr Du Toit said the ships would, on average, carry 23 000 tons of maize.

He said the ships could be expected to stay in the harbour for eight or 10 working days.

"Most of the maize will be distributed in the Eastern Cape," he said.

"Some will be stored in the grain elevator for later distribution."

(3) Maize E.P. Post 2/7/83

'Maizegate' feared by consumer bodies

(3) Maize Star 2/7/83

By Hannes Ferguson, Farming Correspondent

The Minister of Agriculture, Mr Greyling Wentzel, may soon order an official inquiry into alleged maize import malpractices.

Consumer body sources say Mr Wentzel is being pressured to explain the alleged waste of R4 200 000 of public money caused by a delay in the calling of tenders for a 600 000 ton import deal. The State Tender Board chairman, Mr K A Faure, has also publicly taken Mr Wentzel to task for the handling of a subsequent tender for 100 000 tons. How the tenderer defaulted on his performance guarantee has never officially been clarified.

The Minister said in a departmental publication he would fully explain the maize tender issue in Parliament — but has not yet done so. The consumer sources fear Mr Wentzel may attempt a cover-up.

Maize mix plan begins

By Hannes Ferguson, Farming Correspondent

From July 1 — and until further notice — yellow maize will be mixed into white maize, the Maize Board announced in Pretoria yesterday.

The board's general manager, Mr Hennie Nel, said maize meal for human consumption would be mixed in the ratio of 70 white and 30 percent yellow maize meal. The mixing would in no way change the quality or taste — only the colour. The measure had been brought about by the severe drought, he said.

Maize industry's complex problems

(3) Maize S. Express 03/7/83

ALTHOUGH I spent long hours explaining the problems of the maize industry to your reporter, it is clearly evident from the article she wrote, 'Farmers to be told: Grow less' (Sunday Express, June 19), that I failed to convey a proper insight into the complexity of the problems.

I wish to stress that I never attempted to offer any solutions to these problems, or to second guess the Minister of Agriculture's final policy formulations, or to compromise the deliberations of the Jacobs Committee or the decisions of the Minister.

The impression created by your reporter in quoting me as though I made certain statements anticipating the Minister's policy decisions is unfortunately wrong, misleading and embarrassing.

The facts are that profits from maize farming have increasingly deteriorated in the past decade.

In the view of Nampo (National Maize Producers' Organisation) this deterioration stems largely from production costs rising faster than the net earnings on the export market, causing increasing losses on maize exports.

The net earnings on the export markets are determined by the prices obtained FOB our export harbours, less harbour dues and railage from the inland silos to the harbours, less the cost of handling the maize and the cost of storing it from the time of deliveries by the farmers to the time of export.

In 1982/83 the net realisation on maize exports averaged only R76 per ton — only a fraction of the total cost of production.

This means that with the present production structure, maize farmers can no longer profitably produce for exports. Also, calculations indicate that should farmers this year again plant 4 300 000ha of maize, losses on the export market will necessitate a bumper 14-million ton crop to break even.

Anything less than that would again cause serious losses. This underlines the sad fact that for the coming year and for the foreseeable future farmers will have to restrict maize production to only the best lands.

If farmers do not adapt their maize production pattern along these guidelines, one could well expect a worsening in the present huge farm debt situation

Bad debts to summer grain co-operatives alone could amount to between R800-million and R1 000-million by August, up from R84-million two years ago. If farmers succeed in substantially reducing the maize area the question is what will they use it for?

The total area under sunflowers is around 260 000ha, and under grain sorghum only 170 000ha. Any significant switch from maize to any of these two (biologically optimum) alternatives could effectively destroy their profit potentials, which might solve the maize problem but would not solve the farmers' problems

Another option to farmers could well be to turn most of the redundant maize area to grazing pastures. This would, however, increase the supply of beef, which will cause particular repercussions in the meat industry.

The facts are that the current problems in the maize industry are the result of long-term adverse trends. The 1983 drought is a short term phenomenon that did not basically cause these problems but merely emphasised them.

The problems can therefore not be solved by short-term measures and any solution should be aimed at structural corrections in the longer term. The Minister of Agriculture has, after discussions with Nampo, referred the problems in the maize industry to the Jacobs Committee.

For this purpose he expanded the committee to include four representatives from Nampo The Jacobs Committee is to report to the Minister on policy recommendations by not later than August 15

The Minister has agreed to inform a special Nampo congress on September 5 ... his policy decisions. The Minister also announced ... Parliament recently that ... will bring out a White Paper on agricultural policy early next year

One can therefore expect that the Minister's policy decisions during the course ... the next 12 months ... strongly determine the future well-being of agriculture in this country.

In this process Nampo is working in close co-operation with the Minister ... his advisers.

We trust this explanation will serve to clear up ... misconceptions and uncertainties that could have ... created by your report.

DR C F LE CLUS, Head, Development Foundation, Nampo, Bothaville.

EXPRESS IT!

There's R15 to be won each week for the best letter sent to Express It! The column is yours, but try to limit letters to 150 words. Our address is: Express It!, Box 1067, Johannesburg 2000.

Others' smoke from cigarettes gets in my eyes

IT IS unfair to have to suffer other people's smoke.

I cannot be impolite to guests, but where are their manners? When they leave, my home reeks of smoke and my eyes are irritated and burning. — 'PUFF ADDER', Berea.

□ **R15 letter above**

□□□

IS IT necessary for Afrikaans TV dramas to be tear-jerkers? As an Afrikaner, I feel 'Orphan-Annie and the rich landlord' theme has been done to death.

Are we such a backward and dour lot that is is deemed compulsory for us to weep? — MRS M DE LANGE, Sunnyside, Pretoria.

□□□

AS HUMANS, let's give if we've got it; help where we can; live life joyously and consider and treat with respect every other deserving human being. — 'HUMANITY', Hillbrow.

□□□

IT IS a shame that the R15 prize was awarded to someone who begrudges publicity for the welfare of animals. (Sunday Express, June 19). After all, most animal distress is caused by human beings.

Never mind, perhaps 'Human Lover' will donate the money to some human charity. — ANIMAL LOVER, Edenvale.

□□□

I ABHOR the fact that a certain liquor store sells paper cups with its liquor.

This leads to drinking around the premises of the bottle store and helps create a positive eye-sore of litter. — HARRY HEIDMANN, Hillbrow.

□ The Sunday Express regrets the misunderstanding and apologises for it. — Editor

Maize shortage climbs

(3) Maize RDM

15/7/83

SOUTH Africa's maize shortfall this year has risen to more than 2-million tons, according to trade and official sources.

When the Maize Board announced the Government's intention to import maize in late April, the shortfall crop was put at 1 500 000 tons.

Several factors have combined to increase this figure, which several trade sources thought was in any case an underestimate.

The drought, thought to be the worst to hit South Africa this century, has also left large areas of grazing land useless. This has forced many farmers to keep some maize back for feeding cattle.

At the time the first maize import tender was announced, the Department of Agriculture put the crop at 4 350 000 tons — slightly more than half last seaon's 8 320 000 tons.

The latest official estimate puts the crop at 4 180 000 tons and some trade sources think it will be below 4-million tons.

Demand, usually about 6-million tons a year, is likely to be higher than normal because of the devastation caused to subsistence crops in the homelands.

People in these areas, many of whom are in desperate straits because of the drought, will be forced to buy millers' maize.

How much maize will be imported remains open to question. Tenders have been for 700 000 tons and trade sources expect more announcements from the Maize Board soon.

The board's general manager, Mr Hennie Nel, who expects the maize shortage to be between 2-million tons and 2 250 000 tons, says the Government may decide to make up some of the shortage with other imported grains, such as sorghum or barley.

These would be used for compound feeds, with human demand met by mixing white maize, the type preferred by consumers, with yellow maize.

Availability, price and the use of facilities are among the factors which will decide the composition of the remaining imports. Mr Nel expects a decision to be reached soon. — Reuter.

RAND DAILY MAIL, Wednesday, July 20, 1983 5

Farmers told to plant less maize

(3) Maize

By GERALD REILLY
Pretoria Bureau

THE National Maize Producers Organistion (Nampo) has recommended to farmers that they cut back drastically on the areas planted to maize in the coming summer grain season.

The general manager of Nampo, Dr Pieter Gous, warned yesterday that farmers could "produce" themselves into a serious problem if they planted marginal lands to mealies.

"If they take our advice they will plant only on those lands with a high potential, where production costs are relatively low."

Dr Gous said that at the current unrealistic maize price, farmers who attempted to grow on low potential land would find themselves in serious financial difficulties.

"If the industry produces a surplus, and in a normal season this will happen unless the area is reduced, it will have to be exported at a loss, and farmers will be heavily levied to meet the loss," he said.

Normally about 4 500 000ha were planted to maize, he said.

If producers heeded the advice of Nampo, this area would be cut back to little more than 2 500 000ha.

If they rejected the advice their already critical financial plight would become more serious, he said.

The prices of inputs, including fertilisers, machinery, labour and seed, were continually rising, and only an efficient farmer, farming on high potential land, was in a position to profit by maize growing.

He claimed that if SA had another ruinous drought in the coming season and only 2 500 000ha to 3 000 000ha were planted to maize, the country would be no worse off, in terms of tons reaped, than it was last season.

15/7/83

The Star Friday July

Still more maize to be imported

(3) Maize

By Hannes Ferguson, Farming Correspondent, and Joao Santa Rita

The importation of maize has been resumed.

The Minister of Agriculture, Mr Greyling Wentzel, acting on recommendations made by the Export Advisory Committee, has asked the Maize Board to call for tenders for the importation of a further 500 000 tons of yellow maize.

This will bring the total purchases under tender to 1,2 million tons. A total of 2 million tons is expected to be purchased.

Mr Hennie Nel, general manager of the Maize Board, said full tender conditions were obtainable from the board's headquarters in Pretoria.

He said unloading of the first three shiploads of maize was almost complete. Two further shiploads were expected next week.

Mr Nel believed the distribution programme he had worked out would ensure buyers' and consumers' requirements would be met.

This was the biggest importation programme for maize in the country's history.

The Maize Board has assured the milling industry that the price of maize will not go up despite the imports.

Mr Peter Thomas, divisional manager of a large milling company, said yesterday that because of the drought this year's production was two million tons short of the country's needs. However, because of existing stocks the real shortage of white maize was one million tons.

White maize was available in the United States but the American stocks were of poor quality, he said.

"The Maize Board then decided to mix our stocks of yellow maize with white maize, a decision we welcomed. But this means there will be a shortage of yellow maize, traditionally used in our country to feed animals. About one million tons of high quality yellow maize will be imported from the United States," he said.

"However we have been assured by the board that there will be no price increases."

The mixture of yellow and white maize will mean the disappearance, at least for a year, of white maize from shops.

Estimates for maize shortfall increase

JOHANNESBURG—South Africa's maize shortfall this year has risen from original estimates and now stands at more than two million tons, according to trade sources and maize officials.

(7) Maize Mercury 15/7/83

When the Maize Board first announced the Government's intention to import maize in late April, the shortfall from the drought ravaged domestic crop was put at about 1,5 million tons.

Several factors have combined to increase this figure, which several trade sources thought was in any case an underestimate.

The drought, thought to be the worst to hit South Africa this century, has also left large areas of grazing land useless.

Cattle

This has forced many farmers to keep some maize back on the farm for feeding cattle, so reducing supplies to the market.

In addition, the estimated outturn of the 1982/3 maize crop has been lowered as the drought has continued to take its toll. At the time the first tender was announced, the Agriculture Department put the crop at 4,35 million tons, just over half last season's 8,32 million tons.

The latest official estimate puts the crop at 4,18 million tons and some trade sources think the outturn could be below four million tons.

On the consumption side, demand, usually around six million tons a year, is likely to be higher than normal because of the devastation caused to subsistence crops in the black homelands, the sources said.

People in these areas, many of whom are in desperate straits because of the drought, will be forced to buy commercially-ground maize, they said.

Exactly how much maize will be imported remains open to question. So far, tenders have been held for 700 000 tons and the sources expect more announcements from the Maize Board in the near future.

Barley

Maize Board general manager Hennie Nel, who expects the maize shortage to be between two and 2,25 million tons, said the Government may decide to make up some of the shortage with other imported grains, such as sorghum or barley.

These would be used for compound feeds, with human demand met by mixing white maize, the type preferred by consumers, with yellow maize.

Availability, price and the usage of facilities are among the factors which will decide the make-up of the remaining imports.

— (Reuter)

(3) Natal Mercury 15/7/83 The

Maize imports into S A 'pose disease threat'

Mercury Reporter

THE Maize Board had taken a calculated risk in importing maize which could result in the introduction of foreign diseases, Dr David Agenbach, Deputy Director-General of the Department of Agriculture, said yesterday.

Three large consignments of maize from overseas have already arrived in the country and a further two are expected early next week.

Dr Agenbach said the exporters could not give satisfactory assurances that the maize was free of all diseases.

'According to the board, permits for the import of 700 000 tons of maize have already been issued and, depending on future circumstances, even more may have to be imported,' he added.

Mr Hennie Nel, general manager of the board, said yesterday that a further 500 000 tons of yellow maize would be brought in.

Dr Agenbach said there was no option but to import maize. Not to import it could mean famine in parts of the country.

But farmers should not plant it: 'This could trigger off the establishment of, and spread, potentially dangerous diseases,' he said.

Mr Alwyn Bischoff, of the Natal Agricultural Union, said: 'The imported strains are untried here and because of possible disease it goes without saying that the maize should not be planted — it is for human and animal consumption only.'

Dr Agenbach said samples of all consignments would be planted, under quarantine.

'Yes' to new maize buys

9/7/83

(3) Maize Star

By Hannes Ferguson,

Maize imports will shortly be resumed — once again under the control of the Maize Board.

With only a week left to arrange further maize imports to stave off a serious shortage in October, the Minister of Agriculture, Mr P T du Plessis, has relinquished his personal control over maize imports.

He decided last month to replace maize imports with barley, but this plan was thwarted by the refusal of cattle fatteners and feed manufacturers to accept barley as a substitute. At the same time the world price of barley shot up.

After a series of crisis meetings in Pretoria this week, the administration of maize imports was placed back in the hands of the Maize Board.

Maize farmers pray for good early spring rains

Maize 3 4 83

By GERALD REILLY
Pretoria Bureau

FARMERS throughout the grain producing areas are dreading the approach of summer and the possibility of another disastrous dry season.

According to a survey completed this week by the Transvaal Agricultural Union, farmers are waiting "in great tension" for the advent of the planting season.

All, the TAU says, are praying for early spring rains to rescue them from an "untenable position" as far as grazing, water and the preparation of lands for planting are concerned.

The general manager of the National Maize Producers Organisation (Nampo), Dr Pieter Gous, said the Land Bank and the SA Reserve Bank had been approached for authority to borrow funds abroad to finance the planting of the 1983/84 maize crop.

It was possible, he said, to get funds in other countries cheaper than in South Africa.

Dr Gous said Nampo has advised maize farmers to cut down on their inputs of fertilisers, fuel and labour this year and to plant a smaller area to maize.

Nampo has also advised farmers to plant only those lands where a fairly high yield is possible.

Dr Gous said this could lead to a situation where instead of the normal 4 500 000 ha being planted with maize the area would be limited to about 2 500 000ha.

Dams were empty and many rivers had run dry. Spray irrigation had virtually been stopped. Natural grazing had disappeared and animal feed was almost unobtainable. Lucerne supplies were bought out well in advance, at prices of up to R560 a ton.

"The prospects for planting are sombre and dependent on good early spring rains," he said.

The financial plight of farmers was becoming more serious because of high production costs and interest rates "but their morale remains high", the TAU found.

In the Eastern Transvaal most dams are empty. Irrigation water has dried up, while the Vaal River at Ermelo has virtually stopped flowing. Most springs are dry and in the Piet Retief district rivers are at their lowest level in 50 years.

In the southern Lowveld, dams are about 75% full and in the northern parts 30%.

In central and western Transvaal dams are from empty to 20% full.

DISPATCH 21/7/83 (3) maize

Valuable feed rotting in the sun

PORT ALFRED — Just across the Fish River in Ciskei 500 ha of mealie stalks — valuable cattle feed — lie rotting in the sun.

White farmers in the drought-stricken areas this side of the border claim the Ciskeians are not using it — yet they are barred from buying it.

The mealies were apparently planted by the Ciskeian Department of Agriculture but due to the drought had failed to tassle.

Some of the stalks have been baled and these bales too are exposed to the elements.

White farmers, already cut off from the Tyefu Irrigation Scheme lucerne, are concerned about wastage on this scale in times of severe drought.

They are forced to buy stalks from the Transvaal at considerable additional expense, and although the South African Government bears 75 per cent of the railage costs, the farmers regard this as unnecessary expenditure.

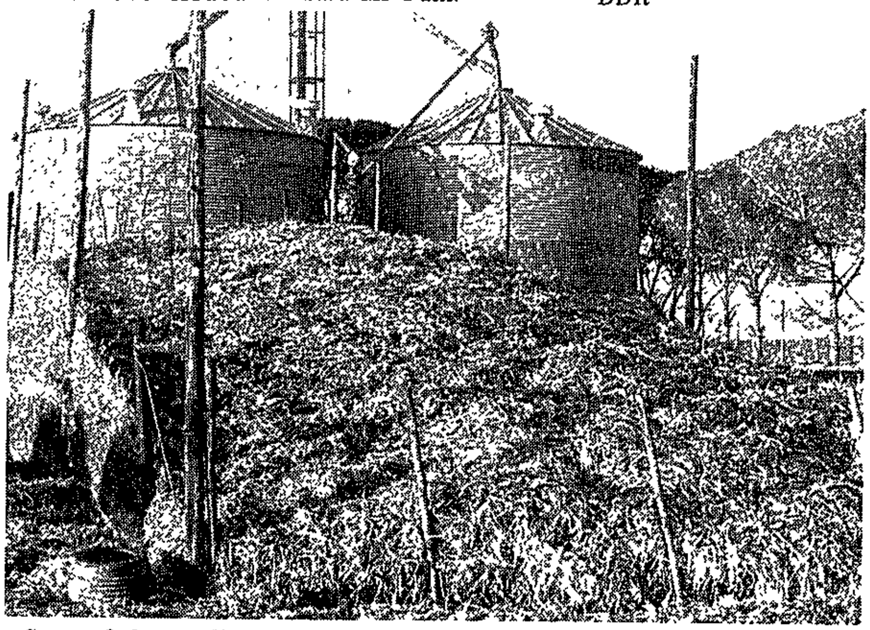
Approached for comment yesterday, the Minister of Agricul ture, Mr L. M. Fani, said he had no knowledge of the particular case but would investigate the matter.

"We have issued a general instruction that such stalks be baled and sold to Ciskeians. I know in some areas this is certainly being done at the moment.

"We cannot allow valuable feed to go to waste while our farmers are so desperate for fodder," said Mr Fani.

Ciskei at present could not afford to sell available fodder to farmers beyond its borders "because we need it for ourselves".

Mr Fani said he would give his urgent attention to the matter. — DDC-DDR



Some of the mealie stalks apparently going to waste in drought-stricken Ciskei.

51

Sale of white maize now an offence

(3) Maize

NM. 26/7/83

Pretoria: From today no pure white maize products may be sold by the trade in South Africa.

Mr Hennie Nel, general manager of the Maize Board, pointed out in a statement to Sapa today that severe action will be taken against parties or persons continuing to sell pure white maize products.

'The critical position of maize stocks in the country makes it imperative that no further permits to be issued authorising wholesalers or retailers to dispose of white maize products.'

Return stocks

Mr Nel said that in cases of traders still having white maize products on hand, they are advised to return those products without delay to the relevant suppliers to be mixed with yellow maize products.

'Traders who are under the impression that they may sell white maize products on hand until stocks are exhausted, labour under a misapprehension and render themselves liable to prosecution,' Mr Nel said.

Next crop

'In the light of the serious shortage of white maize and the considerable expenses incurred by the Government to ensure that sufficient maize is available until the next crop is harvested, it cannot be allowed that the mixing regulationsn which have been announced in good time, be ignored.

Mr Nel said the Maize Board could not allow an emergency to be abused for personal gain, and consequently the Board's inspectors will institute the necessary prosecutions in all cases of contravention. (Sapa)

Maize warning

Mercury Maize 26/7/83

(3)

Mercury Reporter

WHOLESALERS and retailers who are still selling pure white maize products could face prosecution.

The general manager of the Maize Board, Mr Hennie Nel, yesterday said it was 'imperative' that no further permits be issued authorising wholesalers or retailers to sell white maize products because of the critical shortage of maize stocks.

Traders who still had white maize products were advised to return them to the suppliers so that they could be mixed with yellow maize products.

Traders happy about maize move

(3) Maize
E. Post
26/7/83

Post Reporter

PORT ELIZABETH'S maize distributors and retailers have reacted favourably to the Maize Board's immediate ban on the sale of pure white maize products.

The ban was announced yesterday by the general manager of the Maize Board, Mr Hennie Nel, who said all traders still having pure white maize products had to return them without delay to the suppliers to be mixed with yellow maize products. Those who failed to do so would face prosecution.

Mr Nel said no further permits would be issued authorising wholesalers or retailers to dispose of white maize products.

A spokesman for one of Port Elizabeth's maize supply companies said: "We are negotiating with all the retailers to return their supplies of white maize, which we will then send to our mills.

"If it is hygienically safe it will be mixed with the yellow maize but old products will be used in animal feed products."

Another distributing company manager said all their white maize products were sold last week.

"The headache starts when we have to send all the returned supplies of the white maize to our mill in Aliwal North because it will involve considerable expense," he said.

A Port Elizabeth hypermarket spokesman said: "There has been no resentment from the public concerning the ban. Bacause the nutritional value and the price remains the same we do not visualise any problems."

(3) maize 31/7/83 S. Times

Maize price shock

From Page 1

products came into effect at the beginning of this week.

Mr Nel says the decision to mix white and yellow maize (30% yellow against 70% white) was taken as the best solution to provide for consumer needs in South Africa.

Two other possibilities were rejected — to import white maize, which is of lower quality than South African white maize, or to use up all white maize stocks and then to import yellow maize.

Mr Nel maintains that the mixture plan is to the benefit of all consumers.

However, he does not see why merchants who have bought up large stocks of white maize should now benefit while those who have conformed to Government regulations should lose business.

S Times 31/7/83

U.S. heat on maize price could cost SA

By Elizabeth Rouse

(3) maize

SOARING world maize prices because of a heatwave in the US corn belt could cost the Maize Board millions.

After purchasing 1,2-million tons of maize on world markets at undisclosed prices, the Maize Board wishes to buy another 800 000 tons.

World prices have risen 21% in the past two weeks, however, and this could add millions to SA's maize import bill.

While tender prices are a closely guarded secret, the world spot price for maize this week was $130 a ton, suggesting that the second tranche of maize might cost R16-million more than if it had been bought two weeks ago.

Because prices could go even higher, the board, together with Minister of Agriculture Greyling Wentzel and the Export Advisory Committee, might decide to import the rest of South Africa's needs as soon as possible.

The world maize market is fluctuating wildly, and prices could go either way in the next two to three weeks, depending on climatic conditions in the US's Mid West corn belt.

So far the international price trend has been sharply upwards. Commodity traders expect prices to rise with temperatures in the Corn Belt.

On the other hand, the situation might change dramatically. As soon as temperatures — and rain — fall in Iowa, Illinois, Missouri and Nebraska, corn prices will decline.

Importing countries have been buying small quantities frequently from maize-producing countries, hoping that prices will come down. But they might well have miscalculated, say grain experts.

It looks as if production in the US, which grows 45% of the world's maize crop, may be down 34% this year to an estimated 5 500-million bushels.

Besides adverse climatic conditions in the Corn Belt, the payment-in-kind programme has already taken 82-million acres (33-million ha) of US farmland out of cultivation, further reducing crops.

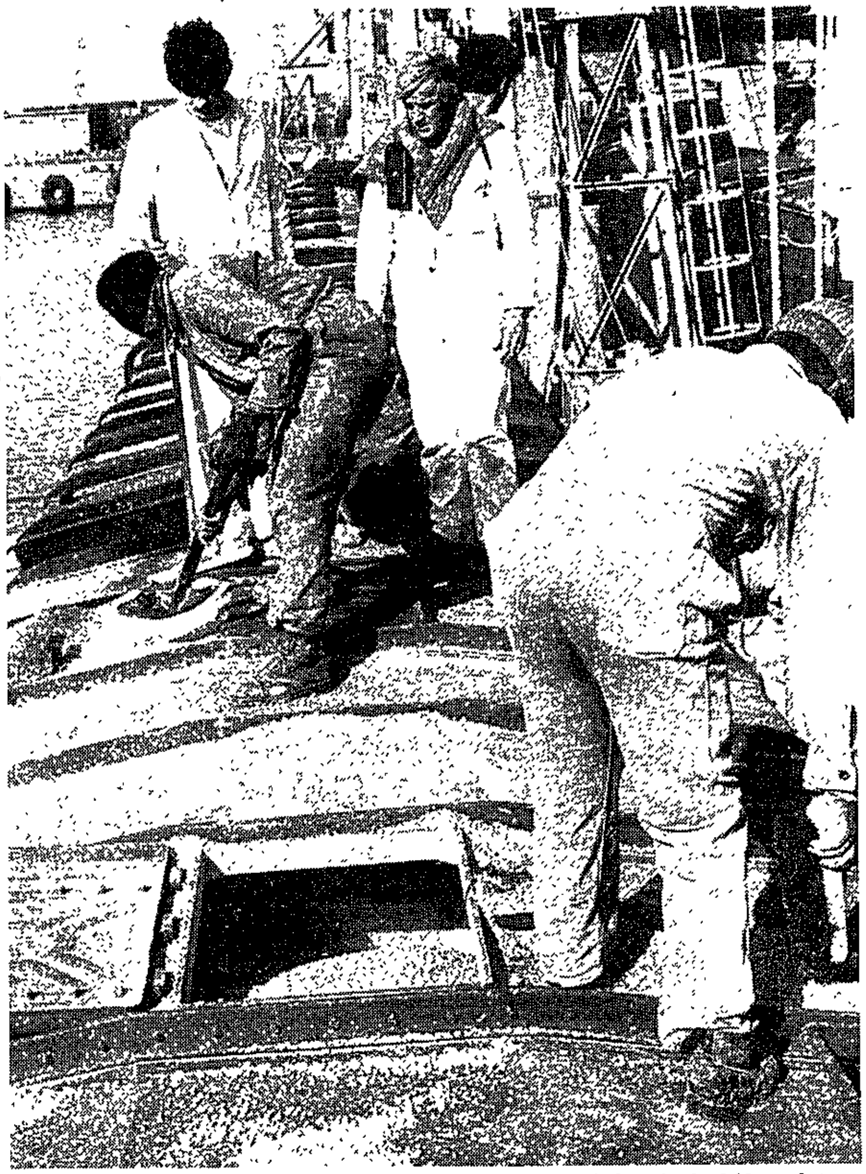
Hennie Nel, general manager of the Maize Board, says that so far purchases have been made at reasonable prices.

A ban on the sale of white maize

● To Page 3

D. Dispatch 3/8/83 (13) maize

Maize pours into EL



East London harbour workers have switched to round-the-clock shiftwork to enable them to keep pace with the arrival of import maize shipments.

EAST LONDON — South Africa's third maize import-order — 200 000 tons of it is being brought into the country through East London.

And local harbour staff have been put on round-theclock shiftwork for the first time in eight years in an attempt to make way for the discharge of the 26 984-ton maize-carrier Decca Fraternity.

Discharge of the similar-sized maize-carrier Nautilus has consequently been speeded up.

The port manager, Mr Brian Paddey, said discharge crews had been working two eight-hour shifts . . ." but the arrival yesterday of the Decca Fraternity made it necessary to switch the 50-odd dockside workers to two 12-hour shifts."

Mr Paddey said this was the first time since early 1975 that local harbour staff have had to go on round-the-clock shiftwork.

"By introducing the round-the-clock shift system we hope to have the Nautilus cleared by late tomorrow", he said.

Meanwhile, the Decca Fraternity is tied up at a berth on the opposite side of the river — waiting to discharge 25 000 tons of yellow maize.

Dockside workers have been using six mechanical grabs to load the maize directly into railway trucks and have been averaging 240 tons an hour.

The maize that is being brought into the country through East London is part of a 600 000 ton import-order that the SA Maize Board has bought from the United States and Argentina for just over R100 million. The imports are to fill the shortfall in local production. — DDR.

SA facing rising maize price

(3) Maize

THE Maize Board declines to disclose the result of its latest import tender for "tactical reasons", says the manager, Mr Hennie Nel.

He says the result of the 500 000-ton tender, the third to be held this year, will be published "when it suits us".

"Giving the prices now could make things very difficult because of the recent upswing in the market."

Hot weather has boosted grain prices on American and European markets in the past month. US No 3 yellow maize for September was quoted at $159 a ton CIF in Rotterdam yesterday compared with $138 on July 1.

Prices have also risen on the Chicago Board of Trade, December maize rising to 338c a bushel from 275c in the same period.

The US Department of Agriculture says maize prices are likely to stay strong until the harvest if the US average yield is lowered by dry weather.

Mr Nel says the tender has been wrapped up, adding that as in the first two calls, the yellow maize will be a mixture of US and Argentinian origin.

Results of the first two tenders were released promptly. The first, for 600 000 tons, was R172,74 a ton CIF South African ports and the second, for 100 000 tons, was struck at R160,09 a ton.

So far 1 200 000 tons of yellow maize have been ordered from overseas, but the SA shortage is 2-million to 2 500 00 tons, and traders say more tenders will be called.

Traders said the recent surge in prices did not necessarily mean that the price paid at the latest tender was much higher than the first two calls.

Prices, particularly in Chicago, were also influenced by speculation. The stock situation in trade warehouses could also affect the price the Maize Board would pay.

Question standing over from Wednesday, 10 August 1983:

Maize Q. Col. 1901

Western Cape: maize

12/8/83

(3) 3. Mr. P. A. MYBURGH asked the Minister of Agriculture:

(1) What is the nature of the other methods being considered to benefit Western Cape consumers of imported maize, as referred to in his supplementary reply to Question No. 18 on 22 June 1983;

(2) whether the discussions on these methods have been completed; if not, (a) why not and (b) when is it anticipated that they will be completed; if so, (i) what is the outcome of these discussions and (ii) in what manner will Western Cape consumers benefit or have they benefited from these methods;

(3) whether he will make a statement on the matter?

†The MINISTER OF AGRICULTURE:

(1) Specific methods for the benefit of Western Cape consumers of imported maize as well as the implications thereof can only be considered after

clarity has been obtained with regard to the several factors connected with the distribution arrangements for the various consignments of imported maize such as prices, railage, the interest of consumers relatively close to or far from the ports and the cost to the State.

(2) No.

(a) For the reasons mentioned under (1) above.

(b) Probably not before the end of August 1983.

(3) No, not at this stage.

(3) Maize RDM 31/8/83

SA to import extra maize

Pretoria Bureau

SOUTH AFRICA, because of the drought, will have to import more than two-million tons of maize this year, the deputy governor of the South African Reserve Bank, Dr A S Jacobs, said in Pretoria yesterday.

Speaking at the Pretoria Show, Dr Jacobs said in 1980/81 a record maize crop of 14 600 000 tons had been harvested. However, this year's crop totalled only 3 800 000 tons.

"This is not enough for our yearly domestic needs of about 6 500 000 tons, which means about two-million tons will have to be imported,' Dr Jacobs said.

Dr Jacobs said farmers in many areas were making use of Government aid to feed their animals, as there was no grazing available.

He said the effect of the drought on the country's economy could be gauged from the fact that the contribution of the agricultural sector to the Gross National Product had declined by 8% during 1982.

"This , however, does not fully reflect, on the one hand, the total loss of income caused by the drought, or, on the other hand the financial burden which it has imposed on the domestic economy," Dr Jacobs said.

Dr Jacobs revealed that it was estimated that the debts of farmers, which would be consolidated by the Land Bank, were likely to amount to R1 000-million.

"The carry-over debts of farmers with their co-operatives are estimated at a further R800-million."

"In addition the farmers will need credit amounting to almost R1 200-million for the planting season," said Dr Jacobs.

Maize (3) Maize farmers Star 3/9/83 hope for new deal

By Hannes Ferguson, Farming Correspondent

A new Government maize policy may be announced at a mass meeting of maize farmers in Johannesburg on Monday when the Minister of Agriculture, Mr Greyling Wentzel, addresses a special congress of the National Maize Producers Organisation (Nampo) at Ellis Park.

Maize farmers are hoping that his speech will herald a new deal for the embattled farmer. But farming leaders fear that actual changes to be announced may be much smaller than anticipated.

Nampo had claimed that not only the drought, but also the Minister's price policy and Government protection of fertiliser and tractor manufacturers, were killing the maize industry and driving the farmers from their land.

Farmers also claimed that maize export losses were largely caused by the unrealistic rand-dollar exchange rate.

But the Minister of Finance, Mr Owen Horwood, has repeatedly ruled out any devaluation of the rand.

On the insistence of Nampo and the SA Agricultural Union, both the Ministers of Agriculture and Industries have ordered investigations into inflation caused by import tariffs on fertiliser, tractors, and other farm input prices.

The respective reports by Dr A S Jacobs and Dr J J Stadler have now partly vindicated the farmer's views.

Agricultural economists say that unless the Government intends to subsidise exports the only alternative for the maize industry would be to limit production to the home market, thereby eliminating export losses.

Taking maize fields out of production to grow sunflower for diesel would be possible, the economists felt, but this would require a large subsidy.

and cost ...

Govt plan to save maize industry

8 Jul 9/10/83 (3) Maize

By Hannes Ferguson, Farming Correspondent

Faced with ruin, the maize industry is to be saved by gradually limiting maize production to the requirements of the home market, according to a new Government initiative.

The chairman of the Government's agricultural working group, Dr A S Jacobs, today announced the Government's new maize policy at a special congress of the National Maize Producer's Organisation (Nampo) at Ellis Park in Johannesburg.

For his share of the home market, the maize farmer would receive a quota. For his production within his quota, he would get a price to be determined by the Government.

For maize marketed in excess of his home market quota, he would receive the average price the Maize Board could realise on the export market.

Dr Jacobs said the State would prefer maize production to shift to the best soils on every farm.

This would have serious consequences for the markets of agricultural products to which farmers would now switch — sunflower, sorghum, meat and milk — Dr Jacobs said.

It would also very seriously affect the fertiliser industry, tractor manufacturers and others.

But, Dr Jacobs said, that was to be preferred to a devaluation of the Rand which would bring temporary relief to exporters but could possibly add to inflationary pressures.

The Government plans to implement the working group's recommendations as soon as possible, according to the Minister of Agriculture, Mr Greyling Wentzel, who spoke later.

(3) Maize

Radical plan to save SA maize industry

By J MANUEL CORREIA

A RADICAL package to save the South African maize industry from ruin was put forward by the Government in Johannesburg yesterday.

The proposals were outlined at an extraordinary congress of the National Maize Producers' Organisation (Nampo) by Dr Japie Jacobs, deputy governor of the South African Reserve Bank and chairman of the committee which investigated the industry.

The Minister of Agriculture, Mr Greyling Wentzel, told the 2 000 farmers assembled at Ellis Park: "We shall not let this report gather dust. The maize industry is strategic to South Africa."

The package, about which relatively few reservations were expressed by speakers, will have to be approved at Nampo's next congress in March next year after careful investigation.

Cheering greeted Dr Jacobs' recommendation that the State accept responsibility for the accumulated deficit of R223-million in the stabilisation account.

He proposed the amortisation of the deficit over a number of years.

Dr Jacobs admitted that the proposals for managing the maize industry in the years ahead could not be truly regarded as compatible with the free market system because the quotas and the one-channel marketing system were not part of a free market system.

His view was reinforced by Mr Wentzel, who said there would always be a certain amount of State intervention in agricultural marketing and production.

The proposals are:

- That the one-channel marketing system be retained.
- That quotas be determined for the delivery of white and yellow maize to the domestic market, probably only with effect from the 1984/85 production season.
- That the quota system be regarded only as a transitional measure and that the Maize Board can recommend to the Minister that the quota system be phased out.
- If the Maize Board considers that structural change in the industry is proceeding too slowly, it can recommend to the Minister that producers be allowed to sell their quotas to each other.
- That the maize industry accepts responsibility for storage expenses, also in respect of locally sold maize.
- That the State subsidy on storage expenses for locally consumed maize will be phased out.
- That the fixed-price system for maize produced for domestic use eventually be done away with.
- That maize produced for export be handled in an export pool, with farmers receiving an advance payment for maize delivered for export, and a final payment (agterskot) on the winding-up of each pool.
- That maize exports be promoted by suitable export incentives also applicable to other agricultural products, partly to compensate for the cost-raising effect of the industrial protection policy on maize producers' ability to compete in the export market.

Dr Jacobs said the system would experience teething problems and would have to be implemented in phases.

He also made the point that the production, marketing and price of maize were closely interrelated and that it was no longer possible to isolate the maize industry from the effects of the international demand and supply situation and the accompanying price movements by means of a rising deficit on the stabilisation fund.

He said the fact that South Africa had in recent years been forced to export maize at a loss was a contributory reason for the investigation into the industry.

Production costs per ton of maize had increased by 305% in the past 10 years, while the net producer price had increased by 268% and the net export realisation by only 31,3%.

"These cost and price trends reflect the problems with which maize producers have increasingly had to contend and which were, of course, exacerbated by the drought."

Dr Jacobs said he did not expect that the committee's proposals would meet with general approval. In various respects they differed radically from the dispensation in the industry over the last half-century.

"However, the committee has made an honest attempt to propose a new dispensation which will allow market forces to exert a more direct effect on the maize industry," he said.

He also conceded that the proposals would have important consequences for farmers in marginal maize producing areas, agriculture in general, the infrastructure for the handling of maize crops and the export trade in maize — such as grain elevators and harbour facilities — and for the suppliers of production inputs such as fertilisers and farming machinery.

● See Page 14

Some of the 2 000 delegates who gathered at Ellis Park yesterday to hear radical propos
Minister of Agriculture, Mr Greyling Wentzel, right, assured farmers the Government

Magnum affair: R7m claimed

By GEOFFREY ALLEN

pay over R1-million to the Santam Bank.

Women stole R17 000

y JOHN MILLER

who broke into

Free State Nats look at economy

By CHRIS FREIMOND
Political Reporter

SOUTH AFRICA'S troubled

tionary" groups co-operate in their efforts to destroy the existing order.

Lesotho parties call for elections

0167 2004 6/9/83

'Out like a

By MAURITZ MOOLMAN

MEMBERS of the Paper, Wood and Allied Workers' Union have accused Nampak Polyfoil and related factories of ignoring a recently negotiated agreement by retrench-

work later

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MAIZE FARMERS

maize

Better price for all?

However unpalatable the imposition of yet another government control may seem, the proposed maize quotas may curb further price increases and force farmers to become more aware of market requirements.

Nampo economist Kit le Clus sees quotas as the only way of saving the R1 000m/year industry from drowning in the unsaleable surpluses of normal rainfall years.

Quotas will also mean the domestic maize price will not be related to the lower export prices prevailing now.

The quotas were recommended by Reserve Bank deputy Governor Japie Jacobs' Agricultural Working Committee, which called for total deliveries of 10% above current domestic demand.

That would be a total production of 7,05 Mt made up of 3,85 Mt of white maize for human consumption and 3,2 Mt of yellow for stockfeed. (Average annual production for the last six years, excluding this year's drought disaster crop, was about 10 Mt.)

If a maize farmer chooses to exceed his quota, he can elect to send it to the export pool or use it as stockfeed. World prices will dictate what he receives for his deliveries to the pool.

"We want the maximum realisation of price against quantity sold," says Le Clus, "and if a lower price means more profit, then we'll have to look at that equation very carefully."

Government has yet to accept the recommendations and will probably do so after the referendum. If this happens, maize prices will be governed more by demand than production cost, says Le Clus. He also says most of SA's mealie farmers can adapt to new planting strategies.

The present dispensation encourages farmers to plant maize on all their available land, including poor soil, while the quota system would force them to use only their better ground. It would also lead to more diversified multi-crop operations.

"Maize farmers may think of turning more to livestock," says Le Clus. "Beef demand is more price elastic and already many maize farmers are substantial and efficient beef producers."

Meat producers, fearing intrusions on their patch, are already grumbling about the competition and there are indications the Meat Board might be hearing some strong Nampo arguments to allow more meat onto the market.

The Jacobs report sees livestock as a good alternative for maize farmers, but grain sorghum is seen as the most suitable crop option, largely because of its hardiness in drought-affected lands.

Maize farmers at Ellis Park . . . few audible grumbles

But sorghum offers only some scope for absorbing lands farmers may withdraw from maize. On average, only 203 000 ha have been under sorghum over the past decade against 4,3m ha for maize.

Other possible crop alternatives are sunflower seed, which covers about 0,307m ha, groundnuts 0,226m ha and wheat 1,148m ha in the summer rainfall area.

Agriculture Minister Greyling Wentzel made it clear to producers at the Nampo extraordinary congress on Monday that although he generally accepted the Jacobs proposals (and undertook to write off the stabilisation fund's R233m deficit) he could not "at this stage . . . finally bind" Pretoria to it.

He repeatedly emphasised that quotas would be of a "temporary, transitional nature," and got remarkably few audible grumbles at Ellis Park.

But neither did P W Botha at Bloemfontein 14 months ago, when he first formally committed his Nationalists to power-sharing. That quiet turned into a roar.

Implementing quotas by next season will pose many problems. What happens in the case of a young maize farmer who plans to enter the industry and who does not possess a quota? And what about tenants who are quota holders as distinct from landlords? How are existing grain-handling facilities to be re-utilised? Can quotas be allocated to producers who did not deliver to Maize Board agents during the whole of the qualifying period (1979/80-1981/82)?

Nampo GM Piet Gous is confident that such "minor details" can be overcome.

"I suppose a big problem will be to see that no one abuses the new system," he says. "But the farmer who cheats this time would do well to consider that he will really be cheating other farmers, not the system itself. He also runs the risk of losing his quota."

Enrich maize, urge doctors

15/9/83 (3) Maize RDM

By HELENE ZAMPETAKIS

DOCTORS have urged milling industries not to delay in enriching maize following medical studies showing no "significant" taste difference between fortified and non-fortified mealie meal.

Results of studies on groups of black adults and adolescents conducted by Dr J Metz, director of the South African Institute for Medical Research, Dr A R P Walker, head of the Human Biochemistry Research Unit with the SAIMR, and Dr B F Walker, of the same department, were revealed in the latest edition of the South African Medical Journal.

Studies on 64 pupils and 24 SAIMR employees showed there was no significant deviation in appearance or taste between enriched and non-fortified maize meal.

But the partial or total removal of the bran portion of cereal grains during the refinement process caused large losses of certain vitamins and mineral salts.

This was partially responsible for some deficiency diseases, including pellagra, beri-beri, florid and skin and oral lesions, the doctors said.

Enriching maize meal would be "beneficial" in alleviating these diseases.

Maize quota system puts farmers in a tizz

(3) Maize RDM 16/9/83

By GERALD REILLY

THE quota system recommended by the Jacobs Committee for the maize industry has met with a storm of opposition from other branches of the country's agricultural industry.

They say the maize farmers must solve their own problems and not thrust them on to other farmers who have their own formidable problems to cope with.

The system is aimed at cutting back on disastrous maize surpluses which can only be marketed abroad at huge losses.

The Minister of Agriculture, Mr Greyling Wentzel, says the Government plans to implement the committee's recommendations.

He agreed with the committee — headed by a deputy governor of the reserve bank, Dr Japie Jacobs — that a system of marketing quotas should gradually tailor maize production to the needs of the home market.

The current system "just could not go on", the Minister stressed.

He estimated the first crop under the new system would be reaped in 1985.

Meanwhile the quota system has the full support of the National Maize Producers Organisation (Nampo), which claims that the industry can only become financially viable if the most fertile and suitable land is used to grow maize.

That's what Nampo believes. But dairy, beef, wheat and other grain farmers warn a quota system would force maize farmers into other domains, could result in disastrous and financially ruinous surpluses.

Hundreds of maize farmers — there are more than 20 000 producing mealies commercially — will be strongly discouraged from producing maize, it is claimed.

It is pointed out, too, that 4% or 5% of the commercial producers grow 80% of the annual crop ... and it will be the big farmers who get the big quotas.

However no farmer in his right mind, according to agricultural authorities, is going to take the grave risk of producing more than his quota, which would have to be exported at a heavy loss.

Another grave risk, they say, is that the quota system which is aimed at pinning down production to meet only the local demand, could in a year of severe drought mean a disastrous shortage of maize.

Another factor, it is claimed, is that the system would weaken South Africa's "mealie diplomacy".

Countries in Southern Africa have become to a great extent dependent on South African exports to supplement their own crops which normally fall far short of what is needed to feed their populations.

So, they stress, there is a security aspect related to the new system which would inevitably mean small maize crops.

No details of how the quota price will be determined have been announced. But authorities claim it would be on much the same basis as the present price determination mechanism.

This takes into account farmers' production cost increases, the ability of consumers to pay, ensuring producers get a reasonable return on their crop investment and adjustments in the administration costs of the control board.

And of the fear that the quota system would create unemployment on the platteland the deputy director of the SA Agricultural Union, Mr J F van der Merwe said:

"There will be no overall reduction in agricultural production because of the quota system. Therefore we don't expect significant unemployment."

In fact, he added, there was, and would continue to be, a shortage of skilled and high quality labour on South African farms.

But not only the dairy, wheat and beef farmers feel the stability of their industries are threatened.

Other grain farmers ... sunflower seed and sorghum farmers ... are also "jumping up and down".

Nampo's chief economist, Dr Kit le Clus, claimed maize farmers under a quota system could not lose.

"There will be a quota for the home market with a guaranteed price. Anything produced over and above the quota will have to be sold abroad, and the farmer must accept the consequent losses."

This was similar to the current situation where farmers were paid a guaranteed price for all their production, but they had to carry the loss, through levies on their mealie income, suffered on exports.

Dr Le Cluse said the normal local consumption of about 7-million tons would be broken up into quotas.

The quotas would be determined by the weight of farmers' deliveries to the Maize Board over the past four or five years, the Jacobs committee proposed.

"But we have not yet worked out the details. Nampo will hold a conference in April next year where the nuts and bolts of the scheme will be discussed."

He believed other sections of the agricultural industry were dramatising the effects the quota system would have on their farming activities.

He did , however, concede the system could change the whole face of the livestock industry in South Africa.

Maize farmers, instead of exporting surplus production, could use it as cattle feed to expand their own livestock enterprises.

It could lead, he said, to a decentralisation of the feedlot industry, which did not necessarily mean a big increase in the supply of beef to the major markets.

A Meat Board spokesman claimed the quota system, if enforced, could be a disaster for the meat industry.

Farmers discouraged from continuing to devote the same area of their farms to maize would switch to beef production, or expand the beef segment of their enterprises.

This could lead to a massive over-supply. The board's limited storage space, could not be expanded to accommodate a maximum demand for slaughter permits, particularly in droughts like the current one.

The industry would sink under the weight of unwanted surpluses.

"The beef industry is in no position to have the maize farmers' problems dumped on its doorstep — and this is what it will add up to if the quota system is imposed," the spokesman said.

He stressed, too, that the beef export market had only a limited potential, and could not significantly relieve pressure on the local market.

Even if it were possible to sell larger quantities of South African beef abroad the losses would be prohibitive and the beef farmer would have to pay.

He added that the rest of the agricultural industry should not be penalised to solve the over-production problems of the maize industry.

And dairy farmers feel the same way.

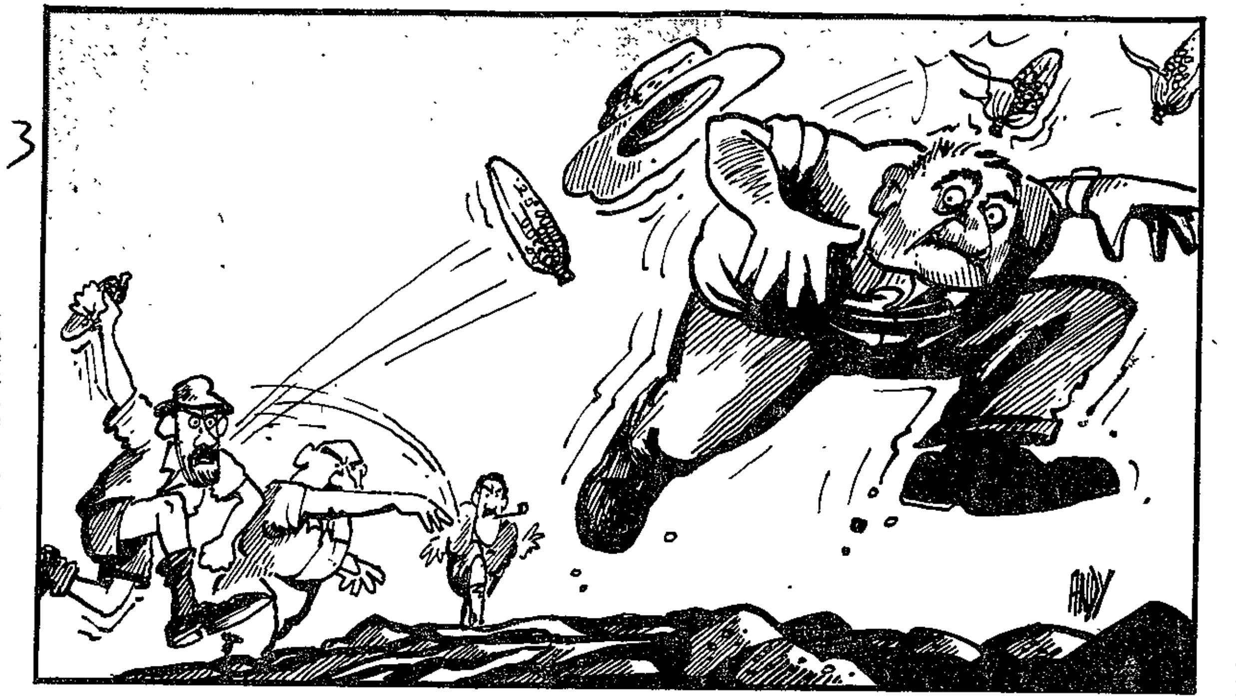
They also claim if the quota system is applied a significant percentage of maize farmers would increase their production of milk in an effort to compensate for their restricted maize production.

Even under normal conditions dairy farmers could produce bulky surpluses which created headaches for the industry.

One prominent dairy farmer said there would have to be far more deliberation on the quota issue and far more consultation with other branches of the industry, before final decisions were taken.

Like other milk producers he condemned instant solutions, specially when they jeopardised the livelihood of other farmers, and the stability of other sections of the agricultural industry.

And wheat farmers are also up in arms.



The general manager of the Wheat Board, Mr Denis van Aarde, said the board was gravely concerned that the acceptance of the Jacobs Committee quota recommendation would mean traditional maize farmers planting wheat on a fairly large scale.

"This in effect would mean the problem is merely passed from one insdustry to another ... a situation which should be avoided at all costs."

He warned that though the Wheat Board opposed the principle of quota systems, if the recommendation was accepted, restrictive production measures would also have to be applied to the wheat industry.

He explained that because of the relatively high costs of wheat production in South Africa producers were not in a position to produce wheat at prices competitive on world markets.

Because of the country's erratic climate it was not possible to produce wheat strictly according to demand. But it was desirable that production should rise to meet local demand.

"A drastic increase in wheat production in the short term would result in substantial surpluses.

On the basis of current world market prices these would have to be exported at a loss of about R160 a ton."

Mr Van Aarde stressed it was not the Wheat Board's objective to discourage new entrnts into wheat production, but to achieve an orderly production increase without disrupting the industry in the short term, because of unamanageable surpluses.

Namibia farmer returns to crops

Birth of maize industry depends on his success

(3) maize

After decades of diminishing returns for Namibia's meagre maize industry, a former Transvaal farmer is cutting a swathe through the desert bush, and proving that hard work can produce better maize yields than many of his South African counterparts. His success could spur a resurgence in maize farming in Namibia's northern territory.

19/9/83

By Peter Honey, The Star's Foreign News Service

OTJIWARONGO — It's no picnic trying to grow maize in the dry Namibian soil, which makes Boet Bester's story all the more intriguing.

This wiry, 59-year-old Western Transvaaler sold his lucrative Delareyville maize farm four years ago and moved with his wife and son to northern Namibia's Otjiwarongo district.

On the fringes of the notorious "terror triangle", Mr Bester bought up a block of dormant stock farms going cheaply because of the drought.

He consolidated the land into a massive 30 000 ha property and began clearing bush.

In a 500 mm rainfall zone, considered marginal for maize production, Mr Bester felt he had a point to prove: that maize can be a viable alternative to beef in the north-eastern territory.

It was the potential of the ground that made him come to Namibia and take on what has proved to be a hard nut to crack.

"It is very good land and it was reasonably cheap," he said.

"And of course there is a tremendous need for local maize production in South West. We have to get nearly all our maize from South Africa."

Last year he proved his point with a vengeance.

From one huge tract of cleared bush — probably the biggest single maize field in Southern Africa — Mr Bester produced half the territory's total crop.

And he did so with a yield of about 5 tons a hectare — about twice the average South African yield.

It was back-breaking work with his son, Wynand (26), and him spending days at a time camping in a tumble-down house which serves as base for the farming operation, while his wife, Jurina, remained at their home in Otjiwarongo.

Having made his break-through, however, Mr Bester found his troubles had only begun.

Namibia was not geared for intensive maize production and marketing the crop proved a major obstacle.

So, too, was labour. The exclusively pastoral black communities of Namibia produced no one capable of tractor-ploughing or reaping so the farmer was forced to hire specialised labour, at extra expense, from South Africa.

In South Africa every small town in the maize belts has its local co-operatives.

Namibia has only two mills and does not even have its own grain-farming legislation dealing with the marketing of the product.

Mr Bester was forced to hire transport to carry most of his 4 000 ton crop to the mill at Otavi, about 150 km from the farm.

The rest of the crop he sold privately.

It cost a fortune, and this year's disappointing maize field of only 0,6 tons a hectare did little to recoup the loss.

"It is a lonely battle," says Mr Bester diffidently.

"There are no other maize farmers around here — no one with which to discuss your problems or to share your farming interests.

"In this game you have got to keep informed of the latest developments.

"Even though we had that one good crop, I am still working at a loss — especially if you consider it is all I have been able to show after four years."

Apart from the working aspects of his operation, Mr Bester's farm, Elandsvreugde, is on the fringes of the so-called "terror triangle", which once a year is infiltrated by Swapo guerillas.

Last year five insurgents passed through Boet Bester's property.

"I have an old cannon which I cart around the field to detonate to keep the kudus from eating all my mealies.

"Well, last year I used it to keep the terrorists away," he says with a smile.

In spite of the financial and physical strains of his endeavour, Mr Bester says he is not about to quit.

This season he is extending his single maize field into a 1 200 ha expanse.

Whether he can repeat his success of last year depends almost entirely on the drought, or lack of it. It could be the deciding factor whether Mr Bester is still on the land this time next year.

This is not important only to him. In many ways the birth of a maize industry in Namibia depends on his success, as other farmers wait to see what happens to this determined man.

The assistant director of Namibia's Department of Agricultural Economics and Marketing, Mr Kurt Alpers, believes the territory has the potential to not only meet its own maize demand, but to become a maize exporter.

"In fact in the late 1950s we had a maize production of about 69 000 tons.

"Since then it has dropped to where you can't really talk of a maize crop of any consequence."

Last year the two mills at Otavi and Windhoek received less than 10 000 tons of maize.

At the same time the demand for maize and maize-related products in Namibia is unofficially estimated at 130 000 tons.

Mr Alpers, and other agriculturalists, estimate that the territory could produce more than 200 000 tons if all viable ground were utilised.

The decline of the maize crop since the 1950s is ascribed to the increasing costs and drought, but primarily to laziness on the part of many Namibian farmers.

It is far easier to farm with cattle than to plant and reap maize, Mr Alpers points out.

But maybe if people like Boet Bester are allowed to get ahead others will follow.

(B) Maize 5/10/83 Pol

Maize farmers caught in vicious circle

Farming Correspondent

The South African maize industry could meet even more serious problems than it is already facing if good rains help to produce another maize glut this season.

The maize industry has been turned upside down by recent decisions.

Now the plight of maize producers is threatening to have crippling repercussions on other farm products and several manufacturing industries.

South Africa has the resources to become a major producer. For two decades the maize industry prepared itself for a key role in the South African economy.

Areas planted remained fairly stable, but better technology more than doubled the yield.

With stagnant home consumption, the industry had become export-oriented and a large export terminal at Richards Bay was planned.

Maize contributed to South Africa's trade balance to the tune of R600 million annually.

On the output side, competing crops such as wheat, sunflower, sorghum, as well as meat and milk, found their places in a maize-dominated farming pattern.

On the input side, important business sectors such as the fertiliser, tractor and farm chemicals industries relied heavily on the demand created by maize production. They planned ahead on the basis of maize industry growth.

But the interaction of world market forces and State policies has now stopped the maize industry in its tracks — capped by a drought which brought existing troubles to a sudden head.

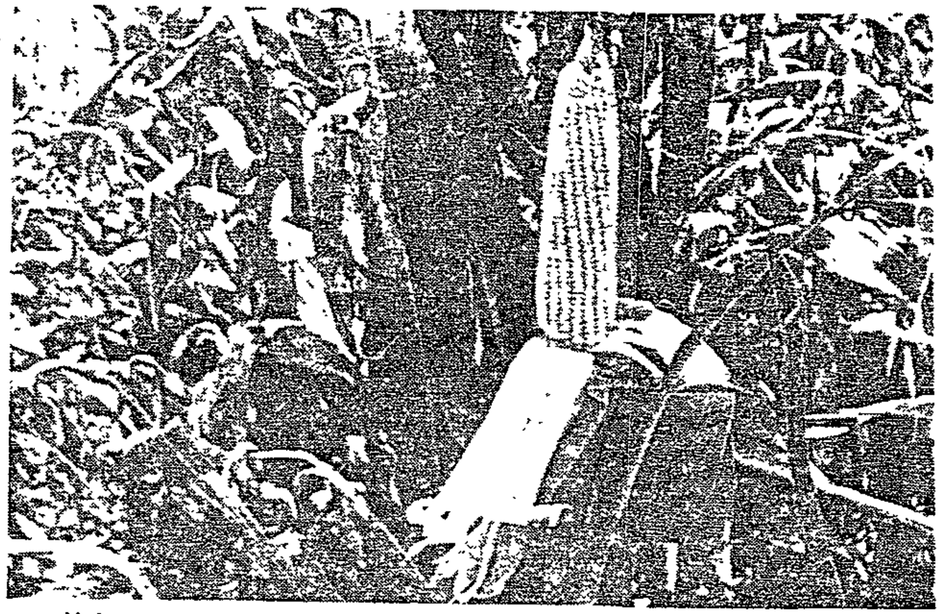
All went well until 1975, when danger lights began to flash. Inflation pushed up the cost of inputs — such as fertiliser, tractors, fuel, chemicals and labour — ahead of general consumer prices.

Yet the State reacted by keeping down the controlled price of maize, instead of the prices of inputs.

Initially, the resulting cost-price squeeze for maize producers was somewhat cushioned by handsome export profits.

But from 1977 maize exports showed increasing losses, reaching a staggering R79 million in 1982. Inflation in South Africa had far outpaced world prices.

And from 1979 fuel prices went into orbit, bringing the cost of inputs to a level 175 percent above 1973.



Maize . . . once one of South Africa's leading exports it is now a troubled crop.

But producer prices were kept down and allowed to rise by only 120 percent above the 1973 level.

For most maize farmers, making ends meet had become a losing struggle. Attempting to speed production ahead of the slide in income, they were caught in a vicious circle.

Production slumped by 70 percent. The already severe cost-price squeeze grew to such proportions that it brought the maize industry to the point where even the State could bail out only about threee-quarters of those who had been left bankrupt.

Most young farmers — generally the more progressive ones — will not be able to carry on.

Now all eyes are turned to the coming season.

Like all business organisations, the maize industry, through the National Maize Producers' Organisation (Nampo), has been budgeting ahead.

It had to do so on the basis of existing State policy. Unlike the businessman, the farmer has no control over the price of his product, nor can he influence his costs or determine his marketing channel. He is at the mercy of the Minister of Agriculture.

Nampo assumed production costs a hectare would increase by 10 percent and that the domestic selling price would also rise by 10 percent to R187 a ton.

Export costs, storage expenses and rail charges were fixed by the SA Transport Services.

The size of the home market and the net export realisation could be reliably estimated.

The result of the budget was that a crop of 14

Despite the drought, good rains could be the worst thing for South Africa's maize farmers. A bumber crop could plunge the maize industry, the victim of world market forces and poor State planning, into the worst crisis in its troubled history.

million tons — equal to the unprecedented peak crop of 1981 — was needed to break even. Another one million tons were required to pay back a small portion of the industry's accumulated debts.

The Government accepted the Nampo conclusion that unless something drastic were done, financial disaster would be piled upon disaster.

The SA Agricultural Union had long been clamouring for an about-turn in the State policy of industrial protection.

It was the protection of the fertiliser, tractor and farm chemicals industries by import duties that had caused their prices to rocket, SAAU said.

When the pressure increased, the Minister of Industry Commerce and Tourism, Dr Dawie de Villiers, commissioned a study into the protection issue by the Bureau for Economic Policy Analysis (Bepa) at Pretoria University, headed by Professor J J Stadler.

Bepa cleared the Minister's protection policy, but hinted strongly that devaluation of the rand might be a way out of the effects of past inflation. Then the farmer, like every exporter, would get more rand for his export dollars.

Maize would soon be cheaper to import if inflation were not rectified by devaluation. The international trade advantage was tilting heavily toward the mining sector, Bepa found. This was pulling the exchange rate out of joint.

The Minister of Finance, Mr Owen Horwood, parried his colleague's davulation thrust by having the maize issue re-examined by a working group under the vice-president of the Reserve Bank, Dr A S Jacobs. It included four Nampo representatives.

This body predictably endorsed the view of the president of the Reserve Bank that devaluation would be too inflationary.

Having declared both devaluation and a relaxation of industrial protection dead-end beats, the working group advocated another possible dead-end solution and suggested that the area planted to maize be cut by half to eliminate export losses.

Nampo willy-nilly went along with this recommendation as the only course that was acceptable to all Ministers concerned. A special Nampo congress two weeks ago approved the plan.

The Maize Board was to ration access to the home market by way of quotas. Whoever wanted to produce for the unprofitable export market was free to do so. The aim was to bring down maize production to around seven million tons in a good year.

The Minister of Agriculture, Mr Greyling Wentzel, clearly had serious misgivings. But he had no alternative to offer.

The plan bristles with difficulties:

- Maize farmers seeking alternative crops may disrupt the wheat, sunflower, sorghum, meat and milk markets. The Wheat Board has already threatened to impose quotas of its own.
- Cattle fatteners and feed manufacturers will have to pay the full domestic selling price for the maize they use for feed, but farmers competing with them will value their own non-quota feed maize at a much lower price.
- The Maize Board will have to battle against maize producers selling maize on a black market.
- Fertiliser, tractor and farm chemicals industries will find themselves suddenly in markets reduced by almost half. Oil companies will also be hit.
- The Maize Board may again circumvent the unrealistic exchange rate by bartering maize for imported fertiliser or tractors, deepening the crises in both markets. Should the Government stop this, the whole maize issue will have to be re-examined.

But all this will be nothing against the bumpy ride immediately ahead. The quota system will be implemented first for the crop to be planted in 1984.

Weather-wise farmers predict an excellent season. Bankrupt maize farmers will go flat-out for the largest possible crop — many, no doubt, not shrinking from ploughing their wives' vegetable gardens.

If another bumper crop materialises, how is the Minister of Agriculture going to prevent massive export losses? And how is he going to persuade an unsympathetic Cabinet Food Committee to endorse a maize price hike of at least 10 percent for an abundant crop?

Having discarded the principle of the Marketing Act by divorcing the controlled price of maize from the merits of the maize industry, he promised the farmers at the Nampo congress to "make a plan" to save them.

He has only one consolation. Should there really be another large crop, his colleague, Mr Hendrik Schoeman, Minister of Transport, will join him in his predicament.

How the export crop is to be transported in time is anybody's guess. The Richard Bay terminal project has been shelved.

On balance nothing may have been gained, nothing solved. So it may be back to square one.

Cold shoulder for unsettled maize farmers

(3) maize

Star 24/10/83

By Hannes Ferguson
Farming Correspondent

CAPE TOWN — All branches of agriculture are concerned about the limitation of maize production and the implications of this government move have been spelled out at the SA Agricultural Union congress in Cape Town.

The chairman of the Wheat Board, Mr Sarel Cillie, said the wheat industry feared that many maize fields in the Free State would be switched to wheat. In good seasons this would lead to an unmanageable wheat glut.

Surpluses would have to be exported at a heavy loss and this could mean high levies on present wheat farmers.

Mr Morris Leonard, chairman of the Grain Sorghum Committee of the SA Agricultural Union, said that there were serious fears that the grain sorghum market would be swamped by maize farmers switching to sorghum.

Dr Louis Theron, a prominent member of the Dairy Control Board, said that, with a large part of the market flooded by dumped milk powder imports, the dairy industry could not possibly absorb a rush of newcomers from the maize industry. If the Maize Board had to introduce production quotas, the Dairy Control Board would have to do the same.

Cattle farmers said that, in the short term, the entry of many more cattle producers would spell chaos. In the long term, it might bring about a relocation of beef production from the grazing areas to the mixed farming areas. It was impossible to assess the implications at this stage.

The lone call of welcome came from the Wool Board, which encouraged maize farmers to switch to sheep and wool.

(3) Maize RDM 10/11/83

3

MORE MAIZE BOUGHT

SOUTH AFRICA had bought substantial amounts of maize through private deals, on top of the 1,2-million tons acquired through tenders earlier in the year, trade sources said yesterday.

They estimated the privately acquired maize at about 800 000 tons.

With 2-million tons imported, SA has taken care of most of its immediate needs, but may have to import more later.

The Maize Board general manager, Mr Hennie Nel, said the board had acquired maize through methods "other than tenders", but declined to be more specific or reveal details of quantities or sources.

The Maize Board, acting on behalf of the Government, had abandoned the tender method because of the strong bull market during the US summer brought on by drought and high temperatures.

"It would have been foolish to carry on using tenders and telling the world what we needed."

The trade sources said the board would have asked private merchants to meet roughly the same criteria as they had laid down at the tenders, requesting yellow maize of quality equivalent to or better than US Number Two.

Most of the privately bought maize would have come from the US, as Argentinian supplies were becoming less readily available.

Despite the rising trend in world prices, the board might have been able to secure the private maize at prices slightly below tender rates.

The board had not disclosed the result of the third tender, but announced that the first two calls had been struck at R172,74 and R160,09 a ton cif South African ports respectively.

The sources said the need for more maize would depend on how this season's crop turned out. They expected the board to reassess the situation in January after the crucial summer growing months.

Mr Nel said: "What we're going to do all depends on climatic conditions. We're in a fairly good position at the moment."

Early rains have helped farmers to plant their maize. But officials and traders are cautious, recalling last year when good spring weather faded away and the crop was devastated by searing heat and drought.

In the end, fewer than 4-million tons of maize was produced, well below domestic consumption needs, compared with a record 14,7-million tons two seasons earlier. — Reuter.

(3) Maize
29/11/92
R.D.M.

NAMPO: Most US grain is healthy

THE extent of contamination of a consignment of maize imported into South Africa was very limited, the chairman of NAMPO, Mr Hennie de Jager, said yesterday.

He was commenting in a statement on reports that a consignment of maize imported from the US to augment maize supplies hit by the drought, was contaminated by alfatoxin.

Mr De Jager said precautions were always taken to prevent contaminated maize from reaching the consumer.

Despite this assurance, he said, NAMPO was making a serious appeal to relevant bodies to ensure that no contaminated maize be allowed to leave the country's harbours.

NAMPO had, prior to the start of the present imports, pointed out that the imported maize would not be of the same quality the local consumer was used to.

He said the reported occurrence of alfatoxin in the imported consignment of maize, with its allied problems, confirmed again the importance of the South African maize industry as a basic supplier of high quality feed for man and animal.

The deputy director of the Department of Health, Dr G I van Rooyen, confirmed that South Africa had rejected some of the imported maize as unfit for human consumption. None of the maize was sold as it was monitored in the ship's hold, he said.

While Dr Van Rooyen would not give an exact figure, he said one lot of maize, which was heavily contaminated, was ordered to be destroyed immediately, and another to be rejected for human consumption. — Sapa.

Dept of Health likely to test retailers' stocks

Search launched for toxic maize

3 Maize poison 28/11/83

By MARGARETHA GOOSEN

SAMPLES of imported maize transported to the mill at De Aar as well as products from the mill, will be tested by the Department of Health this week to determine whether they contain the fungus alphatoxin.

The investigation might well involve the testing of products already distributed to small retailers, Dr G Oberholster, chief director of consumer goods at the department, has said.

Although the Afrikaans newspaper Beeld claimed on Saturday the investigation would involve taking products from retailer shelves, it must first be established that these products in fact contained the imported maize, Dr Oberholster said.

The new investigation follows the discovery last week of alphatoxin in a vast consignment of maize shipped to South Africa from the United States.

Dr Oberholster said the investigations would be launched this week, but would not be under the direct supervision of his department.

Once imported products leave the harbour, they are in the hands of local health authorities. The department's regional office at Kimberley has been instructed to assist with the investigation, he said.

Dr Oberholster said alphatoxin is a fungus of the mycotoxin family which thrives in damp conditions and affects grain products, nuts, and berries.

When consumed over a long period of time, it can cause cancer of the oesophagus and liver.

Dr Oberholster said that to his knowledge the shipment of contaminated maize was the first imported to South Africa. South Africa does not usually import maize.

Dr Oberholster stressed that the situation was under control.

At the weekend the Minister of Agriculture, Mr Greyling Wentzel, also said he had been assured that imported maize, intended for human consumption, fell within the stipulated tolerance, Sapa reports.

According to Mr Wentzel, who met representatives of the Maize Board and the Department of Health on Friday, the Maize Board — directed by the Department of Health — carries out regular tests on all imported maize and maize for human consumption.

Mr Wentzel also said he had instructed the Maize Board to arrange discussions with the Stock Feed Manufacturers' Association, the Feed Lot Association, the Poultry Association, and all other interested parties with a view to further monitoring the matter on a co-ordinated basis.

● **Editorial comment See Page 10**

Maize scare in De Aar

Farming Correspondent

Contaminated maize from the United States may have reached supermarket shelves at De Aar.

Dr G Oberholster, chief director (consumer goods) of the Department of Health and Welfare, said yesterday that samples from a miller's stocks were being tested but no evidence had yet been found.

About a million tons had been imported from the United States but the De Aar complaint was the only one received so far, he said.

Health control of food products had, by law, been delegated to the various municipalities but the department's regional offices kept close liaison with them and routine samples were analysed regularly.

The general manager of the Maize Board, Mr Hennie Nel, said the first barrier to fungus-contaminated maize was at the harbours.

Every hold in every maize ship was sampled and, at the slightest suspicion of a toxin, the entire hold was diverted for animal use.

Many mills were allowed to process feed-grade maize only, others milled for human use. A few mills could do both.

Only about 10 tons of maize had been condemned outright.

Maize imports: Call for tighter controls

ARGUS 30/11/83 3 MAIZE

Staff Reporter

THE National Maize Producers' Organisation (Nampo) today issued a "serious appeal" to the Government to ensure that more stringent health and general quality standards were applied to maize imports.

The appeal followed confirmed reports that imported maize contaminated with the poison aflatoxin had bypassed the Department of Health's safeguards and reached the country's mills through Cape Town harbour.

The managing director of Fedfood, one of the country's largest food manufacturers, said today Koeberg Mills in Durbanville, which received a 1 000-ton delivery of contaminated maize, had not been warned by authorities.

"More careful"

Mr Johan Louw said the Maize Board "could have been more careful" and could have warned the mills about the contaminated maize.

Officials at the mill detected the poisoned maize (which carried no indication that it was not fit for human consumption) after it was offloaded, and they separated it for use in cattle feeds.

Mr H P de Jager, chairman of Nampo, said today: "In spite of stringent measures of control it now appears to be extremely difficult to assure a strict separation of good-quality and contaminated maize products already in the pipeline."

The presence of aflatoxin in maize available in the world trade was well known, Mr de Jager said.

He said the high level of aflatoxin in large quantities of imported maize, which according to existing RSA standards of quality control makes the maize unsuitable for human consumption, was alarming.

Mr de Jager said more stringent standards were necessary.

Maize risk called alarming

Sowetan 30/11/87

Pretoria Bureau

The chairman of the National Maize Producers' Association (Nampo), Mr H P de Jager, said today a high level of aflatoxin in large imported quantities of maize and the possibility of its being mixed with local maize and getting into the consumer's pantry was alarming.

Nampo urged the Government to ensure more stringent health and general quality standards for imported maize, and to provide for larger strategic buffer stocks of locally produced maize.

A spokesman for the Maize Board said today it was doing all in its power to ensure contaminated maize was not released for human consumption.

He believed the aflatoxin controversy had been exaggerated.

It appeared contaminated maize for human consumption could have gone through mills at De Aar and Randfontein.

It is not yet clear whether it has been marketed. The Department of Health is investigating and was to hold talks with the Maize Board in Pretoria today to discuss controls.

Cape Times 2/12/83

•3 MAIZE

Maize imports denial

Staff Reporter

WHILE maize product manufacturers and users have accused the Maize Board of importing aflatoxin-contaminated maize, the board itself has denied it imports the cereal at all.

In a statement which did not clarify who was responsible for ensuring that the maize was fit for human consumption, the chairman of the board, Mr C L von Abo, said earlier this week that the board was acting on behalf of the State "as secretariat for handling the import programme".

"The Maize Board does not import maize," he said.

But maize-users have said they buy their maize from the board — already imported.

Anxiety

Serious anxiety has been expressed since it was confirmed recently by the Department of Health that contaminated maize had reached mills in De Aar and Durbanville and that a whole cargo aboard the ship Stasia was found to be contaminated.

Mr Von Abo said the board was acting on a directive from the Minister of Agriculture, Mr Greyling Wentzel, who had approved the import of maize in April after the drought had made a serious impact on local crops. The board's administration was acting in a "purely administrative function", said Mr Von Abo.

The maize shortage has caused the unusual situation where South Africa imports maize rather than exports its own. Under normal circumstances, South Africa has no cause to worry about aflatoxins in its cereals.

Cancer

And therefore, say maize-users, tests for toxins are not conducted as a routine. Quality control should be the responsibility of the board which releases it to the market, they say.

Another reason they give for not conducting tests routinely is that tests would hold up the manufacturing period — about three days.

According to a reference work on the effects of drugs, there is "strong suggestive evidence" that in high enough doses over a sufficiently prolonged period, aflotoxins could be connected to liver cancer.

The text, however, also quoted the instance of a woman in Britain who attempted suicide by consuming very high daily dosages of aflatoxins over a two-week period. Fourteen years later she was still perfectly well.

● Mr Wentzel said earlier this week that there had been no confirmed cases of imported maize detrimentally affecting health.

Mouldy maize: 'None in shops'

ARGUS 7/12/83

3 MAIZE

Argus Correspondent

PRETORIA. — No cases of mould contamination of maize in retail shops has yet been reported, according to the Department of Health.

Dr G Oberholster, chief director of consumer goods, said that anyone who wanted to take samples from shops could do so but legal provisions were enforced by analyses carried out by a limited number of appointed laboratories equipped to do the highly sophisticated tests.

A spokesman for the Maize Board said the ship, Cavalheir do Sol, which was reported to have landed mouldy maize, had docked before October 25, the date on which the Maize Board had started to use new sophisticated sampling equipment. If any mouldy maize from this ship should have slipped through the harbour inspection screen, it was highly unlikely that this could happen again.

If private tests revealed occasional mould levels higher than the legal maximum, it could indicate that the Foodstuffs, Cosmetics and Disinfectants Act of 1972 was technically contravened; but it was unlikely that prosecution would follow.

Dr Oberholster said to suffer any effects from isolated intake of mouldy maize, one would have to consume about a ton of maize in one meal.

The Department of Health was not so much concerned about moderately high levels of maize mould in small consignments of maize in the trade, but it had to guard the public against any long-term intake of mouldy maize.

For this reason the legal maximum had been put at a level half of that in other countries.

Bumper crop can't aid battling maize farmers

(3) Maize

S Star 9/12/83

By Hannes Ferguson, Farming Correspondent

With prospects for a bumper crop rising, the maize industry may slide into another financial disaster.

Maize farmers were in a no-win situation, agricultural economists have said. If the present high dollar value of the rand continued or even increased into the winter, abundance would be as bad as the drought.

A 12 million ton maize crop, as now seems possible, would mean a maize export of about 5 million tons. While this would net about R800 million for South Africa's balance of trade, it could, however, mean an export loss to farmers of R180 million.

Maize producers would have to pay R15 on every ton produced for the privilege of keeping South Africa's international books in the black.

The National Maize Producers Organisation (Nampo) is negotiating with the Government for compensation to maize farmers for the high production costs imposed on them.

Brunt of duties

They have to bear the brunt of import duties on fertiliser and tractors.

A Government committee has calculated the amount involved at about R100 million.

But the Minister of Finance has already indicated that he could pay no more than about R4 for every ton of maize produced.

It is regarded as unlikely that Government will increase the maize price enough to cover export losses as well as higher production costs. Neither will it pay the local producer for his high-grade maize what it now pays for imported low-quality maize.

Nampo has calculated that a crop of 14 million tons would be required to allow the maize industry to break even. Even a crop of 12 million tons would leave maize producers heavily in the red, adding further to a mountain of unpaid debts.

Nampo also said that a crop of 12 million tons was by no means certain.

Nampo hoped that during next season, 1984-85, the new maize marketing system would be in force, effectively limiting production to local requirements. It would cost South Africa about R800 million annually in foreign exchange.

But it would at least make the South African maize farmer solvent.

Imported grain now carries SA

Farming Correspondent

Imported maize was being off-loaded at the rate of 15 000 to 20 000 tons day to prevent any possible shortfalls, the Maize Board's general manager said.

Mr Hennie Nel said that as a result there was no shortage of maize anywhere, although food production now depended almost entirely on the imported grain.

The imported maize, which was being off-loaded around the clock six days a week, costs the Government about R240 a ton. It is then sold to the mills at a price slightly above the local price of about R170 a ton.

The Government has been asked to pay a big premium for early deliveries of local maize. If dry weather prevails in March, local maize should be available towards the end of it.

Off-loading of maize urgent

(3) Maize D. Dispatch 9/12/83

Mercury Correspondent

PRETORIA—Transport Services are working day and night seven days a week at South African ports off-loading critically-needed maize supplies.

An informed source here said yesterday the country had only about 10 days' reserve supply of maize.

'There is no buffer supply,' the source said, 'and should there be any delays in the arrival of maize shipments from the US we could be in trouble.'

A senior official at Railways headquarters in Johannesburg confirmed that maize was being off-loaded 24 hours a day at Cape Town, East London and Durban.

South Africa's 1982/83 maize crop was ravaged by drought and yielded less than 4 000 000 tons. About 6 500 000 tons are needed for local consumption.

Meanwhile the managing director of the National Maize Producers' Organisation, Dr Pieter Gous, said maize imports would cost the country more than R400 million.

In addition, the Government's pledge to maintain local maize prices in the face of more expensive imported maize could cost an additional R60 million.

He emphasised that in his view a strategic supply of white maize was more important than oil.

Seventy-five percent of the country's population depended on maize.

However, white maize was virtually unobtainable on world markets. Production abroad was mainly yellow maize for animal feed.

Rains

South Africa, he said, should maintain a strategic reserve of at least 2 600 000 tons of white maize.

Dr Gous said good rains had fallen in most of the maize-producing areas and the early prospects for the crop were good.

Unfortunately, however, there were still parts such as the Western Transvaal, north-west Cape and south-west Free State where more rain was badly needed. The good rains had been accompanied by hail and wind damage as well as floods, which meant that many thousands of hectares had had to be replanted.

Dr Gous said there could be no talk at this stage of a record maize harvest. The size of the crop would depend heavily on good rains in January and later in summer.

 (3) Maize

Farmers take big gamble on maize

By GERALD REILLY
Pretoria Bureau

THE BIG maize gamble has started — and a potential crop of 14-million tons is in the ground.

According to the chief economist of the National Maize Producers' Association, Dr Kit le Clus, farmers have spent anything up to R1 700-million in costs associated with planting maize over more than 4 000 000ha.

He said the critical period for the success of the crop was January.

A dry, excessively hot January could spell disaster — and the gamble would be lost.

Last season's crop, which eventually yielded only 4-million tons, was devastated by blistering temperatures, strong winds and drought in January.

A crop of between 12 and 14-million tons with satisfactory production levels in other sectors of the agricultural industry would contribute greatly to South Africa's economic recovery, Dr Le Clus said.

However, he stressed that January was the crucial month.

The prospects for a big crop at the beginning of January this year were exceptionally good, but high temperatures created havoc with the crop, destroying thousands of hectares of maize.

Dr Le Clus said, however, conditions and prospects for a big crop were even better now than they were at the same time in the 1980-81 season, when an all time record 14-million-tons-plus harvest was reaped.

With good rains in January the crop expectation could be 12-million tons.

If conditions are dry and hot, this would be reduced to an expectation of about 8-million tons.

Good follow-up conditions during February would raise the expected crop to 14-million tons.

Conversely, a below average January and February could reduce the estimate to 6-million tons or less.

Other economists said South Africa's recession had been worsened by the worst drought this century last summer.

Because of it, crop yields fell dramatically and the country had to spend millions of rand importing supplementary supplies.

This was a severe drain on foreign reserves.

According to the Department of Agriculture, the total value of agricultural exports in 1982 reached R2 063-million.

This fell sharply last year because of the drought to R1 650-million.

(3) maize 18/12/83

ΛAIZE FARMING

Ꝺuotas slammed

he proposed maize quota system, which ɔuld reduce average annual production ·om about 9 Mt to 7 Mt, has come under ttack — not from farmers but from ɹtsiders.

Government is now deciding whether to ıtroduce the system, which is designed to ɜduce maize surpluses. Until this year, ıere has been a regular oversupply since ɂ73. Surpluses are usually sold abroad at rices allegedly lower than production ɔsts.

The quota system was formulated by the acobs Committee, but has still to be formal-' accepted by the National Maize Produc-·s' Organisation (Nampo). It lays down that ɹotas be granted for national production of bout 10% above local consumption and ıat each farmer's output be adjusted ac-ɔrdingly by quota. For this quantity, he ould receive a guaranteed price but ould have to be satisfied with world-relat-ł prices for any additional output.

Farming sources expect that this would ɪrce farmers to stop growing maize on ıeir so-called "marginal" lands and switch ı other products. The suggestion has been ıat 2m ha of the 4,3m-odd now under ıealies is likely to be taken out of maize ·oduction.

hift

Hennie Bezuidenhout, manager of the gronomical Commodity Organisation of ıe SA Agricultural Union (SAAU), says the ɹota system would merely shift the maize ırplus to other farming sectors, as it ould force maize farmers to produce oth-· agricultural products which are already ı good supply.

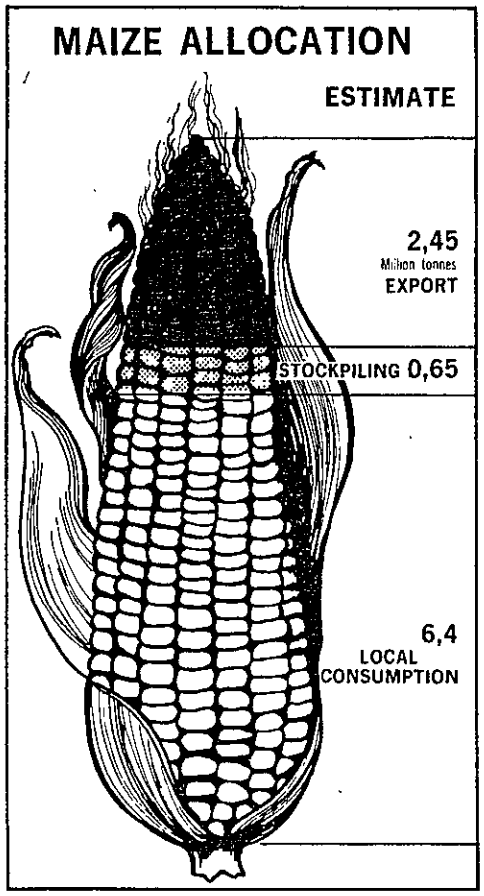
He says that it would also penalise maize ırmers who have already reduced produc-on and scientifically diversified into other ·ops. Such farmers would then have to op-·ate on lower quotas, even though their resent plantings are at economic levels.

He adds that reducing input costs remains ıe cardinal, and unresolved, problem of ıaize farming. One aspect of this, he says, seems to be overuse of fertiliser. A champion of the fertiliser overuse theory, Professor Willem Folscher of Pretoria University's Department of Soil Science, says the quotas are "unscientific and not based on facts."

Instead of cutting output, says Folscher, farmers should rather cut their fertiliser consumption, which would enable them to sell profitably on export markets (*Business* May 16).

He says hundreds of millions of rands are annually "wasted" by farmers who follow recommendations to use far more fertiliser than they really need.

Reducing maize production, he says, would make SA a hostage of imports and the accompanying financial, health and administrative problems which occurred this year. It would also throw away a valuable bargaining tool provided by mealie exports.



Folscher says the production quotas allocated by the Maize Board could be open to manipulation and corruption. "The quota system is either stillborn or else it would have to be artificially sustained," he says. "This would mean a strain on the taxpayer and a further aggravation of the inflation problem."

World market

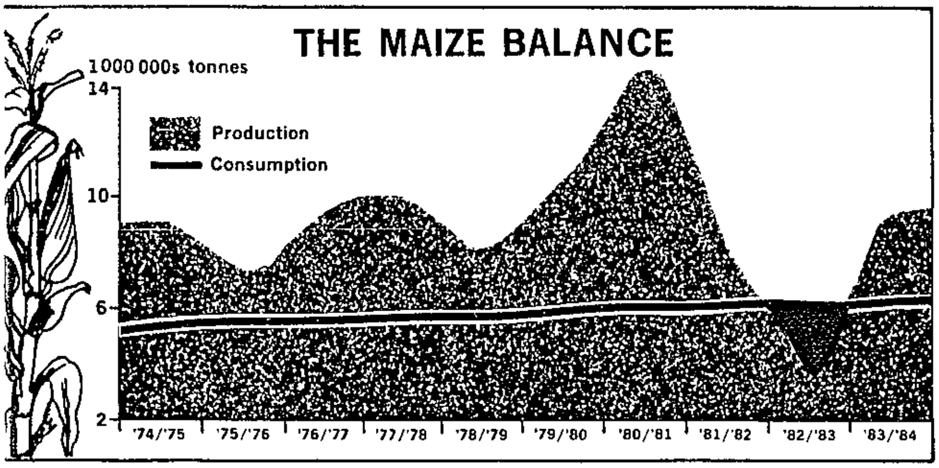
Nampo spokesman Kit le Clus says that Folscher does not understand the basic economic factors underlying the recommendations, Nampo's philosophy and the advice it often repeats to its members on profitable production, or the situation on the world market.

"The proposed quota system will assure sufficient supplies of maize to the local market," he says, "and does not restrict any farmer's choice of where and how much maize to grow. It will, however, expose him individually to the discipline of the world market. Each farmer can now decide how much maize (if any) he can afford to grow for export.

"Furthermore, government involvement and demands for costly subsidisation would decrease."

Le Clus says that any positive contribution to improve the profitability of maize production would be welcomed.

"However," he adds, "we could not expect farmers to grow export maize at a loss to themselves to benefit the country in general."



New signs could ease city's car jams

By Colleen Ryan, Municipal Reporter

Traffic congestion in the city could be eased slightly if the Johannesburg City Council agrees to install 15 new signs allowing motorists to turn left at red traffic lights.

Johannesburg's traffic chief, Mr John Pearce, said he was confident the plan would be approved.

Five signs have already been installed which allow drivers to turn left at red traffic lights after they have stopped, provided the intersection is clear.

If approved, the signs will be placed at 10 new intersections and the five existing signs will be replaced with the new design.

EXPERIMENT

In June 1982 the first "left turn on red after stop" signs were introduced in Johannesburg as an experiment.

This year a study was conducted to determine the success of the plan and it was found that only half of the motorists used the signs correctly.

The City Engineer's Department has recommended Johannesburg adopt a new, simpler sign to assist motorists who do not understand the old sign.

Some Reef municipalities have introduced similar systems but there has been a lack of co-ordination between authorities, said Mr Pearce.

The National Institute for Transport and Road Research would attempt to standardise the projects next year, he said.

Maize prospects look rosy

(3) Maize Star 23/12/83

By Hannes Ferguson, Farming Correspondent

Farmers in the maize triangle — Lichtenburg-Lydenburg-Ladybrand — had finished planting and prospects looked rosy, an Eastern Transvaal Co-op spokesman said.

He said sunshine was what the maize crop now needed most.

After good rains near Thabazimbi, the Limpopo was now in flood, swollen more by heavy downpours in northern Botswana.

Key Bushveld districts such as Koedoesrand and Ellisras were still dry and farmers had to feed their cattle maize rations. Hopes were high that Christmas rain would also bring relief there.

The Weather Bureau's Mr George Schulze said the global weather pattern favoured Southern Africa.

The seasonal hotting up of surface water in the western Pacific, known as the El Ninho Effect, had been fading away for sometime.

In an intricate pattern, the El Ninho was linked with barometric pressures in areas as distant from each other as Gough Island, south of Cape Town and Tahiti.

Mr Schulze said rises at the South African weather station on Gough and Marion islands during December could point to a further weakening of the Ninho effect and a favourable weather constellation in the Indian Ocean might continue bringing moisture to inland regions here as a result.

Miners wary of new move

Star 23/12/83

Labour Reporter

The National Union of Mineworkers has reacted warily to the news that individual unions will be represented on the Chamber of Mines Prevention of Accidents Committee.

"Naturally we are pleased the chamber has given us this opportunity but it all depends on what the committee's aims and objectives are," NUM's general secretary Mr Cyril Ramaphosa said.

"It's all very well to represented at industry level and at national level, but we need to have the shaft stewards involved on the shaft floor."

The union has responded to the chamber's invitation to nominate committee representatives by asking for more information about it.

"Our acceptance will, to a certain extent, be conditional on whether the committee includes input from the shaft floor all the way up. If the committee does not ensure that, we would see it as a hopelessly useless committee," Mr Ramaphosa said.

The Federated Mining Union's general secretary, Mr Johnny Pieterse, was not available to comment on the chamber move.

Turpentine death at Cape

CAPE TOWN — One child has died and another is in the intensive care unit of the Red Cross Children's Hospital in Cape Town as a result of turpentine poisoning, the SABC reported.

A spokesman for the hospital said there had been a marked increase in turpentine poisonings among children in the last few days.

This was probably due to fathers being at home and doing painting jobs.

Children found the turpentine bottle and mistook it for water or a cool drink.

The spokesman said turpentine poisoning was particularly unpleasant and that parents must not induce vomiting.

Parents should give a child suspected of swallowing turpentine milk to drink and then take the child to hospital for treatment as quickly as possible. — Sapa.

Teargas used to subdue 3 wom

DURBAN — Teargas was used to subdue three women arrested at a police roadblock after they allegedly obstructed the police, it was said in the Amanzimtoti Magistrate's Court yesterday.

Constable Rosemary Hennesy was testifying at the trial of Mrs Sybil Mohlaka, manager of the kwaZulu Nursing Services, and Miss Sbongile Ngcobo, who appeared before Mr D M Young, charged with resisting arrest and obstructing the course of justice.

The women, who had pleaded not guilty, were acquitted after their defence counsel, Mr C J Pammenter, asked for a discharge immediately after the State closed its case.

The charge against the third woman, Miss Jenny Conco, was withdrawn.

Constable Hennesy told the court she was on duty with three policemen at a roadblock near Adams Mission on September 24 when she stopped a car driven by Mrs Mohlaka.

When Constable Hennesy started to open a bag in the boot told her not to put
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CBD, say traders

'Maize hike not likely to affect bread'

Maize

(3)

E. Post 30/12/83

Post Reporter

THE increase in the price of maize from January 1 is not expected to lead to a rise in the price of bread, according to the chairman of the Master Bakers' Association in Port Elizabeth, Mr John Vieira.

Mr Vieira, who is also the general manager of Britos Bakery in Port Elizabeth, said today that wheaten products were entirely separate commodities from maize products and the two did not influence one other's cost structures.

The maize price increase might, however, have a spin-off with more people buying bread rather than maize products.

This could result in a rise in the bread price, but previous years had shown this not to be the case.

His comments followed yesterday's announcement by the Minister of Agriculture, Mr Greyling Wentzel, that the basic selling price of maize would be increased by 10% — or R17 — to R187 a ton from Sunday.

Mr Wentzel said the revenue from the price increase would be used for the credit of the maize import account.

He said that if the price increase was passed on by millers and other processors to the trade, there would be a rise of less than 2% in the consumer prices of certain basic foodstuffs.

● See Page 3

Store slates maize price rise

3 Maize

E. Post 30/12/83

JOHANNESBURG — The latest increase in the selling price of maize was "ridiculous" and made a mockery of drought-relief schemes, a spokesman for Checkers supermarket chain said.

He was reacting to the announcement by the Minister of Agriculture, Mr Greyling Wentzel, that maize prices would increase by 10% from January 1.

"To expect the major consumers of maize meal and also those hardest hit by the drought to be able to stomach a further increase in the price of maize — this time caused by the drought and price of imports — is ridiculous," the spokesman said.

"We can only expect maize consumption to drop and the problems related to inadequate nutrition to increase.

"It makes a mockery of the emergency and relief feeding of thousands of South Africans that has been undertaken over the past year."

Mr Wentzel said that maize prices would rise R17 to R187 a ton.

"The price increase, if passed on by millers and other processors to the trade, should result in a rise of less than 2% cent in the consumer prices of certain basic foodstuffs such as eggs, chicken and dairy products, and of less than 1% in the case of red meat," he said.

"The consumer price index should increase by no more than 0,15%."

Mr Wentzel appealed to maize millers and stock feed manufacturers to absorb the greater part if not all of the price increase for the remainder of the current maize season, which lasts until the end of April.

"This will prevent the maize price increase from having an effect on the prices of related food products," he said.

The maize crop had been the poorest in 23 years.

The Maize Board had estimated at the beginning of the season deliveries to its agents would be in the region of four million tons and that local consumption would amount to 6,6 million tons.

It had initially appeared, after taking the previous season's carry-over into account, that the total shortfall would be 1,5 million tons.

But the drought had been worse than expected and the expected shortfall had risen to about two million tons. — Sapa

Maize price spirals by 10%

Maize RDM 30/12/83

Pretoria Bureau

THE basic selling price of maize is to be increased by 10% or R17 a ton to R187 a ton from January 1.

This was announced by the Minister of Agriculture, Mr Greyling Wentzel, in Pretoria yesterday.

The price increase will have a ripple effect on basic foodstuffs such as eggs, chickens dairy products, and red meat, he said.

Mr Wentzel has appealed to maize millers and stock feed manufacturers to absorb the greater part of the increase for the remainder of the current maize season which ends in April.

He said the revenue from the price increase would be credited to the maize import account.

He said said the action to increase the maize price had been necessitated by several factors, but mainly by the recent drought.

Because of the drought the maize crop this year has been the poorest for the past 23 years, he said.

He said said it was estimated that the loss on the maize import account would be R30-million.

Responding to the Minister's announcement, Sapa reports that Checkers last night described the latest increase in the selling price of maize was "ridiculous," and made a mockery of drought-relief schemes.

Govt bungled, say maize men

(3) Maize Star 31/12/83

By Hannes Ferguson, Farming Correspondent

Consumers are having to foot the bill for Government bungling and miscalculation, maize farmers claim.

They point out that, in April, when the Maize Board obtained options on American maize for R167 a ton, the Minister of Agriculture, Mr Greyling Wentzel, intervened and rejected the deal. Now South Africa is having to pay more than R200 a ton, excluding railage to the Reef.

And when, at the same time, Mr Wentzel decided to subsidise the millers by selling them imported maize at the local price, he provided for only R30 million. By the time the total payout had risen to R70 million the Treasury could not provide further funds.

Mr Wentzel then had to increase the miller's price of maize to make the consumer pay the difference.

The general manager of the National Maize Producers Organisation (Nampo), Dr Pieter Gouws, commented that it was not the drought that had caused the price rise.

One reason was that the low producer price Mr Wentzel fixed in April had forced farmers to keep back part of their crop, resulting in silos receiving a smaller tonnage than had been expected.

Another reason was the attack on the Maize Board by the Minister of Finance, Mr Owen Horwood, who criticised the board's policy of keeping a large tonnage of maize in reserve to cover possible shortfalls in a drought situation.

As a result, the Railways last year carted millions of tons of good South African maize to the harbours for sale overseas at a heavy loss.

Now they were carting millions of tons of inferior foreign maize from the harbours back to the Reef — maize which South Africa had to import at another heavy loss.

Dr Gouws added that the price increase of 10 percent announced by Mr Wentzel confirmed the Nampo view that the South African maize farmer had been grossly underpaid when Mr Wentzel fixed this year' producer price.

A country could not afford to play politics with its staple foods, he added.

The price increase for maize is expected to have a ripple effect on the prices of meat, dairy produce, eggs and chickens at a very inopportune time for South Africa's economy.

MAIZE — 1984

JANUARY — DEC.

Drought slashed the local maize crop by 62%

(3) Maize S. Times 1/1/84

By Barry Sergeant

THE drought decreased the 1983 maize crop by 62% from the 11-million tons possible under normal conditions to 4,2 million tons, according to Dr Pieter Gous of Nampo in his New Year address to farmers.

Imports of a low-quality yellow maize will cost South Africa more than R400-million in foreign currency.

The local price is being kept artificially low, with an increase of only 10%, but still below the cost of the imports.

Dr Gous said that, while the industry appreciated the R2 000-million granted in special relief to bail it out, this would have to be paid back with interest.

The maize imports had cost the Treasury R60-million, and maize farmers had to pay R74-million for inputs because of import controls.

"Export industries cannot be offered on the altar of protection to local industries," Dr Gous said.

Other losses suffered last year were: R140-million in the sugar industry, R160-million in the national beef herd and R600-million in the non-maize grain sector.

Imports are being made of most agricultural commodities except beef, where surpluses due to forced slaughter are being exported.

On the other hand, apple farmers in Elgin and Langkloof are expecting a huge crop this year.

Mohair farmers had a bumper season, and the wheat crop is expected to be a record of 2,4-million tons.

1983's wine production saw an all-time high of more than 900-million litres.

Farmers to join battle on inputs

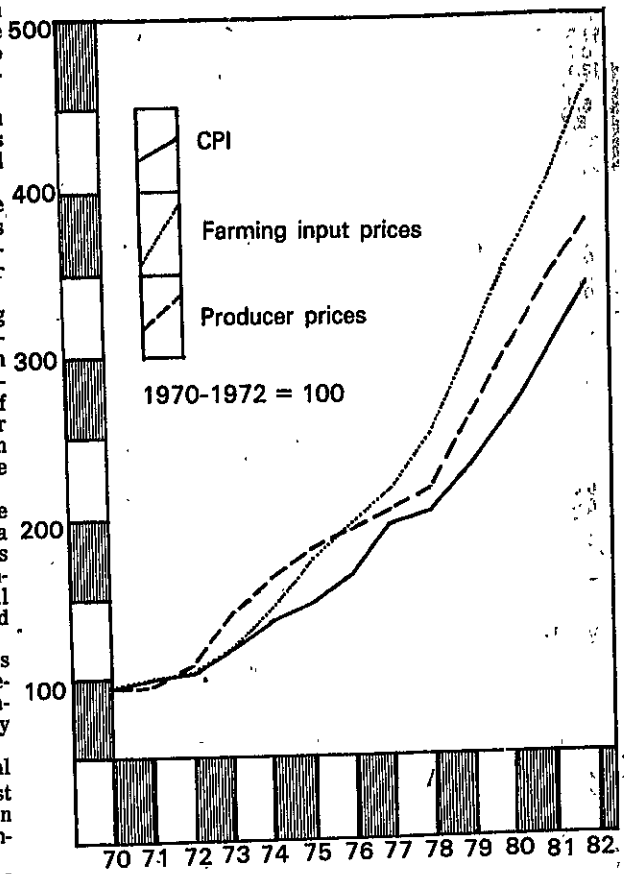
(3) Maize

S. Times 1/11/84

By Barry Sergeant

LED by the militant National Maize Producing Organisation (Nampo), South Africa's R14 000-million-a-year farming industry is donning its armour for a battle with its input suppliers.

The maize industry says it simply cannot continue its three-pronged function of producing cheap food, earning foreign exchange — and subsidising local industry.



Source: Department of Agriculture

According to spokesmen for organised agriculture, the industry wants its produce to be competitive on world markets.

It maintains that this can be achieved only if its inputs are purchased at world prices.

At present, agriculture pays more than world prices for fertiliser, chemicals, tractors, implements and other inputs.

Local industry supplying agriculture has long been cosseted by protectionism such as import controls. As a result, the rise in the cost of farming requisites has far outstripped the increase in the consumer price index (see graph).

Nampo, with 35 000 maize farmer members, enjoys a high degree of solidarity. It is the most highly organised single-commodity agricultural body in the country and spearheads the offensive.

Agricultural observers reckon it will not be long before other farming organisations will become equally united and militant.

At the recent Agricultural Outlook conference almost every farming organisation complained about protectionism.

After using its enormous political power to get Government approval of 208 000 tons of urea imports and the lifting of import control and price control on fertiliser, Nampo is flexing its muscles and looking at other areas.

Nampo's latest threat to input suppliers is the possibility that it may cut acreage under maize by half. This is seen by it as an "unpalatable but unavoidable" route to follow.

"Nampo's statement on this season's maize plantings is — to Triomf — a hypothetical situation. It is tantamount to the fertiliser industry's saying it will close its plants," says Triomf chief executive Dr Louis Luyt.

A cutback of 1,9-million ha devoted to maize would result in the loss of R700-million worth of foreign exchange, and the loss of 48 000 black jobs supporting 432 000 people.

Maize farmers last year turned over R1,670-million and made a profit of R348-million — a gross return on sales of 21%.

SATS derives R130-million in revenue from maize farmers. Maize farmers buy R87-million of fuel annually, R26-million of seed and 16% of farm machinery.

With this kind of buying power, there are few input suppliers who could survive a concerted boycott-type cutback by Nampo.

Maize farmers buy 60% of the R550-million spent on fertiliser every year and supply 45% of the country's protein. They can switch to other crops or livestock, so the threat to cut acreage is not idle.

According to latest reports, the plantings of grain sorghum are up three times on last year's.

Sources in the fertiliser industry are adamant that they can supply the local industry against any competition.

The industry is still smarting after the Maize Board's import of 208 000 tons of urea. This caused AECI to mothball a plant at Umbogintwini.

Nampo noted that official investigations into the fertiliser industry indicated that import controls placed the local industry in a position of "monopolistic power". Triomf and Fedmis control an estimated 80% of the fertiliser market.

Fedmis managing director Mr A L TerreBlanche says: "We have not had time to assess the full impact of the lifting of price controls or the new regime of selective tariffs. But Fedmis accepts that it will adapt to the situation."

Nampo's victories have been underscored by positive reactions in the Cabinet.

The next target may be the Atlantis diesel engine plant. A strategic investment, it is thought to have received more than R200-million in indirect subsidies this year.

the domestic servant, Mrs

not been solved.

boat.

The fishermen found a huge shoal of pilchards concentrated on the surface and surrounded by sharks.

'Suddenly we felt a bang under the boat and we were lifed about a metre out of the water and then dropped straight back,' Mr Geyer said

The whale came up again a few metres away alongside the boat and then disappeared

Mr Rob White of the East London aquarium said it was unusual behaviour for a whale but that it was probably related to the unseasonal concentration of pilchards in the area

It was not possible to identify the species because of the brief look the fishermen had of the whale.

4/1/84 Mercury

Maize prices hit farmers

(3) Maize (~~183~~ 244)

Mercury Reporter

FARMERS have been hit by two major price increases — in fertiliser and maize products, which are used for animal feed.

A spokesman for Triomf, one of the country's major fertiliser producers, yesterday announced a 4 percent increase in the prices of fertilisers containing nitrogen, phosphate and potassium mixtures, a Sapa report said.

The spokesman said the increase had been unavoidable because of a hike in the prices of imported chemicals used to manufacture fertiliser

Other producers are also expected to raise their prices.

Mr Donald Sinclair, chairman of the Natal Agricultural Union, said last night 'It's just an added blow to the farming community which is already suffering from rising production costs.

'Farmers have not yet recovered from the lack of crops and income because of last year's crippling drought.

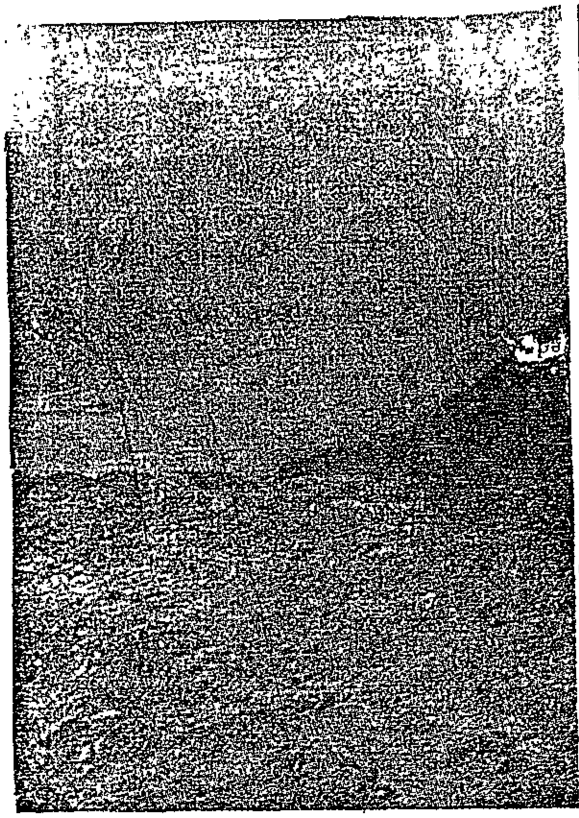
'Four percent is not an insignificant increase. It represents R4 000 more on a fertiliser bill of R100 000.

'We can only hope that farmers might benefit from the removal of import control and a certain amount of competition in the fertiliser industry.

The Maize Millers' Association has also increased prices of all maize products by between 6 and 7 percent with immediate effect.

Quiet weekend

BLOEMFONTEIN—The city experienced one of its quietest New Year weekends ever, with only one murder, one assault and one road accident being reported — (Sapa)



Boks triumph and go one-up in Test series

CAPE TOWN—Peter Kirsten's Springboks wiped out memories of the moral defeat they suffered in Durban over Christmas when they swept to a 1-0 lead over the West Indians in the four-day cricket series at Newlands here yesterday.

The Boks cruised home by 10 wickets after winkling out six West Indian batsmen before tea.

After wrapping up the West Indian second innings for 268 the Boks were left to score 117 to win and they did it at a gallop with 13 overs and four balls left to spare.

Both Jimmy Cook and Henry Fotheringham batted 83 minutes.

It was Fotheringham who assumed the senior role, punishing 71 off everything the West Indians had to offer as he erased the first baller he suffered in Durban from the selectors' minds as well as his own Cook scored 40.

The collapse they suffered on Monday virtually sealed the Windies fate but their innings yesterday was a solid effort — a valiant swish of the tail that must have had Kirsten worried that he would pay the full price for the slow Bok batting.

They came in at a parlous 89 for four, hoping for some pyrotechnics

Maize harvest heads for 7-m tons if the weather holds

Maize S. Times 8/1/84

By Barry Sergeant

THE Maize Board forecasts a crop of between 6,5-million and 7-million tons "if current climatic conditions continue".

January-February weather is seen as crucial for the crop.

It is hoped that the Government will provide an early harvesting premium. This could lead to the first deliveries arriving at the end of March.

"The incentive will be beneficial for both the consumer and the producer," says the Maize Board.

Maize Board director Hennie Nel says the increase of 10% in the price of maize to R187 a ton has "nothing to do with the Maize Board or the maize industry. It is for the credit of the maize import account — in other words, the Government."

At the beginning of the previous season, consumption was estimated at 6,6-million tons and deliveries of 4-million tons were expected. Allowing for the carryover from the preceding year, 1,5-million tons of maize would have had to be imported. But only 3,5-million tons of SA maize were delivered, leaving a 2-million ton shortfall.

Imports resumed last June at prices of between R160 and R173 a ton. With the US drought wiping out half the maize crop, prices rose to the current R204 a ton. This meant the R30-million laid out by the Government to cover the loss on imports had to be increased to R70-million. The 10% increase in the SA price has been made to cover this loss.

Nampo breaks with farming tradition

S. Times 8/1/84

By Barry Sergeant

3 Maize

THE National Maize Producers Organisation has released its radical "white paper" on agricultural policy.

The 30-page document slates protection, subsidies and control as being "in direct contradiction to a free, more market-related economic dispensation."

Nampo is prepared to give up protection, subsidies and tax breaks to rid the maize industry of controls and quotas and to be able to sell its produce at market prices.

It recommends far-reaching reform in the Land Bank, the Agricultural Credit Board, the co-ops and most agricultural legislation.

The paper was prompted by the Minister of Agriculture's new dispensation for the industry, expected to be tabled in Parliament this year.

The white paper's release was postponed until talks between the Minister of Commerce, Industries, the Minister of Agriculture and Nampo were completed.

It has been sent to all ministers and leaders in the agricultural industry for comment. If the recommendations form part of Government's White Paper, the consequences for commerce and industry could be dramatic, say sources.

Its recommendations include the abolition of artificial tax breaks and other perks enjoyed by agriculture.

Nampo says: "Market distorting subsidies to agriculture and preferential treatment, such as tax privileges which are counterproductive and often detrimental to the farmer himself, must be phased out."

It calls for an end to benefits enjoyed by co-operatives "which may be detrimental to the implementation of a market-related system".

Consumer subsidies distort demand.

Other broad national objectives, such as decentralisation, are attacked for not being part of agricultural policy.

Nampo says the Soil Conservation Act should be more strictly enforced; research by government must be scaled down to basics; and the Government's role in training must be restricted to school, college and university.

The paper includes a survey of market-related methods used in South Africa, the US, the EEC, Japan and other countries.

An examination is made of the rise and fall of the Marketing Act. It was introduced 50 years ago because producers insisted on protection from export losses. "At present they are again suffering losses and it is evident that one-channel marketing and price control are not the answer."

The paper criticises the use of cross-subsidisation in transport tariff structures. This has arisen through suburban transport being heavily subsidised by high tariffs paid for the transport of goods.

14/1/84

RAND DAILY MAIL, Sat

Big food price shocks on the way for SA

3 Sugar 3 Dairy

3 Maize

By GERALD REILLY
Pretoria Bureau

CONSUMERS can brace themselves for a series of food price shocks in the first half of the year.

These include likely increases in the prices of dairy products, bread, sugar and maize.

This week the dairy committee of the Transvaal Agricultural Union met and, it is understood, will recommend to the National Dairy Committee of the SA Agricultural Union that an early meeting be arranged with the Minister of Agriculture, to demand a rise in the producer price of milk.

The national committee recommended a price rise last November, but this was rejected by the Dairy Board on the ground that there was a milk surplus and the time was not right for a price adjustment.

However the Minister gave the industry an assurance last year that from now on the milk price would be adjusted early in January.

The TAU's milk committee is expected to be strongly supported by the other provincial milk committees in its demand for an immediate price rise.

The consumer price of milk was increased last year by 7,5c/l. In July producers were granted a 3c/l increase and distributors 2,5c/l.

Then in November, distributors increased their margins by another 2c/l.

The bread price will also almost certainly be raised long before the middle of the year.

Justification for a price increase is "overwhelming", according to Pretoria sources.

The issue is now with the Cabinet. It will either sanction an increase in the bread subsidy — which is considered highly unlikley — or a price rise.

An increase in the producer price of sugar is expected during the first quarter of the year. The general manager of the SA Sugar Association, Mr Peter Sale, said application for an increase was submitted last year.

The last increase was granted a year ago. Since then, Mr Sale said, there had been big rises in costs in the industry.

A maize price rise is also certain in May. Producers were dissatisfied with last year's 9% increase.

And if maize rises, price increases for a whole series of foods will follow — meat, poultry, eggs and pork among them.

S. Times 17/1/84 (3) Maize

Maize, beef press for futures market

By Barry Sergeant

MAIZE and beef farmers are agitating for the establishment of futures markets.

The National Maize Producing Organization (Nampo) has made a strong case for a futures market in its white paper, and the Organisation of Livestock Producers (OLP) called for a futures market in its 1983 manifesto.

Futures would enable farmers to sell their produce before it was ready for marketing, enhancing their credit standing and protecting them against price changes.

They would also open SA agricultural commodities markets to the forces of international supply and demand. Most agricultural prices are determined by the Government, which, ironically, uses international futures markets to correct surpluses and shortfalls.

Using a futures contract as security, a farmer could, before planting, borrow substantial sums from his bank. There would be a risk. If the farmer's crop failed, he would have to buy produce to meet the delivery, possibly at a higher price.

According to Holcom Commodity Brokers, four parties are involved in a futures market: producers, consumers (millers and processors), local speculators, foreign speculators. Speculators are vital, as they give the market sufficient liquidity to be successful.

The main benefit to a miller or processor is that prices are settled in advance. For speculators there can be huge profits — or losses — depending on which way spot prices move.

Speculators account for most of the trade in US futures markets. Physical maize, for instance, amounts to only 2% of the market's turnover.

Holcom provides the following example of how a contract works. A farmer sells 100 tons of maize at R200 a ton for delivery in four months on the futures market. All he has is a contract, against which he can borrow.

If the spot price of maize falls to R150 a ton at the end of the four months, he receives R15 000 on physical delivery.

He uses the R15 000 to buy 100 tons of maize on the futures market at R150. But he settles the original contract with his broker, receiving R20 000 cash, resulting in a R5 000 profit on the futures market. He receives R200 a ton, as planned, in spite of the price fall.

The only negative possibility for the farmer would occur if his crop should fall short of the 100 tons and the spot price rise above R200.

Nampo reckons information on agriculture in SA is inadequate for a successful futures market. In the US, copious information is used by buyers, sellers, brokers and professional consultants to plan supply and to protect themselves against unfavourable short-term trends.

Assuming this year's SA harvest meets demand of 7-million tons, the maize industry will earn R1 309-million. At the consumer stage, where maize consumption is split almost equally between households and stock-feeding, sales generated are at least R3 500-million.

Beef consumer sales of R1 000-million are projected for 1984.

Bill Slater, chairman of the OLP, says: "Although a futures market in meat could not be instituted overnight, some transitional stage should be embarked on. Because of the long-term nature of the meat industry, producers are particularly vulnerable to supply-demand factors.

"As demonstrated in the US, the futures markets enable the consumer to communicate with the producer.

"The move in South Africa should be to a freer market. Abattoir policy needs review, the quota system should be overhauled, and the controlled and non-controlled areas should be radically changed."

ARGUS 19/1/84 3 wheat

SA wheat farmers face quota threat

A QUOTA system may be imposed on wheat farmers to stop any large-scale switch from maize growing, which the Wheat Board warns may lead to unmanageable surpluses.

As a further discouragement to growing more wheat, the board suggests that the price paid to producers should not be increased for the 1983-84 season.

These suggestions are made in a paper prepared for the 1984 Agrocon conference in Pretoria this week in which the board points out that the introduction of maize quotas recommended by the Jacobs committee could lead to a large-scale switch to growing wheat.

This would "only result in a shift of the problems currently experienced in the maize industry to similar problems in the wheat industry."

INTEREST RATES

The board says wheat farmers are already facing problems caused by high interest rates, the drought and rising input costs.

Unless input costs are reduced soon "it is very unlikely that the South African wheat producer will in the longer term be able to remain in production."

With world wheat prices unlikely to firm, the board believes South Africa will find it increasingly difficult to sell its surplus overseas — especially as local exporters cannot offer the same credit terms as other major exporting countries.

Prospects for other branches of agriculture are brighter, according to papers prepared by control boards for the conference.

EXPORT PRICES

The Wool Board expects an increased demand and a rise of about 10 percent in export prices "depending on the exchange rate."

The Potato Board is hoping to develop export markets because of poor crops in some overseas markets.

The sugar crop is expected to make a strong recovery after the severe drought.

The new season starts in four months and the crop is expected to be about 2-million tons, compared with the estimated 1983-84 crop of 1,39-million tons and the record 2,16-million tons produced the previous year.

World prices, however, are unlikely to be higher than in the current year.

SA wheat farmers face quota threat

ARGUS 19/1/84

3 maize

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World prices, however, are unlikely to be higher than in the current year.

CAPE TIMES 24/1/84

Crucial 14 days for maize

3 Maize

Own Correspondent

PRETORIA. — South Africa is on the fringe of yet another big maize crisis.

In Pretoria yesterday, the general manager of the National Maize Producers' Organization (Nampo), Dr Pieter Gous, said the next 14 days would be crucial for the crop.

He said there was good reason for serious concern.

If current weather continued — intense heat and only isolated thunderstorms — over large parts of the maize-growing areas of the Transvaal, it could cost the country tens of millions of rands.

Even with good rains in the next critical 14 days, the crop was not likely to exceed nine million tons, against a potential under favourable conditions of more than 12 million tons.

"But if the dry conditions persist, the harvest could be slashed to six million tons — barely enough for our own requirements."

Maize imports?

Conditions were becoming progressively worse, and the unhappy prospect of South Africa once again having to import maize was looming.

Dr Gous said that in some areas it was already too late. In isolated parts, farmers had abandoned their crops and were turning their cattle into maize lands.

Last season's crop was reduced by drought to less than four million tons.

This meant the importation of more than two million tons to meet the local need of six and a half million tons.

The cost was enormous — about R400 million. Not only was this a heavy drain on the country's foreign exchange reserves, but the fact that there was no surplus for export was an additional substantial loss of foreign earnings.

Levels fall

Meanwhile a spokesman for the Department of Environment Affairs, Mr Anton Steyn, said the water situation in the Transvaal remained critical. Some dam levels had started to fall because of hot, dry conditions so far this month.

In Natal, restrictions had been eased.

The Midmar and Albert Falls dams — main water source for Durban and Maritzburg — averaged 31 percent full yesterday.

In the Vaal system, the Bloemhof Dam had dropped from 13,09 percent full on Friday to 12,4 percent yesterday morning. Vaal Dam was just maintaining its level at slightly in excess of 50 percent. The dam at Douglas had dropped over the weekend from 31,29 percent to 27 percent, and Spitskop from 6,54 to 5,08 percent.

"The situation remains critical in the Transvaal as a whole, and we are running out of rainy season," Mr Steyn said.

Good rains essential by Sunday

Maize crops could fail once again

3 Maize RDM 26/1/84

By DIANNA GAMES

MAIZE crops are likely to fail for the second year in a row if there is insufficient rain over the Transvaal and Free State by Sunday night.

Scorching temperatures over the past few days look set to continue, and dam levels have started to drop.

The Weather Bureau predicts a 20% chance of rain over the Free State and Northern Cape, and a 50% chance along the Natal coast and north-eastern Transvaal.

A spokesman for the Transvaal Agricultural Union said the situation was desperate for Western Transvaal farmers, some of whom have had no rain this season.

If they had no rain by the weekend their crops would fail for the second year running, he said.

He added many farmers had only planted 60% of last year's crop which itself was smaller than normal, while cattle farmers in the Northern Transvaal were suffering because of inadequate grazing.

He said it was a critical time for the country's farmers because of the excessive heat and the sporadic rainfall, and added that some farmers had not planted at all because of uncertain weather conditions.

Earlier this week, the general manager of the National Maize Producers Organisation (Nampo) said the maize industry would have to cut back its production from 12-million tons to 9-million if it did not rain within the next week.

He said if the rain was delayed until February, it could be further reduced to 6-million t[illegible] — barely e[illegible] for the country's own requirements.

But there has been an overall 45% drop in average rainfall in the Reef and Eastern Highveld areas, while the Western Transvaal and Free State have had a recorded rainfall of only 35% of the mean average for January.

A Weather Bureau spokesman said so far this month, Johannesburg has had 48mm as against 62mm last January — both of which fell short of the long term average of 152,7mm.

Pretoria has been seriously affected — against a rainfall of 126mm last January, 44mm has been recorded this month, while Pietersburg has had a drop of 41,5mm and Bloemfontein 11mm.

Levels of three dams in the Free State — the Rustfontein

Pretoria has been seriously affected — against a rainfall of 126mm last January, 44mm has been recorded this month, while Pietersburg has had a drop of 41,5mm and Bloemfontein 11mm.

Levels of three dams in the Free State — the Rustfontein Dam, Kalkfontein Dam and Erfnis Dam — have dropped since Tuesday, while the Vaalharts Dam in the northern Cape has dropped from 66,7% to 60,34%, the Spitskop Dam from 4,63% to 4,31% and the Loskop Dam in the north-eastern Transvaal from 60,48% to 60,38%.

The Vaal Dam has risen slightly from 50,34% to 50,50%.

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GERALD REILLY
Pretoria Bureau

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Threat to maize crop

CAPE TIMES 26/1/84 3

3 WORK

Own Correspondent

JOHANNESBURG. — The next four days are crucial for maize belt farmers — crops are likely to fail for the second year in a row if there is insufficient rain over the Transvaal and Free State by Sunday night.

The bad news is that the scorching temperatures of the past few days look set to continue, and dam levels have started to drop.

According to a spokeman for the weather bureau there has been an overall 45 percent drop in average rainfall in the Reef and eastern Highveld while the Western Transvaal and Free State have had a recorded rainfall of only 35 percent of the mean average for January.

A spokesman for the Transvaal Agricultural Union said the situation was most desperate for western Transvaal farmers, some of whom have had no rain this season.

If they had no rain by the weekend their crops would fail for the second year running, he said.

Little hope of saving drought-ravaged crop

Disaster looms for SA maize farmers

Maize R04 28/1/84

By GERALD REILLY
Pretoria Bureau

THE maize crop is "only days away from a total disaster" and there is little hope of saving the 1983-84 crop.

This warning was given by the general manager of the National Maize Producers' Organisation (Nampo), Dr Pieter Gous, in Bothaville yesterday.

"We are only days away from a total disaster — a disaster on a scale never seen before on the South African platteland."

Even with good February rains, drought would have destroyed at least 50% of the 4 500 000ha planted to mealies.

Dr Gous said farmers had borrowed up to the hilt — a total, with Land Bank production loans, of about R1 500-million — to plant the current crop and bankruptcies now stared hundreds of them in the face.

To be added to the R1 500-million was the nearly R2 000-million carry-over debts from the 1982-83 seasons. And by far the greatest number would be unable to repay the loans or even service them.

"Hundreds of farmers have come to the end of the road — their creditworthiness has been destroyed by the devastating effects of successive droughts."

Dr Gous said the extent of the looming disaster could not be exaggerated.

And it was not only the maize crop. All crops — including sunflower, ground nuts, and sorgum — west of a line drawn between Bloemfontein and Pretoria, were on the verge of almost total destruction.

"And this is the whole area which produces about 70% of the country's maize crop."

Dr Gous said the area was also an important beef producing region. Pastures had been destroyed and it would take several years of above average rains to restore them.

One farmer told him with wry humour that "even my fencing poles have died".

A Transvaal Agricultural Union spokesman, Mr Joel Kotze, said even if reasonable rains fell in the next 10 days only 25% of the maize crop could be saved.

He said the plight of cattle farmers in the northern and north-western Transvaal was particularly critical.

In the next three weeks, he said, desperate ranchers would put up nearly 25 000 head of cattle for sale at auctions.

"Grazing over an enormous area has been destroyed and few can afford to buy feed at current prices to keep their animals alive. Their only way out is to sell their stock, and the tragedy is that a disturbing percentage is breeding stock," Mr Kotze said.

The president of the SA Agricultural Union, Mr Jaap Wilkens, will meet the Minister of Agricuture on Monday to tell him of the critical situation developing.

He is expected to ask for further substantial aid for farmers.

In a statement in Pretoria yesterday Mr Wilkens said the SAAU was deeply concerned about the adverse effects a third consecutive year of drought would have on the financial plight of farmers.

Grain producers in the north and north-western parts of the country had already suffered large crop losses.

"The position could deteriorate radically unless good general rains fall within the next seven days."

Grazing was worse than it was at the same time last year, and stock farmers faced serious problems.

Many farmers had huge debts and production carry-over credit from the co-operatives amounted to more than R800-million, he said.

Little hope for crop survival

(3) Maize Star 30/1/84

By Hannes Ferguson, Farming Correspondent

The countdown to disaster has begun in the western maize areas.

West of a line from Lichtenburg to Ladybrand, maize fields which only weeks ago looked like producing four million tons this season, have already been badly hit and potential yields have been reduced to two million tons.

Every future rainless day will reduce the figure by 250 000 tons.

The crop will be reduced to almost zero if another scorching week goes by and then the countdown for the central maize area — from the Reef right down to Ficksburg — will start.

The eastern Highveld maize area will follow a week later. If the rains should be delayed until after the middle of February, the total maize crop, which had a 12 million tons potential, will be a write-off.

Sunflower, groundnuts and grain sorghum have not fared much better.

The Lichtenburg-based North-Western Co-operative said that the early plantings, covering about 40 percent of the area served by the co-op, had already been lost. Late maize planted on the remaining 440 000 ha still had potential, but would hold only another week or 10 days if it did not rain.

According to the Weather Bureau, there was little likelihood of the normal summer pressure system resuming within the next 10 days.

Both the SA Agricultural Union and the National Maize Producers Organisation (Nampo) said the farming community now faced bankruptcy and warned that the State should step in soon to ward off the crisis.

Country towns dependent on agriculture were as much affected as the farmers themselves. The fate of more than 100 000 families was at stake, they said.

The president of the union, Mr Jaap Wilkens, will be meeting the Minister of Agriculture, Mr Greyling Wentzel, today to discuss possible aid measures.

Mr Wilkens said in Pretoria he would inform the Minister of the extent and serious implications of the continuing drought.

The general manager of Nampo, Dr Pieter Gouws, said in Bothaville that all new maize marketing schemes had become academic and "survival is the only thing that matters now".

"After three years of crippling drought and more than R2 billion lost, the possibility has arisen that the western cropping districts are becoming part of the Kalahari," he said.

Meanwhile scorching heat and drought are again destroying crops and grazing in the Northern Transvaal.

The region as a whole has had 69 percent of its normal rainfall so far this season. In the maize area the crop has been written off.

Above Stockpoort, the Limpopo has already dried up. In the northern Lowveld, vegetable production is now threatened.

Cattle farmers have also been hard hit.

Unless it rains well soon the grazing over wide stretches will have been permanently ruined and traditional Bushveld cattle farming will be reduced to a few favoured areas.

Scorching heat destroys R200-m of maize in 4 days

(3) Maize Stew

6/2/84

Four days of searing heat, from last Thursday to yesterday, destroyed maize valued at nearly R200 million.

Two million tons shrivelled on their stalks in the Western Transvaal and the western Free State.

Estimates of the nation's maize crop were today revised by the Maize Board.

The devastating heat has slashed the crop yet again. Weeks ago it was hoped there would be a 10 million-ton harvest.

A week ago it had dropped to seven million tons.

This morning the board's vice-chairman, Mr Boet Viljoen, revealed grimly it was now down to five million tons.

He said the future of a large part of the remaining crop in other regions of South Africa would be determined by the weather in the next two days.

The situation was desperate, he added.

"It is now a foregone conclusion that we will have to import maize again."

The chief forecaster at the Weather Bureau, Mr Gerhard Schulze, warned that the hot conditions over much of the country were likely to continue today.

He forecast isolated thundershowers over the Southern and south-western Transvaal but little rain elsewhere.

There was a trough of low pressure west of the country which could bring widespread rain and thunderstorms later this week.

The Maize Board said rain was needed within two days if the remaining crop was to be saved.

Mr Viljoen said the morale of the farming community was at the lowest ebb he had known.

Next season half the farmers would struggle to get credit.

The prospect of having to pile debt on debt put the future of the whole of the maize industry in jeopardy.

Rocketing interest rates — even after deducting Government subsidies — would ruin many farmers, Mr Viljoen said.

'Aid vital' as maize farmers face ruin

RDM 7/2/84 (3) Maize

By GERALD REILLY
Pretoria Bureau

AID in one form or another is vital if hundreds of farmers are to be saved from total ruin, a spokesman for the Transvaal Agricultural Union (TAU), Mr Joel Kotze, said in a statement in Pretoria yesterday.

He released a TAU survey of the major farming areas of the province which classifies the Transvaal into three disaster areas.

It confirms that total crop failures stare farmers in the face in the Western Transvaal.

The district of Christiana and an area stretching from Wolmaransstad to Vereeniging, as well as the grain-growing areas of the Northern Transvaal face total crop failure.

And in the hail-devastated Eastern Transvaal Lowveld about 170 000ha of crops have been destroyed.

In some parts of the Eastern Transvaal, however, there is hope for a good crop.

But part of the Lowveld was hit by cyclone Domoina, causing millions of rands worth of damage, Mr Kotze said.

He added that the position of ranchers over a wide area of the Transvaal was critical. Grazing had totally disappeared and most farmers, because of their financial plight, were unable to afford cattle feed.

"The next eight to 10 days are critical if anything at all of the maize crop is to be saved. Many farmers see the situation as hopeless. It is clear that aid in one form or another is vital if farmers are to be saved from total ruin," Mr Kotze said.

The grim prospect of a maize crop of 4-million tons or less now has to be faced, the general manager of the National Maize Producers Organisation (Nampo), Dr Pieter Gous, said yesterday.

This would mean spending R700-million to R1 000-million on maize imports to ensure the country had sufficient maize to meet the local need of about 6 500 000 tons.

Last year the Maize Board had reserves over of 1 200 000 tons, but because the crop was less than 4-million tons, it had to import more than 2-million tons at a cost of about R500-million.

"This year we have no reserves, and the costs of imports are likely to be much higher," Dr Gous said.

Maize imports almost certain, says Nampo

Mercury 7/12/84 (3) Maize

Business Mercury

BOTHAVILLE—South Africa is almost certain to need to import maize for the second successive year because of drought, National Association of Maize Producers Organisations (Nampo) general manager Pieter Gouws said.

He told Reuters that a survey taken at the end of last week indicated a crop of 7 000 000 tons under the best conditions and production as low as 4 000 000 if no rain fell within 14 days.

'Very close'

Domestic consumption is around 6,5 million tons.

'I think there's very little doubt about importing. If it's not a certainty then it's very close,' he said.

Last year, the crop produced a mere 3,9 million tons, less than one-third of record output and South Africa was forced to arrange imports of around 2 000 000 tons of yellow maize to meet domestic demand by tender and private deals.

Deliveries to the Maize Board are likely to be some 800 000 tons lower than production, with farmers keeping back a portion for their own use, Mr Gouws said.

The consumption figure could also be higher than 6,5 million tons as animal grazing areas have also been devastated by the drought.

Mr Gouws said the maize-growing areas remained virtually dry at the weekend and that the chances of receiving the heavy rains and downpours needed appeared to be remote.

He said the drought had been worse than it was last year in the western Transvaal and north-western OFS, although a decent crop was likely in some parts of eastern Transvaal.

Nampo has planned an emergency meeting for next Friday to discuss the situation, he added.

Trade sources said they agreed with Mr Gouws' view that imports are a virtual certainty, adding that they expect the crop to tend to the lower rather than the higher end of this range.

One source said that some 1,4 million tons could be needed from abroad.— (Reuter)

3 Maize ~~T86 5 Grain~~

Subsidies

Hansard Q.61.53 7/2/84

46 Mr E K MOORCROFT asked the Minister of Agriculture:

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in the 1982-83 financial year?

The MINISTER OF AGRICULTURE:

(a) R193 455 000.

(b) R69 945 000.

(c) R929 904.

ceeding.

Maize Hansard Q. Col. 71
8/2/1984

Maize: health/quality standards

*2. Dr M S BARNARD asked the Minister of Agriculture:

(1) Whether his Department has taken steps to introduce stricter health and quality standards in regard to imported maize; if not, why not; if so, what steps;

(2) whether further imports of maize will be necessary in 1984; if so, (a) what quantity and (b) where will it be imported from?

†The MINISTER OF AGRICULTURE:

(1) No. Control over health standards in respect of imported maize is the responsibility of the Department of Health and Welfare. As far as quality standards are concerned, everything possible is done to purchase the best available quality of maize at the most advantageous prices.

(2) Yes.

(a) Unknown at this stage.

(b) Possibly from the USA.

Maize: storage facilities

*3. Dr M S BARNARD asked the Minister of Agriculture:

Whether his Department intends to make provision for (a) additional storage facilities for locally produced maize and (b) increased quantities of maize to be carried over from one season to the next; if not, why not; if so, (i) why and (ii) what steps are being or will be taken in this regard?

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

(a) My Department is not directly responsible for the provision of storage facilities for the locally produced maize. No silo with a capacity or more than 2 000 metric tons may be erected without a permit issued by the Director General of my Department. Applications from agents of the grain boards who intend erecting silos under the loan scheme for the erection of silos, will, as in the past, be considered on merit by the Grain Silo Committee of the Department. In the event of any doubt regarding the merits of an application, an inspection on site is carried out after which a report is submitted to the Grain Silo Committee for consideration and decision.

(b) No. The present policy is that carry-over supplies should under normal conditions be sufficient to meet the local demand until enough supplies from a new crop become available at distribution points. Should it become clear before the end of a marketing season that a shortage may occur during the ensuing season, attempts are made to carry over a bigger supply.

Increasing the carry-over supply on a continuous basis so as to provide for unforseen circumstances, is not justified due to the high capital costs and working expenses. Any proposals for an increase of the quantity of maize to be carried over from one season to another in terms of the Maize Board's carry-over policy, will have to be considered with due regard to the accompanying increased storage costs and possible profits or losses in the event of the balance having to be exported at a later stage.

(i) and (ii) fall away.

FM. 10/2/84 (3 maize)

DROUGHT

Agriculture under siege

Agriculture is facing a survival crisis. With a potential maize crop of more than 10 Mt shrinking daily under cloudless skies, Nampo has revised its crop estimate downwards to 6,7 Mt based on the position at February 3.

This is about enough for local consumption, but unless good rains fall within the next 14 days, Nampo chief Pieter Gouws expects the crop to shrink to about 4 Mt which will mean importing a further 3 Mt worth about R700m in 1984.

The current import bill runs to about R500m.

Maize farmers, however, are not the only sufferers. Thousands of workers are being laid off as sorghum, sunflower, groundnut, wheat and cattle producers face a similar crunch.

The sorghum crop, which was estimated at a healthy 700 000 t (valued at R106m) at the end of January, is shrinking by "tens of thousands of tons daily." The Maize Board's next forecast will be made in about 10 days when the situation should be clearer.

And Frans Stroh, manager of the Oil Seed Board, says the sunflower crop, normally about 450 000 t/year (worth R140m), is also wilting. Last year, the crop was only 206 000 t. Things looked much brighter three weeks ago when guesstimates put the 1984 crop as high as 600 000 t-800 000 t. Since then, however, the estimate has been drastically reduced to about 350 000 t and could go even lower if rain doesn't fall in the next week.

SA's requirements of vegetable oils are about 200 000 t/year, but now imports appear unavoidable for the second consecutive year. About 100 000 t of vegetable oil was imported in 1983, pushing up consumer prices, but import commitment this year will depend on the final crop situation.

SA's animal feed industry would also have to import substantial amounts of "oil cake," which is an important constituent of animal protein foods. This will further add to animal farmers' feed bills.

Groundnuts are now also on the import list. Normally 30 000 t-40 000 t of quality nuts are exported from the usual 200 000 t-250 000 t crop (worth about R140m). The latest forescast for 1984 deliveries is a meagre 94 000 t.

By contrast, a "normal" soybean crop of about 45 000 t is expected.

SA's normal wheat production of 1,5-2,3 Mt/year is usually sufficient for local consumption of about 1,9 Mt/year. Wheat Board GM Dennis van Aarde says the current crop is expected to total about 1,6 Mt, but the board still has sufficient carry-over stocks to ensure retentions of 130 000 t by next September.

The board usually retains about 630 000 t as carry-over stocks, sufficient for about four months' consumption.

Cattle producers are in a marginally better position, as they can keep their herds alive by buying stockfeeds. Meat Board GM Pieter Coetzee says farmers still have a good cash flow situation, but are now starting to sell breeding stocks. This would imply possible beef shortages "within the next two years."

Coetzee says "tremendous pressure" is again building up on abattoirs and he expects applications for slaughter permits in the April-June quarter to rise sharply.

As the major staple, however, maize production is the most critical. SA entered the previous season with carry-over stocks of 1,2 Mt, but the bin is now empty. In fact, SA maize milling requirements are being met on a daily basis as shipments of US yellow maize are unloaded, says Gouws.

He also expects local consumption to grow from last year's 6,5 Mt to about 6,8 Mt in 1984.

With the Land Bank already expected to fork out about R1 billion under the current drought aid scheme ending on March 31, further massive government aid would be required to keep farmers on the land. Gouws expects production costs lost on the current maize crop alone to total a further R1 billion.

"Compared with this, the R22m Natal sugar loss in the cyclone floods is a drop in the ocean," he says.

According to the SA Agricultural Union (SAAU), net farming income has decreased over the last three years by about R1,5 billion to R1,18 billion. In 1983 alone there was a 58,6% drop of R837m. Carry-over production credit with the co-ops (supposed to be fully repaid annually) stands at R860m.

Farmers' interest commitments grew to R865,4m in 1983 (10,2% higher than 1982's R785m) and are set to increase even further in 1984. SAAU chairman Jaap Wilkens says a 50% Government subsidy on interest payments would go a long way towards alleviating the debt burden. Interest has now outstripped fertiliser and fuel as farmers' largest single cost.

A "work committee" constituted of Nampo, the SA Agricultural Union (SAAU), western agricultural co-ops and the Maize Board is assessing the total drought situation and will present its summary to Government "within the next couple of days." The SAAU will meet with the Minister on February 10 to discuss possible relief measures.

After studying this report, Agriculture Minister Greyling Wentzel will visit the area to consider possible assistance. Representatives of the maize industry will meet at Bothaville on February 10 to discuss the drought, while Nampo has invited representatives of political parties to visit the area after February 15, when "the total picture should be much clearer."

According to Gouws, the drought is no longer a purely agricultural problem but has assumed the proportions of a national disaster. A "national reconstruction programme" for agriculture is essential, he says, for the survival of large sections of the country's biggest industry.

Drought damage . . . crisis on the cob

3 Maize

Townsfolk: listen to this maize farmer

Maize planting is a gamble at the best of times — but why, in a drought cycle, should farmers take the gamble of planting maize which requires not just rain but rain at critical times? The question was posed in the James Clarke column last week. He added that he found it difficult to sympathise with the farmer under these circumstances. Next day he received a call from Ronnie Baskind, a Devon maize farmer . . .

The phone call came from the skyswept farmlands around Devon in the Eastern Transvaal and I had to shut out the roar of city traffic to listen.

Ronnie Baskind, his maize crop set for a record a month ago but now badly burned by the sun, just wanted to talk to a townsman.

Let him tell his story — every urban person should hear it:

"You said you found it difficult to sympathise with the maize farmer because we had been told the odds, this season, were stacked against us — and yet we still planted maize.

You were right about the gamble and the odds. But you were wrong about the sympathy. We are not looking for sympathy. We'd just like to be understood by the people in the cities.

You suggested that instead of planting maize when there was a chance of drought we should plant something less critical. But what?

We have to produce 6,5 million tons of maize a year — that's just to cope with the domestic demand. It's the staple diet of 20 million people. It is also essential to the dairy industry and to beef and a whole lot of other industries.

You have seen what happens when we import the stuff: a huge loss of foreign exchange, the quality is inferior . . . some of the last lot was contaminated with aflatoxin.

In any event, if we relied too much on imported maize we would lay ourselves open to boycotts and we would be vulnerable to shortages on the world market.

We simply have to grow our own maize. We have at least to try to satisfy local demand. But it is a mistake to believe it is the farmers' *duty* to feed the nation. It is *society's duty*. Sometimes city people, and certainly the Government, tend to forget this.

Some years ago Mr John Vorster, I think it was, said that South Africa should grow as much food as possible because in the 1980s food would become the weapon that oil was in the 70s. More recently the Minister of Agriculture exhorted us to grow more because the export market was there waiting.

So we did.

Over the years we have grown some great crops. We harvested over 14 million tons not so long ago. Generally South African farmers are good farmers — better, I think, than the much-lauded American farmer.

We have to contend with soils which are difficult and often inferior to those in the United States. Our weather patterns are notoriously variable.

Anyway, having been exhorted to grow for export, we grew. What happened? Our production costs increased so we could not compete with the prevailing world price for maize. The maize we grew was exported at a huge loss and the Government said it was sorry and the farmers took the loss.

Look at 1978/79. We grew 8,1 million tons and our profit was good — the farmers made R46 million. In 1981/82 we grew about the same quantity and we LOST R417 million.

But you were asking why we didn't grow something more suited to drought conditions when there was a probability of drought? The question is fair enough. But I don't know the answer.

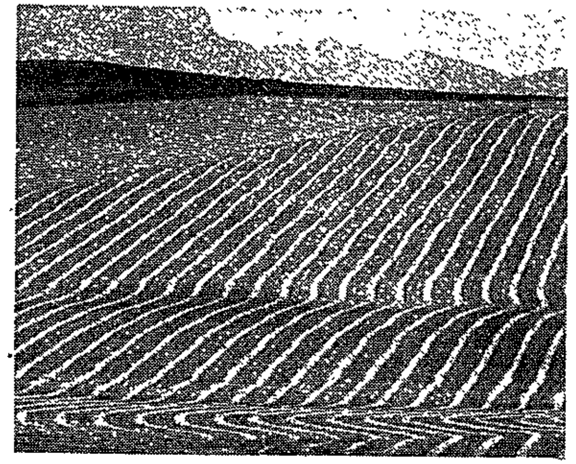
We could grow sunflower but it has a very small demand and exports at a loss. Grain sorghum? Local demand is only about 500 000 tons a year and there's no real export potential.

Beans are easily oversupplied and no good for export. Potatoes are the same. Beef is a terribly risky market.

Sheep farming? Wool is a good market at the moment but what about the mutton? It is oversupplied and it can be disastrously uneconomic.

What the city man fails to realise is that the farmer is not able to build up cash reserves to tide him over the bad years which can come in punishing succession. He is forced to gamble.

Our profit margins are precariously thin when you look at the way fertilisers, herbicides, pesticides, diesel fuel, farm machinery and other inputs have shot up. These industries are all protected because otherwise we farmers would buy the products more cheaply overseas.



A farmer's biggest gamble . . . his maizelands.

And then there's increased interest rates.

You might argue that the free-market system should prevail. Let market forces sort the whole thing out. That would suit us maize farmers — but it would wreak havoc in the wheat industry. The wheat farmer is subsidised because otherwise the millers would buy wheat more cheaply overseas.

You might ask: if export maize is sold at a tremendous loss, as it was last time, why not bar maize exports? But look at it from another point of view — the Railways would lose R120 million a year. That's what they make railing maize to the ports. The harbours would lose around R6 million.

And in a good maize year when we grow, say, 10 million tons, the country stands to earn R600 million in foreign exchange — even though it may be sold at a loss to the producer.

The Government is opposed to subsidising the maize farmer. This is shortsighted. In the United States, in the EEC, in Russia the governments pay out heavy subsidies.

The National Maize Producers' Organisation is discussing whether to have a two-market system for maize. I am sure they will carry the idea through at their next congress in March.

They say it would be best if each maize farmer were to be given a quota of maize to grow for the local market.

Let's say I choose to grow 300 tons. That means I will know (weather permitting) what I am likely to get paid out and the industry will know that it can produce enough to satisfy the country's internal consumption. I could then elect to grow export mealies on the rest of my land. But there would be no guarantee that it would be profitable.

Or I could gamble on growing something else. And if the rains were good I could still lose the gamble if the market was wrong.

The Government should, in fact, pay out export incentives to the maize industry — like it pays out export incentives to other industries. The Government must decide what IT wants.

As far as this business of the 10-year drought cycle is concerned, Professor Tyson has himself stressed it is theory and that within a drought decade there may well be a year or two of good rainfall.

This season began magnificently and until a month ago my crop looked set for a record. Now it's withering away. The Tyson theory is still too theoretical.

One of the impressions the city dweller has of the farmer is that he pleads poverty while driving around in a Mercedes. Urban people do not begrudge the sales manager of a city business his Mercedes — but he resents the farmer having one.

My turnover last year was around R500 000 and I suppose next season I'll be turning over R750 000. That's a respectable turnover for a business in the city and the boss would have a car commensurate with his status and his responsibilities.

Sometimes I blame the Press for giving us such a negative image — and for the lack of understanding among urban people. On the other hand in the 1960s when profits were high some farming practices deserved criticism.

We have big problems and they involve more than the farmer — they involve everybody. We have all got to work at burying the hatchet."

SA may face maize rationing, warns Nampo

(3) Maize RDM 16/2/84

By GERALD REILLY
Pretoria Bureau Chief

SOUTH AFRICA is heading for an acute shortage of maize in which supplies might have to be rationed, according to the National Maize Producers Organisation (Nampo).

The general manager of Nampo, Dr Pieter Gous, said in Pretoria yesterday he doubted the ability of the SA Transport Services to handle the import volume which would probably be needed in the next 12 months.

Nampo's latest survey of the current drought-wasted crop, he said, showed that the most optimistic forecast — that is providing good rains start falling now and continue to the end of the season — was 4 500 000 tons.

However, if the drought continued a crop of only 3-million tons — the lowest for decades — would be harvested.

When the 800 000 tons retained for farmers' own use is taken into account the crop available for consumption would amount to only 2 200 000 tons.

This would necessitate the importation of more than 4-million tons if the local demand were to be satisfied. Dr Gous said when it was taken into account that the Railways were working six-and-a-half days a week, 24 hours a day to handle the current 2 200 000 tons of maize imports then an alarming picture emerged.

"The entire food chain will be affected if we cannot handle the necessary imports".

The broiler, egg, beef and pork industries would be hard hit. These industries had an even heavier dependency on maize as a basic feed because of the drought.

Dr Gous said the Railways' harbour facilities for maize exports were based on a fast conveyor belt system, whereas the handling of imports was a far slower process.

However, the Minister of Transport Affairs, Mr Hendrik Schoeman, said from Cape Town that he was confident the Railways could handle an import volume of 4-million tons.

He claimed that after the 1981 record crop the Railways were able to cope with the export of more than 5-million tons.

(3) Maize Star 17/2/84

After 15 years of work farmer has less money

By Caroline Hurry

Many maize farmers have given up the battle against drought and abandoned their farms, but others cling desperately to the hope that climatic conditions will improve this year.

However, morale among maize producers is low and many feel that they have reached the end of their tether.

Mr Richard Vardy, a Western Transvaal farmer since 1965, summed up the general feeling of despair.

"With existing climatic conditions I cannot expect more than 15 percent of my usual crop this year.

"I have lost a fortune and my wife and two children are feeling the pinch.

"Financially, at the end of this season I will have less than what I started with 15 years ago.

"The Government has to do something about the situation. We farmers have appealed to the Government often, but our pleas seem to fall on stony ground and they have offered no viable solution.

"The high interest rate on Government loans is crippling and many of my friends have had to abandon their farms and seek work in the cities.

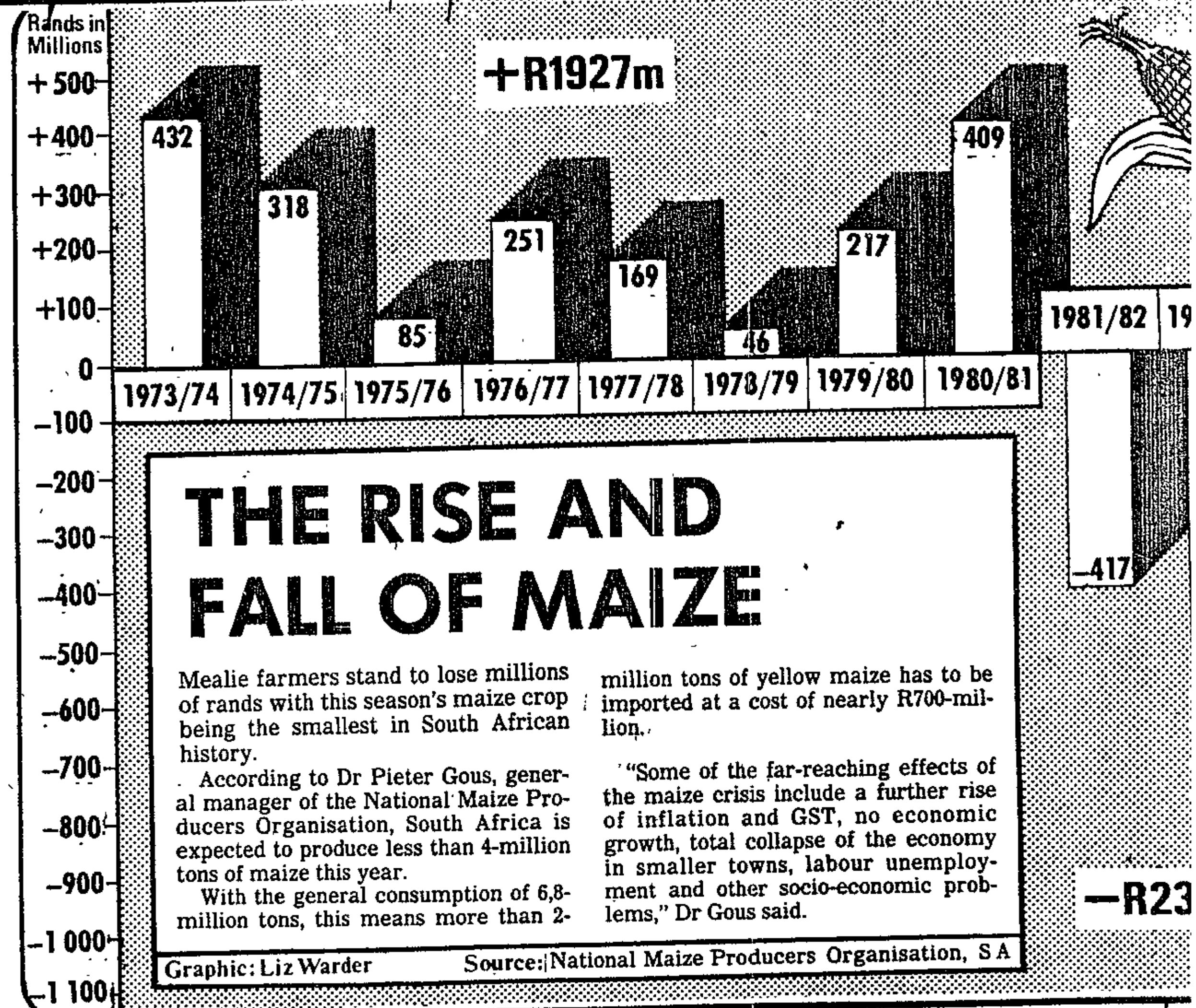
"I have also considered packing up but farming is my life and I'm not qualified to do anything else. I was once a successful farmer and it would break my heart to go.

"Besides, who would be crazy enough to buy my farm in this condition?

"We realise that the Government also faces financial difficulties but why must they discriminate against us?

"Farmers are receiving no justified return on capital investments. We cannot increase prices because the local market, especially the black population, cannot afford higher prices.

"We are in a catch 22 situation," he said.



THE RISE AND FALL OF MAIZE

Mealie farmers stand to lose millions of rands with this season's maize crop being the smallest in South African history.

According to Dr Pieter Gous, general manager of the National Maize Producers Organisation, South Africa is expected to produce less than 4-million tons of maize this year.

With the general consumption of 6,8-million tons, this means more than 2-million tons of yellow maize has to be imported at a cost of nearly R700-million.

"Some of the far-reaching effects of the maize crisis include a further rise of inflation and GST, no economic growth, total collapse of the economy in smaller towns, labour unemployment and other socio-economic problems," Dr Gous said.

Graphic: Liz Warder Source: National Maize Producers Organisation, SA

Diseases could kill 15 000 farm animals

Own Correspondent

DURBAN — Huge losses ... livestock because of the heavy rains had caused a number of problems which could cause in the animals straying.

Dr Bachmann said wet conditions in late sum-

Eye treatment in US for boy 'may be futile'

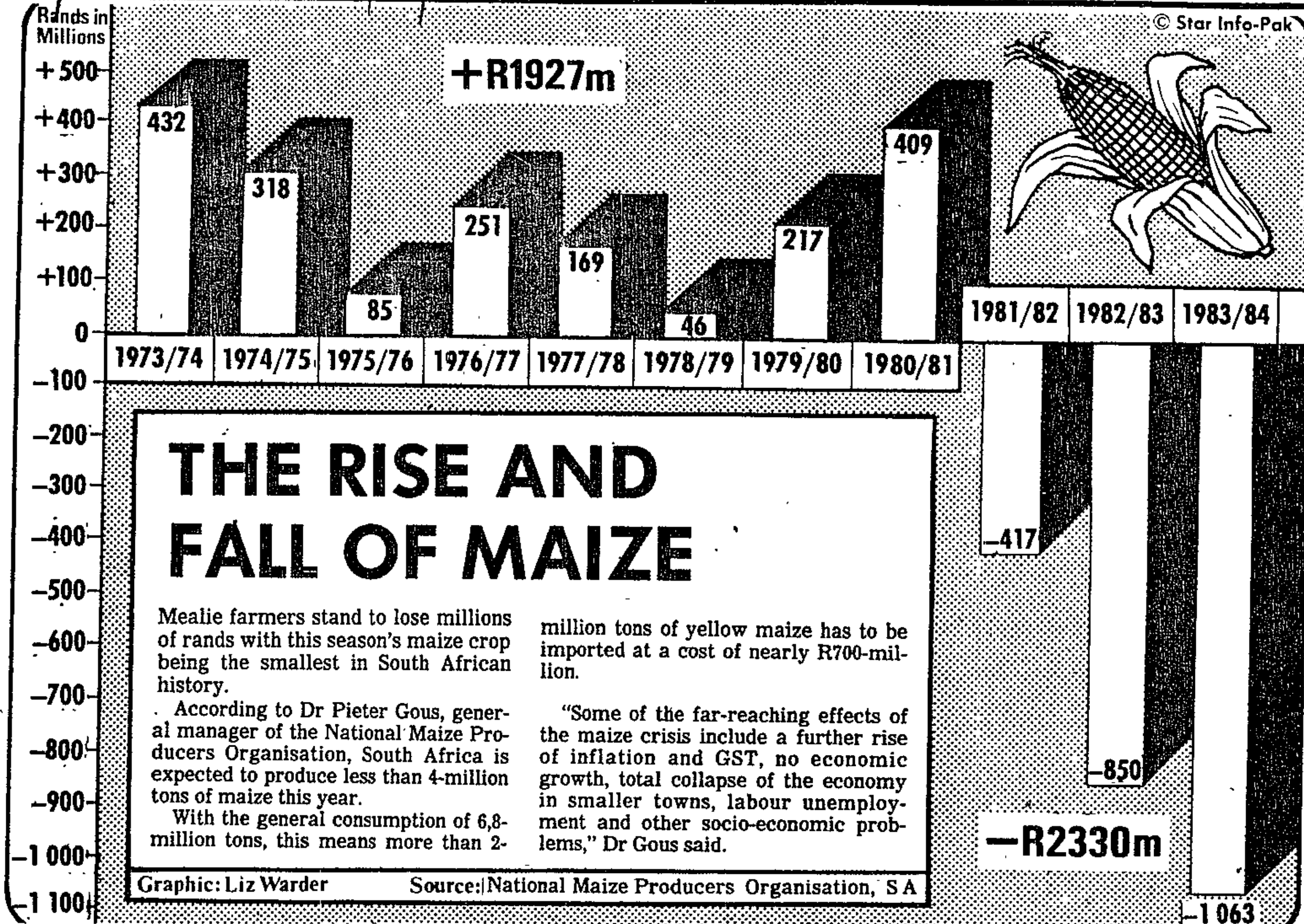
Own Correspondent

PORT ELIZABETH — The specialist attending Wayne Victor's progressive eye disease, which could eventually result in blindness, believes attempts by his family to raise funds for treatment in the United States could ... trying to raise funds by risking his life setting new BMX ramp-jumping records.

Westbourne Oval on Wednesday night.

Werner (17) Dawie's older brother, also fell cessful, at least Wayne would be able to visit Disneyland while he could still see.

Maize Star 17/2/84



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"Some of the far-reaching effects of the maize crisis include a further rise of inflation and GST, no economic growth, total collapse of the economy in smaller towns, labour unemployment and other socio-economic problems," Dr Gous said.

Graphic: Liz Warder Source: National Maize Producers Organisation, SA

Board preparing for massive imports this year

By Hannes Ferguson, Farming Correspondent

The Maize Board is preparing for the largest maize import programme ever, according to a board member, Dr Pieter Gouws.

If soaking rains started to fall within a few days, about 4 million tons of maize could still be reaped. But if the drought persisted, only 3 million tons could be expected, said Dr Gouws, the general manager of the National Maize Producers' Organisation.

Usually, farmers held back 800 000 tons for farm use. But because of their present cash flow problems, about 1 million tons might be kept back this season, leaving only 2 million tons for the market.

Feed lots, pork production, and the dairy, egg and broiler industries would be affected.

The possibility of rationing of maize meal had been discounted.

About 4,5 million tons of maize would have to be imported, which would strain the railway system to the limit.

Maize meal for human consumption would be a mixture of about 70 percent yellow and 30 percent white meal, said Dr Gouws.

If the succession of drought years South Africa was experiencing was part of a long-term shift in climate, agriculture would have to be given priority use of water supplies, he said.

It was possible that South Africa might become a permanent net importer of food, like other countries in Africa.

Eye treatment in US for boy 'may be futile'

Own Correspondent

PORT ELIZABETH — The specialist attending Wayne Victor's progressive eye disease, which could eventually result in blindness, believes attempts by his family to raise funds for treatment

trying to raise funds by risking his life setting

Westbourne Oval on Wednesday night.

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Cape may ban 'penny polony'

CAPE TOWN — The Cape Divisional Council's department of health may ban the sale of "penny polony" for human consumption after the death of a child last month.

The council's medical officer of health, Dr L

The rest was made up of

Dr Tibbit noted that

Maize import bill set to top R1,4bn

3) Maize S-Times 19/2/84

By Barry Sergeant

SOARING prices on the Chicago corn futures market could land South Africa with a maize import bill topping R1 400-million this year. In 1982 South Africa exported 4,4-million tons worth R580-million.

The cost of imports of 2-million tons after last season's crop disaster was R573-million.

With most of this season's crop written off by drought, Pieter Gous, a Nampo general manager, says: "The new forecast indicates the possibility of a 3-million ton harvest, but deliveries will be only 2,2-million tons because of consumption on the farms. There is, however, still the chance of 4,5-million tons being harvested."

Secret

Consumption this year will be about 6,8-million tons, suggesting the import of 4-million tons or more.

Because details of import contracts being investigated by the Maize Board are secret for strategic reasons, it cannot be said what the imported maize would cost consumers.

The gloom deepens because severe problems are expected in handling this unprecedented volume of maize. The railways were unable to cope with exports of 4-million tons of maize after 1980's bumper crop. Maize had to be warehoused, adding R50 a ton to the cost.

Government officials say there is a possibility of maize rationing if forecasts of the harvest are accurate.

Mr Wilkens, president of the S A Agricultural Union, says: "Unfavourable agricultural conditions once again stress the pressing need for recent information regarding the financial position in agriculture.

"This information is necessary to define present conditions as accurately as possible for sound planning."

Information is lacking on farmers' income and the debt burden in the various categories of farmers, for instance.

Because of outdated official statistics, the true losses caused by the three-year drought have yet to be assessed. But a report released this week by the SA Agricultural Union consolidates all known facts to the end of 1983. The picture is as bleak as was feared.

The SAAU says: "The unknown impact of the 1983 drought had a dramatic effect not only on agriculture but on other sectors of the economy which depend directly or indirectly on the sector. The stabilising influence of healthy farming — physical and economically — on the economy has come under the spotlight and it is acknowledged that the drought is one of the most important causes of the recession not bottoming out."

Exports of farm products — traditionally 30% of agriculture's output — declined 19,3% from R2 063-million in 1982 to R1 664-million last year. The 1983 maize crop was the worst in 27 years — it declined 53,2% from 1982's crop. The decline in farming income was halted to some extent by an increase in exports of citrus and wool.

Disaster

The report warns that another failure of the summer grain crops could spell financial disaster for farmers. Their debt of R6 414-million at the end of June 1983, excluding R860-million production credits and R500-million long-term loans, was covered by assets of R36 857-million.

But 76% of the assets consisted of land and fixed assets, suggesting that only a quarter of farmers' capital was available for cash generation.

Farming input prices have risen to 309 from 1975's index of 100; the field crop producer price moved to 273, livestock to 247, and market gardening to 206.

Net farming income is expected to almost halve from R2 022-million in 1982 to R1 185 last year.

Dr Pieter Gous, chief manager of Nampo (right), Mr Mike Tarr, PFP MP for Maritzburg South, and economist Dr Leon Coetzee, member of the Associated Chambers of Commerce, servey damage done to maize fields in the Lichtenburg area. They were on a three-day tour of drought areas organised by Nampo last week.

No rain — and farmers are also hit by a 'cash drought'

(3) Maize

"Pray to the Lord that he may forgive your sins and then the rain will come," dominees told Afrikaners during last week's day of prayer. If gambling is a sin then farming in the drought-stricken Western Transvaal and North-West Free State must be the biggest sin of all. MAURITZ MOOLMAN reports

RDM 29/2/84

FARMERS have gambled R1 800-million on the bone-dry tableland over the past three years and have lost much of it — perhaps R12-million — to the croupier. Rain.

And thousands of farmhands and their families have also lost, because some employers played to the rules of the game.

Some gamblers have tied up their cash in farming implements, fertiliser, seed, a good home and a fine car to prevent their profits from going to the Receiver of Revenue.

Now — without a reserve fund or private cash to tide them over — the farmers are forced to look to the Government for assistance.

And the farmhands and their families can only hope to be allowed to stay on at the farms without pay — just to feed their families.

With influx control and the Group Areas Act where else can they go but to their "own" wastelands, called Homelands.

Nevertheless, about 30% of the 1,2-million workers, excluding dependants, employed by the maize industry are expected to lose their jobs.

Another rule of the farming game is to work the land as intensively as possible, in the hope of squeezing out a new record yield from the dry earth.

On the road to Hoopstad — where 99% of the land is tilled — the Free State has become a desert.

For kilometres on end not a blade of grass is to be seen. Meanwhile, the wind and the insufficient rain that may fall works away steadily at the 1,2m-deep soil — exposing the impenetrable layer of clay beneath.

Soon there may not be any soil left for the gamblers to plant their crops.

In other areas, mealie plants haven't grown to a waist-high height before being scorched to a golden brown.

Other farmers appear to have had more success, because their plants at least grew to full height ... before meeting the same fate.

But a closer look reveals that the fully-grown plants have become the tombstones of a failed crop — none carry heads.

Some maize farmers are harvesting plants, which still have a little sap left to make a low-grade fodder, to sell to cattle farmers equally short of cash.

And cattle farmers will buy, because their beasts are starving from lack of nutritient grazing.

This has left at least one farmer so depressed that he handed over the keys of his Schweizer-Reneke farmhouse to the local sheriff and disappeared from the area.

The "cash drought" — as a farmer in the Sannieshof area, Mr Ian Vorster, called the plight of the farmers — is threatening the very fabric of social life in the drought-stricken area.

Farming towns — Ottosdal, Makwassie, Wesselsbron and many others — are withering away, just as the crop has done.

The Ottosdal grain silo is empty and available — should someone care to organise a farewell dance party.

"Without assistance from the provincial authorities, we will not be able to keep essential services going for much longer," said the Town Clerk, Mr. Koos Theron.

Farmers who have no other skills but farming are staying home to look after the children, while mothers who can type or do secretarial work earn an income.

That is until her employer — the doctor, dentist or small businessman — decides to search for better opportunities far from this Godforsaken place.

"We fear that the changed role of the traditional breadwinner will lead to more divorces and other social evils," a Koster farmer said.

Said another farmer: "The blame for the cash shortage brought about by the lack of tax incentives for farmers rests squarely with the Government."

But still hope remains.

"If we now get between 250mm and 300mm of rain spread over the winter months, we can still have a good wheat crop," said Mr Louis Coleman, manager of Kroonstad-West farmers co-operative.

Dr Piet Gous, chief manager of the National Maize Producers' Organisation is less optimistic.

"The chances of having a successful maize crop next year is very slender," he said.

"Non-existing ground water will first have to be replenished by very good rains. Our rainfall record speaks for itself."

Economic wasteland

TOWNS in the North-West Free State and Western Transvaal cannot keep up essential services much longer without financial assistance because of the persistent drought.

Small businessmen in Wesselsbron, in the Free State — wholly dependent on bankrupt maize farmers — are going under, according to Mr Landman de Beer, local lawyer and mayor of the small farming town.

But nowhere has the plight of the platteland town, in the face of the three-year drought, been spelt out more than in Ottosdal in the Western Transvaal.

The town clerk, Mr Koos Theron, says the town had potentially more millionaires per square kilometre than any other place in the world in 1981. Now:

- Ottosdal's population has dropped from 1 350 to just over 800.
- Of the 277 houses in the town, 52 are standing empty without any buyers. The town had a 100% house occupancy last year.
- Five of the seven garages have closed down in the past year.
- Business licences issued have declined from 104 in 1981 to 64 this year, and businesses are still closing.
- Buyers cannot be found for farms valued at between R1,2-million and R1,7-million, but now going for R200 000.
- Boreholes have dried up and taxes will have to go up to finance a R350 000 project to supply water to the town.
- Farmers have "absolutely" no buying power.

And Makwassie, in the Western Transvaal, is seeing farmers turning to diamond prospecting because of failed crops.

Maize farmers face second ruinous year

ARGUS 7/3/84
3 MAIZE

Mr Neil Fraser, managing director of Murray and Roberts Buildings (Cape Town), has been appointed a director of the Allied Building Society's Cape Town regional board.

Financial Editor

GOOD rains fell over the Transvaal last night but they were too late to save the maize crop, agricultural officials said today.

It is now certain that the maize farmers will face a second ruinous year as the continuing drought again devastates their crops and undermines the economy of the platteland.

Not only farmers have been badly hit by the drought but also their suppliers.

Bankers report that even old-established traders in the Transvaal platteland towns are in serious difficulties as a result of the steady increase in farmers' debts which they can no longer afford to carry.

Latest estimates by the Maize Board are that this year's maize harvest will probably be around 4-million tons, which is a far cry from the 12-million tons being forecast at the end of December.

As about 1,8-million tons are expected to be retained by the farmers, South Africa will probably have to import about 4-million this year.

It is estimated that these maize imports could cost between R1 000-million and R1 400-million and will have a marked impact on the balance of payments.

WITH SURPLUS

However, South Africa should still end 1984 with a surplus on current account, Mr A J Jacobs, economist to the Volkskas group, said today.

He said exports of minerals and manufactures had shown signs of increasing and in spite of the large maize imports South Africa should still have a surplus on current account of about R600-million.

It was also possible that the balance of payments could benefit this year from an inflow of capital. Last year South Africa had a capital outflow.

UNPREDICTABLE

Capital flows were unpredictable, but further slight improvement in the gold price quite possibly could lead to increased equity investment by foreigners and a rise in the capital inflow.

Mr Jacobs estimated the loss of the maize crop was likely to reduce the growth in the economy this year to between 2,5 and 3 percent.

This was a drastic revision from the 4,5 percent forecast at the beginning of the year, but still a marked improvement on the 3,5 percent drop in activity last year.

The resumption of the drought meant that the Government would again have to give drought relief imposing an extra burden on the Treasury. However, Mr Jacobs said he was expecting only modest increases in taxes in the coming budget.

Meanwhile, concern is being expressed at the problems that could arise in moving 4-million tons of maize imports.

GSB marketing course

THE University of Cape Town Graduate School of Business' popular course in general marketing will be held from April 24 to May 4.

The course is intended for middle managers in the marketing department or senior managers who have recently been promoted from other discplines and are now exposed to marketing.

Delegates will develop their skills in identifying and formulating marketing solutions, setting realistic marketing objectives and using various marketing facilities to achieve objectives in the heterogeneous South African market.

RDM 7/3/84 3-Maize

SA will need 4m tons of overseas maize

As South Africa's drought continues, maize is being imported in ever greater quantities to supplement the country's own crop. However, transport difficulties are posing new problems.

SOUTH AFRICA will have to import about 4-million tons of maize this season as a result of the drought, according to a Maize Board spokesman.

Trade sources estimate about 2-million tons of the imports have already been contracted for but the Maize Board will probably delay signing further major contracts while it decides how to funnel the imports through the overworked ports and railways — unless it can have flexible delivery dates.

The Maize Board's chairman, Mr Hennie Nel, said in Pretoria he was looking mainly to the US for imports and would probably be seeking nothing lower than US number two grade.

Mr Nel said Argentinian maize was good but that shipping facilities were not reliable enough.

"This year there's no carry-over," he said in a reference to stocks. "I must look for very reliable shippers ... in order to feed the nation. I must have very punctual deliveries to get this volume through the ports.

"I'm looking very hard at US maize, but perhaps some other countries can offer small quantities."

There was a slight possibility South Africa might import from Europe, Mr Nel said.

South Africa's crop is now estimated at about 4-million tons, compared to a record 14,7-million in 1981, and officials say rain now will be too late to benefit the crop.

Farmers are expected to keep back over 1-million tons for cattle fodder and silage to replace drought-damaged grazing, leaving only 2,7-million tons for delivery to the Maize Board.

Domestic consumption — over and above the tonnage kept back by the farmers — has been put at about 6,8-million tons.

Officials and trade sources said there is a small chance of maize rationing because of bottlenecks in the transport system, which has been developed for exports rather than imports of maize.

"It's going to put a hell of a squeeze on the ports," said one trader. "At this stage there's a slim chance of rationing, but a couple of storms in Durban and you've got a big problem."

The cost of imports is likely to total about R800m.

Crucial talks on East London's 2m-ton quota

Maize imports put docks in reverse gear

RDM Business 8/3/84 (3-Maize)

By SIMON WILLSON
Industrial Editor

EAST LONDON, the principal maize port, will be stretched to the limit this year as it tries to handle its biggest-ever maize imports.

Facilities are geared to exporting maize. East London has the Southern Hemisphere's most advanced grain elevator which is part of a high-technology dockside installation geared to handling bulk maize exports at high speed.

This year East London's specialised exporting plant will lie idle. The drought has caused a 4-million-ton shortfall in the domestic maize crop which will have to be met by imports.

The import process will be slow and laborious. Incoming maize will have to be unloaded by crane at a fraction of the pace and efficiency of exports.

Representatives of Sats and the Maize Board meet this afternoon for crucial talks on planning the mammoth importing operation.

Today's talks will also allocate the 4-million to 4,5-million ton import requirement between the main ports. It is understood East London will have to cope with about 2-million tons in the 12 months from May.

"We will need to operate with split-second timing to get things operating smoothly at East London this year," a spokesman for Rennies Shipping said yesterday.

Rennies will act as shipping agent handling the port's imports for the Maize Board.

East London's highly-mechanised grain elevator was commissioned in 1967. It takes maize directly out of dockside silos and rushes it by conveyor belt and chute straight into the holds of the vessels.

Maize exporting through the elevator is usually done at the rate of 1 650 tons an hour.

Importing will be dramatically slower. Maize consignments will have to be lifted from ships' holds by crane into rail trucks.

Experts say the maximum possible workrate by this method will be 1 650 tons a day.

"It looks as though we will be faced with a very tall order but I think we will cope," Mr Brian Peddey, port manager, said yesterday.

"We have already imported 500 000 tons since June to make up for the last failed domestic maize crop, so we have had a bit of practice."

He added, however, that 2-million tons a year would probably prove to be the port's maximum import capacity.

"We won't be able to go any higher and that could be serious if the drought continues and the import requirement rises still further. Where will there be the extra capacity to import still more maize?"

East London port authorities plan to maximise vessel-handling capacity by part-offloading ships so that they rise in the water and can be berthed upriver for full offloading.

Mr Peddey said no more than two of the port's eight commercial berths could be devoted simultaneously to maize vessels.

MAIZE INDUSTRY

(3) maize

A change of control

Far from promoting free-market principles in the distribution of maize, as it professes, Nampo's proposals for production quotas and a two-tier market system call for far stricter controls on the maize industry.

Nampo (the National Maize Producers' Organisation) is the maize producers' lobby, and it will put its proposals to members at Potchefstroom on March 14 and 15. These call for more limitations on production, pricing and marketing than is presently the case.

It looks as if the situation for both producers and consumers will worsen if the proposals are accepted. They have the potential to push up maize prices even more sharply than before.

To protect the industry from losses on maize exports, Nampo wants to limit total production by granting quotas to farmers for local consumption, together with a carry-over surplus for the lean years. Quotas are to be based on a percentage of farmers' average total production over four past seasons.

Nampo's Gous ... freeing the market?

Previously, export losses had to be heavily subsidised by the Maize Equalisation Fund, putting a heavy burden on the industry as a whole. The big question now is whether consumers can expect lower local prices, since individual farmers, not the industry, will have to export profitably — or not at all.

This had been the general expectation. But in Nampo's formal proposals, it now suggests that losses on maize exports would be recovered by adding levies to the local price.

This is a drastic about-turn from its previously published policy. It will create a worsening situation for consumers, because export losses will be directly loaded on to the local price. And, while Nampo is trying to limit production by telling farmers on the one hand that they will only receive a good price on the local market, it is trying to push through another message — saying farmers will, in fact, be subsidised for export losses.

Yet another proposal says local prices for white and yellow maize are to be determined as in the past; and the Maize Board could add levies to recover "administrative costs." That will also add further to the price.

Farmers are also being asked to give Nampo the power to demand differentiated levies on white and yellow maize for both the local (quota) and export markets. This would further raise prices.

Nampo wants a one-channel marketing system — solely through the Maize Board — to be retained, while making marketing and sale of maize by any other individual or company "illegal and actionable." A producer's only other outlet would be through his farm consumption.

Nampo's proposed quota system, therefore, is not an advance, in free-market terms, on the present system — which it objects to because of government control and subsidies. And Nampo chief executive Piet Gous says it could be "five, 10 or 15 years" before the proposed systems are replaced by anything like market-related structures.

All of which tend to strengthen suspicions that Nampo's real objective is a power-play for even stricter control of SA's most strategic agricultural sector.

Gous vaguely says that "market structures will have to be developed — similar to the Chicago Grain Exchange — as well as an information service, which would relate daily market movements to farmers."

But this, he says, will come into effect only once the "temporary" quota system has run its course, adding that SA's 6 000 maize farmers won't be thrown to the wolves in a local free-market situation before "proper structures" have been developed to protect their interests against the big seven milling companies.

According to a leading agricultural free-marketeer, Stellenbosch professor of agricultural economics Eckard Kassier, agricultural quotas "don't work" and have a tendency to become permanent. This has happened in the wine, sugar and poultry industries.

He says the only objective of quotas is to maintain a commodity's price at higher levels, while simultaneously reducing production to do away with losses on export surpluses. Quotas, he argues, also protect inefficient growers while restricting the efficient.

Maize quotas would have a ripple effect on the wheat, oilseed and livestock sectors, forcing them, he says, to institute their own protective quota systems. That would be "a catastrophe for agriculture and dangerous for the country."

(3) Maize

EL prepares for maize import

EAST LONDON — The harbour here is getting ready to handle the off-loading of two million tons of maize being imported into the country.

The systems manager of the South African Transport Services (Sats) here, Mr Louis du Toit, said the harbour would "stretch its resources" to handle the abnormal order.

East London has the most sophisticated maize loading system in the southern hemisphere — but has little capacity to do the opposite and take maize off ships.

"We are not really geared for importing maize," Mr Du Toit said. "It seems we could aim at off-loading two million tons of maize in a year."

He said the port had already handled about 500 000 tons of maize imports since July last year at an average rate of between 30 000 and 40 000 tons a month.

"In January we set a record and off-loaded 70 000 tons of maize and last month we off-loaded 60 000 tons."

To meet its target of two million tons in a year, the harbour would have to handle an average of over 160 000 tons a month.

Whereas loading maize onto ships for export is handled through the modern grain elevator on West Bank, off-loading has to be done by swing-grabs.

The record mass of maize handled by the grain elevator was the 3,5 million tons exported through East London in 1982.

Mr Du Toit said off-loading rates were also at the mercy of the weather. If it rained, the ships holds had to be closed and even strong wind could stop off-loading.

He said a further problem was that the harbour would still have to cater for its normal schedule of ships, importing and exporting other cargoes, on a first-come, first-served basis.

"The whole bottle-neck is going to be the off-loading rate. Although we will have to work out the rail transport of the maize inland, we have the capacity to handle it. In effect, it means reversing the trains scheduled to bring maize for export."

Mr Du Toit said any decision to build a sophisticated maize off-loading system — similar to the grain elevator except that it would "suck" the maize out of ships — would have to take into account the fact that it may be used infrequently.

"It would cost a lot of money to build an off-loading system that would compare with the existing grain elevator, and we might only use it in one season."

He said the harbour may earn slightly more revenue from the import of maize than from the exports, although the importation of maize meant less maize handled over the quayside.

"But that would be an internal calculation in terms of charging out handling and railage fees. It will not really make that much difference to harbour revenues."

Yesterday, representatives of Sats and the Maize Board met in Johannesburg to plan the import of the four million to 4,5 million tons of maize needed for the country following the collapse of the South African crops because of the prolonged drought.

A Sats spokesman said from Johannesburg that he would be able to release details only when he was given them, possibly today. — DDR

Govt food policy set for overhaul

Maize Star 15/3/84

By Hannes Ferguson, Farming Correspondent

POTCHEFSTROOM — The Government would have to restate its entire food policy, the Minister of Agriculture, Mr Greyling Wentzel, said yesterday.

Opening the annual congress of the National Maize Producers' Organisation (Nampo), he said the drought and the unexpected need to import large tonnages of maize had forced South Africa to rethink its food situation.

In the past a limited policy of stockpiling had been followed, involving less than a million tons of maize. In view of the cost of the programme, this had been considered sufficient.

But now the stockpiling issue had to be re-examined within the framework of general agricultural policy, which was to be detailed in his forthcoming White Paper, Mr Wentzel said.

Referring to the drought, Mr Wentzel said the Government did not have sufficient funds to keep all ruined farmers on the land. Many would not be able to continue and living standards had to drop.

The need for a quota system for maize producers as planned by Nampo and as recommended by the Jacobs Committee would have to be decided at a later stage, Mr Wentzel said.

The plan had both advantages and disadvantages and would have far-reaching effects on the structure of agriculture as a whole.

● See Page 2.

Nampo warns of maize price rise

By Hannes Ferguson, Farming Correspondent

POTCHEFSTROOM — Unless there is increased State subsidy the maize price could rise by 23 percent to R229 a ton. This was announced at the congress of the National Maize Producers' Organisation (Nampo) in Potchefstroom yesterday.

The Maize Board will ask the Government to raise the domestic price to that of imported maize.

The producer price would rise by 29 percent to R219 a ton for white maize and by 27 percent to R215 a ton for yellow maize.

The board's selling price to the millers — which is regarded as the consumer price — would rise from R187 a ton to R229 a ton, an increase of 23 percent.

EFFECTIVE MARKET PRICE

This season's production cost amounted to R540 and it was obviously imppossible to to recoup these costs from the consumer.

Nampo said that during this year two-thirds of maize supplies would have to be imported. The landed price of the imported maize was therefore the effective market price.

Nampo was unhappy, however, that State subsidies to the consumer heavily favoured bread-eaters. The poorer people lived on maize meal, not bread. If half the present bread subsidy were diverted to maize meal the maize price rise would be only 12 percent.

Economists said that the involved price-fixing procedure laid down by the Marketing Act had been scrapped for the time being. This year's prices had been directly negotiated by producers, millers and consumer representatives at Maize Board meetings.

If the Minister agreed with the negotiated price he would have it approved by the Cabinet.

Nampo said the price of imported maize would be about R183 a ton at New Orleans or R195 a ton at Durban quay.

After adding unloading costs, silo fees and other charges the total landed price would be R229 a ton, assuming that the present Government subsidy of R18 a ton was continued.

The Maize Board announced that maize-meal mixture would be 30 percent white and 70 percent yellow.

Call for 24% rise in price of maize

RDM 15/3/84

3 - maize

By MAURITZ MOOLMAN

POTCHEFSTROOM. — Consumers can expect yet another price shock in the near future — this time in the price of maize.

The National Maize Producers Organisation yesterday recommended an average 24% increase in the price of white and yellow maize.

This excludes possible increases in milling and packaging costs.

And the organisation called for R118-million in drought assistance from the Government for maize farmers.

Speaking at the annual congress of Nampo in Potchefstroom yesterday, Nampo economist Dr Kit le Clus said the higher price recommended by Nampo was not based on the failure of the maize crop, but on the current estimated import price of R229 a ton.

The current price of locally produced maize is R187 a ton following a 10% increase earlier this year.

Dr Le Clus said the price would have to increase to R530 a ton, if it was calculated in terms of local production costs and the drought situation.

He said the maize board could expect only 2 700 000 tons delivered at the silos.

With an expected increase in consumption, about 4 300 000 tons would have to be imported.

● See Pages 5 and 10

The importance of the healthy mealie

The maize industry is on its knees. It has been drifting into debt over the last five years. Selling prices have not kept pace with production costs. Now the crippling droughts of the last two seasons have delivered the coup de grace.

The devastation of the drought has, however, not been confined to the maize industry but is in the process of hitting the national economy with hammer blows.

Three seasons ago we *exported* R550 million worth of maize. This seson *import* costs will be in the region of R1 000 million — a negative turnaround of R1 500 million.

You don't have to be an economist to analyse the effects of this on South Africa's economy.

But that is only the position in Rands and cents.

There is also our vulnerability. In a world in which we are not exactly top of the popularity poll, we are, for practical purposes, dependent on virtually only two countries for our maize imports: Argentina and the United States.

Where would we be in the event of droughts in those countries or with shifts in political stance?

Against this background it is obvious that a plea for a healthy maize industry goes far beyond a plea for the individual farmer.

The maize industry is simply too important to this country, with its peculiar political and socio-economic structures, to remain in its present threatened position with a carryover debt load in the region of R1 500 million, at co-operatives alone, at the end of this season.

This represents approximately R300 per ha for every ha planted to maize — which coupled to the present high interest rates creates a very unhealthy situation.

So what can be done to put the industry back on its feet? Can the producers do it on their own?

Certainly the producers can and must contribute. More economic methods of production are enjoying sharp scrutiny at present.

The industry is rapidly improving its marketing both in South Africa and abroad.

Guest article by Crawford von Abo

In terms of a new marketing strategy the maize industry has accepted the recommendation of the Jacobs Committee which was instructed by the Minister of Agriculture to report on long-term solutions for the problems of the maize industry.

These recommendations are that maize should be marketed according to a two-market system where farmers will be able to make their own decisions as to whether they wish to produce maize for the export market or not.

The industry also is planning towards lower costs of distribution and storage.

These things can be influenced by the farmers and are receiving urgent attention. There are, however, factors which are beyond their control.

The main bugbear at present is the high cost of insets. The South African farmer pays considerably more for fuel, fertilizer, chemicals etc, than his overseas counterpart. Not only does this situation threaten his economic viability in South Africa but it prevents him from competing on an economic basis in the export market.

Now, for any business to become profitable there are only two routes to follow.

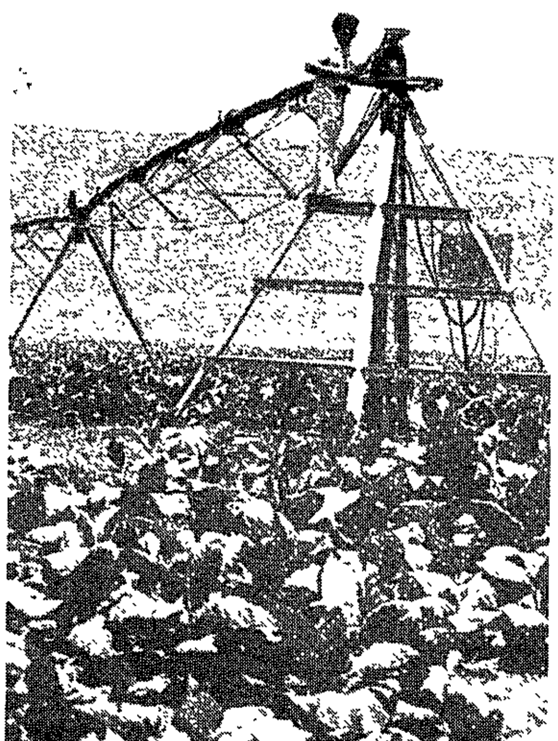
The first is to lower the cost of production and the second is to get a better realisation for the product being sold. And unless the farmers receive a realistic price for their products, they will not survive.

Escalating input costs and the destruction of the drought have made it impossible for the South African farmers to contain their production costs, e.g. cost of production for one ton of maize is estimated to be in the region of R600 — more than 2½ times the present selling price of maize this year. The huge discrepancy is a result of farmers planting for big crops and then falling prey to the drought.

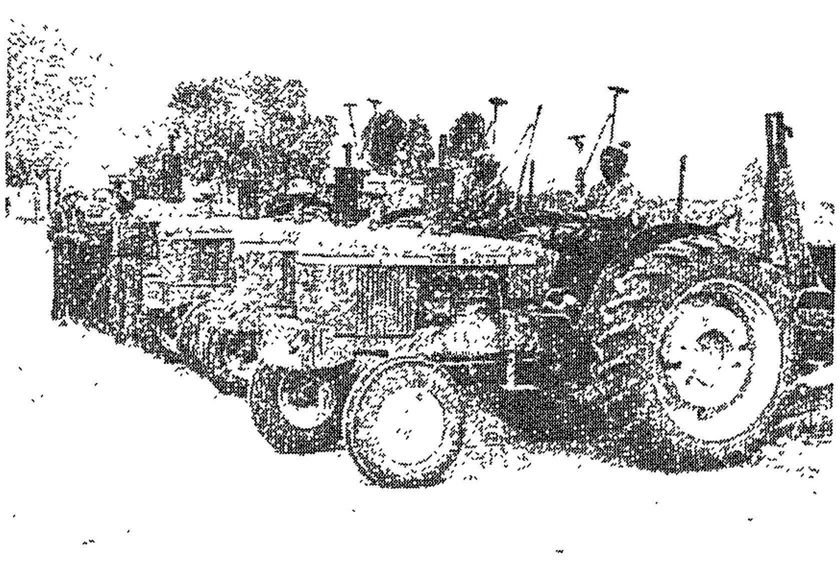
The maize producers realise that it would be unrealistic to expect consumers to pay such a price but, on the other hand, relatively sharp upward adjustments in the prices in the future will be required to give the industry a chance of making a reasonable economic recovery.

The current Government measures of consolidating the farmers debts and subsidising his interest rates, certainly provide temporary relief but, in the end, those debts will have to be paid and genuine and honestly earned profit is the only source of income at the farmer's command and a fair price for his product is his — and indeed South Africa's — only salvation.

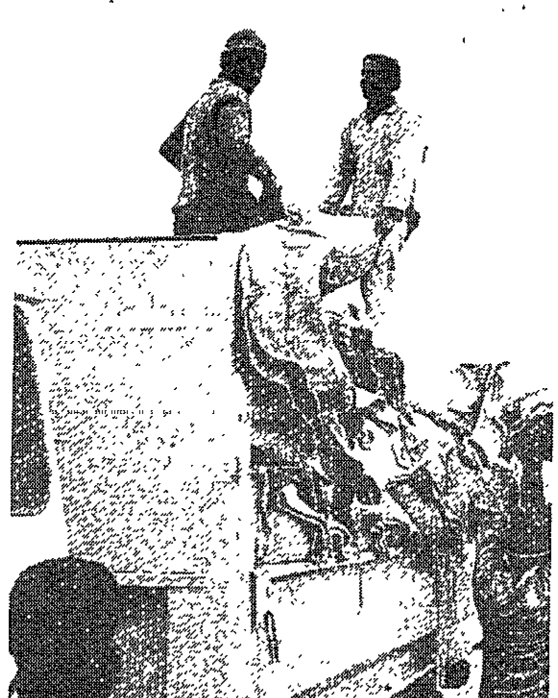
● *The writer is Chairman of the Maize Board and is a prominent farmer in the northern Free State, the Karoo and Zimbabwe.*



Adjusting a pivotal sprinkler irrigation system.



A fleet of tractors . . . under the co-operative farming system, even the smallest farmer benefits.



Small farmers load their harvest for marketing.

RDM 24/3/84 (3) Maize

SA and Taiwan cancel maize deal

By CHRIS STEYN

THE South African Maize Board last night cancelled a 600 000-ton maize export contract with Taiwan because of the drought.

The chairman of the Maize Board, Mr Crawford von Abo, and the Director-General of the Board of Foreign Trade of the Republic of China, Mr Vincent Siew, signed an agreement which cancels one year of a three-year maize supply contract that expires in May next year.

The cancellation of the agreement follows negotiations between delegates of the Maize Board and the Board of Foreign Trade.

It marked, also, agreement between the two boards to enter into longer-term maize-supply contracts later next year, when a maize mission from South Africa will visit Taiwan.

It was announced last night that the Maize Board has offered to export 100 tons of Lysine yellow maize to Taiwan in June this year for experimental purposes.

Mr Von Abo said 17% less fishmeal was needed in feeding pigs, when used with Lysine maize rather than other types of maize.

The experiment will be monitored by the Maize Board.

From Durban it is reported that the port management and the South African Maize Board are confident that about 4 000 000 tons of maize can be imported this year — only 2 400 000 tons were imported last year — without problems, in spite of the fact that ports have been geared for grain exports rather than imports.

South Africa's maize crop this year would be about 2 700 000 tons, said Mr H Nel, general manager of the Maize Board.

Between a half and three-quarters of "the biggest import programme in the history of South Africa" will go through Durban, according to Durban's port manager, Mr Lucas Potgieter.

"But we assure the local shipping fraternity that Durban can do the job it's called on to do, and that maize won't overwhelm everything else".

Mr Potgieter said three berths would be allocated to maize ships and if necessary more 24-hour shifts would be introduced.

Mr Nel said that South African ports, accustomed to handling large export volumes with sophisticated equipment, have had to fall back on slightly "old fashioned" equipment for imports.

Crane-operated grabs are used. "They're perfectly adequate. We have been able at times to push 20 000 tons a day through Durban, Cape Town and Port Elizabeth," Mr Nel said.

'Wife, child were killed coldly ... deliberately'

Mail Correspondent

CAPE TOWN — Mr John Verity was not "in a blind rage" when he allegedly murdered his wife and six-year-old daughter ... and his alleged actions were "coldly deliberate", a State psychiatrist told the Supreme Court yesterday.

Mr Verity, 34, has pleaded not guilty to murdering his 32-year-old ex-wife, Mrs Janet Verity, and his daughter Tamsyn, in their Wynberg home at St Kilda Close on November 16 last year.

He has admitted that he was the cause of their deaths. Both were killed after being battered with a stump of wood and their throats were cut.

A specialist psychiatrist, Dr Tuviah Zabow, who is employed by the Department of Health and Welfare at Valkenberg Hospital, where Mr Verity was sent for observation, said that Mr Verity was "not mentally ill and was not certifiable in terms of the Mental Health Act".

That was the unanimous decision of a panel of three psychiatrists, including Dr Zabow.

"It is my opinion that he was aware of his actions (at the time of the incident) and the wrongfulness thereof," the doctor said.

Examining the carpet-cutting blade Mr Verity is alleged to have used in cutting the throats of his former wife and daughter, Dr Zabow said: "In my opinion to use this weapon there would have been a required amount of co-ordinated, more complex motor movements. The wielder of this weapon was not acting in a blind rage. I would say there was a deliberate action."

Dr Zabow was also asked to examine a stump of wood, on which forensic experts found adult hair at one end and a child's hairs on the other.

He said this implied that the injuries on the two victims had been inflicted using different ends of the stump. "I can suggest a change of grip and two sequences of assaults. It suggests cold, directed behaviour."

Dr Zabow said Mr Verity had come from a childhood influenced by parental disharmony and familial disruption.

After his divorce from Mrs Verity in 1982, he was "reported to have been withdrawn and ... issued threats of suicide".

Earlier, Mrs Verity's lawyer, Mr Robert Macleod, told the court his client had been harassed by Mr Verity in the months prior to her death.

"She told me he had once called her a whore and a slut and that he was going to kill the children."

Mr Macleod said that following this, Mrs Verity had feared for her life as well as for those of her children.

A signed statement, taken from Mr Verity in December, last year, was then read to the court by Captain Stephanus Brits of the South African Police.

Captain Brits said Mr Verity had told him that both he and his ex-wife had smoked dagga on the night of the incident.

"That was our normal procedure; to smoke dagga and have sex afterwards," Mr Verity had told Captain Brits.

"I smoked and put out the dagga cigarette in her bedroom and then she refused me."

The court case continues on Tuesday.

Border tension worries experts

HARARE — The South African Institute of Race Relations was concerned about the continuing tension between the Republic and its neighbours, according to its director, Mr John Kane-Berman.

In a letter to The Herald newspaper, he said at its recent council meeting the institute had adopted a policy to encourage and foster values which would bring accord in Southern Africa. It was its belief that the current tension between the "Pretoria regime" and neighbouring states served the interests of nobody in the region.

The institute, which has traditionally concerned itself with the domestic, social and political problems of South Africa, feared that the rising levels of violence would cause even greater polarisation between black and white, both in South Africa and on the sub-continent, detrimentally affecting race relations.

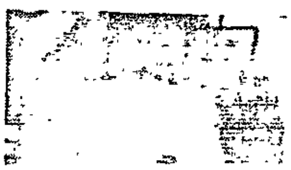
The institute was concerned that neither South Africa nor its neighbours could afford increased military spending.

"The tragic drought in the region has made it even

Scalia breezes into town

By J MANUEL CORREIA
TV Correspondent

WHEN I say Jack Scalia breezed into Johannesburg yesterday, I mean it. The first thing he did was to go on a 10km run — and promptly



Scalia spoke of his long struggle with alcohol and drugs — brought about by professional pressures — and how they had almost killed him.

"I speak about this only be...

Ms Jane Rose makes a do... in Rosebank yesterday. Ja... him every day on her wa...

Special ...

Mall Reporter

DROP your money for the Fund-Flood Relief campaign ... ler safe" collection boxes. ... handle, and listen for the "...

The safes are there for the ... nience of the public in 18 branch... Natal Building Society.

The large bright yellow ca... side will tell you how this no... raising campaign combines tw... country's most pressing prioriti... ing and conservation.

Both were badly hit by the cyclones and floods in Natal a... Zulu.

That is why Abanga, named ... black rhino of the Johannesb... who has been ...

Is this a way out of the maize?

Maize producers are feeling trapped in a tangle of uncontrollable risks. But someone is offering a solution: come sheep farming, says the Wool Board. It's a revolutionary idea, thinks the maize farmer. But some of the advantages are attractive and it is starting to get a positive response . . .

By Hannes Ferguson

Maize farmers are thinking of packing up their troubles and loading them onto the woolly backs of sheep.

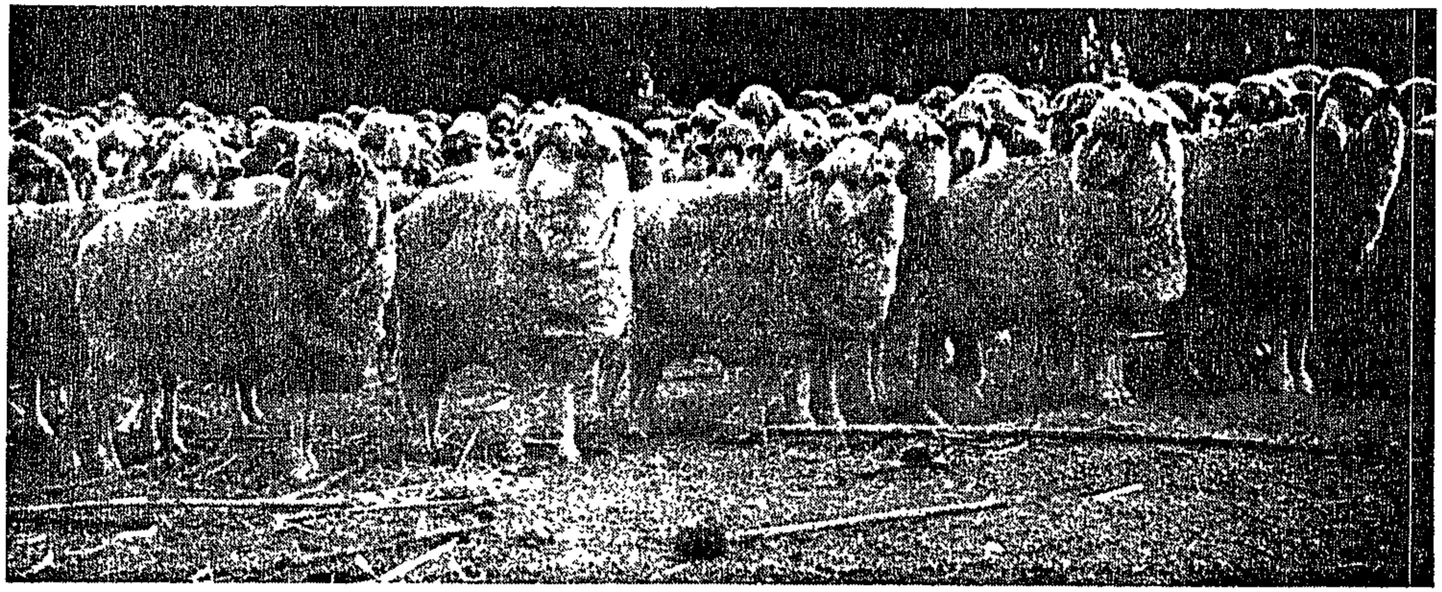
There will be no stampede to sheep farming, but the Wool Board is trying hard to lure the maize men into wool growing. And it is getting a positive response.

Maize producers feel cornered by uncontrollable risks. Their costs have been jacked up by Government protection of the suppliers of fertiliser, implements, chemicals and fuel.

The price of maize on the home market is being fixed annually by the Government without any reference to production cost.

And the export markets have been made unprofitable by the high rand-dollar exchange rate.

To break even, maize producers must have a bumper crop. But with South Africa's unpredictable, drought-ridden climate, this happens only once or twice in a decade. So they are desperately looking for a way out.



A sight to gladden a maize farmer's heart ?

The Government's plan to limit maize production to the requirements of the home market actually forces them out, partly.

Maize growing is to contract next season from 4 million hectares to about 2 millon.

But what can they do with idle maize fields? The Oil Seeds Board is in a flutter over the prospect of a sunflower glut caused by maize men and you cannot overproduce — you have a global market at your feet and your board has the finest international product promotion setup in the world.

The wool industry could do with a rise in volume. From a wool price of around 300 cents a kilogram, the farmer must deduct transport, levies and other charges for every bale marketed.

Then he must pay about 18 cents a kilo for the Wool Board's fixed [illegible] panding wool production is catching on.

Sheep live on maize stalks and spilled maize kernels from harvest time in April until ploughing starts in September.

One hectare of maize leftovers can feed six sheep during the winter.

In September the flocks are put out on hay until the early rains have greened the veld. Later in the season the veld is supplemented by planted eragrostis (heart grass). One hectare of veld and eragrostis is needed for every three sheep.

But west of a line drawn from Lichtenburg to Ladybrand, commercial wool growing is virtually unknown. Now it takes time for the farmer to get used to what looks like a revolutionary idea.

Everything depends on the number of sheep a hectare will be able to carry. To compare with maize in income in an average year, the western farmer must be able to run a minimum flock of about 500 sheep on 100 hectares of converted maize fields.

Grazing five sheep on a hectare is possible only by establishing non-irrigated lucerne fields which is a new practice not yet completely researched.

Semi-intensive sheep farming in such a style costs money.

Lots of it, too. R40 a sheep for the animal itself, another R40 a sheep for establishing dry-land lucerne or lucerne-cum-grass pastures, and about R10 a sheep for fencing and laying on water to the camps.

So a flock of 1 000 sheep would cost R90 000 to establish on a maize farm. Where is the near-bankrupt maize farmer going to get that kind of money today?

Sheep farming promises to solve the nagging maize farming problem. And if the State wants a solution to the problems its agricultural [illegible] create —

...in a flutter over the prospect of a sunflower glut caused by maize men switching to sunflower. The bottom may fall out of the sunflower price, they think.

The Wheat Board seeks to protect wheat growers against thousands of Free State maize farmers supposed to be changing to wheat.

The Dairy Board is already facing surpluses, and wants to introduce a quota system to protect old-established farmers.

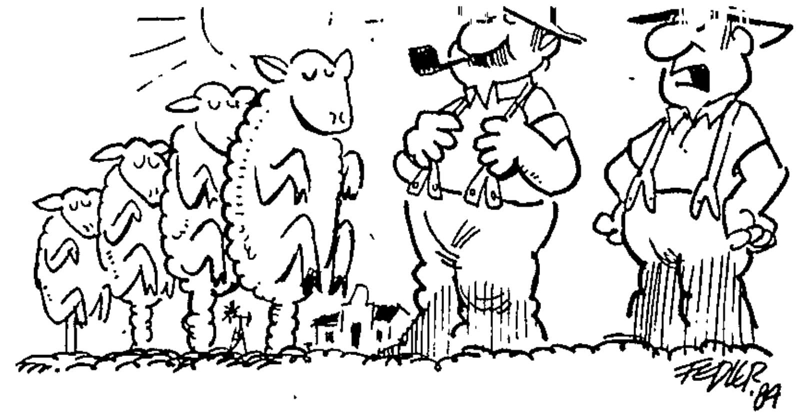
Cattle men are looking over their shoulders in fear that the maize man cometh.

Only the Wool Board beckons. Grow wool, it says. Your costs will be manageable, your price cannot be fixed by Mr Greyling Wentzel a kilo for the Wool Board's fixed marketing establishment.

These costs are on the way up, like everything else. But if maize farmers could be drawn into wool growing, rising volume could contain marketing costs.

At present, Transvaal is producing 9 million kilograms of wool annually out of a total clip of 107 million kilos. If maize farmers could in time add another 20 or 30 million kilos, this would make a big difference.

The Wool Board has now set up a planning committee with representatives of co-ops, agricultural unions and the Department of Agriculture. Gradually, the idea of ex-



"Ja, you're right, man. It's a VERY revolutionary idea . . ."

lem. And if the State wants a solution to the problems its agricultural policies have helped to create — so economists argue — it could as well try to make such a solution financially possible.

After all, the decision to limit maize production to the requirements of the home market may cost South Africa about R400 million annualy in lost foreign exchange. Switching from maize to wool might compensate somewhat by increasing wool exports.

But the ultimate prize will be the agricultural, economic and social rehabilitation of much the present maize belt. After another generation, people will hardly recognise the place.

Uncovering the secrets of efficient farming

By Bob Frean, Durban

Cedara, the headquarters of the Department of Agriculture in Natal, has blazed many research trails which have become part of our farming heritage and contributed significantly to our already huge body of farming knowledge.

From way down south in George, Knysna and Alexandria, to Mazibuko in Zambia, thousands of farmers depend on systems developed at Cedara Agricultural Research Institute near Pietermaritzburg. They include:

- Farm buildings and facilities and their efficient use.
- Livestock feeding and management systems.
- Fodder flow systems.
- Plant production systems.
- Costings of all these.

Each one needs a book to explain fully, but they add up to more efficient farming systems which keep down the cost of food — at least until it leaves the farm.

Farmers, once notoriously sceptical of scientists and their recommendations, now believe in Cedara.

The main reason for Cedara's credibility is probably that its dairy herd's production has jumped from about 4 500 kg a cow a few years ago to the present 7 000 kg. The average for Natal's friesland herds is about 5 100 kg.

Research helps keep farmers and industrialists abreast of the times.

Cedara's recipes for cow, calf and heifer feeding, contained in the well thumbed "blue book" which is the bible of nearly every efficient dairy farmer in southern Africa, are being revised once again by Mr Bob Brendon, a Polish scientist trained in Wales and who came here from Kenya.

Cedara, the headquarters of the Department of Agriculture in Natal, has blazed many research trails which have become part of our farming and has a huge body of readily accessible farming know-how.

Every day postbags of queries arrive and phones jangle constantly from people wanting information on an incredible range of farming subjects.

Many questions come from business and professional people who have the odd R200 000 burning a hole in their pockets and an itch to go farming, or to keep the receiver's hands off it.

Many sharp businessmen who aim to buy land and show the yokels how to jack up their farming would do well to avail themselves of Cedara's advice.

The sales in execution in Natal's over-paid farming areas which have become fashionable in Joey eyes attest to the need for judicious investment.

Another reason for Cedara's high standing is that the scientists have bred some real winners.

Midmar ryegrass for instance, outyields the world's best ryegrasses in South Africa and is being planted as fast as possible in other countries.

Cape Times 28/3/84 ~~3 ...~~

~~3 ...~~

Pig farmers ~~run~~ a zig-zag maize

3 maize

Own Correspondent

JOHANNESBURG. — The worst erosion of profit margins in the livestock industry in many decades is forcing many pig farmers to sell their production units causing a pork shortage and increases in prices of up to 30 percent.

However, other farmers with less debt are braving the cyclical nature of the industry to continue production, and some are even increasing their capacities with a view to an expected surge in pork demand.

The deteriorating margins which the pig farmers are experiencing is the the result of increasing costs and decreasing prices — known as a cost-price squeeze but the underlying factors causing this are many.

Upswing

In the previous cyclical upswing many new speculative entrepreneurs entered the industry. In addition most established farmers increased the number of sows in their units to expand production. Prices increased as a result of the shortage in sows which would have been sold for pork and bacon, and this combined with increasing tax assessments to produce further incentives to expand.

The resultant 30 percent explosion in supply from 1,3m carcases in 1980/1 to 1,72m in the last 12 months coincided with a downturn in the economy and the drought to substantially reduce consumer discretionary spending. The drought conditions also caused an increase in slaughterings of cattle and sheep with a resultant oversupply in all red meat and this worsened the pig farmers plight.

To aid the pig farmers' economic problems, the Meat Board implemented a floor price scheme and announced a quota marketing scheme which would allow market access based on the previous performance of established farmers. The system was aimed to discriminate against newcomers, speculators, fly-by-nights and those established farmers who expanded production in excess of previous performance.

Uncertainty

"The announcement created such uncertainty among farmers that any planned expansion was cut back," says the executive director of Kanhym, Mr Robin Clark.

As a result the Meat Board reports the number of permit applications for the March to May period decreased from 1 897 in 1983 to 1 415 in 1984.

While the fly-by-nights had flown, unfortunately so had a number of established farmers.

The Meat Board's purchases into its pork pool, under the floor price scheme, which had almost doubled from 11 166 carcases in 1982 to 21 573 in 1983 plunged to only 122 carcases that were purchased under the floor price scheme in the first couple of months in 1984.

Many pig farmers blame the Meat Board's floor price, which is set at a level far below present production costs, for their economic problems.

The pork promotions campaign that was recently launched by pig farmers and the meat trade with the aid of R1,6m from the Meat Board has thus run into an immediate problem of availability even before it had properly started.

Prospects

Furthermore pig farmers' profit prospects are considerably influenced by the maize price and they are not only viewing the present maize price negotiations between the Maize Board and government with trepidation, but also considering various alternatives for maize.

Nevertheless some producers, such as Kanhym are optimistic about the demand in the future and are going at full-speed to increase production.

In 1982 consumers spent R326m on pork. This represented 8,5 percent of the total meat market. From 1981/2 to 1982/3 the net domestic trade in pork increased from 81 522 tons to 91 312 tons while the trade in beef decreased from 503 000 tons to 499 000 tons and mutton increased from 126 000 tons to 142 000 Tons.

In the market for primal protein foods, there are indications that poultry's rate of increase in consumption is levelling off while egg consumption actually declined.

Processed meats

But marketing to the black population will have to be stepped up before the true potential of the pork market is tapped.

About 65 percent of blacks claim never to eat fresh pork, 30 percent percent of them because of religious reasons, although blacks are responsible for a significant share of the market for processed meats.

(3) Maize

Concerted call for big maize subsidy

Mail Reporter

THE State has been requested to subsidise the maize industry by at least R275-million this year.

This request follows on a historic meeting in Pretoria yesterday where virtually every involved organisation was present and where consensus was reached that such a State subsidy was the only way to prevent the consumer price of maize products rising by at least 25%.

The meeting, which was presided over by the Maize Board chairman, Mr Crawford von Abo, was attended by representatives of the National Maize Producers' Organisation, the National Association of Maize Millers, S A Balanced Livestock Feed Producers' Association, Uniegraan, S A Poultry Association, Assocom, S A Housewives League and the S A Co-ordinating Consumer Council.

The meeting noted with great concern that, because of the catastrophic drought, about 65% of South Africa's maize requirements would have to be imported this year.

After the meeting the Minister of Agriculture, Mr Greyling Wentzel, was advised about the position.

The meeting said that, because of the high cost of the imported maize, the consumer price would increase by about 34% above the Maize Board's current selling price unless the State agreed to subsidise the consumer price.

When taking into account the normal anticipated State subsidy of about R136-million for this year, the consumer price will still rise by about 25%.

Considering the present economic position, the meeting believed consumers would have great difficulty in coping with such an increase and this could lead to some undesirable side effects.

The meeting then unanimously requested the Minister to increase the subsidy on maize to at least the total subsidy on bread, which is R275-million.

In this way the rise in consumer prices could be limited to about 12% above the board's current selling price.

Mr Von Abo said after the meeting that everybody who had attended had "grasped the realities concerning the maize industry and had responded to them".

The reality was that the required funds could only come from three sources — the farmer, the consumer or the State, he said.

And only the State could afford to foot the bill.

29/3/84

Call for increase in maize subsidy

(3) Maize Star

The State will have to subsidise the maize industry with R275 million this year if a 25 percent price increase on maize products is to be prevented, industry and consumer representatives said after a meeting in Pretoria yesterday.

The meeting was attended by representatives of the Maize Board, National Association of Maize Millers, SA Balanced Livestock Feed Producers Association, Poultry Association, Assocom, SA Housewives' League, SA Co-ordinating Consumer Council, Nampo and Uniegraan.

Because of the catastrophic drought, 65 percent of South Africa's maize requirements will have to be imported this year.

"The meeting pointed out that because of the high cost of the imported maize, the consumer price of maize would increase by about 34 percent above the Maize Board's current selling price unless the State agreed to subsidise the consumer price," said a statement released after the meeting.

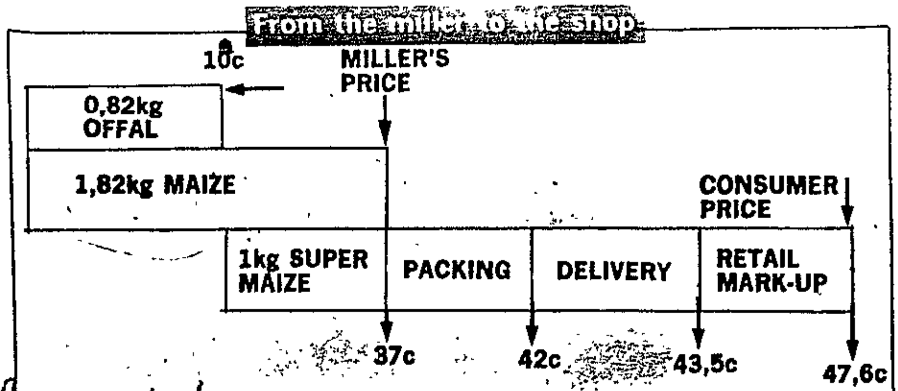
It said that even taking into account the normal anticipated State subsidy of about R136 million for this year, the consumer price would still rise by about 25 percent.

"The meeting then unanimously requested the Minister to increase the subsidy on maize to at least the total subsidy on bread, which is R275 million."

Even if this subsidy was granted, consumer prices of maize products would rise by at least 12 percent above the Maize Board's current selling price.

Raw deal for mealie millers

S. Times (3) Maize 1/4/84



By Barry Sergeant

THE expected raw maize price increase of as much as 25% to R234 a ton will have to be passed on by millers to the consumer.

Maize millers have been accused of making huge profits. A spokesman for a large private miller says there are 11 components in the cost of mealie meal before it reaches the consumer. He likens a maize kernel to a beef carcass.

There are different prices for each slice, depending on quality. The best part of a mealie must sell for what appears to be a high price so that an average price to compensate the miller can be achieved.

Animal feed

Like bones and fat on a carcass, 34% of a mealie is sold for next to nothing.

Out of every kilogram of maize that goes into a mill, only 56% by weight ends on the shop shelf as super mealie meal. About 34% is called offal and is used to feed animals. It sells for only 10c a kg because of its low nutritional value. The balance of 10% of a kilogram of the milled mealie is low-value sifted and unsifted meal and waste.

The average return to millers on a kilogram of raw maize after processing and refining is 27c. Packaging for super mealie meal costs 5c a kilogram and transport another 1,5c. Retailers on the Witwatersrand take 4c — an annual take, if the mark-up is applied nationwide, of R130-million on human consumption of 3,5-million tons.

Consumer organisations criticise the mark-up of more than 130% from the price paid to the farmer for a ton of raw maize to the cost in the shop.

But millers protest that they gross less than 6c on each kilogram of refined mealie meal. The main component is milling costs, based on the average at the 20 largest mills in SA. There is a minimal cut for return on working costs, and an even smaller compensation for capital costs.

Working capital costs are based on the prime bank rate of 21%. The return is given to millers to bridge a four-month gap between buying raw maize and payment by retailers. Millers are forced to pay the Maize Board cash, but have to wait months for retailers to settle.

A National Maize Producers Organisation study found that farmers receive only 20% to 25% of the consumer price of mealie meal. It has called for an investigation of the role of the middleman in the maize industry.

Roger du Toit, of the Maize Millers Association, says: "Price control in the industry was abolished three years ago. But millers voluntarily continue to apply the formula used by the National Marketing Council for costing. This allows for a 15% return on the historical cost of capital."

Historic

A spokesman for the milling industry says: "The replacement cost of mills in South Africa is about R800-million. But the historic written-down cost on which the return on capital is based is only R75-million.

"This may explain why there has been no entrant to the maize-milling industry for the past 15 to 20 years."

The wheat-milling industry has not had an entrant since the Second World War.

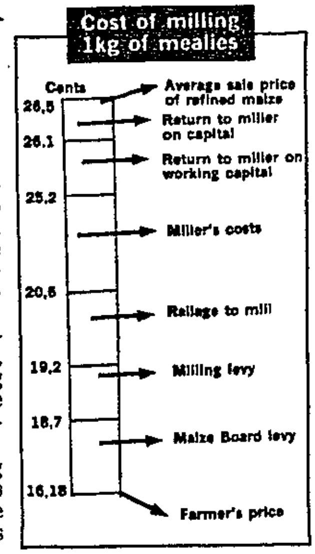
A grain analyst told Business Times that an entrant to wheat milling would find that even if full capacity were achieved the day of commissioning, it would be impossible to make a profit.

Hennie Nel, general manager of the Maize Board, which grants maize milling licences, says 274 mills were registered at the end of February.

The trend in the milling industry has been towards bigger mills buying out the small — "a trend which is discernible throughout commerce and industry".

In the future, the present three tiers of millers will remain — big, medium and small, says Mr Nel.

Most of the small and family-owned mills have disappeared in the past 20 years.



They have been forced to sell because of high costs and low returns. Only the large companies — Premier, Tongaat, Tiger, Fedfoods and the co-operatives — can remain in the industry because of their high volumes.

Brain-picking spies

Special Correspondent: New York

THE age-old problem of industrial espionage has resurfaced with an interesting twist.

Instead of cloak-and-dagger thefts, some firms are turning to face-to-face interviews with unwary or disaffected personnel to dig up secrets — all under the guise of executive recruiting. Firms have long been known to hire employees from competitors to gain inside knowledge.

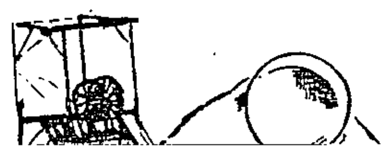
"People not only bring their bodies into a company — they bring their brains," says William C Bond of Pinkerton's, the large US security firm.

But lately it has been common for some companies to conduct spurious candidate searches — either on their own or using a like-minded executive recruiter — with the sole aim of dredging up secrets.

In one instance, says Mr Bond, a bank that hoped to enter the insurance field interviewed a score of executives from insurance firms — not with the intention of hiring them, but to gain knowledge of the industry.

Firms involved in everything from pharmaceuticals to microchips have lost through this back-door tactic. Even above-board recruiting firms have found themselves manipulated by spying companies.

Among the tell-tale signs are requests to interview candidates from a small group of companies, or asking to interview a series of candidates who do not have the skills for the ostensible job.



4,5% rental concession on value of land and buildings for ten years.

30% rail rebate on outgoing finished products.

10% price preference on tenders.

2,5% subsidy on housing for key personnel.

(4) Yes. A large number of concessions which were granted prior to April 1982, were on an *ad hoc* basis.

Hansard Q. 61. 919

Lebowa Development Corporation

11/4/84

*25. Dr W J SNYMAN asked the Minister of Co-operation and Development:†

(1) Whether the Lebowa Development Corporation granted loans to (a)(i) directors and (ii) officials of this corporation and (b) Cabinet Ministers of Lebowa in the latest specified financial year for which figures are available; if so, (aa) to whom, (bb) for what purpose, (cc) what is the capital amount involved in each of the loans and (dd) in what manner are the capital amount and interest being repaid;

(2) whether the repayments were made by the due dates in each case; if not, by what amount is each of these persons in arrears in respect of (a) instalments and (b) interest;

(3) whether security was offered in respect of the loans; if so, what are the particulars of the security in each case?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

The Lebowa Development Corporation is an autonomous body that functions under its own Board of Directors.

I have requested the Board to submit this question to the auditors of the Corporation and to request the auditors to compile a report about the matter, which will be submitted to me.

Depending on the findings of the auditors as contained in the report that will be submitted to me, suitable steps will be taken.

I want to add that I have supplied the answer to the question that was put to me by the hon member, privately to him. I want to repeat that I, as the responsible Minister, am determined to put a stop to gossip about the Lebowa Development Corporation, and if it cannot be effectively stopped in the way that I have now suggested, I will not hesitate to appoint a commission of enquiry to determine whether any irregularities of whatever nature have occurred.

For written reply:

3 Maize Hansard

Maize consumers in Eastern Cape

Q. 61. 920 11/4/84

557. Mr E K MOORCROFT asked the Minister of Agriculture:

Whether consumers of maize in the Eastern Cape pay the same prices for maize as do those consumers living in the production area; if not, (a) why not, (b) what is the nature of this difference in cost and (c) which consumers pay less?

The MINISTER OF AGRICULTURE:

(a) All buyers, regardless of whether they are in the production area or elsewhere, pay the same basic selling price for imported and locally produced maize, on a f.o.r. sender's station (in the production area) basis. Buyers in the Eastern Cape therefore pay more because of higher transport costs.

(b) The buyer pays railage as well as siding costs (if any) on maize and the closer he is to the production area, the less he has to pay. Imported yellow maize is also sold on this basis in the present emergency situation and no buyer is therefore, as regards railage, in a worse position than he would have been had the maize been supplied from the normal distribution points in the production areas.

(c) The consumers in or closer to the production area pay less because of lower transport costs.

Maize landed in East London

558. Mr E K MOORCROFT asked the Minister of Agriculture:

(1) Whether any maize recently imported into the Republic was landed at East London; if so, (a) what quantity and (b) what was the tender price of this maize;

(2) whether the price paid for such maize by Eastern Cape consumers was the same as that paid by inland consumers; if not, (a) why not, (b) what was the difference in cost and (c) which consumers paid less?

The MINISTER OF AGRICULTURE:

(1) Yes.

(a) Approximately 500 000 tons from 1 May 1983 to 29 February 1984.

(b) R183,44 per ton c.i.f. (average tender price).

(2) The buyer pays railage as well as siding costs (if any) on maize and the closer he is to the production area, the less he has to pay. Imported yellow maize is also sold on this basis in the present emergency situation and no buyer is therefore, as regards railage, in a worse position than he would have been had the maize been supplied from the normal distribution points in the production areas.

~~2 Dairy~~ 3 Meat

Surplus dairy/meat products 11/4/84

Hansard Q. 61. 921

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

(1) Whether any surplus (a) dairy and (b) meat products produced in the Republic and marketed through control boards were distributed to (i) the underprivileged and (ii) welfare organizations in 1983; if so,

(2) what (a) were the quantities and (b) was the estimated total value of the (i) dairy and (ii) meat products so distributed?

The MINISTER OF AGRICULTURE

(1) (a) No, but the Dairy Board sold skimmed milk powder and cheese at reduced prices to the underprivileged and welfare organizations, as follows:

Skimmed milk powder: From January 1983 until July 1983 at 50c/kg less than the normal selling prices and from August 1983 until December 1983 at R1,00/kg less than the normal selling prices.

Cheese: At 25c/kg less than the normal selling prices.

(b) No, but the Meat Board has since December 1982 made meat available to houses for the aged, children and disabled persons at a discount of 100c/kg on the book value or cost price.

(2) (a) (i) 542 230 kg skimmed milk powder; 15 470 kg cheese.

(ii) 177 tons.

(b) (i) R372 633 skimmed milk powder; R3 867 cheese.

(ii) R177 000.

Soil Conservation Act, No 76 of 1969

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

What is the estimated number of farms in (a) each province of the Republic and/or (b) each ecological region of his Department that remain to be planned in terms of the Soil Conservation Act, No 76 of 1969?

Maj R SIVE: Mr Speaker, further arising out of the hon the Minister's reply, does he not believe that, in view of the new constitutional system, this law should be repealed before the system comes into operation?

†The MINISTER: Mr Speaker, I said during an earlier debate in this session that there are facets of this Act which are receiving attention, and I have now again indicated it in reply to the question. The new dispensation is fundamentally based on the recognition of the difference between the groups. It is also based on separate voters' lists, where persons from a particular population group must elect members of that population group to represent them in their own chamber. That is why I regard the existence of separate voters' lists and therefore also the existence of separate parties as a fundamental prerequisite for the new dispensation.

Hansard Q. Col. 963 13/4/84

Msinga area: Tribal clashes

*20. Mr M A TARR asked the Minister of Law and Order:

(1) Whether any persons died in tribal clashes in the Msinga area (a) in 1979, 1980, 1981, 1982 and 1983, respectively, and (b) from 1 January 1984 up to the latest specified date for which figures are available; if so, how many in each case;

(2) whether the South African Police have taken any preventive steps in this regard; if not, why not; if so, (a) what steps and (b) when;

(3) whether any further steps are contemplated; if not, why not; if so, what steps?

†The MINISTER OF JUSTICE (for the Minister of Law and Order):

(1) Yes.

(a) 1979: 55

1980: 7

1981: 20

1982: 16

1983: 43

(b) 1 January 1984 to 3 April 1984: 35

(2) Yes.

(a) and (b) Patrols, including special weekend patrols are being carried out in the area on a continuing basis, while use is from time to time also being made of helicopter support. Discussions with tribal heads are held regularly, the latest of which took place on 14 March 1984, but owing to the unpredictability of the warring impi's, it is not always possible to defuse an explosive situation or to avert the deep-rooted friction.

During the past four years approximately 2 400 arrests had been affected, while the special fire-arm squad operating in the area has already confiscated 2 169 fire-arms during the same period.

(3) Yes. During the past few weeks a comprehensive investigation into the policing of the area has been instituted. It is intended to establish a special unit in the area as soon as possible. In the meantime the Pietermaritzburg reaction unit has been deployed in the area.

†Indicates translated version.

For written reply:

Hansard Q. Col. 964 13/4/84

Public servants: salary increases

450. Mr S S VAN DER MERWE asked the Minister of Internal Affairs:

(a) How many public servants received salary increases as a result of the salary adjustments effected in July 1983 and (b) what was the (i) average percentage of the increases received and (ii) highest percentage received by any public servant in terms of the said adjustments?

The MINISTER OF INTERNAL AFFAIRS:

(a) No general salary adjustment as such was affected on 1 July 1983. The service dispensations of certain occupational classes were however adjusted on a market related basis with effect from 1 July 1983 as a result of occupational specific investigations. The classes and the number of personnel involved are as follows:

Social Worker	2 691
Orthopedic Bootmaker	30
Clinical Technologist	50
Medical Technologist	1 231
Medical Orthotist and Prothetist	185

(b) (i) and (ii)

In order to give an accurate indication of what the actual average and highest adjustment were will mean that particulars in respect of individuals will have to be obtained from each file in each department.

The reason being that normative requirements for translation to the new dispensations were set by the Commission and implemented by the departments concerned.

Individual as well as average percentage improvements depend on the degree to which the officials concerned comply with the new requirements.

3 Maize Hansard

Maize: consumer prices

Q. Col. 965 13/4/84

559. Mr E K MOORCROFT asked the Minister of Agriculture:

(a) What were the consumer prices of maize in the (i) Transvaal, (ii) Eastern Cape and (iii) Western Cape as at the latest specified date for which figures are available and (b) what is the breakdown of each of these figures in respect of (i) railage, (ii) storage, (iii) production and (iv) any other specified costs?

The MINISTER OF AGRICULTURE

(a) (i), (ii) and (iii) Maize is sold by the Maize Board to all buyers (among others, millers, feed manufacturers, feed lots, dealers, farmers etc) in the Republic (including the B.L S and T.B V.C.-countries, and South West Africa/Namibia) at fixed selling prices on a free on rail basis. The Maize Board's selling price was fixed at R187,05 per ton as from 1 January 1984 for the best grades of white and yellow maize in bulk quantities of 190 t and more.

(b) (i) Railage differs according to the distance from the production area to the buyer.

(ii) The Maize Board's storage costs on maize sold for local consumption is normally covered by a State subsidy and is consequently not recovered from buyers.

(iii) The cost of production is only one of several factors taken into consideration for the purpose of fixing the producer prices of maize and can therefore not be isolated from the other factors

Hansard

National states: health services

Q. Col. 966 13/4/84

758. Dr M S BARNARD asked the Minister of Health and Welfare:

(1) (a) How many (i) doctors, (ii) dentists, (iii) physiotherapists, (iv) occupational therapists and (v) nurses are there in each specified national state

SUNDAY TIMES, Business Times, April 22, 1984

Doubts on costly imported maize

3 Maize

By Barry Sergeant

NEW maize prices for producers and mealie-meal prices for consumers will be announced within the next two weeks, say the SA Agricultural Union and the National Maize Producers Organisation (Nampo).

Although the increases are a foregone conclusion, the vital news will be the size of the consumer subsidy.

SA producer prices are expected to increase 17,6% a ton to R220, the notional landed cost of imported maize. Exact import prices cannot be disclosed by the Maize Board because of tactical bargaining on world markets where prices are rising.

Bread

Mealie meal could rise by up to 35%, according to conclusions reached at a Maize Board meeting where producer, consumer and feedstock orgainsations were represented. If the normal subsidy of R136-million is given to meal, prices would rise 25%. But if the subsidy were increased to bread's R275-million they would rise by only 12%.

Pieter Gous, executive director of Nampo, says the producer maize price will have to be R354 a ton to compensate farmers for lost production costs.

The price announcement will be made amid controversy over the quality of imported maize. Argentina has suffered crop losses because of heavy rains and the US because of drought.

Top grade

The quality of US maize has been affected by its payment in kind programme (PIK) which gave farmers maize — stockpiled for the past three years — in return for idling part of their land. The stockpiled mealies have suffered because of lengthy storage.

Hennie Nel, general manager of the Maize Board, insists that only top-grade maize is being bought.

One grain analyst says that because foreign maize is not used for human consumption, it receives less handling and storage care than in SA.

The SA maize crop will be marginally up on 1983's, according to the Department of Agriculture's estimate — 4 117 000 tons for 1984 compared with 1983's 4 075 000.

Shipping

Farmers will keep 800 000 tons of maize for their own use, leaving deliveries of 3 317 000 tons.

Consumption exceeds 7-million tons, and 3,8-million tons of mealies will have to be imported. Dr Gous says imports could be reduced by using 300 000 tons of grain sorghum to feed stock.

Hennie Bezuidenhout, manager of the SAAU's grain commodities committee, says discussions on importing wheat from Brazil and Australia are under way. World wheat prices are lower than for maize.

The maize import programme worries shippers because the authorities insist that ships carry only 25 000-ton cargoes, with a 5% allowance on either side. The Maize Board also insists that the vessels have a maximum draught of 32 feet.

The reason, according to Mr Nel, is to allow flexibility in port destinations. Richards Bay can take ships with a 40-foot draught, but East London and Port Elizabeth, which are handling most of the imports, cannot.

Consumers must pay 18,5% more

Shock rise in price of maize

RDM 27/4/84

~~244~~ (3) Maize

By GERALD REILLY
Pretoria Bureau

THE price of maize is to be increased by a record 18,5%, the chairman of the Maize Board, Mr Crawford van Abo, said in Pretoria yesterday.

Speaking at a Press conference after a meeting with the Minister of Agriculture, Mr Greyling Wentzel, Mr Van Abo said:

"This is the price we have to pay after being battered by drought, and for not being self-sufficient in maize.

"We are faced with reality, and we must act accordingly. World supplies are low and we have to purchase whatever is available."

Consumer organisations reacted with shocked surprise at the extent of the price increase, which will affect a whole basket of essential foods, and hit the poor, who rely on mealie meal as a staple diet, hardest.

Two main reasons for the huge price rise are the devastating drought, which destroyed two thirds of last summer's crop, and the high price of imported maize.

Mr Von Abo said preliminary calculations were that the price of maizé products would rise by about 18,5%.

He said the prices of animal products would rise because of the inevitable increase in animal feeds.

Eggs were likley to rise by 4c/doz, broilers by 5c/kg, pork by 7c/kg milk by 1,5c/l, and beef by 20c/kg.

The Consumer Council said the higher price would have a serious impact on the budgets of low income earners.

The effect the new price would have on other foods was disturbing, a spokesman said.

The president of the Houswives' League, Mrs Joy Hurwitz, was "shocked".

"This will be terrible blow to the black consumer, especially in a climate of rising unemployment and a continued recession."

The general secretary of the Garment Workers' Union of South Africa, Mrs Lucy Mvubela, said: "I am shocked. How could they do such a thing?

"Maize is the basic food of my people who are struggling to feed themselves, especially after the recent increases in other basic foods, including bread."

Mrs Mvubela said there was already widespead hunger in the townships and loading the maize price by almost a fifth would mean starvation in some families.

The big price rise, Mr Van Abo said, was the consequence of the unusual drought, especially in the western part of the country.

This had resulted in a maize crop of about four million tons of which producers would deliver only 2 700 000 tons to the board.

This meant that between four million and 4 500 000 tons of maize would have to be imported.

This year for the first time in the country's history, he said, imports would exceed local production.

The cost of imported maize would be R245,87 a ton.

"And if the Government had not been willing to subsidise the domestic selling price the board's selling price would have been R245.87 a ton."

As a result of a considerably larger Government subsidy, however, the board's selling price would be R220 a ton. This was about 19% higher than the present selling price.

The new price applies from today. The net producer price has been fixed at R214.05 a ton for white and yellow mealies.

The Minister of Agriculture said the decision to increase the price of maize was unanimous and had his full approval, Sapa reports.

In a Press statement, Mr Wentzel said the Maize Board's decision was the result of a countrywide crop failure for the second successive year, which necessitated the highest import programme in history at a time when import processes were particularly high.

Because of the difficult economic conditions the Government was limited in the amount of assistance it could give to producers and consumers, which meant a big price rise was unavoidable, he said.

Consumer groups slate increase

By CHRIS STEYN

SUPERMARKET chains last night called on the Government to take urgent action to cushion the impact of the massive 18,5% maize price increase.

Consumer organisations also reacted strongly.

The national president of the Black Housewives League, Mrs Sally Motlana, said she was shocked that the Government could increase the price of the staple food of the "lowest and poorest" section of the population.

The president of the Black Consumer Union, Mr Helen Khuzwanyo, said it was clear that the increase of the "most basic staple food for people in the lowest income bracket" was to "protect" farmers, and not to help the consumer.

Pick 'n Pay's chairman, Mr Raymond Ackerman, last night urged the Government to subsidise maize.

He said Pick 'n Pay would not raise the maize prize until all current maize stocks had been sold — and its mark-up on the higher-price maize would be "absolutely minimal".

Mr Gordon Utian, managing director of Checkers, called on food manufacturers to exercise constraint and help the consumer by cushioning the price increases that will follow the maize price rise.

South Africa's largest retailer, OK Bazaars, has reacted to the increase in the price of maize by slashing the price of its Pot o' Gold high protein macaroni and spaghetti.

OK's managing director, Mr Gordon Hood, expressed his alarm at the extent of the increase which comes hot on the heels of other food price rises.

Prices up in wake of maize

ARGUS 27/4/84

Staff Reporter

RETAIL price rises on maize products could be felt by shoppers within three weeks, following the Maize Board's 18,5 percent maize price increase.

The price rise is likely to be felt more widely as a ripple-effect pushes up prices of foods associated with maize.

The chairman of the Maize Board, Mr Crawford von Abo, who announced the price rise, said in Pretoria the prices of maize products would probably increase by about 18,5 percent.

As a result of the increase in the cost of animal feeds, the price of such foodstuffs as eggs, broilers, pork, milk and beef were expected to rise also, he said.

Some supermarket chains pledged today to keep their prices down for as long as possible.

THREE WEEKS

Spar's supermarkets countrywide will keep a lid on prices but expect old stocks to run out within a week, said Mr Sidney Matus, executive director of the group.

Mr Raymond Ackerman, managing director of Pick 'n Pay, said: "The price hike will be passed along to the consumer within the next three weeks in our shops, as maize is a perishable item.

"However, stores should not raise their maize prices immediately until their old stock has run out — that would be very unfair to the consumer."

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Mr Gordon Utian, Checkers' managing director, called on all food manufacturers to help consumers by cushioning price increases that will follow the maize price increase.

The South African Co-ordinating Consumer Council has warned that consumers could turn to other foods such as rice and potatoes if maize prices continued rising.

Egg prices could go up by 4c a dozen, broiler prices by 5 c/kg, pork by 7 c/kg, milk by 1,5 c/litre and the price of beef by 20 c/kg.

● National president of the Black Housewives' League Mrs Sally Motlana expressed shock at the increase of "the staple food for the lowest and poorest section of the population.

"This increase will make the poverty of blacks unbearable and may even cause the peace we are looking for to be very shaky," she said.

Massive maize price increase

CAP TIMES
27/4/84

3 MAIZE

Own Correspondent

JOHANNESBURG. — Supermarket chains called on the government to introduce urgent action to minimize the crippling effect of a massive maize price increase of 18,5 percent announced in Pretoria yesterday.

And black consumer bodies reacted with shock to the increase, predicting that a price increase in "the most essential foodstuff for people in the lowest income bracket" would make black poverty "unbearable".

The price increase was announced by the chairman of the Maize Board, Mr Crawford van Abo.

Speaking at a press conference in Pretoria after a meeting with the Minister of Agriculture, Mr Greyling Wentzel, Mr Van Abo said: "This is the price we have to pay after being battered by drought, and for not being self-sufficient in maize."

Ripple effect

The two major reasons for the huge price rise are the devastating drought, which destroyed two-thirds of last summer's crop, and the high price of imported maize.

Mr Van Abo said preliminary calculations

He said the prices of animal products would rise because of the inevitable increase in animal feeds.

Eggs were likely to rise by four cents a dozen, broilers by five cents a kg, pork by seven cents a kg, milk by 1,5 cents a litre and beef by 20 cents a kg

Pick 'n Pay chairman Mr Raymond Ackerman made an "urgent" call to the government to subsidize maize.

He also called for a "quick decision" on withdrawing General Sales Tax on all basic foodstuffs, "before this very big increase filters through to the consumer".

Mr Ackerman said Pick 'n Pay would be able to help the consumer absorb the increase because it had bought forward maize.

Pick 'n Pay would not raise the maize prize till all the forward maize stock had been sold — and its mark-up on the higher-price maize

Checkers, called on all food manufacturers to "exercise constraint" and help the consumer by "cushioning" the inevitable price increases that would follow the maize price increase.

Mr Utian also made an urgent call to the government to implement a "selective subsidy" to relief organizations so they could continue feeding commitments.

"Although the man in the street will be hit hard by the ripple effect of this massive increase, it is a major disaster for the emergency-relief feeding organizations presently keeping hundreds of thousands of drought-stricken people from starvation," he said.

The national president of the Black Housewives' League, Mrs Sally Motlana, said she was shocked that the government could increase the prize of the staple food of the "lowest and poorest" section of the population.

Thatcl

LONDON. — The British Prime Minister, Mrs Margaret Thatcher, yesterday slammed what she called the "utterly appalling" treatment Zola Budd faced at Crystal Palace Stadium last night when sections of the crowd hurled racial insults.

As the row over Zola reached the highest levels of British politics, Mrs Thatcher told the House of Commons: "I thought the treatment meted out to a 17-year-old girl was utterly appalling and a disgrace to those who meted it out."

Mrs Thatcher also backed criticism of Labour-controlled local authorities which seek to ban Zola.

In the House, Tory MP Mr Keith Best declared it was "petty ... picable" for London Co... authorities ... tress to a ... athlete law... this country"

He said ... were pur... personal ... and held ... about. South

Mrs Tha... wholly agree

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'Jump swing' dean dies

Neig mor

By CHRIS BA
RONDEBOSCH

increase

Own Correspondent

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Pick 'n Pay would not raise the maize prize till all the forward maize stock had been sold — and its mark-up on the higher-price maize would be "absolutely minimal".

Mr Gordon Utian, managing director of Checkers, called on all food manufacturers to "exercise constraint" and help the consumer by "cushioning" the inevitable price increases that would follow the maize price increase.

Mr Utian also made an urgent call to the government to implement a "selective subsidy" to relief organizations so they could continue feeding commitments.

"Although the man in the street will be hit hard by the ripple effect of this massive increase, it is a major disaster for the emergency-relief feeding organizations presently keeping hundreds of thousands of drought-stricken people from starvation," he said.

The national president of the Black Housewives' League, Mrs Sally Motlana, said she was shocked that the government could increase the prize of the staple food of the "lowest and poorest" section of the population.

"This increase will make the poverty of the black man unbearable, and may even cause the peace we are looking for to be very shaky.

The president of the Black Consumer Union, Mrs Helen Khuzwanyo, said it was clear that the increase of the "most basic staple food for people in the lowest income bracket" was to "protect" farmers, and not to help the consumer.

'Going to die'

"Farmers are the government's dependants. They have got big loans, and they are subsidized in may ways," she said.

Mrs Maggie Nkwe, matron of the Orlando Children's Home, said the increase in the prize of maize was 'an indirect way of really destroying the poor"

"We are starving already, and increasing the price of our most basic foodstuff means that we are going to die"

Maize price: end to GST on food urged

3 Maize Star 27/4/84

The Government has been urged to give immediate relief to the poor and unemployed by withdrawing the general sales tax on essential food items following yesterday's huge rise in the maize price.

The calls were made by the chief Opposition spokesman on finance, Mr Harry Schwarz, and the executive chairman of Pick 'n Pay, Mr Raymond Ackerman, after the 26,5 percent increase in the gross producer price of maize announced by the Maize Board yesterday.

An increase in the State maize prize subsidy reduces this to what is still a record 18,5 percent rise in the retail price of maize products.

This in turn will have a severely inflationary effect on a range of other essential foods such as eggs, meat and milk.

Mr Schwarz said the low-income groups had already seen their disposable incomes shrink as a result of the recession.These people, as well as the many unemployed, would not be able to afford the latest price increases.

He called on the Government to immediately increase the subsidies on essential foodstuffs so that the seven percent GST was refunded to consumers.

Mr Ackerman appealed to the Government to make an urgent re-assessment of the GST on basic foods in the light of the increase.

HUGE INCREASES

He said the question of subsidies on maize and bread should be investigated because of the huge increases poorer people were facing.

The secretary of the Western Cape Agricultural Union, Mr Gert Bosch, said the latest maize price increase would have a particularly adverse effect on intensive stock farming in the Western Cape. He said producers would not be able to absorb the increase.

The chairman of the Western Cape Fresh Milk Producers' Union, Mr Nico Basson, said in view of the increase, he doubted whether it would be possible to avoid increasing the consumer price of milk. A milk price increase had not planned until the end of the year.

The deputy-chairman of the Boland Poultry Producers' Association, Mr Ferruccio Ferucci, said since 60 percent of the country's maize production was used by poultry farmers, he expected the price of eggs to go up by eight cents a dozen. The price of chickens could rise by 15c a kg.

The increase would force pork farmers to give greater attention to alternative sources of protein to replace maize in the rations, said the chairman of the Western Cape Pork Producers' Association, Mr David Gant.

Cape Times 28/4/84

Warning

3 Maize

on maize price rise

Staff Reporter

WORKER and community organizations in the Western Cape have warned the government that the 18,5 percent maize price increase announced this week would cause widespread anger and resentment which could threaten the country's stability.

The publicity secretary for the United Democratic Front in the Western Cape warned that the increase on this staple food was seen by workers as a "clear provocation" from the government.

"Our people's patience is not endless," he said. "Workers in South Africa have learnt that the only defence against these attacks on their living standards is united action."

The secretary of the General Workers' Union, Mr Dave Lewis, said the union deplored the increase, following as it did increases in the prices of most basic foodstuffs and the increase in GST.

"The unions have already taken up the GST increase with the Minister of Finance and this is further proof that the government is not interested in consulting with or considering the plight of the people most sorely affected by the increase.

"It will come to learn the consequences of this type of action," said Mr Lewis.

If the government reduced expenditure on defence, it could easily subsidize the maize price, he said.

A spokesperson for the Food and Canning Workers' Union said the union was "shocked and outraged" by the price increase.

The director of the Carnegie Inquiry into Poverty and Development, Professor Francis Wilson, said the poorest members of the community would feel the increase first, and most acutely.

"Papers submitted to the Carnegie Inquiry show that the number of people in the homelands with no visible means of support — no land, no cattle, no pensions, no remittances — has increased 5½ times in the past 20 years," he said.

"If you are scraping by with no money at all, what do you do when the price of your staple food is increased by almost 20 percent?"

Professor Wilson said the price increase was a political decision and questioned whether increasing the consumer's burden would really solve the "enormous" problems faced by the maize industry.

The Minister of Agriculture, Mr Tos Wentzel, has given his full approval to the increase, which he described as "unavoidable".

Countrywide crop failure

In a press statement, Mr Wentzel said the Maize Board's decision was the result of a countrywide crop failure for the second successive year, which necessitated the highest import programme in history at a time when import processes were particularly high.

Because white maize is unobtainable on the overseas market, South Africa will import only yellow maize. Maize this year will therefore contain 75 percent yellow and 25 percent white maize.

The maize price increase will also have a substantial effect on other animal products, according to figures released yesterday.

Eggs are expected to cost 4c more a dozen, broiler chickens to increase by 5c a kilogram, pork by 7c a kilogram, beef by 20c a kilogram and milk by 1½ cents a litre.

Increase in maize price is a 'major disaster'

(3) Maize Star 28/4/84

By David Braun, Political Reporter

This week's hefty rise in the price of maize products and related basic food items has thrown the emergency relief feeding organisations into disarray and may push the number of people dependent on them to more than 750 000.

Mr Gordon Utian, managing director of Checkers, described the massive 26,5 percent increase in the gross producers price of maize as a major disaster to the relief feeding organisations.

Because of an increased State subsidy the retail price of maize products will rise by what is still a record 18,5 percent. Other basic food items which use maize in production, such as eggs, milk and meat, will also go up.

Mr Utian called on the Government to urgently implement a selective subsidy to the relief organisations so they can continue their feeding commitments. His company is a major sponsor of the feeding schemes.

Mrs Ina Perlman, national manager of Operation Hunger, which last year raised more than R2 million to provide emergency feeding for half a million starving rural people, bitterly slammed the latest food price rises as unbelievable, tragic and frightening.

"The worsening drought has already meant that we have close on 600 000 people to feed. Our latest surveys in the field show that we must increase this to more than 730 000.

Mrs Perlman said Operation Hunger would have to do an enormous overhaul of its budget and would have to find a lot more money to cover the extra costs. The programme was already spending R235 000 a month, one third of which went on maize meal and the balance on protein which included maize ingredients.

She estimated that with the increased cost of food and additional mouths to be fed the average monthly extra costs would probably be in excess of R100 000.

Operation Hunger receives no aid from the State and relies solely on the goodwill of the man in the street and companies to donate in cash and kind.

Mrs Perlman said that current estimates were that the average rural family needed R86 a month to survive. The latest figures showed that actual income of rural families was R49,60 a month.

Row flares on size of maize price increase

Eco (3) Maize
S. Times 29/4/84

By Barry Sergeant

A ROW has broken out on by how much the maize price has been increased.

The official increases, according to the Maize Board, are 26,5% for farmers and 18,5% for consumers. The consumer receives a subsidy on mealie meal.

The Housewives League says the increase for farmers is from R170 to R215 a ton. Its statement says: "A Maize Board official says R215 is the grade 2 maize price. He says farmers producing grade 1 white maize will get R224,50 a ton." The league says the increase for grade 1 white maize is thus 32%.

Millers

The league also questions the Maize Board's claim that the price millers pay has been raised by 19% to R220. The league says this figure is based on the inclusion of a 10% levy which was added to the producer price last year to cover the cost of 1983 imports.

The Minister of Agriculture, Greyling Wentzel, assured the league that the 10% would not be used in the latest price increases.

Flexibility

But it appears to have been as the increase without including the levy is 29% from R170 to R220 a ton and not 19% from R187 to R220 a ton as claimed.

The price row extends to imports. A farming spokesman says the public's money is being used to buy imported maize, but the public is not being told what price the Maize Board is paying for it.

The board says secrecy on SA stock levels and contract prices assures it of flexibility in negotiations.

The farmers retorts: "This is hardly justifiable because in spite of record imports, SA is importing only 1% of grain traded on world markets this year. Open price strategies are highly unlikely to influence prices."

The league says the Maize Board's statement quotes R245,87 as the price for imported grade two yellow maize — the best grade available. "But we understand that not all orders have been placed — so how can they give us an exact figure?"

Adding to the furore is a commodities trader who says he offered the Maize Board, without receiving a reply, US No 2 maize for under R200 a ton landed in Durban.

More bread

The size of the mealie meal subsidy has not been disclosed officially, but preliminary estimates put the figure at about R170-million this year.

The bread subsidy is R135-million a year. The Wheat Board expects bread consumption to increase as a result of the increase in mealie-meal prices. After growing steadily by 3,5% a year for 30 years, bread sales fell in 1983 after a reduction in the subsidy.

Post Focus

(3) Maize

SATS blazes a trail to drought-hit areas

E. Post 3/7/84

By LESLEY LAMBERT In Johannesburg

SOUTH AFRICAN Transport Services is blazing a trail of maize through Southern Africa, carrying lifesaving supplies to drought-ravaged areas.

SATS have the mammoth task of transporting 5,5-million tons of American yellow grade-two maize from South African harbours to supplement drought-depleted crops and feed thousands of starving people and animals in South Africa and neighbouring countries.

But the flow of food has already been jolted.

Last week's maize price increases could prove disastrous for emergency relief feeding schemes, and consumer organisations have called on the Government to subsidise the schemes so they can continue their feeding commitments.

Prices for local and imported South African, Swazi, Botswana and Lesotho maize increased last Friday by 19% to R220 a ton.

The landed cost of the maize — R245,87 a ton — has been subsidised to tally with the increased domestic selling price of the local product, previously R170 a ton.

The food pipeline must maintain a steady flow — despite price increases — and daily convoys of maize-packed railway trucks will travel to and fro, carrying 1,3-million tons of the foodstuff to neighbouring states and returning with export products.

Every month 14 shipments of maize are expected at South African harbours where the maize will be packed and distributed.

Mr Dolf Jonker, chief of harbours, said South Africa required 4,2-million tons of imported maize which would arrive at Durban, Cape Town and East London harbours.

Port Elizabeth harbour — specially geared with package and distribution facilities for the influx — will receive and distribute the remaining 1,3-million tons to Zimbabwe, Zambia, Zaire, Botswana, Lesotho and Swaziland.

Two train loads will carry about 80 tons of bagged and loose grain daily after each consignment arrives.

"We had discussions with representatives from agricultural and transport organisations in South Africa and the border states to determine the best co-ordination of such a massive columе of maize and the result was a system of strict schedules," said Mr Jonker.

"We hope to keep the system flowing — even if it means working through the night when weather conditions interfere.

"The northern border railway system has also been geared to empty the trucks fast and use them for exports south."

Imported maize being off-loaded in Port Elizabeth. It is being transported by rail to Zimbabwe and other neighbouring states.

The quality of previous US maize imports — large consignments of which have been aflatoxin-ridden due to damp conditions in ship holds — has been heavily criticised by agricultural organisations and consumer bodies.

But, with the annual South African maize requirement of more than seven million tons — 3,5-million for human consumption — down to a delivered crop of only 2,7-million tons this year, there is no alternative but to import.

"South African consumers are used to the best quality maize but unfortunately it is impossible for us to get substantial quantities that can equal this quality," said Mr Hennie Nel, general manager of the Maize Board.

In drought-stricken Zimbabwe, the food shortage has been worsened by the influx of refugees, Mr Ronnie Samuriwo, administrator of the country's Agricultural Marketing Authority, said this week.

"Hundreds of thousands of Mozambican and other refugees have crossed the borders into Zimbabwe. These people as well as those in the drought-stricken areas are starving and malnourished. They must be fed."

Mr Samuriwo said Zimbabwe was initially importing about 200 000 tons of which 30 000 were an American drought-relief donation.

He said the country had also imported 50 000 tons of white maize from Malawi, 10 000 tons of which had been a British donation.

The Department of Agriculture has announced that Australian wheat — six million tons of which was spoilt by rain and could not be used for human consumption — would be imported and blended with the maize to supplement South African animal fodder.

The wheat has been imported to substitute cheaply up to 30% of normal maize feed requirements. It will be bought at a discount of 8%.

THE MAIZE PRICE

Lost opportunity

~~244~~ (3) Maize

No matter what he did about the maize price this year, Minister of Agriculture Greyling Wentzel was bound to be blamed by somebody for getting it wrong. With imported maize costing R246/t to land and a local crop barely sufficient to match half our domestic requirements, he could have increased the domestic selling price well above the R220 he eventually chose without feeling guilty.

But the consumers and livestock farmers would have screamed blue murder. So he funked it. At the other extreme, he could just as easily have refused to give the growers any more than the 12% to 15% increase they needed to keep pace with input cost inflation. That would have taken the net producer price to perhaps R193/t instead of the R214,05 they are now going to get.

It would not have made much difference to the drought-stricken farmers because they have hardly any maize to sell to the Board anyway. But Nampo (National Maize Producers' Organisation) would then have blown its orchestrated top. So Wentzel funked that too. The compromise he reached will add to everybody's problems while satisfying no one. The 18,5% increase in the Board's selling price will ripple through to eggs, pig-meat and black farm labour costs fairly quickly, and to dairy produce, beef and poultry meat (all of which are currently oversupplied) within the year. Thus the elusive goal of a single digit rate of increase in the consumer price index (CPI) has been nudged still further over the hill.

From that point of view it would have made more sense for government to buy off the farmers' ire by dishing out lump-sum subsidies. Direct cash handouts could have been directed with more precision at the target market of struggling family farmers in the worst hit areas. The benefits of the price increase, by contrast, will accrue mainly to the biggest landowners in the least afflicted regions.

A better plan by far, however, would have been to seize the opportunity of a shortage to ditch the annual price fixing altogether. Had the Minister had the guts to declare a free market in maize forthwith the farmers would have got an even bigger rise this year since the domestic price would have aligned itself immediately with the prevailing import cost (the world price plus shipping costs). Although this would have given an even worse jolt to the CPI in the short term, it would have suppressed consumption too, so saving the country a great deal of foreign exchange.

Furthermore, the consumers would have accepted the shock without demur. They know the farmers are having a tough time. And they know that a return to free markets would presage a fair deal in normal years when the price would naturally drop to parallel the fob export price (the world price minus shipping costs). The Minister, the Jacobs Committee, the Maize Board and Nampo have all supposedly been looking for a transitional scheme to ease the changeover to a market related system. Why did they duck this issue when it could in fact have been achieved in one fell swoop?

Financial Mail May 4 1984

(3) MAIZE
~~3 [illegible]~~ BUS DAY 24/9/86

Mercedes – there's no pulling the wool over farmers' eyes

DAVID FURLONGER
Industrial Editor

SHEEP farmers in the Karoo have never had it so good. Maize farmers in the Western Transvaal, on the other hand, are feeling the pinch.

Car sales, long accepted as a reliable economic indicator, show clearly where the wealth is in SA today.

In the Western Karoo last month, 36,3% of all new cars were sold by Mercedes-Benz or BMW. In the Eastern Karoo, the figure was 29,4%.

The region is enjoying the start of the 1986 wool-buying season. Demand is good, prices are high — local wool is tied to international prices — and even the recent strengthening of the rand against the wool basket of currencies has failed to appreciably weaken prices.

It's a different picture in the Western Transvaal, where drought-hit maize farmers are abandoning the traditional Mercedes in favour of down-market models.

The normally cash-rich region has in the past enjoyed a greater proportion of luxury cars than the country as a whole.

No longer. By 1985 it was lagging behind the rest of the country. The gap widened in the first six months of this year and by August had increased to 3%. Now, the region is becoming a buyer of Mazdas and Ford Lasers.

The picture is the same in the Eastern Cape, where recession and industrial decline have also hit sales of Mercedes and BMWs. Against a national combined percentage of 17,3% of all car sales in the first six months of this year, Port Elizabeth lagged by 2,4% and East London 4,1%.

In August, the difference was further pronounced — PE 6,1% behind and East London 6,4%.

Some regions, of course, have more than their share of status symbols. Johannesburg, the Natal coast and interior, Kimberley and the Far East Rand are all ahead of the game. In August, 23,5% of all cars sold in Pretoria came from Mercedes-Benz, while 25,6% of sales in the southern Free State were for BMWs.

(3) Maize C. Times 14/7/84

SA paying record prices for maize

Own Correspondent

PRETORIA. — South Africa is paying record prices for maize on world markets — a development which may force another price increase before the end of the year.

According to the general manager of the National Maize Producers' Organization, Dr Pieter Gous, imported maize during the past few weeks has cost South Africa up to R273 a ton.

The reasons are the weakness of the rand in the face of a powerful dollar, and high prices of maize on world markets.

This has meant the government having to give additional substantial financial support to keep the local consumer price at R220 a ton.

However, Dr Gous said, the good news was that the country might now have to import less than the 4 million tons which it was at first thought would be needed to supplement the small local crop.

Main reasons for this were the import of 600 000 tons of wheat for cattle-feed from Australia, a grain sorghum crop bigger than the local demand, and the fact that farmers had reduced their own maize holdings and marketed greater quantities than was expected.

Pretoria sources said a situation was developing in which it would be impossible for the government to give additional support to the maize price.

This applied, too, to the expected increase in the wheat price from October 1 — it would have to be passed on to the consumer in higher bread prices.

The government's financial plight was highlighted earlier this week when it was forced to postpone the payment of teachers' salary increases for October and November until April and May in the new financial year.

Maize handling: EL may lose out

18/7/84

EAST LONDON — The Maize Board is going ahead with its plan to establish a multi-million-rand export-import terminal at Richard's Bay — in spite of the fact that SATS claim they have not yet been officially informed of the project.

The general manager of the Maize Board, Mr Hendrik Nel, confirmed in a telephone interview that the "groundwork" has already started and that it is hoped to commission the complex by late 1988.

He reiterated the earlier comment made by his chairman — Mr Crawford von Abo — that the project would mean that all maize movements through East London would be stopped.

"The industry must look after its own interests," he said "and the draught limitations at East London harbour and high railage costs of getting shipments to and from the port make it imperative that we move the shipping terminal closer to the main production regions."

Mr Nel said that once the terminal came into operation the only time East London would be used would be in times of exceptional crops when Richard's Bay would possibly not be able to accommodate all export shipments.

Asked if he realised what the withdrawal of maize shipments from East London would mean, he said: "That's not our problem ... we have got to look after the interests of the maize farmers".

Week-long attempts to contact the Minister of Transport, Mr Hendrik Schoeman, were unsuccessful, and SATS officials evaded comment on the issue.

SATS press officer, Mr Leon Els, would not give any direct replies regarding the future of East London harbour and was only prepared to go on record as having said: "I cannot comment on the Maize Board's intended move because they have not yet officially informed SATS of it."

"Anyway, it's a Maize Board decision not a SATS one," he said.

Asked what would happen to the grain elevators and other maize handling equipment in East London, Mr Els said: "I'm sorry but I cannot comment on that."

He also said he was not able to comment when it was pointed out that Mr Schoeman had given his assurance in 1981 that East London would not be phased out as South Africa's major maize export port. — DDR.

Reaction page 2.

Shock, disbelief at grain terminal move

(3) Maize

EAST LONDON — Shocked disbelief greeted the disclosure yesterday that the Maize Board intended to develop Richard's Bay to handle much of the maize currently passing through East London.

The MP for East London City, Mr P. de Pontes, said the news that the board had decided to go ahead with the scheme came as a surprise to him.

He said the government remained committed to maintaining East London as a major harbour.

"In the present economic climate and in view of the drought situation, I have grave doubts as to the viability of any scheme at Richard's Bay."

Mr De Pontes said he could not comment further until he had more details of the plan.

The chairman of the Border Chamber of Industries, Mr Mike Strong, said that it would be premature to jump to conclusions.

"We only know those facts Mr Hendrik Nel has thought fit to disclose.

"We do not know the government reaction and the government is bound to support its decentralisation policies."

He said that these certainly do not include the abandonment of the East London harbour.

"Certain volumes of maize must always flow through East London bv virtue of its geographic proximity," he said.

The chairman of East London's Afrikaanse Sakekamer, Mr W. Kruger, said that the scheme was bad news for East London harbour.

He urged the Maize Board should reconsider their plans especially in the present economic climate.

"As far as we are concerned the facilities in the East London harbour are adequate.

"It will cost the maize farmers a lot of money to establish the Richard's Bay scheme whereas they have the facilities here in East London."

He thought that the dark side should not always be looked at.

"The development could be to the commercial advantage of East London.

"The harbour could become a free port zone," he said.

The president of the chamber of commerce, Mr George Orsmond, denied there were any limitations for loading ships in East London.

"Vessels loading up to 50 000 tons can be handled quite easily."

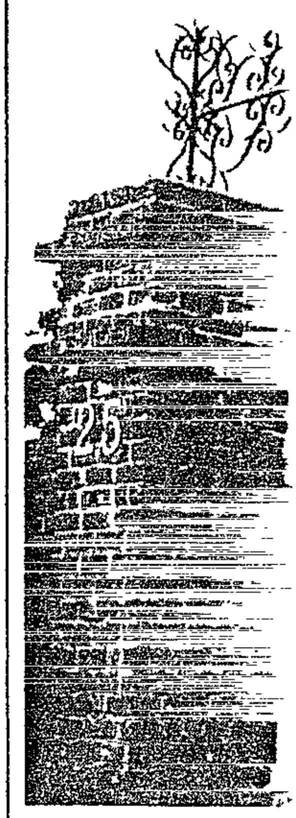
"In South Africa we are extremely critical of the desires of independent black states in embarking on the construction of airports and harbours and here we have a body embarking on a project running into billions of rands when they don't have the funds available.

"It would be foolhardy to embark on this project at this stage when the maize cargoes available for export are likely to be less than before the drought," he said.

The mayor, Mr Errol Spring, said that the government had invested a lot of money in the East London harbour.

He was confident that it would continue to ensure the harbour is used to its maximum capacity.

"In the not too distant future further expansions will be made to existing terminals," he said. — DDR.



The T-

UN rejects new SA constitution

NEW YORK — The United Nations Security Council last night declared South Africa's new constitution null and void and put the same stamp on next week's coloured and Indian elections.

The vote was 13 to nil, with the United States and Britain abstaining.

South Africa has given notice that it means to ignore the decision.

In reaction to an ANC call on the US to join the international community in condemning "Botha's constitution," ambassador Jeane Kirkpatrick surprised her aides by making an impromptu address to the council.

"The United States does, indeed, condemn the constitution now before us," she declared. She then went on to stress that the US condemned "all constitutions of all governments'" that

The seven-point resolution contained no threat of sanctions against the Republic, though it included a call on governments to "take appropriate action" to "assist the oppressed people of South Africa in their legitimate struggle for a non-racial, democratic society." It asked governments not to recognise the election results.

A reference to apartheid constituting "a threat to international peace and security" was deleted from the text after the US and Britain threatened to use their vetoes. Washington and Whitehall regard the phrase as code language for the possible imposition of sanctions at some point in the future.

The vote marks the first time that the UN's top body has passed judgment on the constitutional affairs of a member state. — DDC.

Zimbabwe whites' choice

HARARE — Whites in Zimbabwe who possess dual nationality will soon be forced to make a choice of allegiance under a controversial new citizenship bill now certain to become law.

The bill yesterday passed its third reading in the House of Assembly here when Mr Ian

MPs were easily defeated by the government on a voice vote.

The 13 white independents in the 100 seat House supported the bill, despite voicing fears for white businessmen who need to make urgent trips to South Africa. Zimbabwean passport holders face an average 14-day wait for a

We can't satisfy all says Botha

DURBAN — The Prime Minister, Mr P. W. Botha, warned yesterday that the government could not satisfy all the demands of the international community.

Answering motions expressing confidence in his handling of state affairs and foreign policy initiatives at the National Party's Natal congress here, Mr Botha said:

"I don't think we can satisfy international demands totally because there's no country in the world with the problems of South Africa where methods and policies have been accepted and proved to be a success as an example which we can follow."

Mr Botha suggested that reform in South Africa would reflect the

Fan mail for Zola from EL pupils

EAST LONDON — Stirling Primary School's Sub B pupils should bring a smile to Zola Budd's face when she receives over 30 letters from them.

Miss D. Hansen, a Sub B teacher, said the pupils took Zola's mishap "really seriously" and wanted to let her know they all still loved her.

"I didn't plan to send the fan mail until I heard Zola was back in Bloemfontein," Miss Hansen said.

In "as-you-hear-it" spelling, comments like "Mary Decker tripped herself wanting you to be disqualified," "she shouldn't have pulled your number plate off" and "how is your toe feel-

Maize price will not drop

Farming Correspondent

The price of maize will not drop when South Africa stops importing maize, say informed sources in Pretoria.

The Maize Board briefed consumer groups today on the maize price.

Imported maize now costs about R260 a ton landed in Durban.

After adding R45 a ton for cleaning, storing, moisture compensating and transport, imported maize costs R305 a ton in Johannesburg. This is R86 a ton more than the South African maize price of R219 a ton.

The Government is bearing the loss.

The higher maize price here was caused by Russian and Chinese bulk-buying on the world market and the rand's decline in value.

A model of the propose… features two courtyar… foreground is a landscap…

JCI dona…

By Colleen Ryan, Municipal Reporter

A Johannesburg mining house has announced plans to build a new students' residence for the University of the Witwatersrand as a 1986 centenary gift.

The project was launched yesterday by the chairman of the Johannesburg Consolidated Investments group, Mr Gordon Waddell.

Mr Waddell, who declined to say how much the scheme would cost, said the gift was in recognition of the impor-

Support

Labour Reporter

The South African Council of the Internationa… Metal Workers' Federation has come out in ful… support of Highveld Stee… workers who voted las… week for industrial action at the plant.

The council yesterday called upon Highveld's parent company, Anglo American, to "get the company back to the negotiating table with the two unions in an effort to

Maize: EL hits back hard

D. Dispatch 24/8/84 ~~[illegible]~~ (3) Maize

EAST LONDON — The city came back fighting yesterday in the maize export battle with financial figures that hit hard at the Richards Bay development argument.

The fight was taken to Pretoria by the MP for East London City, Mr Peet du Pontes, who said there was no economic reason why the city should lose its status as the country's major maize handling harbour.

He cited figures in support of the upgrading of the East London harbour, saying that the establishment of a grain elevator at Richards Bay would cost more than R250 million, apart from substantial changes that would have to be made to the existing internal infrastructure.

In contrast, the cost of deepening the city's harbour from 10,7 metres draught to 12,8 metres — to accommodate panamax ships — would be in the region of R25 million.

At a cost of a further R25 million, East London's silo capacity could be increased to 194 000 metric tons — almost trebling the existing silo capacity of 76 000 metric tons.

Speaking after his return from Pretoria where he held high-level talks on the future of the harbour's grain elevator, [illegible]

Mr De Pontes flew to Pretoria on Wednesday to discuss moves by the Maize Board to establish handling facilities at Richards Bay with the chairman of the National Marketing Board, Mr Roelf Kotze.

He also discussed plans by Escom to move its regional headquarters from East London to Port Elizabeth with the Minister of Mineral and Energy Affairs, Mr Danie Steyn.

Mr De Pontes said he was convinced East London could put up a strong fight against the two moves based on the city's own economic strength and did not need to beg for help.

He said the Maize Board was one of 22 marketing boards that fell under the National Marketing Board (NMB).

"The Maize Board has autonomy in administrative decisions only," he said.

"Any other decision is subject to the consent of the Minister of Agriculture on the advice of the NMB.

"As far as the transport and storage of grain is concerned, this falls within the South African Transport Service's [illegible]

appraised and completely aware of the importance of maintaining a grain elevator in East London.

"The government remains committed to the development of this area and the harbour is an integral part of that development," he said.

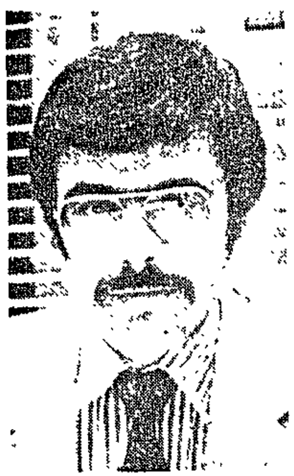
Mr De Pontes said the Maize Board had raised various arguments in favour of moving grain handling facilities to Richards Bay.

One was that East London could not handle panamax ships — ships of over 50 000 tons.

Another was that most of the grain production was in the Eastern Transvaal, Natal and the Western Free State, and that the centre was basically the Eastern Transvaal.

Because the Eastern Transvaal was closer to Richards Bay than to East London, it was argued that transport costs would be less to Richards Bay.

Mr De Pontes said that although the Maize Board arguments appeared strong, on analysis they were unrealistic and East London was the only logical harbour for maize hand- [illegible]



MR DE PONTES

ern areas and they are closer to East London than Richards Bay.

"Also, the whole system of storage silos across the country is geared towards East London and not Richards Bay, and it would cost a considerable amount of money to rearrange the whole system to use any [illegible] port.

"As regards ships, East London can handle them up to 40 000 tons, which includes the normal and most used maize ships internationally.

"Alth[illegible] there would be substantial savings [illegible]

would be lost.

"East London's present export capacity of four million tons a year on one eight hour shift a day can be pushed up considerably if the deepening and silo extensions are done. It could go up to an export capacity of 10 million tons a year.

"If one looks at maize production figures, South Africa internally needs seven million tons of maize a year and only once has the export surplus gone to 4,5 million tons.

"The existing facilities in East London can handle anything we have had up to now and can, if extended, at limited cost, handle anything in the future.

"In any event, the Maize Board is considering a two-tier marketing system, the effect of which will be to limit production to bring down production costs."

Mr De Pontes said that against this background, East London had every reason to be optimistic about the future of the harbour's maize handling facilities.

"On purely economic grounds, East London has a substantial advan- [illegible]

veloping Richards Bay, nor can the government especially in that there is a viable alternative that has proved to be one of the most efficient in the world."

Mr De Pontes said he was tired of pessimistic and defeatest attitudes concerning the future of the city.

"East London is on the move. You just have to try to get property in a hurry in this town to realise that. We are a strong economic entity and there is no reason to fear the future."

Referring to Escom's announcement that it would be moving its administrative headquarters to Port Elizabeth, Mr De Pontes said he did not believe the move was realistic.

"Escom has to provide a detailed memorandum to the Minister of Minerals and Energy Affairs (Mr Danie Steyn) before they can move.

"They have not done so yet, and until they do, no decision as to Escom's move will be finalised.

"Once the memorandum has been submitted it will be analysed to see if it is in the long-term interests of consumers to move what is essentially a limited facility from East London to Port Elizabeth."

He said against the background of the fact that Escom's capital expenditure budget would have to be strictly regulated, he did not believe Escom could afford

at the Richards Bay development argument.

The fight was taken to Pretoria by the MP for East London City, Mr Peet du Pontes, who said **there was no economic reason why the city** should lose its status as the country's major maize handling harbour.

He cited figures in support of the upgrading of the East London harbour, saying that the establishment of a grain elevator at Richards Bay would cost more than R250 million, apart from substantial changes that would have to be made to the existing internal infrastructure.

In contrast, the cost of deepening the city's harbour from 10,7 metres draught to 12,8 metres — to accommodate panamax ships — would be in the region of R25 million.

At a cost of a further R25 million, East London's silo capacity could be increased to 194 000 metric tons — almost trebling the existing silo capacity of 76 000 metric tons.

Speaking after his return from Pretoria where he held high-level talks on the future of the harbour's grain elevator, Mr De Pontes said East London was strong enough to stand on its own in any economic argument concerning the harbour.

It was time East Londoners stopped being so pessimistic about the future of the city and realised it was a powerful economic force.

Mr De Pontes flew to Pretoria on Wednesday to discuss moves by the Maize Board to establish handling facilities at Richards Bay with the chairman of the National Marketing Board, Mr Roelf Kotze.

He also discussed plans by Escom to move its regional headquarters from East London to Port Elizabeth with the Minister of Mineral and Energy Affairs, Mr Danie Steyn.

Mr De Pontes said he was convinced East London could put up a strong fight against the two moves based on the city's own economic *strength and did not need to beg for help.*

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"The Maize Board has autonomy in administrative decisions only," he said.

"Any other decision is subject to the consent of the Minister of Agriculture on the advice of the NMB.

"As far as the transport and storage of grain is concerned, this falls within the South African Transport Service's ambit and both Sats and the Minister of Transport have a say in the matter.

"So it must be realised that the Maize Board cannot take an autonomous decision to build grain handling facilities at Richards Bay.

"The NMB and the government are fully appraised and completely aware of the importance of maintaining a grain elevator in East London.

"The government remains committed to the development of this area and the harbour is an integral part of that development," he said.

Mr De Pontes said the Maize Board had raised various arguments in favour of moving grain handling facilities to Richards Bay.

One was that East London could not handle panamax ships — ships of over 50 000 tons.

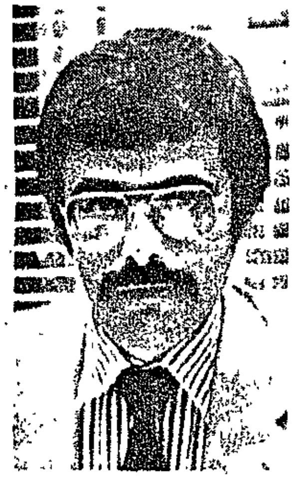
Another was that most *of the grain production was in the Eastern Transvaal, Natal* and the Western Free State, and that the centre was basically the Eastern Transvaal.

Because the Eastern Transvaal was closer to Richards Bay than to East London, it was argued that transport costs would be less to Richards Bay.

Mr De Pontes said that although the Maize Board arguments appeared strong, on analysis they were unrealistic and East London was the only logical harbour for maize handling facilities.

"Although the centre may be the Eastern Transvaal, the maize grown there is used in the Pretoria-Witwatersrand-Vereeniging complex and is not used for export.

"Any surplus maize is exported from the western areas and they are closer to East London than Richards Bay.



MR DE PONTES

"Also, the whole system of storage silos across the country is geared towards East London and not Richards Bay, and it would cost a considerable amount of money to rearrange the whole system [illegible] use any [illegible] port.

"As regards ships, East London can handle them up to 40 000 tons, which includes the normal and most used maize ships internationally.

"Alth[illegible] there would be substantial savings using bigger panamax ships, there are numerous problems. There are only about six ports in the world that have the facilities to handle grain ships of that size.

"In most cases, maize would have to be reloaded into smaller ships, so all cost benefits of using panamax ships would be lost.

"East London's present export capacity of four million tons a year on one eight hour shift a day can be pushed up considerably if the deepening and silo extensions are done. It could go up to an export capacity of 10 million tons a year.

"If one looks at maize production figures, South Africa internally needs seven million tons of maize a year and only once has the export surplus gone to 4,5 million tons.

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"In any event, the Maize Board is considering a two-tier marketing system, the effect of which will be to limit production to bring down production costs."

Mr De Pontes said that against this background, East London had every reason to be optimistic about the future of the harbour's maize handling facilities.

"On purely economic grounds, East London has a substantial advantage over any other port, and specifically over Richards Bay.

"We have one of the most modern elevators in the world that can handle the country's maize export capacity.

"The maize farmers certainly cannot carry the massive cost of de[illegible] the wor[illegible].

Mr De Pontes said he was tired of pessimistic and defeatest attitudes concerning the future of the city.

"East London is on the move. You just have to try to get property in a hurry in this town to realise that. We are a strong economic entity and there is no reason to fear the future."

Referring to Escom's announcement that it would be moving its administrative headquarters to Port Elizabeth, Mr De Pontes said he did not believe the move was realistic.

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"They have not done so yet, and until they do, no decision as to Escom's move will be finalised.

"Once the memorandum has been submitted it will be analysed to see if it is in the long-term interests of consumers to move what is essentially a limited facility from East London to Port Elizabeth."

He said against the background of the fact that Escom's capital expenditure budget would have to be strictly regulated, he did not believe Escom could afford the luxury of moving to Port Elizabeth. — DDR

Maize Board firm on Richard's Bay plan

(3) Maize 25/8/84 D. Kirkpatrick

EAST LONDON — The Maize Board was still determined to develop Richard's Bay as the country's new maize handling harbour, the board's general manager, Mr Hendrik Nel, said yesterday.

Mr Nel said from Pretoria that the maize industry would not be made responsible for keeping particular ports working and supplying traffic.

"We cannot stand in for a socio-economic problem in a certain port," he said.

The MP for East London City, Mr Peet de Pontes, who had discussions in Pretoria with the National Marketing Board to try to keep East London as the country's major maize handling harbour, said the construction of an elevator in Richard's Bay would cost more than R250 million.

Mr Nel said that it was premature at this stage to say how much the project would cost and engineers had been appointed to carry out a feasibility study.

"No definite decision has as yet been taken, so I don't know where Mr De Pontes gets his figure from," he said.

Mr Nel said the situation had been reviewed for over 14 years and Richard's Bay came up as the most logical solution.

Contrary to Mr De Pontes's earlier statement that export maize came from the western areas of the Transvaal and the Free State, Mr Nel said that all surplus maize came from areas that were closer to Richard's Bay than East London.

"Most maize is transported from the North East and Eastern Transvaal," he said.

Mr Nel said problems had also been experienced with East London's rail system.

"The line is only equipped with trains that can pull 50 goods trucks.

"At least 100 goods trucks can be pulled by trains on the Richard's Bay line," Mr Nel said.

Another problem brought up by the Maize Board was that East London harbour was not equipped to handle panamax ships — ships over 50 000 tons.

"By using these ships we can save the taxpayer millions of rands and negotiate a better price on the export market," he said.

He said that South Africa's three maize harbours, Cape Town, Durban and East London, had no specialised facilities for handling maize imports.

Mr Nel said that contrary to an earlier report in which he was alleged to have said that East London harbour would be completely cut off from dealing with maize exports, the Maize Board still hoped that in "good years" a portion of the surplus would go through East London's port. — DDR

Maize beefs to be aired with Minister

30/8/84 (3) Star Maize

By Hannes Ferguson, Farming Correspondent

National consumer organisations are to approach the Minister of Agriculture to demand that steps be taken to secure future supplies of white maize meal.

The move follows complaints that the orange-coloured maize meal now on sale is of poor quality, tastes bad and is costly.

Industry sources said representatives from consumer bodies, as well as members of the National Maize Producers Organisation (Nampo) and the Maize Board, would discuss the white maize shortage and the maize price with the Minister of Agriculture, Mr Greyling Wentzel.

After complaints by the Black Consumers' Union about the high price and poor quality of maize meal, Mr Wentzel said representations could be made to him through the Maize Board.

The general manager of Nampo, Dr Pieter Gous, commented that yellow maize was an animal feed, while white maize was the staple food of three-quarters of South Africa's population.

Consumer complaints should be given a proper hearing, he said.

Industry sources said the production of white maize should be made more attractive to the farmer.

This could be done by cutting crippling administered prices such as the diesel fuel price, rail transport tariffs and interest rates.

Demands for new maize deal increase

3) Maize

by
Hannes Ferguson,
Farming Correspondent

Black organisations are moving to the centre of the maize arena.

According to industry sources, the Black Chamber of Commerce, Nafcoc, may soon join the Black Consumers Union and the white maize producers in demanding a new deal for the hard-pressed maize industry.

They want cost incentives for the S A maize production, a policy of stockpiling white maize against future droughts, the shifting of bread subsidies to maize products and the organised marketing of traditional sorghum meal to replace bad-tasting, "orange-coloured" meal.

At this stage black organisations are seen as ideally placed to influence Mr Greyling Wentzel, the Minister of Agriculture's views on the future of the maize industry.

Faced with a R6 000 million drought debt and an interest burden exceeding farm income, maize producers are asking for cuts in crippling, administratively determined costs.

Consumer bodies feel that if the Maize Board had been allowed to stockpile white maize in 1981 and 1982 instead of having to export at staggering losses, the State would not now be losing R86 a ton on low-grade imported maize.

R400m in foreign exchange could be saved as . . .

Projected maize imports are cut by 1m tons

(3) Maize C. Times 28/9/84

By MIKE JENSEN

JOHANNESBURG. — Up to R400m in foreign exchange could be saved this year because projections of maize imports have been cut by a million tons to about three million tons.

Initial estimates indicated that South Africa would have to import about four million tons of maize this year.

Now, it is reliably understood, an increase in local maize receipts by the Maize Board and a switch to wheat has lopped at least a million tons off requirements for foreign maize.

The plunging rand has pushed the landed price of maize to between R240 and R300 a ton and this, combined with more flexibility in the timing of imports, means that the import bill has been revised down from R1 billion to R600m.

Foreign exchange

This could produce a R400m foreign exchange saving and a substantial dent in the expected R632m deficit on the current account balance of payments.

However, the actual amount of forex saving will depend on the amount of forward cover the Maize Board has taken, a fact it has so-far been unwilling to reveal.

Last night, Dr Braam van Staden, a Deputy Governor of the Reserve Bank, sounded a note of caution on expectations on forex savings.

"At present this cutback in imports is not so crucial. The real crunch will be later, depending on whether we have a good harvest this season," said Dr Van Staaden.

Forex saving

"Later in the season one would be able to quantify the forex saving properly," he said.

As a result of the drought, which has caused South Africa to switch from being a major exporter of maize to a net importer, receipts by the Maize Board earlier this year were estimated at 2,7m tons against a total demand of about 7m tons.

But Cyclone Domoina brought heavy rain into the Eastern Transvaal in late January, and a record crop in this area has been produced. Additional rain in areas not affected by the cyclone has also pushed up production.

Furthermore, the drought has caused farmers in other areas to sell off the maize which they normally keep for animal feed.

Under normal circumstances, farmers retain between 700 000 tons and 900 000 tons for their livestock, but it is thought that about half of this amount has been sold to the Maize Board to make up for losses caused by the drought.

Requirements

As a result total receipts by the Maize Board are now expected at 3,6m tons.

Import requirements have also been reduced because requirements for maize as livestock feed have been reduced by the substitution of other feedstocks.

The Wheat Board has begun the importation of 400 000 tons of low-priced wheat — unfit for human consumption — from Australia, and sorghum — which has similar nutritional qualities to maize — is also being increasingly used by farmers.

In addition, a reduction in the consumer demand for maize has been caused by the substantial increase in the maize price and resistance by black consumers — who account for most of the consumption — to the use of yellow maize in the maize-meal mix.

Yellow maize is traditionally regarded as animal feed and unfit for human consumption by the black population.

Consumption

Maize sales were substantially down on last year, the deputy chairman of Premier Milling, Mr Peter Wrighton, said yesterday.

He estimated the drop in the local human consumption of maize at between 300 000 and 400 000 tons — "a drop in offtake of about 10 percent on the annual human consumption of three to four million tons".

He attributed this to the rejection by black consumers of the yellow/white maize meal admixture, and to the overall economic situation in which more maize consumers were finding themselves on or below the breadline, causing a drop in demand.

Warning to maize men

(3) Maize Star 5/10/84

Farming Correspondent

As the maize industry was virtually bankrupt, maize prices were unlikely to go up, the general manager of the National Maize Producers' Organisation, Dr Pieter Gous, said yesterday at a symposium in Bothaville.

He said the present cost levels and exchange rate meant the maize industry could not sell its crop at a profit.

And, while the maize price was fixed by the Government, a ceiling had been reached. People were looking for substitutes and consumer groups were complaining — showing that, on the basis of supply and demand, no price increases could be expected.

FORCE DOWN

Maize farmers had to force down costs individually and as an organised industry by:

- Withdrawing marginal fields from maize production and diversifying.
- Limiting expenditure, cutting purchases of equipment and using only an essential minimum of fertiliser.

Organised agriculture should press for the removal of import duties on farmer requisites allowing market forces full play. Subsidies should be borne by the State, not the farmer, Dr Gous said.

Transport costs should be cut, facilities rationalised and storage fees competitively priced.

Agriculture had not contributed to any "overheating" of the economy and should not be penalised for over-expansion of other factors.

CONSUMER GROUPS

Dr Gous said maize farmers should take proper notice of what consumer groups were saying.

Blacks were consuming half the maize products produced nationally. They wanted more and better white maize as well as an extensive storage scheme for white maize.

At uneconomic exchange rates, maize farmers could forget about exports. If farmers did not voluntarily endorse the proposed production quota system, the Government would be forced to substitute a mere floor price for the fixed price system.

Rain is 'critical' for maize

STAR 23/11/84

3 MAIZE

By Russell Gault

Maize production is on the brink of disaster.

In many of the major production areas the continuing drought is biting deeper and threatening a worse crop than last year's record low of four million tons.

Transvaal Agricultural Union spokesman Mr Joel Coetzee said: "The situation is critical."

He said if rain did not fall within 10 days this season's crop was headed for disaster.

"Normally planting begins in mid-October, but so far around 50 percent of all maize planting has not been started."

While heavy rains have fallen in many areas the important maize-growing areas of the north-western and western Transvaal as well as northern Free State — which produce half the nation's crop — have had virtually nothing.

The general manager of the Maize Board, Mr Hennie Nel, added: "Taking the country's entire maize-growing area as a whole, the drought is as severe as last year's.

"It may have rained in a lot of places but not in the bulk of the maize areas."

Imports may cost R1 750-m in 1985

Star 13/12/84 (3) Maize

Disaster looms for SA's maize crop

By Russell Gault

South Africa's 1984-85 maize crop is on the verge of being officially declared a disaster.

Indications are it will be a worse harvest than last year's record low.

That means maize imports may cost R1 750 million next year and could have a devastating effect on South Africa's balance of payments position.

Drought conditions are still rampant throughout the nation's maize-producing regions and 90 percent of the maize areas of Natal is seriously drought-hit.

"The situation is past being serious. It's tragic," said the chairman of the National Maize Producers' Organisation (Nampo), Dr Piet Gouws.

"The upper Tugela is dry. Boreholes in the hinterland areas of Natal are dry and there is no drinking water. City people may think the drought is over but it is as vicious as ever in the farming areas."

Yesterday afternoon Nampo officials had discussions with representatives of the SABC because of what Dr Gouws called "a distorted picture being given by television that the drought is well past".

He added: "The SABC is giving the impression that worthwhile rains are falling in the growing areas. It is simply not true."

He said that between 70 mm and 100 mm of rain was needed in a two-day period in the maize areas to give any hope of a reasonable crop.

"There is little chance of that now. Traditionally the time from December 20 to January 20 is very dry on the highveld.

Ruin

"The prospect for many farmers is one of financial ruin and, for the country, more pressure on the economy."

Dr Gouws said most of the maize triangle was in bad shape, with hot and unusually strong winds creating a dustbowl effect "unlike anything we have experienced — the Transvaal is drier than it has been for a long time".

Indications are that both white and yellow maize production will be below the total of four million tons produced last season — down from the normal nine million tons.

Information from Mozambique, Botswana and Zimbabwe showed that the drought was also affecting their maize crops.

This year maize imports have cost South Africa R320 a ton landed in the interior. Next year, with the declining value of the rand, Dr Gouws believes the cost could increase to R350 a ton.

If five million tons have to be imported the cost could be R1 750 million.

Need to save water now greater than before

By Andrew Beattie, Pretoria Bureau

A Department of Water Affairs spokesman has said the need to save water was greater than ever before.

Mr Anton Steyn said this was because South Africa was in the grip of a drought cycle and it was unknown when it would end.

He said he had been inundated with calls from the public and the Press wanting to know if the recent rains signalled the end of the devastating drought in the Transvaal.

"We cannot squander what scarce supplies we have. We are living on last year's water supply — survival rations.

"For there to be any significant change in the present position we would need at least 150 mm of rain over the entire Vaal catchment area over 10 to 14 days.

"This rain would have to fall at the rate of 20 mm an hour in sharp downpours. If it fell over periods longer than that most of it would be lost through seepage into the soil," he said.

Mr Steyn said water from the full Sterkfontein Dam was not being pumped into the Vaal Dam because the evaporation rate of the Vaal Dam was too high.

According to the Weather Bureau in Pretoria good rains fell over the West Rand yesterday, and also over parts of the central Transvaal.

Warmbaths recorded 25 mm and Potchefstroom 22 mm. Scattered areas throughout the province recorded an average of 8 mm.

A spokesman for Escom confirmed that there had been a power cut in the Potchefstroom area yesterday morning which lasted 58 minutes, but said it was caused by technical problems and not by the rain. No other areas were affected.

No rains for parched triangle

Vital maize belt is still in peril

STAR 18/12/84

~~3 Gold~~ 3 Mar?

Pretoria Bureau

A R1 100 million crop loss threatens the rain-starved western half of the maize triangle, where no significant falls have been recorded in the past 24 hours.

While relief from the drought seems to be on the way in most areas, the important western Transvaal maize belt remains largely parched by relentless heat.

This vital belt now faces its fourth crop failure in succession.

Deadline

The Western Transvaal, which is capable of producing three million tons of maize, will yield less than one million tons if it does not rain long and hard within the next couple of days.

The maize planting deadline came and went last weekend but, according to the Lichtenburg-based North-Western Co-operative, 30 percent of farmers have not been able to plant at all.

General rains have fallen in most parts of the Transvaal, although not as heavily as superficial observation would suggest.

Overcast skies over most of the Transvaal followed overnight rain in the Vereeniging, East and West Rand, Pretoria and central Johannesburg areas.

A Weather Bureau spokesman in Pretoria confirmed that light thundershowers had fallen over most of the Transvaal.

Exact rainfall figures were unavailable but yesterday's showers were generally lighter than some of the storms last week and at the weekend.

The weather forecast today for the Transvaal is partly cloudy and warm with scattered thundershowers. Isolated showers are expected over the Eastern Transvaal.

The north-western Free State is the other high-risk maize-growing area where the drought has destroyed hopes of a reasonable crop. If it does not rain there before Christmas, another two million tons may be lost.

By contrast, the area east of the Bloemfontein-Johannesburg railway line is still safe. After widespread rains, the Eastern Transvaal Highveld and the Eastern Free State areas show good prospects for a normal crop of about four million tons.

Good wheat crop

Local co-ops said that a good wheat crop had just been harvested and there was ample soil moisture for this season's maize.

In Natal, only the northern part of the province's maize area is faring reasonably but there is not enough soil moisture. A crisis is just around the corner, according to Mr D G Macarthur, development manager of Natal Co-op in Dundee.

The crunch is likely to come in January and February, according to the general manager of the National Maize Growers' Organisation, Dr Pieter Gous.

Good rains then would enable South Africa to avoid maize imports.

Dam levels plummet and the rural drought remains unbroken

Hope fades as rainy season draws to close

By Andrew Beattie

STAR 28/12/86

South Africa's rural drought crisis grows worse by the day and, with only one month of the traditional rainy season left, strategic dam levels are plummeting alarmingly.

Vast areas of both the Transvaal and Free State remain parched and barren.

Mr Anton Steyn, a spokesman for the Department of Water Affairs, said that the Vaal Dam was only 19 percent full, compared with 40 percent at this time last year. Other dam levels had similarly fallen.

"The situation is deteriorating, to put it mildly. We are living on last year's water supply," he said.

December has been a disastrously dry month on the Highveld. According to the Rand Water Board, only a quarter of last year's December rainfall has fallen.

And the prospects of rain before the New Year are bleak.

"There are no general rainfall conditions building up and it is unlikely that there will be good rains before the New Year," a weather forecaster said.

Dry conditions

Dry, hot conditions over most of the country were expected to continue into the New Year, although there would be scattered thundershowers strictly limited to the Eastern Transvaal over the next few days, he added.

Maize farmers in the Frankfort district of the Free State, where crops looked promising this year, were hit by unseasonal frost on Christmas Day. One estimated that he would lose R260 000 and that the frostbitten plants would have little chance [illegible]covery.

[illegible] of the only positiv[illegible] it is that the Vaal Dam's main feeder, Sterkfontein Dam near Harrismith, is now more than three-quarters full (76,1 percent).

The latest RWB bulletin said that, for the first time, water consumers had achieved the 30 percent saving requested by the Government. The Rand saved 31,1 percent of its normal consumption. This was put down to the closing of factories and the holiday exodus.

But the picture remains grim.

Total rainfall

The total rainfall for December — up to December 24 — in the RWB's network of measuring stations is 50,5 mm (last December: 191 mm; long-term average for December: 125 mm). Bloemhof Dam is still only 7,9 percent full. Total water content of the RWB dams is 30,9 percent (last week: 31,5; last year: 37,1).

So far this month in Joubert Park, central Johannesburg, only 52,3 mm of rain has fallen — just over one fifth of the total for December last year, which was 258,2 mm.

On a recent visit to the Free State, Mr Steyn said he observed that areas that had received as much as 80 mm over a few days had still received no run-off whatsoever.

The general manager of the Maize Board, Mr Hennie Nel, said it was vital that good rains fall in the traditional rainy month of January but added that farmers were also relying on good widespread rains right through until the end of February.

LO - LIGHT COTTON TEXTILE MANUFACTURING INDUSTRY,CERTAIN AREAS.

AREA A:Harrismith, Mooi River, East London, King William's Town, Klip River, and Bronkhorstspruit.

AREA B: Standerton and Umzinto.

AREA C: Durban, Pinetown, Pietermaritzburg, Camperdown, Inanda, Benoni, Johannesburg, Randfontein, Pretoria, Port Elizabeth, and Uitenhage.

AREA D: The Cape and Goodwood.

1985

AGRICULTURE — MAIZE

ARGUS 4/1/85 364RC

Disaster looms for maize crop

Argus Correspondent

PRETORIA. — The SA maize crop is "tottering on the brink of disaster" and is expected to be far worse than last year's, says Dr Piet Gouws, general manager of the National Association of Maize Producers (Nampo).

"We will have to import masses of grain, but where can we get the money?" he said.

The causes of the expected crop failure have been the lack of rain and the above-average temperatures experienced during the festive season.

"We went into December without any sub-soil moisture and now with the heat the whole Highveld is affected, with the western Transvaal, our major maize-producing area, an absolute disaster," said Dr Gouws.

"Next 2 weeks critical"

Mr Jan Human of the Transvaal Agricultural Union said: "The next two weeks will be critical." He said the younger plants needed rain and the sun was scorching the seed from the cobs of older plants.

"If it rains and the heatwave breaks, we expect a reasonable harvest, although it will still be below the normal average.

"With the heat, however, the situation worsens every day."

A spokesman from the North West Co-operative in Lichtenburg said they were at a "critical period" where the weather could make or break the harvest.

"It last rained two weeks ago and the sub-soil moisture is really drying out. If it rains before the end of next week, we could get 80 percent of a normal crop, but otherwise we could lose a great deal."

Increased prices

Prices have also increased lately for farmers, he said.

"Fertilizer was increased by between 21 and 28 percent, Escom will increase its tariffs, we expect a rise in the petrol price and the cost of tractor parts and tyres have gone up. We are going to have an inflation rate of 15 percent and farmers will have to ask for an increase of about 20 percent on what maize they have.

"There is nothing that we as farmers can do — we cannot make rain or stop the rand from slipping against the dollar."

Dr Gouws said he had no statistics on how many plants had been lost in the heat "but I have been speaking to the major co-operative managers and it is a disaster story everywhere".

Maize ten days from disaster

CAPE TIMES 8/1/85 3 MAIZE

Own Correspondent

PRETORIA. — Ten more dry scorching days in the country's major maize-producing areas will spell disaster, according to the National Maize Producers' Organization.

Nampo's general manager, Dr Piet Gous, said yesterday that much of the R1 700-million invested in summer crops had already been lost.

The loss would multiply for every day the rains held off. The weekend rains in the Northern Transvaal had meant "nothing" as far as agricultural production was concerned.

"We need the rains in the crop-producing areas, and that's where they are not falling."

If there were no widespread soaking rains by the end of the week, three-quarters of the crop in the north-west Free State and Western Transvaal could be written off.

'Serious trouble'

The two areas produce about 70 percent of the country's maize crop in a normal year.

"In the north-west Free State we will be lucky if we can save a quarter of the crop. There is still some hope for late plantings, but farmers who planted in late October and November are in serious trouble."

Dr Gous said most of the maize which had survived so far in the north-west Free State had reached a critical stage.

"Without rain in the next ten days these plantings, too, will wither and be reduced to cattle feed."

Economists said another catastrophic agricultural year — and this, they say, is what threatens — would be a heavy blow to an already crippled economy.

Foreign exchange

They say the country will have paid out more than R700-million in foreign exchange in the current financial year to import about 2½ million tons to supplement last season's four-million-ton crop.

With the continued weakening of the rand, the cost of maize imports continued to climb. The difference between this price and that of local maize is met by a government subsidy. However, Pretoria sources say the government cannot indefinitely pay a heavy subsidy to maintain the price of mealie meal at an articially low level.

A spokesman for the Transvaal Agricultural Union, Mr Joel Kotze, said the province still desperately needed rain.

Fruit hit

Except in isolated areas where good rains had fallen, summer crops and tropical and sub-tropical fruit crops had been hit hard and losses were substantial.

Unseasonal frost and hail had compounded the damage caused by drought — "in many areas, particularly in the Western Transvaal, a critical stage has been reached and widespread heavy rains, with good follow-up rains, are needed to avert a disaster of the proportions of last year".

Dam levels low

● Levels at most Transvaal and Free State dams have continued to fall. On Sunday the Vaal Dam measured 18,06 percent of its capacity — down by nearly one percent compared with last week.

The Boemhof Dam level also sank steeply — from 7,49 percent full to 6,21 percent.

Whether the weekend rains have made any significant difference to levels will be known later in the week.

Maize and bread prices set to increase

3 Maize Star 29/1/85

Maize prices could go up by 30 percent and the price of bread could go up by 4c a loaf this year.

According to the National Maize Producers Organisation (Nampo), crop prospects are still uncertain but up to 1 million tons of maize may have to be imported this year at a price of R410 a ton delivered in Johannesburg.

Farmers are likely to demand more for local maize to bring prices in line with worldmarket related prices.

The Government is unlikely to grant a new producer price at a par with the price of imported maize, but as production costs have risen steeply, a compromise increase of 30 or 40 percent cannot be ruled out.

TALKS

Preliminary discussions on the new maize price will start on February 13.

The bread price will also go up. A large increase was avoided in October last year by using R40 million of the Wheat Board Stabilisation Fund to subsidise consumers, but this process cannot be repeated.

According to industry sources, an increase in the bread subsidy is highly unlikely. A bread price hike of up to 4c a loaf at budget time may be unavoidable.

In October an increased wheat price will also have to be accommodated leading to an additional rise in the price of both white and brown bread.

SA may swop maize from Zimbabwe

23/2/85

Star (3) Maize

Pretoria Bureau

The National Maize Producers Organisation has confirmed that South Africa could import maize — the staple food of 23 million black South Africans — from a black-ruled neighbour.

An economist for the organisation, Mr Kit le Clus, said South Africa would suffer a shortfall of 500 000 tons of maize this year and confirmed that maize could be imported from Zimbabwe.

According to *The Observer* News Service, sources in Harare have confirmed that the Zimbabwe Cabinet is considering a deal to barter a portion of the country's expected bumper maize harvest for South African wheat.

If the deal goes through, it will be the first time South Africa has imported maize from Zimbabwe since the imposition of black rule in 1980.

Mr le Clus said local consumption for the 1985/6 year would be about six million tons and there could be a shortfall of 500 000 tons.

Mr Dennis van Aarde, general manager of the Wheat Board, said an inquiry for the possible export of wheat to Zimbabwe had been received.

But he said if a deal was concluded it was unlikely it would be an exchange.

The MINISTER OF AGRICULTURAL ECONOMICS:

EXPENDITURE OF AGRICULTURAL MARKETING BOARDS, 1983/84

BOARD	(a) R	(b) R
Potato Board	2 124 546	689 579
Dry Bean Board	1 890 430	1 525 077
Dried Fruit Board	1 784 771	1 452 007
Egg Board	9 726 982	7 867 201
Karakul Board	440 552	333 301
Cotton Board	8 734 775	8 368 163
Wheat Board	76 046 631	70 355 379
Lucerne Seed Board	111 669	3 146
Maize Board	154 248 876	146 396 211
Oil Seeds Board	10 201 424	6 828 433
Banana Board	1 585 161	417·113
Canning Fruit Board	506 579	207 496
Rooibos Tea Control Board	2 515 445	2 194 403
Deciduous Fruit Board	17 491 618	9 195 566
Chicory Board	1 160 365	595 958
Citrus Board	4 062 663	430 422
Dairy Board	43 455 415	40 318 641
SA Wool Board	23 213 459	20 112 044
Mohair Board	709 544	396 629
Tobacco Board	12 151 950	11 771 118
Meat Board	28 415 383	18 957 105

Sandton: national monuments

59. Mr D J DALLING asked the Minister of National Education:

(1) Whether any properties in Sandton have been declared national monuments; if so, which properties;

(2) whether any properties in Sandton are presently under consideration in this connection; if so, which properties?

The MINISTER OF NATIONAL EDUCATION:

(1) Yes. The so-called Weber House and the Old Laboratory, both situated on Portion 44 of the farm Driefontein 41 IR, Sandton, were provisionally declared to be national monuments on 22 June 1984. This declaration will lapse on 21 June 1989 if not renewed or altered into a permanent declaration.

(2) No.

Imports/exports: loss of foreign exchange

134. Mr H H SCHWARZ asked the Minister of Agricultural Economics:

What is the estimated loss of foreign exchange suffered by the Republic in 1984 or the latest specified 12-month or other period for which figures are available, in respect of (a) additional imports and (b) loss of exports attributable to drought conditions in the Republic?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) R1 057 million in respect of 1984.

(b) R 289 million in respect of 1984.

Maize 3 Hansard Q. Col: 348

Bread/maize/butter: subsidies

251. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

28/2/85

What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) R267 613 310.

(b) R132 168 497.

(c) R 966 604.

Area lost for agricultural purposes

252. Mr E K MOORCROFT asked the Minister of Agricultural Economics:

What is the estimated area that was lost for agricultural purposes as a result of urban development in the 1983-84 financial year?

The MINISTER OF AGRICULTURAL ECONOMICS:

5 979 hectare situated outside the areas of jurisdiction of local authorities were incorporated with such areas during the relevant period.

Boards Hansard and

Agricultural production not under control of boards

Q. Col. 349 28/2/85

301. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What percentage of South Africa's total agricultural production in the 1983-84 production seasons was not under the control of any board established under the Marketing Act?

The MINISTER OF AGRICULTURAL ECONOMICS:

30,53%.

Hansard

Production/exports

Q. Col. 349 28/2/85

302. Mr P A MYBURGH asked the Minister of Agricultural Economics:

What was the value of the Republic's agricultural (a) production and (b) exports in 1984?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) R8 791,587 million

(b) All the particulars regarding exports are not yet available but the estimated amount is R1 764 million

Surplus foodstuffs

310. Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

Whether any surplus agricultural foodstuffs grown or produced in the Republic and marketed through control boards were distributed to (a) the under-privileged and (b) welfare organizations during the latest specified 12-month period for which figures are available; if so, (i) what foodstuffs, (ii) what quantity of each foodstuff and (iii) what was the total estimated value of the foodstuffs so distributed?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) No.

(b) Yes. In some cases the foodstuffs were distributed free of charge, while in other cases it was made available at reduced prices.

(i)	(ii) Quantity pockets	(iii) Total Value R
Potatoes	122 600 × 15 kg	163 820
Oranges	9 500 × 10 kg	9 500
Grapefruit	5 000 × 5 kg	425
Lemons	700 × 10 kg	420
Milkpowder	110 653 kg	162 856
Meat	214 tons	428 058

National Road Fund

319. Mr R A F SWART asked the Minister of Transport Affairs:

(1) Whether, with reference to his reply to Question No 17 on 15 February 1984, the National Road Fund has been or is to be allocated further funds from petrol sales for the construction of roads; if so, (a) what total amount has been or is to be so allocated and (b) when was it or is it to be allocated;

(2) whether he will make a statement on the matter?

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) An additional 1,946 cent per litre which according to esti

(3) Maize Star 14/3/85

'Maize industry is facing ruin'

By Colleen Ryan

ERMELO — South Africa's strategic maize industry is facing financial ruin and only urgent Government measures can save it, warned delegates at yesterday's National Maize Producers' Organisation (Nampo) congress.

The drought, soaring production costs and high interest rates were crippling maize farmers, said Nampo chairman Mr H P de Jager.

Congress delegates unanimously supported a motion calling on the Government to postpone the paying of farm debts which amounted to close on R10 billion.

The chairman of the Maize Board, Mr Crawford von Abo, said farmers would be committing financial suicide if they tried to export maize under the present system.

The South African Agricultural Union is to hold talks with the Government next week in an attempt to solve the problem of mounting debts, the president of the SAAU, Mr Kobus Jooste, told the congress.

Delegates also expressed concern about:

- Restrictive practices in the fertiliser industry.
- The price of diesel fuel, which was 4,4c more expensive inland than on the coast.
- The effect of GST on production costs.

'Bad' maize on sale in PE

By MIKE LOEWE

(3) Maize E. Post 15/3/85

SACKS of condemned maize, all of which could be infected with the killer aflatoxin, were on sale yesterday at Walmer tip for R5 each.

The Evening Post was offered some by scavengers who make their living salvaging food and other commodities from the tip. A number of sacks had already been sold, the Post was told.

Aflatoxin, the cancer-forming fungus which grows on mouldy grain, attacks most virulently people taking liver suppressing drugs for TB — 58 some of whom are living in Walmer Township close by the tip.

But the danger is not limited to township residents.

According to a medical source, aflatoxin can be airborne, and could have been carried on the wind from any of the piles of rotten maize swept to one side in the Port Elizabeth harbour after 15 ships had discharged their cargoes in the past six months.

The cargoes have been in the form of US aid for countries to the north and many have been in poor condition on arrival. Some have had to be stored in the city because of a transport snarl-up in the north.

It has been left to the shipping agent to decide how much of the 15 consignments has been fit for human consumption. The dumped maize has been considered unfit even for animals.

Health authorities have stood aside because the consignments were destined for a foreign country. Meanwhile, harbour workers have been operating hoppers bagging the maize and loading trucks to dump some of it at Walmer tip.

No tests on the contaninated maize have been carried out, and none is intended, according to the Regional Director of Health Services, Dr J D Krynauw.

About six trailer loads were dumped from the latest shipment, an employee of the agents, Rennies, said. The people handling the corn don't wear protective masks.

Much of the contaminated maize dumped recently was transported loose with bags packed on top to keep it from blowing away or spilling into the streets.

Three senior Rennies executives have denied that the dumped maize is poisoned with aflatoxin, but at the same time they have conceded that no tests for aflatoxin have been carried out. If the maize looked bad it was dumped, they said.

Dr Krynauw has said it is possible the dumped maize could contain aflatoxin, and he was critical about the absence of local controls. But he added that it was a "policy matter which I would rather not comment about".

His department is now considering involving itself "in order to protect the public which may not be informed about the possible dangers involved".

Spokesmen for the Department of Agriculture, the Maize Board, the State Health Department, the South African Transport Services and the city's Cleansing Department this week denied responsibility for checking the grain and referred inquiries to Rennies.

Yesterday, Mr Brian Robb, managing director of Rennies Shipping in PE, when asked if more of the maize was being stored in the city said: "I do not know".

- The latest consignment of maize was bound for Mozambique.

● Picture — Page 3

PE dump dwellers eat deadly maize

3 Maize

C. Press 17/3/85

PORT Elizabeth residents have been carting off bags of mealie meal dumped at the local rubbish dump — but the meat could kill them.

The maize, which should have been buried under customs supervision, is part of a consignment of condemned maize declared unfit for human consumption.

One Port Elizabeth company employee said he was given a bag of the maize — which may be unfit even for animal coknsumption — by a white man who appeared to be in charge of disposing of the consignment at the Arlington dump on Monday.

Health Services regional director J D Krynauw has warned people not to eat the maize, which may be contaminated with aflatoxin, a cancer-causing substance.

Late yesterday afternoon, a municipal employee checked the dump and found that all the maize had been buried.

However, when the dump was visited at noon a number of people were seen carting off bags of the maize before it could be buried by a municipal bulldozer.

No attempt was made to stop them.

Brian Robb, Managing Director of Rennie's Shipping, the agents responsible for getting rid of the maize, said he was "horrified" to hear people had access to it.

Argus 18/3/85 3 maize

Good rains save maize and avert need to import more

GOOD rains have saved South Africa's maize crop, averting the need for imports during the 1985-86 financial year.

Official estimates released by the Department of Agriculture show this year's maize crop at 6,7-million tons — a big improvement on last year's 4,3-million tons.

The general manager of the Maize Board, Mr Hennie Nel, said it would not be necessary to import maize for the 1985-86 year.

Higher price

In spite of this good news, consumers are likely to pay more for maize products when the new maize price is announced in May.

The National Maize-Producers Organisation is to meet the Maize Board on March 26 to ask for a higher price. The present producers' price is about R214 a ton and Nampo is asking for R270 a ton.

Nampo economist, Dr Kit le Clue, said farmers needed a big increase to meet soaring production costs.

The Government is likely to agree to an increase but analysts say it will not be as high as the Nampo demands.

Communist

Meanwhile the last few shiploads of imported maize for the 1984-85 year will arrive in South Africa in the next few weeks.

Mr Nel confirmed that 20 000 tons of yellow maize had been bought from communist China as part of the import programme.

He said the Chinese maize cost R18 a ton less than US maize and was of a very good quality. The maize shortfall from June 1983 to today amounted to 4,3-million tons.

● Last year South Africa imported 2,5-million tons of maize at a cost to the taxpayer of R700-million, reports The Argus Financial Staff.

Normal

If the Maize Board's estimate proves correct, the country could see huge savings in foreign exchange.

In a normal year exports of maize earn between R400-million and R500-million.

The higher cost of overseas maize and the transportation cost meant the Government had to pay out R200-million in subsidies last year.

23 000 chicks die as wind destroys batteries

Tygerberg Bureau

THE unseasonably cold, wet weather has damaged fruit and vegetable crops in the Boland and R200 000 damage was caused on a Durbanville farm when wind destroyed five chicken batteries and killed 23 000 hatchlings.

Rainfall in the Peninsula this month seemed to be breaking every record, a D F Malan airport weather office spokesman said today.

So far over eight rainy days, a total of 71,9mm has been recorded. Last March 31,9mm was recorded over nine days and the average for March was only 14,4mm.

Ceres has had record rainfall — 213mm in the past two days which is almost double the record of 125mm in March 1902.

The average March rainfall for the region is 24mm.

Snow fell on Friday night on the Brandwacht and Waaihoek mountains near Worcester and there are fears that the wet weather will rot grapes still on the vine.

Brown rot has already appeared on yellow peaches, and potatoes and onions are also rotting.

Maize farmers in economic miracle

(3) Maize S. Star 24/3/85

David Breier Political Correspondent

MAIZE farmers have inadvertently produced an economic miracle at a time when South Africa most needed it. They have hit bull's-eye, producing neither too much nor too little for the country's needs.

An overproduction could have created serious financial embarrassment as surplus maize was exported at a massive loss of about R1 000 million in previous rainy years.

And an under-production would have meant further drains on the country's economy, which has had to import maize at a loss of hundreds of millions of rand in recent drought years.

Mr Hennie Nel, manager of the Maize Board, said that an over-production of maize this year could have cost farmers millions in export losses despite the low rand exchange rate.

This was because of massive storage, railing and shipping costs involved in export. In addition the world price was depressed by maize exported from other countries such as Red China, he said.

On the other hand, a maize shortage in South Africa this year would have been even more disastrous as the low rand exchange rate would have pushed up the cost of maize imports to unprecedented rates.

As it is, the estimated crop this season is about 6,7 million tons while the country's needs were between 6 million and 6,5 million tons.

Dr Kit le Clus, economist of the National Maize Producers Organisation (Nampo) said export losses suffered by farmers in the over-production years of 1981 and 1982 was about R1 000 million. In the record 1981 season, farmers produced more than 14 million tons.

But in the next two years the drought forced the country to import millions of tons costing R476 million. The taxpayer had to subsidise this to the tune of R164 million.

However, Dr Le Clus felt that in view of the current low rand exchange rate, the country might have been able to break even on surplus exports this year if there had been an over-production.

this period; if not, why not; if so, (a) in what manner and (b) what is the minimum period they have to serve before they may leave the Force;

(3) (a) what percentage of women who were trained at this college and who subsequently attested, remained in the Permanent Force after the expiry of their initial training period, during the latest specified period of five years for which figures are available and (b) in what capacities do or did they serve?

The MINISTER OF DEFENCE:

(1) Only other ranks are attested under oath in the Permanent Force. Women who attest directly in the Permanent Force, i.e. not from the ranks of the SA Army Women's college, are not trained at the SA Army Women's College.

(2) (a) and (b) Permanent Force other ranks do not attest for a fixed period. They can purchase their discharge at any time.

(3) (a) For the period 1980 to 1984—15%

(b) Women are only utilized in the supporting services of the SA Defence Force such as personnel, stores and finance functionaries signallers, etc.

Hansard Q. Col. 831 25/3/85

Farm schools

677. Mr R W HARDINGHAM asked the Minister of Co-operation, Development and Education:

(a) How many applications for the subsidization of farm schools were received by his department in 1984 and (b) what number of pupils benefited from the subsidization of farm schools in that year?

The MINISTER OF CO-OPERATION, DEVELOPMENT AND EDUCATION:

(a) 379 in respect of farm school buildings.

(b) 468 619 pupils.

(3) Maize Hansard Q. Col. 832 25/3/85

Maize

683. Dr M S BARNARD asked the Minister of Agricultural Economics:

What was the (a) landed cost of each consignment of maize imported in 1983 and (b)(i) outflow of foreign currency and (ii) extra cost to the taxpayer as a result of these imports?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) Figures are not available for the 1983 calendar year. The following contracts were concluded for the importation of maize during the period May 1983 to April 1984.

600 000 tons at R172,74 per ton.
100 000 tons at R160,09 per ton.
500 000 tons at R171,09 per ton.
225 000 tons at R188,91 per ton.
275 000 tons at R192,15 per ton.
300 000 tons at R206,20 per ton.
150 000 tons at R196,02 per ton.
230 000 tons at R194,71 per ton.

The landed cost consists of the abovementioned c i f prices plus an average landing cost of R11,34 per ton.

(b) (i) Total outflow currency until 30 April 1984 amounted to R427,9 million (Landing costs excluded).

(ii) The deficit on the import account until 30 April 1984 which was borne by the tax payer amounted to R44,5 million. With the inclusion of interest after 30 April 1984, the final deficit amounted to R49 million.

Hansard Q. Col. 832 25/3/85

Employees: victims of crimes

692. Mr S S VAN DER MERWE asked the Minister of Transport Affairs:

(1) Whether any employees of the South African Transport Services in the Cape Peninsula were victims of crimes of violence while on duty in 1984; if so, (a) how many and (b) what was the nature of the crime in each case;

(2) whether the South African Transport Services have had to pay any compensation to (a) employees and/or (b) passengers in 1984 as a result of their being victims of such crimes while performing their duties or travelling on trains in the Cape Peninsula; if so, what total amount was paid out in each case;

(3) at which stations in the Cape Peninsula are there South African Railways Police posts?

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) 76.

(b)

Attempted murder	1
Murder	2
Common assault	41
Assault with intent to do grievous bodily harm	23
Robbery	9

(2) (a) Yes, compensation in terms of the Workmen's Compensation Act, 1941, was paid in five cases:

(1) R10 093 for total disablement.

(2) R700 plus R276 per month compensation pension to widow.

(3) R875 for temporary disablement.

(4) R63 for temporary disablement.

(5) R105 for temporary disablement.

The remaining cases are either of a very minor nature for which claims were not instituted or are still being investigated.

(b) No such claims were instituted.

(3) Cape Town, Table Bay Harbour, Salt River, Langa, Bontheuwel, Philippi and Bellville.

Pharmaceutical/homeopathic medicines

705. Mr W V RAW asked the Minister of Health and Welfare:

(1) What was the cost of (a) registration and (b) annual renewal of (i) pharmaceutical and (ii) homeopathic medicines as at the latest specified date for which figures are available;

(2) whether there is any difference in the registration of generic and individually specific medicines in these two categories; if so, what difference?

The MINISTER OF HEALTH AND WELFARE:

(1) (a) (i) Compounded in entirety in RSA = R500 plus R60 at approval of registration

—not compounded in entirety in RSA = R1 000 plus R120 at approval of registration;

(ii) compounded in entirety in RSA = R500 plus R60 at approval of registration

—not compounded in entirety in RSA = R1 000 plus R120 at approval of registration;

(b) (i) compounded in entirety in RSA = R60;

(ii) not compounded in entirety in RSA = R120.

(2) Currently, no.

Big maize price increase ahead

CAPE TIMES 28/3/85 (3 MARC)

Own Correspondent

PRETORIA. — The country will have to brace itself for a big increase in the price of maize products from the beginning of May.

At a meeting here yesterday, the National Maize Producers' Organization (Nampos) recommended a price increase of 23 percent to R277 a ton.

The Maize Board's key recommendation to the National Marketing Council is expected to vary only marginally.

Economists said yesterday the maize price rise would help boost the country's inflation rate upwards to 20 percent by mid-year.

Nampos economist Dr Kit le Clus said yesterday the price rise and its ripple effect on other basic foods would raise the inflation rate for lower-income groups by at least one percent.

The all-items index of the consumer price index would rise by about 0,5 percent.

Living costs of higher-income groups would be boosted by 0,31 percent.

Nampos estimates that if the price is raised by 23 percent, the price of eggs will be affected by four percent, poultry by 3,2 percent, beef by 8,5 percent and dairy products by 2,1 percent.

At yesterday's meeting, Nampos called for an "adequate" subsidy to keep consumer prices as low as possible.

It recommended that the subsidy be maintained at R282-million in the new financial year — slightly up on the R274-million in the 1984/85 financial year.

However, earlier this week, when Minister of Agriculture Mr Greyling Wentzel announced the inevitability of a bread price rise, he warned that the government was set on a course of phasing out subsidies.

If this was so, economists said, it looked as if the consumer would have to bear the full weight of any increase in the producer price of maize.

Maize price may rise

3 Maize 28/3/95

Pretoria Bureau

The National Maize Producers' Organisation (Nampo) has applied for a 23 percent increase in the producer-price of maize.

Nampo made its recommendation at a meeting of the Maize Board yesterday. The board will pass on its decision to the National Marketing Council and a final price will be announced by the Government next month.

A Nampo spokesman, Dr Kit le Clus, said Nampo had asked for the price to be increased to R277 a ton on the basis of production cost figures.

The price rise would raise the consumer price of mealie meal by 14.4 percent.

RDM. 4/04/85 (3 Ma

25% rise in price of maize is attacked

THE recommendation by the Maize Board to increase the price of maize by 25%, from R220 to R275, to cover production costs, has brought a swift reaction from Mrs Joy Hurwitz, the president of the Housewives' League of SA.

Mrs Hurwitz said maize farmers were going through hard times.

"The problems facing them are not only due to the effects of drought, but to their ever-increasing input costs."

These are fuel, interest rates, fertilisers, spare parts and machinery, amongst others.

"They have cut back considerably in the use of some of these, but the proposed increase remains excessively high," she said.

She sympathised with their plight but said "we are all in the same boat".

"With an inflation rate of 16% which is set to rocket further, 12% GST, the high cost of living and increased unemployment, an increase of this magnitude must not be allowed," ~~she said.~~ — Sapa.

3 Maize

NM 12/4/85 3-maize

U S assesses S A maize crop slightly higher

WASHINGTON— The U S Agriculture Department (USDA) estimated the South African 1984/85 maize crop at 6,73m tons, against 6,5m last month and 4,4m in 1983/84. USDA forecast South Africa's 1984/85 maize exports at nil against nil last month and nil in 1983/84.

The Soviet Union is expected to purchase 19,9m tons maize from the world market in 1984/85, up from 18,4m tons previously estimated and 8,7m a year, the USDA said.

USDA left its estimate of total Soviet grain imports unchanged at 52m tons, of which 26m tons will be wheat, 25 m coarse grains, and one million miscellaneous grains.

USDA also left unchanged its estimate of the 1984 Soviet grain crop at 170m tons, but made some changes in the mix of grains.

The 1984 wheat production estimate was reduced two million tons to 73m tons, and the coarse grains estimate increased two million tons to 86m tons.

Barley

USDA attributed the change in its coarse grain estimate to a larger barley production in 1984 than earlier expected, and lowered the wheat output estimate because of a smaller Soviet winter wheat crop.

Prospects for the 1985 Soviet winter grain crop are generally favorable, USDA said.

Winter grains planting were about 35m hectares, about one million hectares higher than in previous years.

Although the USSR winter was bitterly cold, no more than average winter kill should have occurred because unusually heavy snow cover, USDA said.

USDA said unusually cold weather and feed shortages are limiting expansion in the Soviet livestock inventory. For the first time since 1972/73, poultry numbers declined.

USDA estimated the Soviet 1984/85 wheat crop at 73m tons, versus 75m last month and 78m in 1983/84.

Soviet coarse grain production is projected at 86m tons, against 84m last month and 105m in 1983/84.

Soviet wheat imports are forecast at 26m tons, against 26m last month and 20,5m in 1983/84.

USDA forecast Soviet coarse grain imports at 25m tons, vs 25m tons last month and 11,5m in 1983/84.

The coarse grain imports include Soviet 1984/85 maize imports, forecast at 19,9m tons, vs 18,4m last month and 8,7m in 1983/84.

USDA lowered its estimate of the 1983 Soviet grain crop to 190m tons from 195m previously.

This includes 79m tons wheat, up from 78m previously, and 99m tons coarse grains, down from 105m earlier. The remainder includes 12m tons miscellaneous grains, USDA said.

USDA attributed the reductions to a lower area planted to maize for grain — (Reuter)

Audio-visual programme

AN audio-visual programme geared to explaining to 'new' black taxpayers faced with having to complete a yellow tax return this year for the first time this year, is being launched next week by Syncrovision.

Anyone earning over R8 000 in the past tax year has to fill in a tax return by May 16. The function will be in the Auditorium of Metal Industries House at 2 15 on Tuesday April 16. Further details ☎ 3043546.

Hong Kong

HONG KONG— Gold in Hong Kong rose the equivalent of 5,43 U S dollars an ounce yesterday, to close at 328,57 dollars, compared with Wednesdays's 323,14 dollars — (Sapa-AP) can National Congress courage to dispense.

NM 12/4/85 3-maize

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RDM 19/4/85

Big maize price rise next week

244. (3-Maize)

By GERALD REILLY
Pretoria Bureau

A SUBSTANTIAL increase in the maize price will be announced by the Minister of Agriculture, Mr Greyling Wentzel, next week, according to Pretoria sources.

On Friday the Minister will meet the Maize Board and outline the Government's reasons for the expected 15% to 20% price rise.

A 20% price rise, according to the National Maize Producers Organisation, Nampo, would cause a ripple of other price rises. Mealie meal would rise by about 12½%, poultry products including eggs by 3½%.

This would contribute to an inflation rate of 17% or more, expected by economists to be reached by the end of June.

Consumer organisations have appealed for a Government subsidy to cover the producer price rise, and keep consumer prices stable but the Government has indicated it is moving away the subsidisation of basic foods.

FM. 19/5/85

(3) maize (3) ~~sugar~~

QUOTAS TO INCREASE PRICES?

Farming's maize and sugar sectors are set to change the basis of their pricing systems. They will do this by exposing the price of production in excess of domestic consumption to the risks of world prices. Production in terms of quotas to the level of domestic consumption will be given guaranteed prices, based on production costs and the inflation rate.

The rationale behind these changes is that farmers should not be given an incentive to produce unlimited crops by a single price. Instead of market prices signalling what and how much farmers should produce, control is imposed by paying fixed prices only for quota production based on domestic consumption levels.

The sugar proposal is for an A-pool and B-pool system. The A-pool will have a requirement of 1,8 Mt of sugar (1,3 Mt of sugar for SA and 500 000 t of contractual export sugar). The price will be based on the costs of production.

For the B-pool, farmers will produce *entirely at their own risk* as prices will be based entirely on export market prices. Presently, these are substantially lower than the SA price.

The sugar industry contends that the restructuring should be beneficial as the present average price system, based on domestic and export prices, has tended to disguise the true cost of producing for individual markets. In addition, the need to maintain quotas resulted in producing at maximum capacity — *irrespective of whether land was marginal or not.*

The proposed system for maize farmers is based on the same logic as the sugar growers' pool system, but no date of implementation has been set. It is thought that the system, based on costs of production, could substantially increase domestic maize prices.

The sugar industry will implement its proposed multiple pool system in the 1985-1986 season. Unfortunately, the change is unlikely to effect local sugar prices.

So it seems that the proposed quota systems will do nothing for domestic prices, and may actually increase them. More worrying is that quotas, such as KWV's wine quotas, tend to acquire a value of their own, for the produce from quota land gives a guaranteed income. Indeed, the principle of quotas is contrary to the change to market pricing systems now sweeping the world.

ARGUS 25/4/85

Price of maize to be increased today

3 MAIZE

Argus Correspondent

JOHANNESBURG. — An increase in the price of maize is to be announced later today.

And the extent of the price rise will test the Government's commitment to lowering the rate of inflation.

Farmers are exerting strong pressure on the Government for a 20-percent increase and have threatened confrontation if their demands are not met.

The general manager of the Maize Board, Mr Hennie Nel, said: "I cannot give any indication of the size of the increase but I think the recommendations by the National Maize Producers' Organisation are soundly based."

The executive director of Nampo, Dr Piet Gouws, said the farmers were desperate. "We are not the brick-throwing brigade but we are going to have to say 'So far and no further'."

31, Sport 32-34.

RDM 26/4/85

3-MAIZE

Uproar over Govt's maize policy shock

By GERALD REILLY
Pretoria Bureau

THE Minister of Agriculture, Mr Greyling Wentzel, in a shock announcement yesterday told maize farmers they are to get no price increase this year.

And after a stormy four-hour meeting between the Minister and the Maize Board seven producer members, including the chairman of the Maize Board, Mr Crawford van Abo, in an unprecedented move, resigned.

They rejected the price decision as a political one which took no account of production realities.

The Minister also announced that the maize subsidy is to be cut. This will result in an increase in the consumer price of nearly 10%.

The Government's decision was condemned by the National Maize Producers' Organisation (Nampo) at a Press conference after the board meeting as "irresponsible and unjustified".

The Minister bluntly told the board the Cabinet's decision not to raise the producer's price was final and there could be no further negotiations.

The president of Nampo, Mr Hennie de Jager, said the decision would spell ruin for hundreds of maize farmers and doom for the industry.

He stressed a more agressive stance could have been taken by producers such as withholding supplies of white maize from the market.

This, however, would have created chaos and would have been irresponsible. In the interests of consumers it was rejected, he said.

Nampo decided last night to invite the Minister to a special congress to explain to maize farmers the reasoning behind the Cabinet's decision.

The chairman of the SA Agricultural Union's grain sorghum committee also expressed shock that the grain sorghum floor price was to be actually cut by R3 to R174 a ton.

"I don't know how I am going to face producers," he said.

Mr Van Abo said the producer members' decision to resign was not taken lightly. He stressed the board was not a rubber stamp.

"We could no longer live with the situation where producers views are pushed aside," he said.

The Minister said at the

☐ To Page 2

RDM 26/4/85

3-MAIZE

☐ From Page 1

Maize lobby slams Govt

meeting that a factor taken into account was the state of the national economy.

"This is only a smokescreen. The price decision was a political one," Mr Van Abo said.

It was put to the Minister that if the Government was really concerned about black consumers, price control should be reintroduced. There was no response from the Minister.

The general manager of Nampo, Dr Piet Gouws, said that when it came to the maize price there was no rational basis. The decision was purely a political one.

The Minister had also told producers they would have to carry the total loss on export maize.

"The message from the Minister to the maize farmer, in effect seemed to be get out of the industry as fast as you can," Dr Gouws said.

Mr De Jager said producers had asked for an increase in price from R220 a ton to R270 a ton based on the Department of Agriculture's own production costs calculation.

He stressed that unless drastic changes were made the industry would be totally disrupted.

MAIZE

(3) Maize

FEATURE

Down in the dumps

Dramatic changes in the composition of SA's summer rainfall crops are on the horizon.

With maize already priced out of the export market and now losing its edge in the local market to substitute crops (*Business* April 12), it is in danger of being pushed from its traditional top-of-the-heap position.

Farmers, reading the signs, are already diversifying — and wool, red meat, feed wheat, sunflowers, groundnuts, soya and sorghum are jostling for position to fill the gap.

Maize exports, profitable until some five years ago, have disappeared as a profit source for the industry. The reason is the sharp maize price increases caused by SA's high inflation rate, high costs of the imported components of inputs like fertiliser, chemicals, tractors, implements and fuel, and excessive price demands by the maize lobby.

The industry's own plans to escape the trap include the imposition of two-market and quota systems, suggested by producer organisation Nampo. But they also seem doomed to fail.

Local grain consumption fell a massive 1 Mt last year to about 6 Mt, and consumer resistance to pricey maize is still increasing. This makes it virtually impossible to determine accurately local market production quotas for the country's 8 000 maize producers.

A black market for maize produced in excess of quotas could harm the industry, while market values for quotas would increase total production costs. Doubts have also been expressed about the just allocation of production quotas.

So producers are looking for ways out of the cul-de-sac. Wool seems to offer a brighter hope for maize farmers labouring under huge debt, shrinking markets and diminishing cash flows. On the other hand, wool farmers are coining it — 1985 earnings could reach a record R430m — and there seems to be no limit to world demand for SA's top-quality product.

Most profit

"Wool production is the most profitable stock-farming alternative, and there is no marketing problem — we are looking for more producers," says Wool Board MD Faan van Wyk.

The net return/ha from wool farming is some 50% higher than that of beef farming, he adds. "Revenue from sheep is roughly divided between wool and meat. By planting less maize and more grazing, farmers can kill two birds with one stone. Sheep fit in well with maize, being able to pick up maize kernels wasted during the harvesting process," he says.

Wool seems part of the answer, but can maize farmers diversify overnight?

"Successful wool production requires hard work, expertise, ongoing care and proper management," says Van Wyk. But the wool industry is willing to help.

Wheat Board (WB) GM Dennis van Aarde says there is a growing market for feed wheat, and feedlotters are happy with results.

"Wheat is cheaper than maize, although prices are subsidised by the WB to remain competitive. If maize quotas result in lower output, we'll introduce feed-wheat cultivars to fill gaps in the feed grain market. Such cultivars have already been developed in Europe," he adds.

The WB is sensitive to market considerations when increasing prices. "We look at the market as a whole and do not merely base increases on higher production costs," says Van Aarde. This enables wheat to retain — and even expand — its market share against other grains.

"Urban blacks have changed their eating habits, and bread is now bidding to replace maize," says Van Aarde. The WB is now waiting for the maize price increase, since this will affect the price of wheat in the year ahead. Crop expectations also affect the price, he adds.

But another crop would well emerge as the major contender to maize.

Soya — the wonder bean — could do well in the moister, cooler eastern Highveld, says SAAU Agronomic Commodity Organisations manager Hennie Bezuidenhout.

Soya has been largely neglected, and the current crop is expected to be some 35 000 t. Limited cultivar development led to uneven crop results, and the local market has never been fully exploited.

While the going was good for maize, there was no necessity to seriously consider soya. But new cultivars now being developed can be planted later in the season and are less subject to damaging heatwaves, says Bezuidenhout.

Soya has some remarkable characteristics. Being a legume, it enhances soil nitrates, leading to major savings. Even later crops planted on the same land need virtually no expensive nitrogen fertiliser.

But seeding costs are high — some 300 000-400 000 seeds/ha are planted, pushing costs to some R75/ha. But soya's nitrogen-binding characteristic cancels out this negative.

Soya, the largest US agricultural crop, has wide uses in the food industry that are largely untapped in SA.

The crop has a far greater oilseed cake content than sunflower, and SA imports large amounts of seed cake for protein animal feeds.

"Higher output would save foreign exchange and improve farmers' cash flow," says Bezuidenhout.

Oil Seeds Board GM Jan du Preez says this year's sunflower crop could reach 300 000 t — against last year's dismal 180 000 t. Nevertheless, vegetable oil imports will still be required, since SA needs to produce a 450 000 t crop to meet local demand.

A problem for the SA market is that overproduction of sunflower leads to a vegetable oil lake, without meeting the demand for seed cake for animal feeds.

Groundnuts are also shaping up, with a 120 000 t crop expected after last year's pitiful 50 000 t.

This is still far below the normal figure of some 200 000 t, but local demand should be fully met, says Du Preez.

"Exports could reach some 20 000 t, unless late rains damage the crop," he adds. SA groundnuts are rated the best in the world and, at current rand levels, farmers should push up export earnings. There is room for higher exports to the UK, Europe, Japan and New Zealand.

Dramatic growth

Sorghum is another alternative. Plantings expanded dramatically last year, and a 565 000 t crop is expected. This could have reached 1 Mt but for drought in the eastern Transvaal, says Bezuidenhout. Sorghum is drought-resistant, cheaper than maize and is in increasing demand in the animal-feed industry.

The alternatives are there, but only time will tell which — if any — will push maize off the throne it has held for so long. ■

CROPS AT A GLANCE

TYPE	1984/1985 CROP ESTIMATE	1984 PRICE (PRODUCER)	VALUE (ESTIMATE AT 1984 PRICES)
Maize:	6,5 Mt	R220/t	R1,43 billion
Sunflower:	300 000 t	R308/t	R90m
Wheat:	2,17 Mt	R300/t	R650m
Wool:	n/a	variable	R430m
Soya:	35 000 t	R360/t	R12,6m
Red Meat:	n/a	variable	R4,3 billion
Sorghum:	565 000 t	R187/t	R105,6m
Groundnuts:	120 000 t	variable	R80m

8 quit Maize Board

3-Maize

THE head of the Maize Board and seven other maize producer members of the government body have resigned in protest against the government's decision not to increase the maize price for farmers this year, board chairman Mr Crawford van Abo said yesterday.

The Minister of Agriculture, Mr Greyling Wentzel, announced earlier that the consumer price of maize products would be increased by 10 percent.

Maize farmers, however, are to get the same price for their product as last year, R218,55 per ton for the highest quality white maize and R214,60 for yellow maize, according to a statement from the Minister.

Sowetan 26/4/85

26/4/85 C.T.

Maize Board men quit

3MARE

PRETORIA. — The head of the Maize Board and seven other maize-producer members on the government body have resigned in protest against the government's decision not to increase the maize price for farmers this year.

The Minister of Agriculture, Mr Greyling Wentzel, announced earlier that the consumer price of maize products would be increased by 10 percent.

Maize farmers, however, are to get the same price for their product as last year, R218,55 a ton for the highest-quality white maize and R214,60 for yellow maize.

At an emergency press conference to announce the resignations, the board said it had suggested to the government that it increase producer prices by about 20 percent to R270 a ton for the best white maize.

Rubber stamp

Board chairman Mr Crawford van Abo said yesterday it was obvious the board had become "a rubber stamp" to the government.

Dr Pieter Gouws, an adviser to the board, said the government decision was "purely political".

While a large contingent of maize farmers sat in one of the board's conference rooms, Mr Van Abo told the press conference the minister had already accepted his resignation and those of the seven other producer members on the 13-man board.

The government, which Dr Gouws said used to refer to the maize industry as a strategic industry, no longer encouraged farmers to produce more than could be sold on the local market — about six million tons annually. Farmers would now have to bear their own losses on exports.

The chairman of Nampo, Mr Hennie de Jager, said the minister would soon be invited to address a mass meeting of maize farmers.

"I cannot predict the consequences, but I think there is going to be chaos," Mr De Jager said. "Farmers can only be pressed to a certain point." — Sapa

ARGUS 26/4/85

Maize men threaten to weaken control

(3 MAIZE)

Argus Correspondent

PRETORIA. — Eight producer representatives on the Maize Board and two advisers pledged as they resigned yesterday that they would weaken Government control of their industry.

Yesterday the Minister of Agriculture, Mr Greyling Wentzel, announced that the consumer price of maize would rise by 10 percent but that the maize farmer would not be paid more for his produce.

Maize farmers were also told by the Minister that they would have to account for all the losses on every ton of maize produced over the yearly national maize consumption of about 6,5-million tons.

This in effect was a cut in the consumer price subsidy by R150-million, said Dr Piet Gouws, general manager of the National Maize Producers' Organisations.

When the Minister announced the increase he said the prices decided on by him were in the best interests of the maize industry, of agriculture and the national economy in general.

"A SMOKESCREEN"

Dr Gouws said the Minister's reasons for not giving them the average 21-percent increase they had asked for were a smokescreen and the price increase was purely a political move.

The price, he said, had been decided on by the Cabinet and could not be defended.

The Minister's apparent concern for the consumer was challenged by the National Maize Producers' Organisation (Nampo) when it called for the re-introduction of price control. "We called for this last year but nothing has yet been done," said Dr Gouws.

"If the Government was really concerned about the consumer they would bring in price control. You can't control half the way."

Mr Hennie de Jager, chairman of Nampo, said this decision by the Government would spell total disaster for hundreds of maize farmers.

Nampo said it interpreted the Government's move as a message to farmers to get out of the maize industry as fast as possible.

The Minister also announced that the floor price of grain sorghum would be cut by R3 to R174 a ton.

The South African Agricultural Union's grain sorghum representative said he was embarrassed to return to his farmers and tell them they would be getting R3 less a ton for their product.

MEAT AFFECTED

Spokesmen of the South African Agricultural Union said today that meat and dairy farmers' production costs would also be pushed up as a result of the hike in the consumer price of maize — without being able to recoup their costs by way of the prices they received for their products.

The manager of the Saau's meat commodity organisation, Mr Jan van der Walt, said that feedlot farmers' costs would be pushed up by 7,5c for every kilogram of meat they produced. Because meat was auctioned the farmers could not ask for a higher price.

Mr Tiny Liebenberg, manager of the Saau's dairy commodity organisation, said that dairy farmers' costs would go up by a cent a litre and the new maize price would not have been taken into account when the Dairy Board recommended a producer's price for milk.

The national president of the Housewives' League, Mrs Joy Hurwitz, said housewives were frustrated at the never-ending increasing price of essential goods.

Behind the maize rumpus

(3) Maize Star 26/4/85

By Colleen Ryan, Pretoria Bureau

It is understandable if the man in the street is more than a little confused about the maize price squabble.

Yesterday Mr Greyling Wentzel, Minister of Agricultural Economics and Water Affairs, announced a 10 percent increase in the price of maize, but said farmers would get no share of the higher price.

Who then benefits from the 10 percent?

And what is the reason for the walk-out of producer members of the Maize Board?

In this year's Budget, the Government allocated R250 million in subsidies for the maize price.

This money is usually used to pay for the handling and storage costs of the Maize Board.

But the Government's problem has been complicated by other financial commitments.

★ ★ ★

Last year large quantities of maize and wheat had to be imported because of crop failures, and this cost the State an extra R150 million.

After paying import costs, there is only about R100 million left of the Government subsidy, creating a shortfall in financing Maize Board costs of about R165 million.

The 10 percent increase in consumer prices will make up for the shortfall, but it will not benefit the farmer.

Mr Wentzel has rejected a request from maize producers for a 20 percent increase in their prices, saying it was not in the best interests of the country.

He said the producer price had increased sharply by 28 percent last year and that the Government was no longer prepared to finance crop failures.

Maize farmers, represented by the influential National Maize Producers' Organisation, are furious at the Government's decision and have warned that they are facing financial ruin.

★ ★ ★

The association says its application for a 20 percent increase was based on estimates of what it would cost to produce maize in the 1985/6 season.

The resignation yesterday of the eight producer members of the 13-member Maize Board could have far-reaching consequences.

The main task of the marketing board is to help farmers in selling their products.

Without the input and co-operation of farmers the board could be hard-pressed to fulfil its task.

The resignations symbolised the growing dissatisfaction and alienation of maize farmers who claim they are not being fairly treated.

The National Maize Producers' Organisation has issued many warnings that farmers can no longer cope with mounting debts, high interest rates and steadily rising costs.

The stage is set for confrontation between the traditionally conservative maize farmer and the Government and in the present economic climate there is unlikely to be a winner.

(3) Maize Star

Maize Board members quit over no rise for farmers

By Jackie Unwin 26/4/85
and Colleen Ryan

The Government's decision on maize prices has caused a furore among farmers and the mass resignation of the producer side of the Maize Board.

The Minister of Agricultural, Economic and Water Affairs, Mr Greyling Wentzel, announced a 10 percent increase in the consumer price of maize to pay for higher storage and handling costs of the board, but no increase in farmers' prices.

Major supermarkets will not immediately pass the increase on to the consumer.

They have bought in as much stock as they can and have pledged to sell this at the old price as long as it lasts.

A director of Pick 'n Pay, Mr Richard Cohen, said it was difficult to forecast, but stocks would probably last four or five weeks.

Mr Clive Weil, managing director of Checkers, said: "The maize price has increased by more than 150 percent in the last six years and we will be doing all we can to cushion the increase.

The eight resignations from the Maize Board included chairman Mr Crawford von Abo. Two consultant-members of the board also resigned yesterday.

Dr Piet Gous, general manager of the National Maize Producers' Organisation (Nampo), has branded the new price as a political decision.

"The National Party must take full responsibility for the price," said an angry Dr Gous.

He said a special congress of maize farmers would be held, and the Minister of Agriculture, Mr Wentzel, would be invited to explain the Government's decision to farmers.

In an interview with *The Star*, Mr Wentzel said he would begin negotiations with the South African Agricultural Union to fill the eight vacancies on the board.

Asked whether it might be difficult to find other producers willing to serve, Mr Wentzel said he believed the vast majority of farmers in South Africa were reasonable people.

But it would have been impossible to grant farmers the 20 percent increase they wanted.

● See Page 15.

RDM 27/4/88

3 MAIZE

Maize price rise to cause spiral

By GERALD REILLY
Pretoria Bureau

THE 10% hike in the consumer price of maize will raise the price of a variety of basic foods and contribute to an inflation rate of more than 17% within the next two months, according to economists.

Among the foods to be affected are all dairy products, red meat, poultry and eggs and, of course, mealie-meal, which is likley to increase at retail outlets by more than 10%.

The deputy general manager of the Egg Board, Mr Dawie Gouws, said an increase of R10 a ton would add 1,25c to the production of large eggs.

In fact, the consumer price has already risen by R20 a ton.

The general manager of the Meat Board, Dr Pieter Coetzee, said the increase would make life even more difficult for beef farmers.

"There is little hope of the auction price of beef rising to a point where the farmer will be fairly compensated."

The economist for the National Maize Producers' Organisation (Nampo), Dr Kit le Clus, said the 10% increase was imposed to bolster the Maize Board's subsidy for the storage and handling of maize.

He said the Government had budgeted for a subsidy of R250-million this year.

However, R150-million had to be used for meeting the excess costs of imported maize and feed wheat.

"The board needs R270-million a year to meet handling and storage charges so there was a shortfall of R170-million, and the aim is to make this up by the 10% consumer subsidy," Dr Le Clus said.

Meanwhile, Nampo warned yesterday that South Africa would have to contend with a disastrous shortage of maize within the next few years unless drastic action was taken to make maize growing more profitable for farmers.

Nampo's general manager, Dr Piet Gous, said angry farmers from all over the country had flooded Nampo's head office in Bothaville with messages of support for eight board members, including the chairman, Mr Crawford van Abo, who had resigned in protest.

"Farmers overwhelmingly agree the board cannot just be a rubber stamp for decisions taken by the Cabinet and the Department of Agriculture.

"They agree, too, the decision not to raise the price was a political one, totally unrelated to the economics of maize production," Dr Gous said.

● Editorial comment — Page 6

Maize farmers owe R5-bn

W/T Argus 27/4/85

3 MARL

By TOM HOOD

FARM machinery manufacturers, including Atlantis Diesel Engines, could be hit by the Government's refusal to allow maize farmers increase their prices, says a Volkskas Bank agricultural economist, Dr André Louw.

The farmers, after a series of bad harvests, are in debt to the banks and government to the tune of about R5 000-million, he calculated today.

This burden is increasing all the time because of high interest rates.

A price increase could have given them a chance to repay some of this debt and replace outworn machinery.

"There is a lot of machinery that ought to be replaced but many farmers will be too hard pressed to finance their debts," said Dr Louw.

Factories making agricultural machinery were already down to about half their normal sales.

To some extent, however, the farmers were to blame for their problems and always expected the State or the banks to bale them out.

news

Maize farmers up in arms

(3) Maize 27/4/85

by

Karen Bowes and Pretoria Correspondent

Star

ANGRY Western Transvaal maize farmers yesterday picketed a silo at Oberholzer near Carletonville, refusing to deliver their crops until the Minister of Agriculture, Mr Greyling Wentzel, agreed to speak to them.

Similar strikes were held in Westonaria, Randfontein, Krugersdorp and Ventersdorp following the Government's decision on maize prices.

DEADLINE

Irate farmers also threatened to pay off 60 percent of their labourers and drop them and all their worldly possessions in the town if no reaction was received from the Minister by Monday.

A Carletonville farmer and executive member of the National Maize Producers' Organisation (Nampo), Mr Jan de Bruyn, said up to 80 farmers converged on the silo yesterday morning and started persuading others not to off-load any maize.

More than a 100 trucks and trailers were parked outside the silo, but almost no maize were delivered, he said.

By 11.30 am yesterday, five silos were empty and the farmers' message was clear — a reaction within 72 hours or we don't provide".

About 90 000 tons of maize are provided annualy by Oberholzer farmers.

In a peaceful protest meeting, farmers told the MP for Carletonville, Mr Willie Landman they were outraged by the fact that the government had not taken inflation into consideration.

"Production costs have increased by 25 percent, petrol by 40 percent and fertilizer by 20 percent in the last year.

"We have to provide cheap food for the unemployed, but we ourselves have experienced three years without crops. This is a political price and we are farming ourselves into bankruptcy", they said.

The farmers' action followed the resignation of eight Maize Board members and two advisers on Thursday, after the Minister announced the consumer price of maize would rise by 10 percent but farmers would not be paid more for their produce.

The general manager of Nampo, Dr Piet Gous, who resigned as an adviser [illegible] Press conference afterwards:

"We could have disturbed the market by calling on members to stop producing or by halting delivery of the product for up to six weeks," he said. "But we don't want to disturb our good friendship with the consumers. [illegible]"

Mr Willie Landman (left), MP for Carletonville, during negotiations with angry Western Transvaal maize farmers who gathered in protest against the new maize price increase in Oberholzer yesterday.

(3) Maize S. Times 28/4/85

Maize blows bold steps to free market

By Ciaran Ryan

THE Government's decision to peg the producer price of maize at R215 a ton has been slated by the National Maize Producers Organisation which sought a 24% increase for the crop which is about to be harvested.

But the move has been praised by some economists as a bold step in reversing the slide in the economy.

The Minister of Agriculture, Greyling Wentzel, told farmers that no maize price increase would be granted this year and that the matter was not open for negotiation.

He also announced that the maize subsidy would be cut, resulting in a 10% increase in price to the consumer.

Ridiculous

Domestic consumption is about 6-million tons of maize a year, but a million tons is kept on the farms. The price increase means the consumer will have to shoulder an additional R107,5-million a year.

An economist told Business Times: "The decision means the Government is serious about curbing inflation and is moving away from subsidies to a free-market economy.

"Nampo's asking price of R270 a ton was ridiculous. They were hoping to bracket the Government so that they would eventually get about 10%.

"Nampo's credibility has taken a knock with the public and the farmers they represent."

Seven members of the Maize Board, including chairman Crawford van Abo, resigned after Mr Wentzel's announcement.

Farm debt

The chief agricultural adviser at Barclays Bank, Frans Venter, said yesterday: "From the bank's point of view, and we are primarily concerned with the recovery of farmers' debt, it would have been better if the Government had granted a price increase."

Consumer organisations and trade unions have attacked the 10% consumer price increase.

Mr Wentzel's announcement has led to speculation that the Government is trying to reduce the area of land planted to maize because of the difficulty in finding markets for exports in good years.

One economist said: "The Government has taken a bold step politically. It has clearly taken a much broader view of the economy instead of trying to satisfy the vested interests of one group."

Maize row: pressure on Govt grows

(3) Maize Star

29/4/85

By Colleen Ryan,
Pretoria Bureau

The row over the maize price continues to rage and farmers will increase pressure on the Government this week by holding a series of protest meetings.

The agriculural rebellion could become a serious political problem for the Government.

On Friday maize farmers picketed several silos in the Western Transvaal refusing to deliver their crops.

The maize farmers "will withhold their crops until the Minister agrees to speak to them," according to a spokesman for the National Maize Producers' Organisation (Nampo).

Mr Greyling Wentzel, the Minister of Agriculture, will meet the chairman of Nampo, Mr Hennie de Jager, and the vice-chairman, Mr Botie Viljoen, in Cape Town today — but he has not yet agreed to meet the farmers.

The maize farmers revolt started last week when Mr Wentzel announced a 10 percent increase in the price of maize but said farmers would get no share in the higher price. The eight producer members of the 13-member Maize Board resigned in protest.

Nampo, an influential organisation, is determined to apply as much pressure on the Government as possible and is backing the protest meetings.

It plans to hold a mass meeting for farmers on Friday in Klerksdorp and will ask Mr Wentzel to attend to explain the Government's position.

Several protest meetings were held in the Western Transvaal on Saturday — and meetings are planned for today in Geysdorp, Nylstroom, Wolmaranstad, Henneman, Ventersburg, Ventersdorp and Ogies.

Argus 29/4/85

Farmers set to cut off maize supply

3 MAIZE

Argus Correspondent

PRETORIA. — Maize farmers plan to starve the country of maize from next Monday in protest against the Government's decision not to raise the producers' price.

At meetings in Bothaville and Vierfontein on Saturday, it was unanimously decided to urge the National Maize Producers' Organisation (Nampo) to co-operate with Uniegraan — an umbrella organisation of farmers' co-operatives — to withhold all deliveries from silos throughout the country.

A call was also made on farmers throughout the country to stop taking maize to silos.

The meeting at Bothaville adopted a motion of no confidence in the Minister of Agriculture, Mr Greyling Wentzel.

MASS MEETING

He should state before or on May 3 his "vision" for the maize industry and spell out acceptable reasons for the price decision, or he should resign.

Twenty meetings of farmers will be held today in the Transvaal and Free State to air grievances and discuss strategies.

A mass meeting of maize farmers will be held on Friday in Klerksdorp and Mr Wentzel will be asked to attend to explain the State's view.

● The SA Poultry Association says the maize price increase would raise the production costs of eggs. This would be passed on to the consumer.

Maize crisis: Board on brink of collapse as rebellion grows

ARGUS 30/4/85

(3 MAIZE)

Argus Correspondent

JOHANNESBURG. — The crisis in the maize industry has led to the virtual collapse of the Maize Board as farmers around the country join the agricultural rebellion.

At protest meetings in the western and northern Transvaal, Natal and the Free State, farmers agreed to suspend deliveries to grain silos until Friday's mass meeting at Klerksdorp.

The biggest meeting was held yesterday at Nylstroom, where 500 farmers passed a motion of no confidence in the Minister of Agricultural, Economic annd Water Affairs, Mr Greyling Wentzel.

Mr Wentzel has been invited to attend Friday's meeting but he has declined.

THREATS BY PRODUCERS

A call was made at the meeting for the marketing of maize to be switched from the Maize Board to the National Maize Producers' Organisation (Nampo).

The general manager of the Maize Board, Mr Hennie Nel, refused to comment on threats by producers to withhold supplies of maize.

"As of last Thursday, for practical purposes I have had no Maize Board. I was asked by Mr Wentzel to carry on and administer the new prices," said Mr Nel.

EIGHT RESIGNATIONS

Eight producer members of the 13-member board resigned last week after it was announced there would be no increase in the producer price of maize this year. The Maize Board is unable to take major decisions without the aid of producer members.

In a new development, Mr Wentzel yesterday met a delegation of the National Maize Producers Organisation in Cape Town and agreed to arrange a meeting between Nampo representatives and the State President, Mr P W Botha. The meeting will be held on Thursday.

In spite of this concession, the crisis is unlikely to be resolved unless Mr Wentzel agrees to attend Friday's protest meeting.

The Minister has warned against the actions of farmers who wanted to prevent other farmers from delivering their maize to the co-operatives or who themselves refused to deliver maize.

● Our Political Correspondent reports that the revolt of the maize farmers is causing serious concern in National Party circles amid indications that its right-wing opponent, the Conservative Party, is moving in to exploit the situation at tomorrow's crucial provincial by-election in Harrismith.

Nationalist politicians concede that their party is fighting with its back against the wall in this Free State constituency.

A breakthrough in the Free State will give the CP a badly needed psychological boost.

● See Page 4

Mercury 30/4/85

PW bids to quell farmers' revolt

30/4/85 3-Maize

Mercury Correspondent 30/4/85

PRETORIA—President Botha is expected to meet South Africa's maize farmers on Thursday in a bid to quell a revolt which bubbled over last night, and in Northern Natal looked like leading to a barricade of silos in three towns to prevent further maize deliveries for at least a week.

The farmers are furious that the Government held the producer price at last year's levels last week while granting a 10 percent increase on the consumer price.

They have demanded that Agriculture Minister Greyling Wentzel attend a protest rally at Klerksdorp on Friday and explain why a Maize Board demand for a 20 percent rise in the producer price was turned down flat.

But last night it was learned that the minister had rejected the demand and attacked what he called the irresponsible behaviour of farmers who had threatened to withhold deliveries.

Mr Wentzel said he was prepared to hold further meetings with the executive of the National Association of Maize Producers to explain further the Cabinet reasons for rejecting the producers' demands.

But a senior Nampo spokesman pointed out such discussions had already been held — there was a meeting yesterday which went on for more than two hours — and there was little point in continuing them.

After yesterday's meeting, Mr Wentzel agreed to arrange a meeting on Thursday between the Nampo executive and President Botha.

Thirty meetings throughout the maize growing areas of the country were held in protest yesterday and all unanimously decided to withhold supplies unless the minister attended the rally at Klerksdorp.

It was understood that 42 farmers from the Blood River area resolved yesterday morning not to deliver maize to silos for at least a week and about 35 from Vryheid and Pietersburg decided to hold out for 10 days.

An unknown number from the Utrecht and Dundee areas also intend to join the protest.

'We haven't had a good crop,' said Mr Raymond Mills, a Blood River farmer.

'In the meantime, the price of fertiliser has gone up 20 percent, diesel is up by 27c/ℓ and interest rates are soaring.

Badly in debt

'If they can allow our costs to go up as much as they have, then at least they can be fair and give us a cut of whatever increase is necessary.

'The only farmers who will deliver are those who are badly in debt.'

Mr Mills was not sure how many farmers would join the protest, but he felt 100 would not be an overestimation.

Mr E Muhl said: 'We farmers have decided we're not going to deliver until the Government decides to pay us a fair price.

'We must somehow get through to them their unfairness in the handling of the situation.'

Mr Wentzel was not available for comment last night but Dr D W Immelman, Director General of the Department of Agriculture, said the department was aware of the latest developments.

However, the minister was still involved in negotiations with Nampo and had no further comment to make.

Sapa's correspondent in Vryheid reported that farmers from Vryheid, Dundee, Utrecht and Blood River had decided no maize would be distributed to the silos after 4 p m yesterday.

They said they would use trucks to barricade the entrances to Vryheid, Dundee and Blood River silos to prevent any producer from delivering maize.

The biggest of yesterday's meetings was at Nylstroom, where 500 farmers passed a motion of no confidence in the minister.

According to a Nampo spokesman, at least three National Party MPs have attended protest meetings and have declared their solidarity with the farmers and rejected the minister's price freeze.

They are Mr M D Maree (Parys), Mr Steyn Terblanche (Heilbron) and Mr H J Tempel (Ermelo).

Nampo's economist, Dr Kit le Cluse, said: 'Farmers feel that if the minister is unwilling to face them, he has no reasonable explanation for the price freeze.'

Meanwhile, the Government is thought to be disturbed at the action of some platteland MPs in supporting farmers in their protest.

The NP performance in the Harrismith Provincial Council by-election tomorrow, where the National Party is opposed by the Conservative Party, could be adversely affected.

condolence, there to save the Mail.

British TV news cameramen filmed Rand Daily Mail staff at work last night bringing out the newspaper's last edition. At the News Desk, Mail News Editor Sean O'Connor, left, and reporter Dave Capel.

Irate maize farmers refuse to deliver

RDM 3/4/1985

3-MA

Mail Reporter

SOUTH AFRICA's maize farmers yesterday declared open revolt against the Government by deciding to discontinue deliveries to co-operatives until the Government reviewed its decision not to raise producer prices.

Thousands of farmers congregated yesterday at 30 protest meetings in the Northern Transvaal, Northern Natal and Orange Free State.

At the largest meeting, at Nylstroom, 500 farmers passed a motion of no-confidence in the Minister of Agriculture, Mr Greyling Wentzel, deciding there would be no more off-loading of maize until the price had been reconsidered.

According to a Nampo spokesman, at least three National Party MPs have attended protest meetings, and have declared their solidarity with the farmers, rejecting the Minister's price freeze.

They are Mr M D Maree (Parys), Mr Steyn Terblanche (Heilbron) and Mr H J Tempel (Ermelo).

A mass meeting of maize farmers is planned for Klerksdorp on Friday. Mr Wentzel has declined an invitation to address the meeting.

Sapa reports that at meetings held today at Nylstroom, Blood River, Vryheid and Vredefort, farmers decided that deliveries would be stopped until at least Friday.

Farmers plan to barricade entrances to silos with lorries to prevent producers from delivering maize.

In Cape Town this afternoon, Mr Wentzel met a high-level Nampo delegation to discuss the farmers' grievances.

Iron Man Ed barred from Comrades

By BRIAN ROSS-ADAMS

IRON MAN winner Edward King has been barred from running in the Comrades Marathon at the end of May.

The "flying doctor" from Delmas — despite his protestations to the contrary — looked a certainty for a gold medal in the mighty 90km race from Durban to Maritzburg.

But a tragic mix-up has cost him a place among the massive field of 10 100 runners who will line up for the great race on May 31.

His entry was rejected by the Comrades Marathon Committee as King has not run an officially-recognised sub-4hr 30min standard marathon in the past 12 months.

In the Iron Man two months ago, King covered the final standard marathon leg in a few seconds over three hours — an incredible performance as it followed 21km of canoeing and a 97km cycling leg in Transvaal mid-summer heat.

Vaal calls back Robbie

By GREG STRUTHERS

TRANSVAAL'S embattled rugby hierarchy continued their search for a winning provincial combination yesterday by naming two changes to their side for Saturday's Currie Cup opener against Free State at Ellis Park.

The Vaal selectors recalled former British Lions scrumhalf John Robbie, and Jock Lappies Labuschagne.

Meanwhile, rugby sources yesterday indicated that the lavish 70 000-seat Ellis Park Stadium will not be included as a Test venue for the proposed visit by the All Blacks.

The South African Rugby Board meet in Cape Town this morning

See Back Page

Top SA pop group Juluka is to break up

By JOHN MILLER

JULUKA, South Africa's first multi-racial group which has enjoyed worldwide success in the past two years, is to break up.

Sipho Mchunu, a co-founder of Juluka along with Johnny Clegg more than a decade ago, has decided to return to his family and farm in Natal.

After several years of playing together, Johnny and Sipho signed a recording contract with Hilton Rosenthal and the present line-up — with four other members — came into being soon afterwards.

During the past two years Juluka has twice undertaken tours of Canada and the United States, and once in Europe. The group also entered the charts in many countries with songs like "Scatterlings" and "Fever".

Clegg will soon begin work on his first solo album.

Maize farmers' rebellion spreads

3 May
Star
30/4/85

By Colleen Ryan, Pretoria Bureau

The crisis in the maize industry has led to the virtual collapse of the Maize Board as farmers around the country join the agricultural rebellion.

And a major confrontation over the maize price which is developing between the Government and the National Maize Producers Organisation (Nampo) could have significant political overtones.

At numerous protest meetings in the Transvaal, Natal and the Free State, farmers have agreed to suspend deliveries to grain silos until Friday's mass meeting at Klerksdorp.

The largest meeting was held yesterday at Nylstroom, where 500 farmers passed a motion of no confidence in the Minister of Agricultural, Economic annd Water Affairs, Mr Greyling Wentzel.

They also called for the marketing of maize to be switched from the Maize Board to Nampo.

The general manager of the Maize Board, Mr Hennie Nel, refused to comment on threats by producers to withhold supplies of maize.

"As of last Thursday, for practical purposes I have had no Maize Board," said Mr Nel. Eight producer members of the 13-member board resigned last week after it was announced there would be no increase in the producer price of maize this year.

In a new development yesterday, Mr Wentzel agreed to arrange a meeting between Nampo representatives and the State President, Mr P W Botha, on Thursday.

From Cape Town it is reported that the impending clash between the Government and Nampo could have political overtones.

Mr Wentzel has warned farmers who want to block maize deliveries that they themselves would eventually be harmed.

It was revealed yesterday that about 10 National Party MPs saw Mr Wentzel yesterday. One of the MPs, Mr Jurie Mentz (Vryheid), said farmers were "acting on the instructions of Nampo" and the delegation had gone to warn him about "what is going to happen".

P W Botha expected to meet maize farmers

CAPE TIMES 30/4/85

3MAIZE

Own Correspondent

PRETORIA. — The State President is expected to meet representatives of the country's angry maize farmers in an effort to resolve a problem which could disrupt the maize industry and cause a disastrous shortage of mealie meal.

After a 2½-hour meeting between the Minister of Agriculture, Mr Greyling Wentzel, and the chairman of the National Maize Producers Organization (Nampo), Mr Hennie de Jager, the minister agreed to arrange a meeting on Thursday with Mr Botha.

The minister rejected a demand from maize farmers to attend a mass meeting in Klerksdorp on Friday to explain the cabinet's reasons for freezing the maize price.

The minister last night condemned the irresponsible behaviour of a section of the mealie industry threatening to withhold maize deliveries.

He said he was prepared to meet Nampo's executive to further explain the reasons why the cabinet decided not to grant a price hike.

A senior Nampo spokesman said last night Nampo's executive already had had discussions with the minister on the reasoning behind the price freeze.

There was little point in further discussions with the minister as the executive had rejected the minister's reasoning.

However, the minister owed the maize farmers an explanation for the government's action.

As many as 100 Natal farmers are expected to join the growing protest against the Maize Board's refusal to grant producers a price increase.

It was reported that 42 farmers from the Blood River area resolved yesterday morning not to deliver maize to silos for at least a week, and about 35 farmers from Vryheid and Paulpietersburg decided to hold out for 10 days.

An unknown number from the Utrecht and Dundee areas also intend to join the protest.

"We haven't had a good crop," said Mr Raymond Mills, a Blood River farmer.

"In the meantime the price of fertilizer has gone up 20 percent, diesel is up by 27c a litre, and interest rates are soaring.

"If they can allow our input costs to go up as much as they have done, then at least they can be fair and give us a cut of whatever increase is necessary."

Maize row grows

Second MP dissociates himself from Government's decision on price

By TOS WENTZEL, Political Correspondent

ARGUS 1/5/85

3 MAIZE

THE row over the maize price has grown, with a second Nationalist MP publicly dissociating himself from the Government's decision to increase the consumer price but not the producer price.

And the measure of just how angry South Africa's maize farmers are with the Government could emerge today when voters of the Free State town of Harrismith and surrounding districts go to the polls in a provincial by-election.

Angry maize farmers are holding protest meetings in the Free State and Transvaal and tomorrow a delegation of farmers will meet President P W Botha in Cape Town.

The biggest protest meeting, at which about 6 000 farmers are expected, will be held in Klerksdorp on Friday.

The Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, has declined to attend but he may be forced to go.

At a protest meeting at the weekend Mr M D Maree, whose Parys constituency has huge maize-producing areas, dissociated himself from the Government decision.

Mr Maree has explained that he is dissociating himself only from the decision and not from the Minister.

Now a second Nationalist MP, Mr Willie Lemmer of Schweizer-Reneke, has followed suit.

Parties convinced

Addressing a meeting of the National Maize Producers' Organisation (Nampo) in his constituency, Mr Lemmer called on the farmers to act responsibly and said the solution lay in talks with Mr Wentzel and President Botha.

From Harrismith The Argus Correspondent reports that the National Party and the Conservative Party are convinced that the Government's announcement will have an effect on the result of the by-election.

"The announcement will certainly have an effect on the campaign as a whole," Mr Gustav Claasens, Conservative Party organiser, said yesterday.

Until the announcement the two parties appeared to be running neck and neck, but NP workers are now concerned that the maize price issue and farmers' anger could produce a big setback in the Free State, which since 1953 has been exclusive NP territory.

(Report by Tos Wentzel, 122 St George's Street, Cape Town and G van Staden, 47 Sauer Street, Johannesburg.)

Slight edge for NP man in Harrismith poll

HARRISMITH. — The two-cornered fight for a provincial seat here today between the National Party and the Conservative Party is developing into a tight contest, with the NP candidate, Mr Dirk Odendaal, appearing to hold a slight edge in Harrismith itself while the CP's man, Mr Cehill Pienaar, has the upper hand in the surrounding districts.

"They are slightly in front here but we are doing far better at the other polling stations," Mr Gustav Claassens, CP campaign manager, said.

The other major polling districts are Lindley and Petrus Steyn and it is here that the CP have the edge.

Harrismith and districts have a large farming community and their votes today could decide the outcome of the election.

"The National Party has been bringing along many old people to vote for them. The old folk here are very staunch Nationalists," Mr Claassens said, but he added that he expected the trend to turn in favour of the CP later.

There were slim pickings in the form of voters for a small army of election workers at polling stations in today's by-election in the Port Elizabeth constituency of Newton Park.

Voting got off to a slow start and by midday the electoral officer, Mr D Vermeulen, reported that 5 079 people, or 28,2 percent of the 18 010 registered voters, had cast their ballots.

However, more than half of these were special and postal votes recorded before today's polling. — Argus Bureau and Argus Correspondent.

(News by G van Staden, 47 Sauer Street, Johannesburg and K Vernon, 153 Main Street, Port Elizabeth.)

45c
48c
42c

45c
52c
46c

3-Maize

FENYANE and Miss Idah Madonsela, staunch members of Women's Club, enjoying refreshments after the club's meeting in Mamelodi at the weekend.

Maize price hike is flayed

Sowetan 1/5/85

THE latest increase in the price of maize was condemned by leading supermarkets today.

Mr Clive Weil, the managing director of Checkers, said: "We will try to keep the current price levels of maize as long as we can. The maize price has increased by more than 150 percent in the last six years and we will be doing all we can to cushion the increase.

"The producers and millers can fight but in the end it is the consumer who pays. I believe it was a brave decision politically and otherwise to keep the maize price at the old level," he said.

The chairman of the Maize Board, Mr Van Abo has condemned the Government's decision to reject a producers' increase. He said the decision had nothing to do with the economy.

"This is only a smokescreen. The decision was a political one." Mr Van Abo has resigned from the board in protest.

Mr Richard Cohen, of Pick 'n Pay pledged to sell existing stocks at the old price. He estimates the more popular sizes to be exhaused in four or five weeks.

CAPE TIMES 15/8/86

Maize rebellion spreads

JOHANNESBURG. — The crisis in the maize industry has led to the virtual collapse of the Maize Board as farmers around the country join the agricultural rebellion.

A major confrontation over the maize price which is developing between the government and the National Maize Producers Organization (Nampo) could have significant political overtones.

At numerous protest meetings in the Transvaal, Natal and the Free State, farmers have agreed to suspend deliveries to grain silos until Friday's mass meeting at Klerksdorp.

The largest meeting was held yesterday at Nylstroom, where 500 farmers passed a motion of no confidence in the Minister of Agriculture, Mr Greyling Wentzel.

They also called for the marketing of maize to be switched from the Maize Board to Nampo.

Eight resignations from board

"As of last Thursday, for practical purposes I have had no Maize Board," said the general manager of the board, Mr Hennie Nel. Eight producer members of the 13-member board resigned last week after it was announced there would be no increase in the producer price of maize this year.

● Political Staff report that the Nampo chairman Mr Hennie de Jager and his deputy, Mr Boetie Viljoen, will have discussions with the State President, Mr P W Botha, in Cape Town tomorrow in an attempt to settle the growing controversy.

From Cape Town it is reported that the impending clash between the government and Nampo could have political overtones.

Mr Wentzel has warned farmers who want to block maize deliveries that they themselves would be harmed eventually.

Warning of repercussions

It was disclosed yesterday that about 10 National Party MPs saw Mr Wentzel yesterday. One of the MPs, Mr Jurie Mentz (Vryheid), said farmers were "acting on the instructions of Nampo".

● Mr Ralph Hardingham, NRP spokesman on agriculture, has expressed concern at the proposed action by maize producers.

In a statement released in Cape Town yesterday, Mr Hardingham said the consequences of such action could have serious social and economic repercussions because maize was a staple food.

"I am also concerned that political influences are being brought into the issue, which if pursued will be disastrous for the country.

"Not only does it create a precedent in regard to the manner in which price negotiations of agricultural products are conducted but it will destroy one of the main cornerstones of the Marketing Act."

Mr Hardingham said he hoped the maize producers, through Nampo, would exercise discretion and responsibility at this time in their negotiations with the government. — Sapa

Maize: PW unlikely to win

Maize Star 1/5/85

The controversy in the maize industry continues to grow and the clash between farmers and the Government is becoming a serious political issue.

The row became so intense this week that the State President, Mr P W Botha, was forced to step in.

He has agreed to meet producer representatives in Cape Town tomorrow.

The meeting is unlikely to resolve the dispute.

Producers are adamant in their demand for the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, to attend a mass meeting of farmers to explain why the Government refused to grant them an increase in the price of maize.

The National Maize Producers' Organisation is holding a mass protest meeting in Klerksdorp on Friday, but Mr Wentzel has publicly stated that he refuses to attend.

His reluctance to attend is understandable; he is likely to receive an extremely hostile reception and this could

By Colleen Ryan, Pretoria Bureau

harm his credibility.

This week maize farmers held meetings all over the country and many agreed to suspend deliveries to grain silos until Friday's meeting.

Several silos have been picketed and protesters have stopped the inflow of maize.

The consequences are grave if farmers continue to withhold deliveries.

Although the confrontation between the Government and farmers is based on economic issues, the ensuing battle is likely to become political.

The National Maize Producers' Organisation is a highly influential and well organised group representing maize farmers.

Although it claims to be apolitical, its leaders are openly critical of the Government.

Although the organisation insists that it does not promote the Conservative Party or the Herstigte Nasionale Party, it is inevitable that these parties will gain support.

Friday's protest meeting could become decidedly anti-Government and it is not the only form of political pressure being exerted by the organisation.

Maize farmers have been encouraged to meet their rural MPs to call on them to take a stand on the maize price.

If the MPs come out against the Governemnt's decision, they may be called on to quit the National Party.

The National Maize Producers' Organisation appears to have a considerable advantage and the Government will need clever strategy to outwit the organisation.

Sources in the maize industry say the Government has never been happy with the organisation's aggressive stand.

The organisation was established five years ago and was a merger between farmers happy with the status quo who backed the South African Agricultural Union, and farmers who wanted more independence and influence for maize farmers.

Last week, when the eight producer members of the Maize Board resigned, Mr Wentzel did not try to dissuade them.

It may have been that the Government was relieved to be rid of National Maize Producers' Organisation influence on the Maize Board.

Mr Wentzel now intends negotiating with the South African Agricultural Union to fill the vacant positions on the Maize Board, probably with members who do not support the National Maize Producers' Organisation.

It is doubtful whether the traditionally conciliatory South African Agricultural Union will agree to fill these positions, because it is anxious to maintain support and credibility with maize farmers.

Farmers' fair marred by maize price dispute

(3) Maize S fair.

1/5/85

By Colleen Ryan

BOTHAVILLE. — "The devil, Wentzel, should resign," exclaimed graffiti written on the window of a bus that was packed with farmers.

The bus, along with thousands of other vehicles, today headed for a sleepy farm in the Northern Free State to attend the annual Farmers' Day of the National Maize Producers' Organisation (Nampo).

This year's harvest celebrations at Nampo's farm near Bothaville has been marred by the dispute between the Government and farmers over the maize price.

The mood among farmers here is subdued and opinion appears to differ on the Government's decision not to increase the producer price of maize.

"It is unfair — the Minister should resign," said one young farmer.

"The Government is right — they have to consider the economy as a whole," said another.

The harvest festivities last three days, but today is the big event and the organisers expect at least 6 000 farmers to attend.

Hundreds of companies and breed societies are exhibiting at the fair and the value of exhibits is more than R50 million.

CAPE TIMES
2/5/85
3 MAIZE

Maize revolt: President steps in

Political Staff

IMPORTANT announcements are expected tonight after a meeting between the State President and officials representing farmers rebelling at the government's decision not to increase the producer price of maize.

Two Nationalist MPs, Mr M D Maree (Parys) and Mr Willier Lemmer (Schweizer-Reneke), have come out in support of maize farmers who are protesting against the government's decision to increase the consumer but not the producer price of maize.

Both men represent vast maize-producing constituencies and have taken the almost unprecedented step for Nationalist MPs of openly opposing a government decision.

Farmers in different parts of the country are refusing to deliver maize to the silos and more protest meetings are planned for this weekend.

The growing row also clearly affected voting in yesterday's Harrismith provincial by-election where farmers who had promised their votes to the National Party openly supported the Conservative Party.

The situation has become so serious, that the State President, Mr P W Botha, has agreed to meet the chairman of the National Maize Producer's Organization (Nampo), Mr Hennie de Jager, and his deputy, Mr Boetie Viljoen, in Cape Town this evening.

The Minister of Agriculture, Mr Greyling Wentzel, declined to comment on the crisis or on the action of the two Nationalist MPs.

However, he said important announcements could be expected this evening after the conclusion of the talks with the State President.

● Our correspondent in Pretoria reports that maize farmers are expected to decide to continue to withhold supplies from co-operatives if there is no compromise in the price issue.

The farmers are holding a major meeting in Klerksdorp tomorrow.

Blockade

Nampo has given an assurance that it has no intention of prejudicing consumers by a maize blockade, but a spokesman stated it was the only weapon farmers had to see justice done.

Meanwhile SA Agricultural Union recommendations to replace the eight members of the Maize Board who resigned last week will only be made after consultation with Nampo, Mr Kobus Jooste, the president of SAAU said in Pretoria yesterday.

The eight members resigned after the board was informed by the Minister of Agriculture that the producer maize price would not be increased this year.

No quorum

Meanwhile the board is without a quorum and all instructions have to come from the minister.

● Sapa reports from Bloemfontein that white maize supplies will be exhausted within four days if farmers do not deliver supplies to the Maize Board.

According to the board's general manager, Mr Hennie Nel, yellow maize supplies were sufficient to meet the country's needs for two to 3½ months.

Asked whether maize would be imported in the event of a shortage, Mr Nel said it was difficult to arrange imports on short notice as prolonged negotiations were necessary.

● See Page 4

Maize will last 14 days, says board

(3) Maize
Star
2/5/85

By Colleen Ryan, Pretoria Bureau

The supply of white maize is drying up and stores could be without stock within 14 days if farmers continue to withhold supplies, according to Mr Hennie Nel, general manager of the Maize Board.

Mr Nel said today: "The situation is very serious. From Monday I will not be able to accommodate orders for white maize from millers.

"Eventually wholesalers and retailers will not be able to obtain stock."

The situation with yellow maize was much better, and local and imported supplies available would last two months, said Mr Nel.

The growing crisis over maize supplies coincides with the meeting today between the State President, Mr P W Botha, and representatives of the National Maize Producers Organisation (Nampo).

Maize farmers are gearing themselves up for a mass meeting in Klerksdorp tomorrow where they will decide on further action.

The general manager of Nampo, Dr Piet Gous, said yesterday if maize farmers held back supplies for one or two weeks more, the country would face a serious shortage.

The row over the maize price has spread to the National Party and at least two MPs have disassociated themselves from the government's decision.

They are Mr Pikkie Maree of Parys and Mr Willie Lemmer of Schweizer-Reneke.

● See Page 17.

Maize crisis: Nampo meets PW, Wentzel

ARGUS 2/5/85

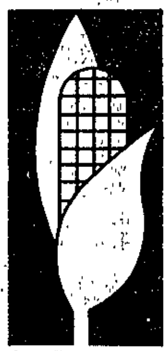
3 maize

Political Correspondent

THE executive of the National Maize Producers' Organisation (Nampo) is meeting President P W Botha and the Minister of Agricultural Economics, Mr Greyling Wentzel, in Cape Town today.

A big protest rally of maize farmers will be held in Klerksdorp tomorrow and Mr Wentzel may attend, although he initially declined to do so.

The dispute arises from the Government's decision not to increase the producer price of maize but to increase the consumer price of yellow maize by 9,8 percent and white maize by 10 percent.



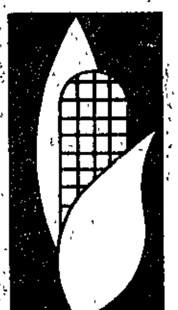
The decision is a result of the Government plan to cut its subsidy on the storage and handling costs of maize from R160-million to R100-million — in line with its policy of phasing out food subsidies.

Maize farmers asked for a price of R270 a ton this year, but the Government has decided that it must stay at R218 a ton for white maize and R214 a ton for yellow maize.

The Argus Correspondent in Johannesburg reports that the supply of white maize is drying up and stores could be without stock within two weeks if farmers continue to hold back their crops.

"The situation is very serious," the general manager of the Maize Board, Mr Hennie Nel, said today. "From Monday I will not be able to accommodate orders for white maize from millers. Eventually wholesalers and retailers will not be able to obtain stock."

Large millers had one or two weeks' supply in hand, but supplies to some smaller millers had already dried up.



The situation with yellow maize was much better, and local and imported supplies would last two months, said Mr Nel.

The situation is unlikely to be resolved today unless the Government backs down and agrees to an increase in the producers' price of maize.

The general manager of Nampo, Dr Piet Gous, said some parts of the country had already run out of maize. Supplies from the Free State were being transported to these areas.

The Government has pointed out that, while the producer's price of all other agricultural products has decreased by 8,1 percent in the past two years, the price of maize has increased by 13,3 percent.

Maize farmers maintain that their costs, especially free prices, have risen sharply.

In the midst of all the troubles over prices and politics, it's harvest time in the platteland

Hands on hips . . . visitors survey the scene at the harvest day celebrations.

The day 6 000 maize farmers came to a party . . . and brooded

(3) Maye

By Colleen Ryan, Pretoria Bureau

In the dusty heart of the Free State mealie lands 6 000 farmers yesterday attended one of the world's biggest harvest day celebrations.

They came in buses and vans, cars and bakkies, some even in light planes, to share in the festivities held on the National Maize Producers' Organisation farm near Bothaville.

Yesterday was the second and most important day in the event's three days.

The dress was decidedly platteland: shorts and open-neck shirts, veldskoen and long socks; clothing to suit the mood.

The harvest day boasted impressive displays, a variety of agricultural implements worth more than R50 million.

But most farmers appeared to be just window-shopping.

After the Government's rejection of an increase in the producer price of maize, farmers are in no mood for spending.

The organisation of harvest day with its displays and demonstrations, efficient catering halls and communication system would probably earn the admiration of any show manager.

Yet most visitors seemed subdued, preoccupied by the troubles in the maize industries.

The four-year drought rarely features in the conversations of city-dwellers, but its reality is still felt by country people.

Added to this is the confrontation between farmers and the Government over the maize price.

In a massive dining hall where hundreds of meals of mealie pap, meat and salad were served to farmers and their families, the maize dispute often dominated conversation.

Although opinions on the subject differed farmers agreed on one point: their troubles were caused not by a producer price which is too low, but by excessive increases in the prices of fertiliser, tractors and fuel.

Most producers appeared to be in favour of holding back maize supplies until the Government relented and agreed to an increase.

Many expressed disillusionment and dissatisfaction with the National Party.

"All the years I have voted National Party, but now they are letting us down," said Mr Douw Wessels, a 70-year-old farmer from Potchefstroom.

He added that the Conservative Party was likely to gain considerable support in the platteland but that these divisions were not good for farmers.

Lichtenburg farmer Mr Jan van der Westhuizen expressed misgivings about the direction of the Government.

"I support this boycott," he said. "If we don't win this battle, then the farmers are finished."

Klerksdorp farmer Mr Kobus Jordaan said he was not in favour of the maize boycott.

"I am a simple farmer," he went on. "My knowledge of the situation is limited.

"I think important economic decisions should be made at a higher level."

Leeudoringstad farmer Mr Johan Swanepoel, a supporter of the Afrikaner Weerstandsbeweging, stressed that the real problem was high costs.

He said the boycott was necessary to force the Government to do something about them.

"I support the boycott," said Mr Swanepoel.

"The Afrikaaner people must stand together.

"If something is not done soon about the unrest and the economic situation in the country we are in for a lot of trouble."

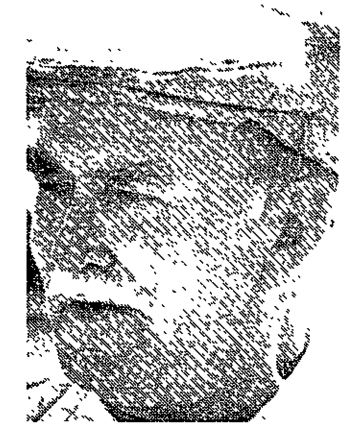
Most farmers pledged support for a mass protest meeting to be held by the National Maize Producers' Organisation in Klerksdorp tomorrow.

"There are going to be fireworks," one predicted.

At the end of the long hard day visitors seemed to be more relaxed, probably as a result of hearty homemade meals and glasses of wine or beer.

As they headed for hotels or home many might have been pondering their future . . . and the outcome of their battle with the Government.

Farmer Jordaan



Farmer Swanepoel

Farmer van der Westhuizen

Why old Douw Wessels is worried

Pretoria Bureau

Douw Wessels's face is lined, but strong.

At 70 he still runs his farm in the Potchefstroom district without the help of a manager.

"It is not too difficult if you run things well and take good care of your workers," he says with a smile.

Mr Wessels is visiting the National Maize Producers' Organisation harvest day in Bothaville, as has been his custom for many years.

He admits he is a man of habit.

But now after a lifetime of voting for the National Party, he is worried . . . about the unrest, the policies of the Government and the economic crisis facing maize farmers.

"All the years I have voted National Party," he says as the smile fades, "but now they are letting us down and I can't support them any more.

"Before World War 2 things were bad in this country. The same thing seems to be happening again."

Mr Wessels began his career as a maize farmer 48 years ago in Bothaville.

In those days he sold a bag of mealies for 66c.

"Now everything is so expensive," he says.

"I have got three sons in the engineering trade.

"They are interested in farming, but they see no future in it.

"I don't know what is going to happen.

"The Conservative Party will grow in power, but this will just divide the farmers."

Mr Wessels seems genuinely sad that his political allegiance has changed.

"We have got to fight the Government on this maize price issue," he says.

"If we go bankrupt, agriculture in this country is finished."

Farmer Wessels

Farmers told they could lose subsidies

3 MARE ARGUS 3/5/85

Argus Correspondent

KLERKSDORP. — The Government has threatened to withdraw subsidies and indirect financial assistance to farmers if they continue to withhold maize.

This was disclosed today by the chairman of the National Maize Producers' Organisation (Nampo), Mr Hennie de Jager, at a protest meeting attended by 3 000 maize farmers who vented their fury on the Government.

Mr de Jager, who held discussions yesterday with the State President, Mr P W Botha, described the meeting as "the most unpleasant I've ever been to in my life".

DECISION

The protest meeting was addressed by several senior Nampo representatives and a former chairman of the Maize Board, Mr Crawford van Abo. A decision will be taken later today on whether farmers will defy the Government and continue to hold back their maize.

The chairman of a major group of grain co-ops, Mr Piet Steyn of Uinegraan, said his management would recommend that member co-ops support maize farmers if they intended to hold back supplies.

DOUBLE STANDARDS

The general manager of Nampo, Dr Piet Gous, said the Government practised double standards when it came to agriculture.

Dr Gous said farmers should carefully consider the financial consequences of withholding maize. But, he said, there was a time when "farmers must stand up and be counted".

Mr van Abo warned that the white maize supply situation was critical. At least four major silos were close to running out.

HECKLING

"Agriculture has come to the crossroads. The decision which must be taken today must be one which can be defended."

Farmers were in an angry mood and there were was a great deal of derisive heckling from the audience.

● The Minister of Agriculture, Mr Greyling Wentzel, is to go on a six-week tour of the maize-producing areas to meet farmers and justify the Government's refusal to increase the producer price of maize, Sapa reports.

His decision follows the meeting last night at which the Government refused to back down on its price decision.

Price talks labelled 'aggressive and unfortunate'

PW in stormy clash with maize farmers

(3) Maize B. Day 3/5/85

By PAUL BELL: Political Correspondent

FARMERS' hopes that the Government might relent on its maize price decision were dashed last night during a stormy meeting between the State President, Mr P W Botha, and the two top officials of the National Maize Producers Organisation.

Mr Botha bluntly told Nampo that the Government would stick to its guns. Nevertheless, he offered a sweetener with the medicine — an additional R100-million in aid to drought-stricken farmers in the summer rainfall areas.

Present at the talks were Mr Botha, the Minister of Agricultural Economics, Mr Greyling Wentzel, the Minister of Finance, Mr Barend du Plessis, the chairman of Nampo, Mr Hennie de Jager, and his deputy, Mr Boetie Viljoen.

The chairman of the SA Agricultural Union, Mr Kobus Jooste, was also present. The meeting at Tuynhuys lasted 90 minutes. It is reliably understood that the atmosphere of the meeting was tense and that harsh words were exchanged.

When it ended, Mr Jager emerged, shaken but defiant, and said: "It was a very unsuccessful meeting. I am very unhappy about the discussions — they were very aggressive and unfortunate.

"We came with a compromise: it was not accepted at all. In fact, it was not even discussed. The Government was relentless."

Mr de Jager will address a mass meeting of farmers in Klerksdorp today.

Sources within the National Party indicated, however, that the Government would not be held to ransom by the maize farmers. The sources indicated that they believed the crisis had been staged-managed by elements of the farming community sympathetic to the Conservative Party.

It is understood that Nampo's compromise offer would have involved more income for those farmers with a good crop, but little or nothing for those without.

Instead, the Government's grant of a further R100-million in aid will go those who do not have a good crop.

A spokesman for Mr Botha said last night Mr Botha had told the delegation he had considered the representations for an increase in the producer price of maize. But because of the economic circumstances the Government could not comply with the request.

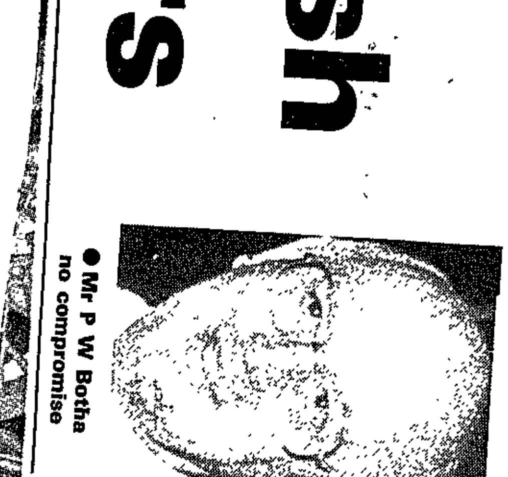
Mr Botha told the delgation that last year, under exceptionaly difficult circumstances, the Government had granted an extremely high increase of 28% in the net producer's price of yellow maize and 30% in the net producer's price of white maize.

Nampo had then indicated in writing that they accepted that the 1984 price would not be used as a basis to fix this year's price.

The President also pointed out that the price of maize affected the greater part of the rest of agriculture and that farmers in the other farming sectors were also entitled to fair treatment.

The Government could not favour one sector at the expense of the rest of agriculture. The maize industry should be "careful not to price itself from the market".

● Earlier yesterday, Mr Greyling Wentzel denied reports that the country would soon be faced with a shortage of white maize.



● Mr P W Botha no compromise

Govt threatens to stop subsidies

By Colleen Ryan

KLERKSDORP — The Government has threatened to withdraw subsidies and indirect financial assistance to farmers if they continue to withhold maize supplies.

This was disclosed today by the chairman of the National Maize Producers Organisation (Nampo), Mr Hennie de Jager, at a mass protest meeting attended by 3 000 maize farmers.

Angry farmers vented their fury on the Government for its unfair treatment of their industry.

Mr de Jager, who held discussions yesterday with the State President, Mr P W Botha, said the meeting was the most unpleasant he had ever been to in his life.

The protest meeting was addressed by several senior Nampo representatives, and a former chairman of the Maize Board, Mr Crawford van Abo.

SUPPORT

A decision will be taken later today on whether farmers will defy the Government and continue to hold back their maize.

The chairman of a major group of grain co-ops, Mr Piet Steyn of Uinegraan, said his management would recommend that their member co-ops support maize farmers if they intended to hold back supplies.

The general manager of Nampo, Dr Piet Gous said the Government practised double standards

Dr Gous said farmers should carefully consider the financial consequences of withholding maize supplies.

But, he said, there was a time when farmers had to stand up and be counted.

Mr van Abo warned that the white maize supply situation was critical.

Mr Botha and senior representatives of the Government last night told a delegation of maize producers bluntly that the decision not to raise the producer price of maize this year would not be changed.

Mr Botha told farmers that the Government had granted an extremely high price increase in maize last year, in exceptionally difficult circumstances.

The maize price had risen in real terms in the past few years, while that of other grain products had decreased. An extra increase in the maize price now would hit consumers at a critical stage in the economic cycle.

The talks last night — described by maize producers as "very aggressive and very unfortunate" — are likely to prompt a sharp reaction from farmers at a meeting in Klerksdorp.

Economists pointed out that the Government's handling of the maize issue was a measure of how serious the condition of the economy was.

Indexing

Mr Louis Geldenhuys, of Senbank, said that it was important that the Government had at last appeared to have broken away from "institutional indexing" of prices, whereby they were raised on the basis of all sorts of arguments not necessarily in the country's economic interests.

Dr O D J Stuart, the Bureau for Economic Research at the University of Stellenbosch's chief economist, endorsed this.

"The decision not to increase the producer price of maize on the eve of an election in a maize-producing area came as a surprise. It is a good indication of the serious attitude of the Government."

Pick 'n Pay chief Mr Raymond Ackerman called the Government decision "brave and non-political, based on the interests of the consumer and the country first and the farmer second".

He said he had sympathy for the farmers, but they had a substantial price increase last year.

PW is praised for tough line on maize

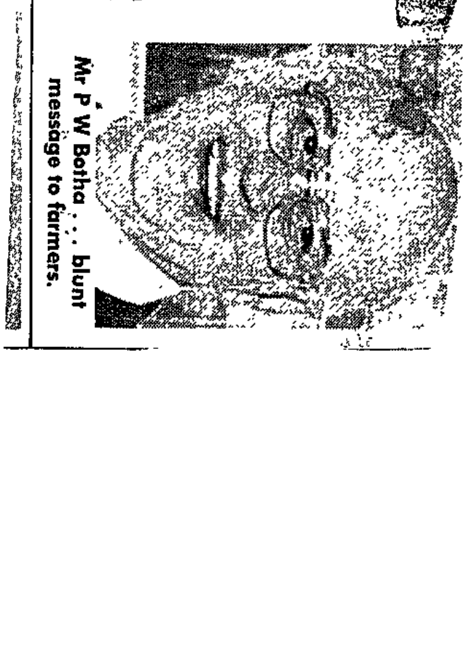
3/5/85

By David Braun, Political Correspondent

Cape Town

The Government's firm handling of the maize producer price despite the growing political backlash was seen as an indication of its determination to alleviate the economic crisis.

This was the view today of leading economists who had nothing but high praise for the way President Botha was handling the issue.



Mr P W Botha . . . blunt message to farmers.

own — Tel: 7014206 No 37 031 Registered at GPO as a Newspaper DURBAN, FRIDAY, MAY 3, 1985 40c (36c + 4c GST)

PW slaps down rebellious farmers

NM 3/5/85 3-maize

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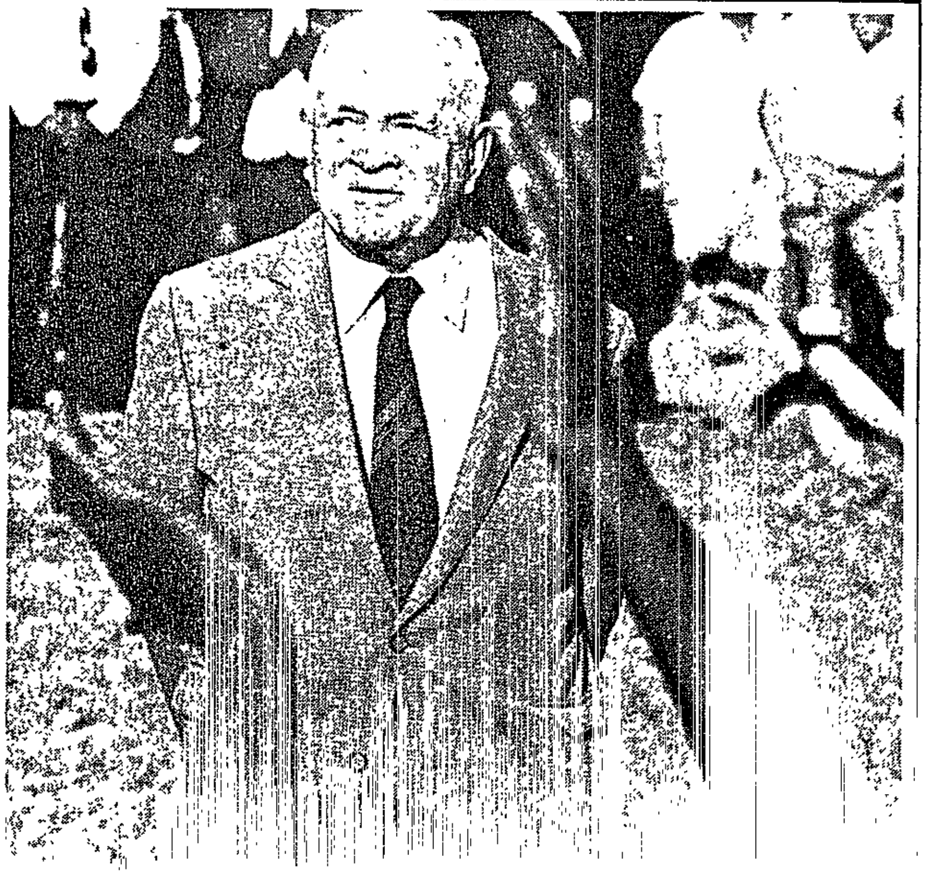
'If that is unacceptable to the Australian Government then in the interests of good relations and for the good of the game we invite the Australian Cricket Board to send a delegation to Johannesburg to thrash it out.'

Mr Dakin said he believed that certain countries such as the West Indies and Pakistan were holding world cricket to ransom.

It was time the game came to its senses, he said, and judged South Africa's readmittance to

Mr Rugby casts his eye . . .



CAPE TOWN—Maize farmers were slapped down by President Botha last night when he bluntly told a delegation there would be no producer-price increase.

ORMANDE POLLOK
Political Correspondent

Farmers' hopes were quickly dashed during a stormy 90-minute meeting in which the President told chairman of the National Maize Producers Organisation, Mr Hennie de Jager and his deputy, Mr Boetie Viljoen, that the maize farmers were in danger of pricing themselves out of the market.

When it was over, Mr de Jager emerged, shaken but defiant, and said: 'It was a very unsuccessful meeting. I am very unhappy about the discussions. They were very aggressive and unfortunate.

'We came with a compromise. It was not accepted at all. In fact, it was not even discussed. The Government was relentless.'

No mood

Mr de Jager would not elaborate on the compromise, saying he wished to hold this over until today

It is understood that Nampo's compromise would have involved more for those farmers with a good crop, but little or nothing for those without.

A spokesman for the President said last night that Mr Botha had told the delegation he had studied their representations for an increase in the producers' price of maize but in view of current economic circumstances the Government could not comply.

The President reminded them that last year, under exceptionaly difficult circumstances, the Government had granted an extremely high increase of 28 percent in the net producers' price of yellow maize and 30 percent in the net producers' price of white maize, and had made available an additional R100 million aid.

Nampo had accepted in writing that the 1984 price would not be used as a basis to fix this year's price.

The President also pointed out that the price of maize affected the greater part of the rest of agriculture and that farmers in other sectors were also entitled to fair treatment.

'Therefore the Government could not favour one sector at the expense of the rest of agriculture and the maize industry should be 'careful not to price itself from the

● TURN TO PAGE 2

own farmers

3-maize

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No mood

Mr de Jager would not elaborate on the compromise, saying he wished to hold this over until today when he will address a mass meeting of farmers in Klerksdorp.

Sources within the National Party indicated that the President had been in no mood to bow to pressure from the farmers.

The delegation had been firmly told that the Government was determined to stick to its guns and would not be held to ransom.

The sources believed the crisis had been staged-managed by elements of the farming community sympathetic to the Conservative Party.

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● TURN TO PAGE 2

Kloof woman attacked by knifeman

Crime Reporter

A 68-YEAR-OLD Kloof woman was viciously attacked when she confronted a knifeman in her home yesterday afternoon.

Mrs Diana Houghton of 59 Uplands Road was stabbed in the head and dragged up and down stairs by a black man, who ...

patrolling the area looking for Mrs Houghton's servant who had disappeared after the attack.

Maize price wrangle

31-MAY 1985

● FROM PAGE 1

market'.

The President indicated that strong representations had been received from the South African Agricultural Union with regard to further aid for the summer rainfall sowing regions

He also told the chairman of the union, Mr Kobus Jooste, that the Government had decided to make available an additional amount of R100-million to help farmers in drought-stricken regions who were still experiencing problems, especially with carry-over debts and production financing.

Further investigations were being conducted to establish to what extent the Government could assist with fodder subsidies.

The President called on the delegation to co-operate in the best interests of all maize farmers.

Earlier yesterday, Minister of Agriculture Mr Greyling Wentzel, who attended last night's meeting along with the Minister of Finance, Mr Barend du Plessis, denied reports that the country would soon face a shortage of white maize and said there was already enough stockpiled to meet demand for a month.

He was reacting to reported suggestions that, should farmers withhold deliveries for two weeks, no supplies would be available for consumption and that if their action should continue, the survival of certain large co-operatives would be jeopardised.

According to a statement, the minister 'emphatically denied that a pending shortage of white maize exists in the country'.

'On the contrary; should deliveries to co-operatives be halted entirely at present, sufficient supplies of white maize exist to provide for at least one month's consumption.

'The available supplies of yellow maize are more than sufficient to satisfy the demand'

The minister said he regretted the dissemination of false reports regarding the stock situation, which caused unnecessary confusion.

NM 3/5/85

He appealed to farmers to take advantage of the concession granted regarding the moisture content of white maize, and concluded by saying the withholding of maize would seriously harm 'the good image' of the maize industry and would have grave financial implications for farmers

President rejects farmers' demands

CAPE TIMES 3/5/85

Political Staff

MAIZE farmers were last night heading for a showdown with the government after the State President, Mr P W Botha, during a stormy meeting bluntly rejected their demands for a producer-price increase.

However, the government has made available an extra R100 million for drought relief.

The chairman of the National Maize Producers' Organization (Nampo), Mr Hennie de Jager, described the meeting afterwards as "very aggressive and very unfortunate".

Sapa reports that the farmers' representatives said they were dissatisfied with the decision.

Sources close to the government indicated too that Mr Botha tore strips off the delegation from the South African Agricultural Union (SAAU) and Nampo for the current maize crisis.

Rebellious maize farmers in various parts of the country are refusing to deliver grain to silos in protest against the government's decision to increase consumer prices but not producer prices.

However, Nationalist sources indicated last night that the government was determined not be "blackmailed" into relenting and there have been suggestions that the present confrontation has been politically orchestrated by sympathisers of the Conservative Party.

It appears that the government is refusing the increase because it would lead to another price increase for hard-pressed consumers.

The face-off at the President's office in Tuynhuys was betweeen Mr De Jager, his deputy, Mr Boetie Viljoen, Mr Kobus Jooste, president of the SAAU, and Mr Botha, Mr Greyling Wentzel, Minister of Agriculture, Mr Sarel Hayward, Minister of Agriculture in the White Ministers' Council, and Mr Barend du Plessis, the Minister of Finance.

Mr De Jager said afterwards that Nampo had offered a "compromise" solution to the crisis but that the government had been "relentless".

He declined to comment further, saying that he preferred to save the details for a mass meeting to be held in Klerksdorp tonight.

However, it is understood that the so-called "compromise" would have meant more money for farmers who would have a crop this year and nothing for those who did not have a crop.

It appears the government preferred to help the drought-stricken farmers.

Commission

The extra R100 million for drought-stricken farmers, particularly as far as their carry-over debts and production financing is concerned, flowed from recommendations of the Jacobs Commission and will be voted for in Parliament in a supplementary budget later this session.

A spokesman for the President said Mr Botha had thoroughly considered the delegation's representations but could not grant the increase in the light of economic circumstances.

Mr Botha had told the delegation that the government had granted an extremely high increase of 28 percent in the producers' price of yellow maize and 30 percent for white maize last year "under exceptionally difficult circumstances".

"Nampo then indicated in writing that they accepted that last year's price will not be used as a basis to fix the maize price this year," said the spokesman's statement.

No shortage

The general manager of Nampo, Dr Piet Gous, this week warned: "The farmers' action should not be under-estimated. If it goes on for a prolonged period, four of five large co-operatives will have to close."

However, Sapa reports that Mr Wentzel has said that if deliveries to the co-operatives were halted entirely, there would still be enough white maize for at least one month's consumption. Available supplies of yellow maize were more than enough to satisfy demand.

Farmers vote to withhold maize

Cape Times 4/5/85

3 maize

JOHANNESBURG. — Maize farmers threw down the gauntlet yesterday by voting to withhold deliveries for a week in an attempt to force the State President, Mr P W Botha, to increase the price of maize.

At an emotion-charged meeting in Klerksdorp's Markotter Stadium, 5 000 men rose in unison to support the motion.

Their decision means that they are now in a straight conflict with Mr Botha in what could become one of the biggest crises to face the National Party in decades.

The farmers claim that the major granaries will be empty by Monday and unable to supply the maize mills. They believe that keeping their crops on the farms will be a massive bargaining weapon in their fight to force the government to increase the maize price.

'Threats'

They also say that at a meeting on Thursday night with the State President and two cabinet ministers they were threatened on two counts. They were told that all present financial subsidies to farmers, amounting to more than R100-million a year, could be withdrawn. They were also told that maize was a strategic commodity and they would not be allowed to withhold supplies.

The Minister of Agriculture, Mr Greyling Wentzel, said yesterday that the government would not back down on the maize price and would have to consider "drastic action" if farmers persisted in withholding deliveries.

He appealed to farmers "of whom I believe the majority have the required responsibility and loyalty towards their country, to reject this step".

Warning

He wanted to give the public assurance that the government would use "its maximum capacity" to ensure that consumers would not suffer shortages.

Mr Wentzel said he would not like to comment on further steps the government was considering as he felt that the sharp increases in interest on unpaid debts which farmers stood to suffer would curb their actions.

A lot depended on how long the farmers held out but Mr Wentzel warned that "drastic action" would follow if they held out longer than stocks lasted.

Asked whether it was possible that the government would back down in the face of a prolonged boycott action, he was firm: "Not at all, sir, not at all. We will not back off."

A maize farmer addresses the meeting in Klerksdorp yesterday.

Dr Piet Gouws, managing director of the National Maize Producers' Organization (Nampo), told the farmers: "But who can force you to reap your crop when you say that it is too wet to harvest? We can keep the crops on the land."

Resolution

The farmers resolved:

- To withhold provisionally all maize for one week by keeping it on the lands.
- To keep all silos under observation to discourage farmers, where reasonably possible, from delivering.
- To instruct Nampo to make contact with Mr Wentzel to rediscuss the price of maize and to discuss the future structure of the industry and, in particular, government involvement and the role of the Maize Board.

Mr Botha's view is that the government granted an exceptionally high price for maize last year under difficult circumstances and that he will not budge on the decision not to increase the current price.

The chairman of Nampo, Mr Hennie de Jager, said: "Our trip to Cape Town to discuss matters with them (the President, Mr Wentzel and another minister) was a waste of time. When we arrived there we found that a press statement by Mr Botha had already been prepared."

Pickets

"We were warned that we were playing with fire.

"They said mealies were strategic products and that they would not be allowed to be kept from the customers."

One speaker from the audience at the Klerksdorp meeting said: "We must not intimidate people. There might be some people who have to live by their immediate sales and they must have the right to deliver their crops."

It was in consideration of this that the first part of the resolution was drafted to include the word "reasonably".

Farmers intend to picket silos and explain the overall viewpoint to any farmer arriving with a load of maize.

● **Anthony Johnson** reports that the Progressive Federal Party has supported Mr Botha's blunt rejection of maize farmers' demands.

Obligations

The chief PFP spokesman on agriculture, Mr Errol Moorcroft, said in a statement yesterday that maize farmers had been awarded substantial price increases over the past few years, and had to accept that the State had obligations towards consumers in difficult times.

"It is imperative that the marketing and pricing structures of the maize industry be reviewed as a matter of urgency. Structures which are more acceptable to both consumer and producer must be found," he said. — Own Correspondent, Political Staff and Sapa

Fears that mealie meal may run out

W/ARGUS 4/5/85 3 MAIZE

Political Staff

SOUTH Africa could begin running out of white mealie meal — staple food for the country's 24-million blacks — next week, following the maize farmers' action in cutting supplies to the country's mills.

The shortages, coming at a time of simmering civil unrest, could have severe political repercussions for the Government, according to Dr Piet Gous, general manager of the National Maize Producers' Organisation (Nampo).

Shortages had already developed and consumers would soon have difficulties buying maize products, Dr Gous said in an interview.

The Government has come out fighting in the maize price war, warning farmers that it will take drastic action if they continue their mealie boycott.

Cut in subsidies

Both sides have refused to back off, with the maize farmers sticking to their threat not to deliver their grain while the Government has threatened to cut the millions of rands paid in subsidies.

Farmers have demanded more to meet their production costs, while Cabinet Ministers have called Press conferences to vent their anger on what they see as unpatriotic and unrealistic demands.

Asked whether the Government would consider backing down, the Minister of Agricultural Economics, Mr Greyling Wentzel, said: "No, not at all. If we did, my position would be in danger."

He announced that the Government intended to break from the maize pricing system. A new two-tier, single-channel system of marketing would be introduced in terms of which farmers would be guaranteed a price only on the amount of maize required to feed the country.

● Maize crusher — Page 9

Maize crusher

W/E ARGUS 4/5/85 (3 MAIZE

Pikkie Maree, MP, is the man in the middle of the maize crusher. On the one hand he has his farmer constituents demanding that he object — and in writing, mind you — to the Government's controversial maize price policy.

And on the other his colleagues in Parliament are equally determined to ensure the farmers' economic nightmare does not bust the Budget.

This squeeze led him this week to "distance" himself from the pricing policy he is expected to defend as a member of the Government. His political opponents are saying his highly unusual stance earned him a drubbing in caucus.

But, as he explained in an interview with JOHN MACLENNAN of The Weekend Argus Political Staff, he is not at odds with the Government. He regards this week's agricultural revolt as another chapter in the continuing saga of "mieliepolitiek".

MR MAREE knows about mealies. The 55-year-old MP for Parys comes from a family of mealie farmers. He was born on a mealie farm, grew up on a mealie farm, and became a mealie farmer in the Bothaville district after leaving school.

It is that part of the Free State where the number one topic of conversation is the weather, where people curse the sky because it is perfectly clear and blue, where they pray for rain and thank God when it arrives.

He describes "mieliepolitiek" like this: "You are in the industry (of growing mealies), you have no other means of earning a living and you have to fight for your very existence."

This week this fight for economic life saw some co-ops facing ruin because farmers took the unheard of step in this country of manning pickets to block grain deliveries, warnings that stores would soon run out of maize meal — the country's staple food — the NP scraping in with a tiny majority in the maize growing constituency of Harrismith, the Maize Board destroyed as its eight farmer members resigned in protest and spokesmen for a rival mealie producers' organisation in eyeball-to-eyeball talks with the President himself.

Farmers hemmed in

Money is the cause of the fall-out. Agriculture Minister Greyling Wentzel has fixed the maize price to the farmer at R218 a ton. The consumer is going to pay R248 and the farmers want R270.

Mr Maree believes the impasse was reached because "mieliepolitiek" is psychologically sensitive. Farmers see themselves hemmed in by drought, rising prices of products they need to grow their crops, and increasing debt.

He hopes to bridge the gap between the farmers and the Government by promoting mutual understanding and says he has sympathy for both sides — the Government because it just cannot to pay anymore and the farmers because of the prices they are being forced to accept.

The last time this country exported surplus maize it was sold at a price lower than the production cost setting the stabilisation fund back R230-million.

"That hammered the industry. We cannot afford to pay any more for mealies now as a result — the Government is just not going to blink on this one."

His prediction was borne out by the angry talks President Botha had this week with representatives of Nampo, the independent producers' organisation. They came out of Tuynhuys upset and defiant. The Government had rejected their compromise offer, stuck to its pricing policy and come up with R100-million aid for drought stricken areas.

Mr Maree . . . "distanced" himself from maize pricing policy.

His sympathy is with the farmers and the prices they have to pay. "Did you know," he asks, "that a tractor battery cost R104 last week. This week you have to pay R137".

He notes that many are being ground down by astronomical debts they may never be able to settle because of crop failures caused by drought.

"I know of one farmer — just as a for instance — who didn't owe a cent in 1980. He owned his farm, he owned his implements, and he had money in the bank. Today that same man, after three crop failures, owes half a million."

Mr Maree says five farmers in his constituency landed in such parlous financial straits that they had to sell their farms recently. "There was just no way they could be rescued, even with all the Government aid available."

It was his sympathy and the pressure generated in his constituency which is known as the South Africa's mealie capital which induced the man from Gladdedrif — "Slipperydrift", his farm in Bothaville district — to venture a perilous slide over NP policy by stating in public that he did not agree with the Government's stance on the maize price.

He was joined shortly afterwards by fellow MP Mr Willie Lemmer of Schweizer-Reneke, who said much the same thing.

Behaviour without precedent

Mr Maree has since spoken to the Minister of Agriculture to explain the following convolution: He "distances" himself from the maize price decision but he is in no way opposing the National Party. He claims they have come to an amicable agreement on this basis.

Observers say the behaviour of the two MP's is almost without precedent. They point to one or two instances when MPs have questioned policy, but "usually they crab their way back into the fold." They also note Mr Maree and Mr Lemmer might normally have found themselves flung out on their ears, but the Government does not want and cannot afford anymore by-elections at the moment.

The Government prevailed, similarly, on former Health Minister Dr Nak van der Merwe to keep his seat in the House while he was in fact dying in harness from a heart condition. And at least three other NP MPs — two with serious heart conditions and one who has suffered a stroke — still drag themselves into Parliament every day at the party's behest.

Mr Maree does not believe his statement or the maize price row lost the NP many votes in Harrismith. "The main factors were the black unrest and the removal of the Mixed Marriages Act and Section 16 of the Immorality Act. People just didn't understand what was going on."

In the meantime he sees no easy solution. "The Government hasn't budged and the farmers . . . the farmers are desperate.

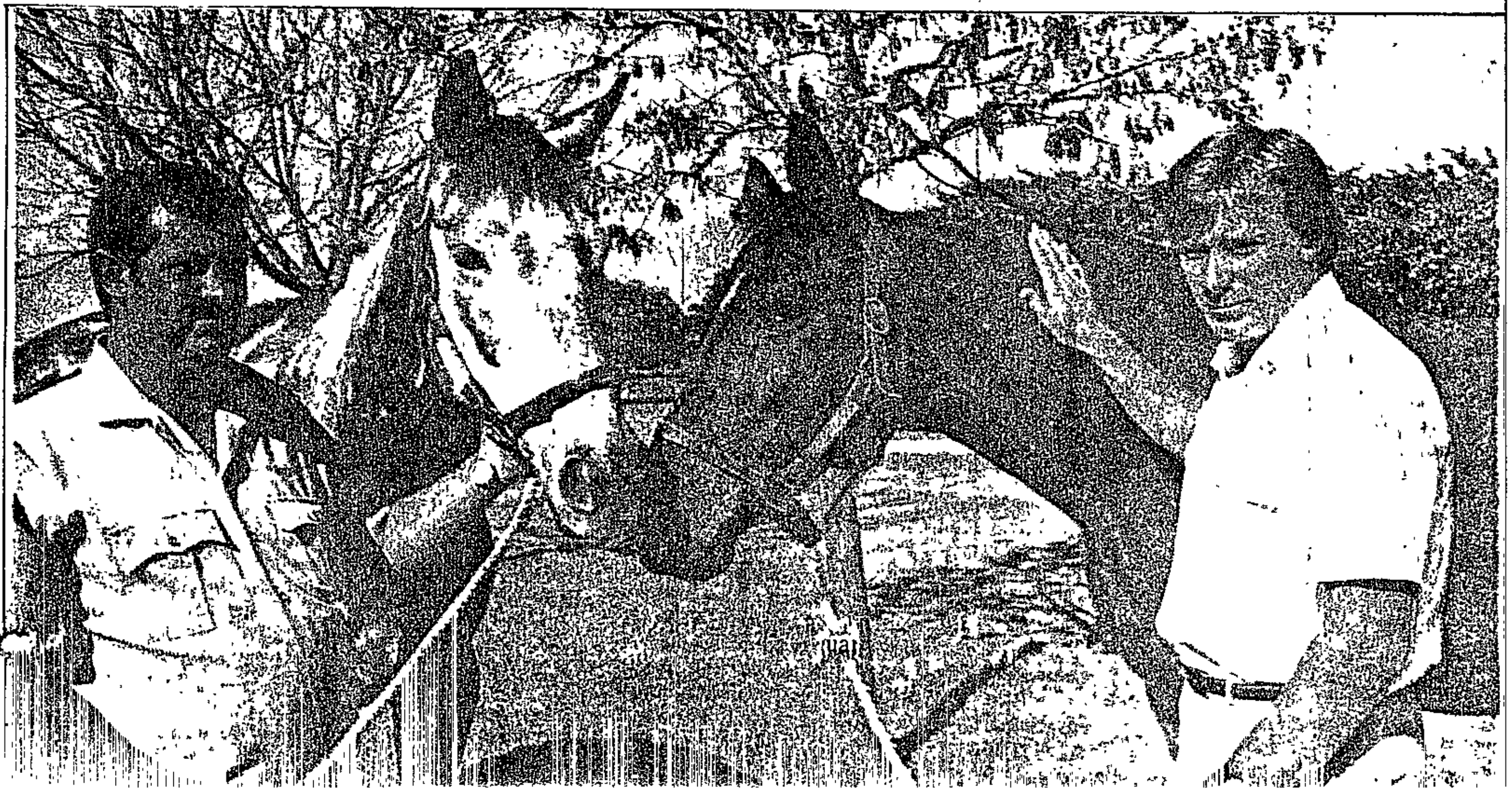
"In the long run we have to motivate people to arrange their finances so they can weather the bad times. But farming is a gamble. It's sometimes as bad as a man just throwing away R1 000 on any old horse."

Wentzel deplores maize boycott threat

Farmers warned of 'drastic' action

(3) Maize Star 3/5/85

by
David Braun,
Political Correspondent



Cape Town

The Government has warned it will take drastic measures if rebellious farmers persist in withholding deliveries in the maize price war. Any shortage will threaten the staple diet of millions of blacks.

Yesterday the two agricultural Ministers involved in the row with the National Maize Producers' Organisation (Nampo) sharply rebuked farmers who have rejected a Government decision that the producer price of maize should not be increased this year.

A protest meeting attended by about 3 000 angry farmers in Klerksdorp yesterday decided to withhold all maize deliveri...

Dr Piet Gous, general manager of Nampo, addresses the thousands of farmers that attended this week's meeting.

Nampo takes a hard line on maize deliveries

— by —
Colleen Ryan,
Pretoria Bureau

In defiance of Government warnings, thousands of angry maize farmers yesterday decided to suspend deliveries of maize to silos to protest against injustices in their industry.

The decision to withold supplies for at least a week will bring the National Maize Producer's Organisation (Nampo) into direct confrontation with the Government and could result in a shortage of maize products.

Earlier this week, at a meeting attended by Nampo representatives, State President Mr P W Botha and Minister of Agricultural Economics and Water Affairs Mr Greyling Wentzel, Nampo was warned "not to play with fire".

Maize farmers were warned subsidies and indirect State contributions could be cut if maize deliveries were suspended.

An estimated 3 000 farmers packed the Markotter Stadium in Klerksdorp to express their dissatisfaction at the Government's decision not to increase the producer price of maize.

Although Mr Wentzel has strongly denied there is an impending shortage of maize, Nampo has warned that stocks would run low if farmers refuse to deliver.

The maize boycott began last week after the announcement of the 1985/6 maize price. Very little maize was delive... to silos this week. Existing stocks in the hands of millers, wholesalers and retailers are likely to forestall a consumer shortage for at least two weeks.

After lengthy discussions at yesterday's protest meeting the majority of farmers agreed to the following action:

● No maize will be delivered until Mr Wentzel agrees to further negotiations with the Nampo executive;

● Nampo will ask the Government to take responsibility for losses suffered on maize imports last year. This would provide the extra R 150 million and allow for a small producer price increase;

● All eight producer members of the Maize Board should be reinstated. Urgent attention should be given to restructuring the Maize Board to give producer members more decision-making powers.

At the meeting, farmers showed they were angry about the way the Government handled their grievences and there were calls for Mr Wentzel to resign.

The former chairman of the Maize Board, Mr Crawford Von Abo, told the meeting Mr Wentzel had not kept his promise to farmers. He had promised that the Government, and not maize farmers, would foot the bill for losses suffered with the import of maize and for handling and storage costs of the Maize Board.

The Chairman of Nampo, Mr Hennie de Jager, described his meeting with the State President this week as the "most unpleasant in my life".

"Nampo has been warned that it is playing with fire. We have been told the Government will consider withdrawing subsidies, including indirect financial contributions, if maize is witheld," he said.

"This is a fight for survival," he added.

Mr Wentzel described the row this week as most unfortunate.

"I try to maintain good relations with all our farmers, including Nampo. If I can get their co-operation then I am prepared to work with them again.

"The Government has never had an arrogant attitude towards our farmers, especially those who are suffering under difficult circumstances."

Farmers are warned on boycott

4/5/85 (3) Maize Star

● From Page 1

own position is in danger."

Mr Sarel Hayward, the white Own Affairs Minister of Agriculture and Water Supplies, said the events of the past week "must never happen again".

He said telegrams and letters of support to the Government were running far in excess of those criticising and calling for its resignation.

He said the extra R100 million which the Cabinet had decided should be given to relieve farmers hit by the drought was meant to assist those who had suffered poor or no harvests, for four years in a row.

It was also designed to keep on the land young farmers who had not had a chance to make a living.

There was little point in increasing the producer price of maize when this would not help the farmers who had poor harvests but would mean extra income for those who had good yields.

Mr Hayward said that, in all, the Government had decided to give farmers an extra R190 million in relief schemes and loans this year.

This had not been budgeted for and would have to be raised from taxpayers later this year.

Earlier, Mr Wentzel said at a Press briefing that the Government was to negotiate with farmers about the restructuring of the pricing and marketing mechanism in the maize industry. The emphasis in future would have to be on a more free-market related system.

Mr Wentzel also revealed that he planned to hold meetings with maize farmers over the next six weeks to explain the Government's motives for not granting an increase in the maize producer price.

He added that the current impasse did not mean a complete breakdown in communications.

"I will meet with as many farmers as possible over the next few weeks and then we must negotiate over the following two to three months for a two-tier marketing system to be introduced before the next season starts."

The two-tier system envisaged is understood to involve farmers being given quotas at guaranteed prices, with any surpluses having to be sold on export markets at whatever prices farmers could get.

Farmers face Govt action on maize

NM 4/5/85

3-Maize (2)

CAPE TOWN—The Government would have to consider 'drastic action' if farmers persisted in withholding maize deliveries, the Minister of Agriculture, Mr Greyling Wentzel, said yesterday.

He was reacting to reports that maize farmers attending a mass meeting at Klerksdorp had decided to withhold deliveries for a week.

He appealed to farmers, 'of whom I believe the majority have the required responsibility and loyalty towards their country, to reject this step'.

He wanted to give the public assurance the Government would use 'its maximum capacity' to ensure that consumers did not suffer shortages.

Commenting on the Nampo decision, he said he did not agree with it 'because it contained the intent to withhold the availability of maize from the consumer.

'This, in turn, will generate tensions which could be particularly sensitive and lead to a worsening of relations with our black communities where maize is a traditional food.'

Imports were not envisaged at this stage as stocks were sufficient.

Mr Wentzel said he would not like to comment on further steps the Government was considering to counter the move as he felt the sharp increases in interest on unpaid debts which farmers stood to suffer as a result, would curb their boycott actions.

Back down

A lot depended on how long the farmers would hold out, 'but drastic action will follow if they hold out longer (than stocks last)', the minister warned.

Asked whether it was possible the Government would back down in the face of a prolonged boycott action, he said: 'Not at all, sir, not at all. We will not back off.'

About 5 000 Nampo members voted for boycott at a mass rally in Klerksdorp.

Many farmers have already been withholding maize since Monday in an ad-hoc boycott, and association chairman Hennie de Jager said millers would begin facing shortages by Monday.

(3) Maize

CRIES OF 'SKANDE' — AND EVEN A BLACK POWER SALUTE — AS ANGRY FARMERS SIGNAL A MEALIE REVOLT

STAND UP AND BE COUNTED ... one of the irate farmers airs his views on the "Mealie War"

Solidarity!

'Stand together' plan to hold back on supplies

By CAS St LEGER and ELSABE WESSELS

THE great Mealie War has been declared amid roars of "skande, skande!".

Defying the State President and Government, 4 000 maize farmers are holding South Africa to ransom politically and economically by withholding supplies of the country's staple food for another week.

"We'll stand or fall together," is the farmers' solidarity cry.

"Let them eat beef," they shouted.

The militant mealie-boere, furious at what they regard as a harsh brush-off of their demands by the State President, Mr P W Botha, and the Minister of Agriculture, Mr Greyling Wentzel, were summoned by the National Maize Producers Organisation (Nampo) to a mass meeting in Klerksdorp in the heart of the Free State's grain belt on Friday.

In bakkies and Mercedes the mealie farmers answered the call.

NABOOMSTRUIT MESSAGE ... short and sharp

The contingent from Naboomstruit arrived in a graffiti-covered bus. "Weg met Greyling Wentzel" was their message.

"What must we do? Are we in a position to stand for Government interference?," demanded Nampo chairman Mr Hennie de Jager.

"Skande!" was the war cry from 4 000 throats.

One chap got so carried away he gave a black power salute by mistake.

Reasonable

"We are reasonable men. We do not throw stones. We do not burn buildings," said Dr Piet Gouws, Nampo general manager, emphasising that the threatened withholding of maize supplies from silos was not a political action.

"Stand up and be counted," he appealed.

"Nobody can hold you to ransom by taking away your farms."

The boere cast their vote by roaring approval. Every man was on his feet.

Said Mr Crawford von Abo, former Maize Board chairman and Welkom farmer: "Mr Wentzel won't permit maize farmers to prescribe to him; but then he must foot his own bills.

"Agriculture has come to the crossroads. The decision you take now will affect your future as farmers," Mr von Abo said.

Mr Boetie Viljoen, Nampo's deputy chairman, said: "No grain must be delivered."

Some farmers were worried about huge maize stocks piling up on their farms. But all are determined to hold out for a new dispensation.

Threats of Government retribution were shrugged off.

Frankfort farmer Mr Hans Pretorius said: "We must become our own bosses and start our own Maize Board."

Mr Piet Oelofse, of Coligny, saw the Nampo chairman as the equivalent of Poland's solidarity leader Lech Walesa. "The Government's intimidation of the mealie farmers will create chaos," he said.

Mr Ben Prinsloo, of Randfontein, asked how scabs were to be controlled.

"We shoot, son!" a seasoned farmer replied.

Rebels face squeeze

Maize men may get the Govt chop

By BRIAN POTTINGER
Political Correspondent

DRASTIC cuts in State subsidies to rebellious maize farmers are among the steps being considered by the Government to quell the farmers' boycott of silos.

First in line for the chop, it is understood, would be the subsidy the Government pays for storage and handling costs.

And cuts in other State handouts to the fractious farmers could follow if there is not a speedy end to their decision not to send their products to the silos.

Indications are that the farmers may have made themselves liable for prosecution for subversion or sabotage in terms of the Internal Security Act for their refusal to deliver maize.

At the same time, the Government is to embark on a major campaign to explain to the farming community and the public why the maize price increase demanded by the farmers was turned down.

Shattered

Within the rank-and-file of the National Party, a lengthy exposition of the Government's stance is being circulated for use in the constituencies.

The dramatic face-off between the Government and the maize farmers this week has finally shattered the once cement-hard alliance between farmers and the National Party Government.

But Government sources this week were cautioning that, although the situation might look serious, the fact remains that the maize farmers are basically alone.

Other agricultural sectors would also be hit by a producer price increase of maize, and consumers have little sympathy for the maize lobby, which has always enjoyed preferential treatment.

The simmering row between the farmers and the Government came to a head on Wednesday when a delegation of maize producers met President Botha in a fiery exchange.

Tough

It is understood the President is particularly incensed at the farmers' decision to boycott delivery of produce to the silos.

The demonstration bodes ill for the Government's attempts to dissuade black communities from using boycott action to achieve their political ends.

The tough line set by the President in his talks with the NAMPO delegation — described as more of a "shouting match" — has been echoed by Agriculture Minister Mr Greyling Wentzel.

He warned he would not be swayed by threats of boycotts, and would certainly not back off from the Government decision to reject NAMPO's price-rise demand.

Four meetings have been arranged for senior Cabinet members to address maize farmers, and talks will begin soon on a new marketing system — a two-tier system — to stabilise the industry.

Meanwhile, the confidential document being circulated among National Party rank-and-file has set out the broad reasons for the Government's refusal to increase the maize price.

Among the main points:

- In the last two years the producers' price of maize has increased 60,1 percent — in real terms it is 27,6 percent — while the average net producers' price increase for other agricultural products has dropped 8,1 percent in real terms. If the present demands were met it would have meant that the maize price had doubled in two years.
- The maize producers are running the risk of pricing themselves out of the domestic grain market with their demands for an average 20 percent increase in prices.

Increased

- The handling and storage costs to the Maize Board amount to R266-million a year, but the Government will carry R100-million of it and the rest will be paid by the consumers through the increased consumer price. The Government and the consumer are thus already carrying the costs which the industry itself would have had to bear.
- If the maize industry is allowed to work its accumulated loan burden into the maize price increases it would not only prejudice the industry but would greatly disturb the relations between the maize industry and other agricultural sectors.

Maize war: Farmers stick to their guns

ARGUS 6/5/85 (3 MAIZE)

Staff Reporter

DEFIANT maize farmers are standing by their decision to withhold their crops from the silos in an attempt to get the Government to increase the producer price.

The boycott will go on in the face of Government threats of drastic measures — including the withdrawal of more than R100-million in drought relief — if farmers continue to withhold their maize in protest against a Cabinet decision not to grant any increase this year.

The National Maize Producers' Organisation (Nampo) today strongly denied accusations that a Conservative Party element within its ranks had forced the showdown along with claims that National Party supporting farmers were happy with the situation.

GRASSROOTS

Nampo's general manager, Mr Giel van Zyl, said today the farmers' decision to hold back their vital crop stemmed from grassroots dissatisfaction with pricing and other aspects of the regulated industry.

"Party politics have nothing to do with it," he said.

"The decision to boycott has come from the farmers and the farmers alone. "Nampo was initially opposed because it is not a decision one takes lightly."

Some farmers had started last week to hold back maize and in a groundswell reaction more were likely to follow suit, he said.

"We are not in a position to tell farmers to deliver their maize. We cannot dictate to them — we have to act on their instructions," Mr van Zyl said.

Nampo's embattled executive met this morning to consider resolutions passed at a stormy meeting of more than 3 000 maize farmers at Klerksdorp on Friday.

Farmers decided to hold back their maize for a week until the Minister of Agricultural Economics and Marketing, Mr Greyling Wentzel, agrees to talks with the Nampo executive.

Although Mr Wentzel has promised to talk to as many farmers as possible during the next few weeks he has warned that the Government will not allow itself to be forced to back down.

Mr Van Zyl said Nampo's executive would now try to set up a meeting with Mr Wentzel.

Maize farmers in breach of Security Act

Star 6/5/85

3-Maize

By David Braun, Political Correspondent

CAPE TOWN — Farmers who deliberately withhold deliveries of mealies in an attempt to persuade the Government to reverse its decision on the maize producer price are technically in breach of the Internal Security Act.

Legal experts agreed today that in its widest terms Section 54 of the Internal Security Act makes such a boycott action a crime of subversion.

Section 54 (2) of the law says that any person with the intention of ... trying to make the Government of the Republic do something or not do something or adopt a particular point of view or change a point of view ... cripples, prejudices or interrupts the provision or distribution of foodstuff anywhere in the country ... is guilty of subversion and, if convicted, is liable to a jail sentence of up to 20 years.

The Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, warned last Friday that if the farmers persisted with their boycott the Government would be forced to take "drastic" measures.

The Government is also unlikely to want to import maize at unnecessary cost when there is local production waiting to be distributed.

Meanwhile a political slanging match has broken out among maize farmers with allegations that both Conservative Party and Broederbond influences are at work in the maize row.

Both factions are denying this but there are indications that the CP will try to exploit right-wing feelings among maize farmers to its own advantage.

The Nampo executive met at the organisation's offices in Bothaville early this morning to consider its next moves in the war with the Government over the maize price.

It was expected to look at resolutions adopted at a mass meeting attended by about 3 000 farmers in Klerksdorp on Friday.

Among other things, the farmers voted that Nampo should ask the Government to take responsibility for the losses suffered on maize imports last year, a move which would provide an extra R150 million to a small producer price increase.

Farmers also demanded that all eight producer members of the shattered Maize Board should be reinstated and said urgent attention should be given to restructing the Board to give producer members more decision-making powers.

AGRICULTURE

Argus 6/5/85 (3 maize/...)

Flags fly for a maize bonanza in Zimbabwe

ROBIN DREW of The Argus Africa News Service reports from Harare on the success of Zimbabwe's commercial and peasant maize farmers

FLAGS flew, there was a fanfare of trumpets and 500 people sat down to a sumptuous luncheon in the shadow of a R7,75-million bulk grain storage silo complex in the small Zimbabwean town of Chegutu, 100 km West of Harare.

It was a big day for the people of the district. But the opening of the silos built with American and Danish aid was also a big event in that it was symbolic of Zimbabwe's determination to return to its role as a food exporter and to crush the belief that black states are incapable of coping with the basic need to feed their own people.

Last year Zimbabwe was threatened with a shortage of maize. The third year of drought had seen reserves run down and there were fears that poor crops would mean people starving.

Several hundred thousand tons of maize were imported. In sharp contrast this year Zimbabwe will have a million tons to export even after allowing for 500 000 tons to go to the strategic reserves.

The new bulk silo at Chegutu, therefore, could not have been completed at a more appropriate time.

A delighted Minister of Agriculture, Senator Denis Norman, said that Zimbabwe was poised to break records in maize, tobacco, cotton and coffee production.

The farming community, commercial and communal, had shown it had come out of the drought years fully committed to recovery.

"Not only can we expect the highest yields in Africa," said Mr Norman, "but yields comparable to the highest in the world".

Mr David Miller, the American ambassador whose previous posting was in Tanzania, said it made him feel super to listen to the marvellous success story in Zimbabwe.

That day has now arrived with Zimbabwe's announcement that it is donating 25 000 tons of maize to Ethiopia.

The Chegutu silo complex will be able to store 68 000 tons of grain and more silos at Norton due to be completed in September will bring the country's bulk storage capacity to 435 000 tons.

In the next 10 years it is planned to more than double that capacity to one million tons at a cost of R80 million.

The saving in grain bags, however, will be considerable. Mr Mike Butler, chairman of the grain committee of the Agricultural Marketing Authority said that this year alone Zimbabwe would have to spend R33 million in foreign currency to import bags.

He said that same share of foreign currency could purchase the total foreign exchange content for another 15 bulk silos each as big as the Chegutu complex.

About half of the two million tons of maize that will be delivered to grain depots this year will come from peasant farmers whose production has increased dramatically since independence.

Agriculture Minister Norman said a flourishing peasant farming industry was one of the best vehicles for rural development. It would bring stability and prosperity to these areas and help to halt the urban drift with all the modern horrors of overcrowded cities, massive social problems, unemployment and a rising crime rate.

He hoped to see smaller bulk silos erected in many parts of the grain producing areas of the communal lands.

Maize deliveries slow in Free State, N Cape

Cape Times 7/5/85 (3 Maize)

JOHANNESBURG. — The delivery of maize yesterday to co-operatives in the Transvaal, the Free State and the Northern Cape varied between poor and normal after last week's decision by farmers at a mass meeting at Klerksdorp to stop the delivery of maize to co-operatives for a week.

Co-operative spokesmen pointed out, however, that certain areas had had rain until recently and that farmers were, since the beginning of this month, no longer entitled to a premium for the early delivery of yellow maize.

Only yellow maize with a maximum humidity content of 14 percent is accepted by the Maize Board. — Sapa

Nampo steps up farmers' maize 'war'

3-Maize Star 7/5/85

BLOEMFONTEIN — By this evening, the first copies of a pamphlet compiled by Nampo giving the facts and figures surrounding a requested increase in the producer price of maize, will be distributed to farmers throughout the country.

In the next few days, thousands of pamphlets will be sent to farmers, and at the same time, Nampo will launch a countrywide advertising campaign in various publications to put their case to the consumers.

Mr Giel van Zyl, head of administration and organisation of Nampo, said from Bothaville last night that this was one of the steps the organisation would be taking this week.

"Mr Hennie de Jager, chairman of Nampo, has been given a mandate to reopen discussions with the Minister of Agriculture on the price issue.

"Meanwhile, farmers are continuing to hold back deliveries of their crops," Mr van Zyl said.

He rejected claims that a Conservative Party element in the Nampo ranks had forced a price confrontation with the Government.

"The Nampo constitution states quite clearly that no member of its management may play an active role in politics. If any of our executives become involved in politics, they are obliged to resign."

At Friday's mass meeting of farmers in Klerksdorp, Nampo was also given a mandate to demand a final policy in regard to the maize industry from the Minister.

'Farmers want to know before they invest millions in planting a crop what price they will receive for it in future," Mr van Zyl said.

ARGUS 7/5/85

Farmers claim 95pc success

3 APR 6

Staff Reporter

MAIZE farmers are claiming 95-percent success in withholding deliveries of their essential crop to grain silos, according to the National Maize Producers' Organisation, Nampo.

The general manager of the maize producers' organisation, Mr Giel van Zyl, said today that farmers monitoring deliveries at silos had reported no maize deposited at co-operatives in the Eastern and Northern Transvaal yesterday. Only a small number of farmers had made deliveries in the Western Transvaal.

The general manager of the Maize Board, Mr Hennie Nel, confirmed today that some co-operatives had received no deliveries but pointed out that in some areas maize was still too wet to be delivered.

ABUNDANT

"At the moment we can still meet orders for white maize, but if deliveries drop substantially during this week there is no doubt that we will be in trouble," he said.

There were abundant supplies of yellow maize, which was used for animal feed, he said.

Nampo has also denied allegations that farmers keen on delivering their crops had been intimidated.

ARGUS 7/5/85 (3MMIE)

Mealie war: Rebel MPs back in line

By TOS WENTZEL,
Political Correspondent

TWO Nationalist MPs who last week dissociated themselves from the Government's decision not to increase the price of maize have changed their minds and now support the decision.

Mr M D Maree, MP for Parys and Mr Willie Lemmer, MP for Schweizer-Reneke, who both represent large numbers of dissatisfied maize farmers, said today that they now accepted the Government's motivation for not increasing the price of maize.

Last week they took the unusual step of publicly dissociating themselves from the Government decision.

At the weekend Mr Lemmer met the Nationalist divisional committee in his constituency. There it was accepted that it had not been possible for the Government to increase the price of maize as it was busy with steps to ensure economic recovery.

CONFIDENCE

At the meeting a motion of full confidence was passed in President P W Botha, Mr Greyling Wentzel, the Minister of Agricultural Economics, and Mr Lemmer.

Mr Maree said today that he was grateful that a new pricing and marketing structure of the maize industry would be introduced in terms of a Government plan and that extensive drought aid was being granted.

A maize price increase at this stage would have started a chain reaction of higher prices in many other sectors.

Mr Maree denied that any pressure was exerted by the National Party to change his stand of last week.

He had been to see President Botha, who had shown understanding of his position and of the fact that he also had to represent the interests of his voters.

Meanwhile a spokesman for the Department of Agricultural Economics said today that it was not yet clear whether the maize farmers' threat to withhold supplies was being implemented to any extent.

Dissident Nat MPs toe the line on maize price

3-Maize Star 7/5/85

Political Staff

CAPE TOWN — Two Nationalist MPs who last week dissociated themselves from the Government's decision not to increase the maize price have changed their minds.

Mr M D Maree (Parys) and Mr Willie Lemmer (Schweizer-Reneke), who both represent many dissatisfied maize farmers, said today that they now accepted the Government's motives for refusing an increase.

At the weekend Mr Lemmer met the NP divisional committee in his constituency. There it was accepted that it had not been possible for the Government to increase the maize price because of the need to ensure economic recovery.

At the same time a motion of full confidence in President Botha; the Minister of Agricultural Economics, Mr Greyling Wentzel; and Mr Lemmer; was passed.

CHAIN REACTION

Mr Maree said a maize price increase at this stage would have started a chain reaction of higher prices in many other sectors.

He denied that he had been under pressure from the NP to change his stand of last week.

He had been to see President Botha who had understood that he had to represent the interests of his constituents.

A spokesman for the Department of Agricultural Economics said today that it was not yet clear whether the maize farmers' threat to withold supplies was being implemented to any extent.

Maize stocks on farms in the Free State and the Transvaal were very wet at present after late rains and this could lead to some farmers not delivering to the co-operatives.

Mr Wentzel will start a series of meetings with farmers in different parts of the country on Thursday when he will speak at Dundee.

He will explain drought relief measures and the maize price decision.

CAPE TIMES 8/5/85

Nampo hit farmers with pamphlet blitz

(3 MAIZE)

BLOEMFONTEIN. — The National Maize Producers' Organization will distribute thousands of pamphlets to the country's farmers in the next few days calling for an increase in the producer price of maize, a Nampo spokeswoman said yesterday.

Distribution of the pamphlets, which give facts and figures asking an increase, was to begin last night.

Nampo is also to launch a country-wide advertising campaign to put its case to consumers.

Mr Giel van Zyl, head of administration and organization at Nampo, said in Bothaville on Monday this was one of the steps Nampo would take this week.

"Mr Hennie de Jager, chairman of Nampo, has been given a mandate to reopen discussions with the Minister of Agriculture (Mr Greyling Wentzel).

"Meanwhile, farmers are continuing to hold back deliveries of their crops," he said.

He rejected claims that a Conservative Party element in the Nampo ranks had forced a price confrontation with the government. — Sapa

Farmers may relax their maize boycott

3 - Maize

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Star 8/5/85

By Collen Ryan, Pretoria Bureau

As maize supplies dwindle, the National Maize Producers' Organisation (Nampo) is preparing to relax its boycott and begin negotiations with the Government.

Agricultural sources say Nampo is satisfied with its moral victory over the Government. The solidarity among maize farmers this week forced the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, to call off a series of meetings with farmers at which he was to have explained the Government's position. The first of these was to have been held tomorrow in Dundee where Nampo had also planned a meeting to start two hours before Mr Wentzel's.

A Nampo executive meeting will be held today to decide on a new course of action but a spokesman declined to comment on speculation that withholding of maize was to end.

Sources say that Nampo will use its strong position to force the Government to reform the maize industry.

OTHER CONCESSIONS

The maize dispute was sparked by the Government's decision not to increase the producer's price of maize. Although Nampo has lost its battle for a price increase, it is pushing for other Government concessions including the reinstatement of the eight producer members of the Maize Board and the restructuring of the board to give producer members increased powers.

From Cape Town, *The Star's* political staff reports that a pamphlet war is about to break out between the National Party and Nampo.

Nampo is ready to distribute thousands of pamphlets to maize farmers calling for an increase in the producer price of maize.

The National Party is ready to retaliate with up to 20 000 pamphlets which will point out that maize farmers were asking for an excessive 23 percent increase this year after a 28 percent increase last year.

Mr Wentzel said today that he would be negotiating with the chairman of Nampo, Mr Hennie de Jager, about an agenda for talks but that these could take place only after the boycott had ended.

Argus 8/5/85 (3m maize)

Maize farmers prepare to relax boycott

Argus Correspondent

PRETORIA. — As maize stocks continue to dwindle, the National Maize Producers' Organisation (Nampo) is preparing to relax its boycott and begin negotiations with the Government.

Agricultural sources say Nampo is satisfied with its "moral victory" over the Government. The solidarity among maize farmers this week forced the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, to call off a series of meetings with farmers to explain the Government's position.

NEW COURSE

A Nampo executive meeting will be held today to decide on a new course of action. A Nampo spokesman today declined to comment on speculation that withholding of maize was to end.

The Maize Board is experiencing a shortage of white maize and orders to millers cannot be filled.

Sources say Nampo will use its strong position in negotiations to force the Government to reform the maize industry.

LOST BATTLE

The maize dispute was sparked off by the Government's decision not to increase the producers' price of maize. Although Nampo has lost its battle for a price increase, it is pushing for other Government concessions.

Its demands include the reinstatement of the eight producer members of the Maize Board and the restructuring of the board to give producer members more decision-making powers.

Argus 9/5/85 3 MAIZE

Maize farmers to meet Wentzel as boycott ends

Political Correspondent

THE resistance of rebellious maize farmers has crumbled in the face of the Government's determination not to grant them a substantial price increase and they have abandoned their boycott.

Today they will confer with the Minister of Agricultural Economics, Mr Greyling Wentzel, in Pretoria.

After President P W Botha last week turned down their request for a 23 percent increase in the producer price of maize, the farmers decided at a protest rally that they would withhold maize supplies and stop deliveries to the co-operatives.

All the producer members of the Maize Board also resigned.

There were allegations of threats against farmers who did deliver.

Mr Wentzel has firmly stated that, as long as the boycott continued, he would not talk to the farmers.

As the dispute developed there were indications of strong public support for the Government's stand and economists praised Mr Botha's firmness.

Now there has been a sudden announcement that the maize farmers have abaondoned the boycott and that a delegation of the National Maize Producers' Organisation (Nampo) will meet Mr Wentzel today.

Today's negotiations will not be about a new price for maize as the Government has indicated that it will not change its mind.

Instead, the Minister and the Nampo representatives will negotiate about a Government plan to restructure the pricing and marketing mechanism in the maize industry.

A two-tier marketing system is to be introduced before the next season starts.

It will involve farmers being given quotas at guaranteed prices with any surpluses having to be sold on the export markets at whatever the farmer can get for them.

Maize farmers end boycott and hold talks with the Govt

Star 9/5/85

3 - Maize

Pretoria Bureau

Maize farmers and the Government have declared a truce and will begin discussions today on a possible new course for the maize industry.

The National Maize Producers Organisation (Nampo), headed by chairman Mr Hennie de Jager, will meet the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, in Pretoria to decide on an agenda for talks.

The meeting comes after yesterday's announcement by Nampo that the maize boycott had ended and that farmers had been instructed to resume deliveries to silos from today.

Nampo's general manager Dr Piet Gous said today that his organisation's action against the Government had been highly successful. He dismissed suggestions that the boycott had been called off because of a division in the farmers' ranks.

"We had 90 percent of the maize farmers behind us. The boycott was ended because we did not want to antagonise consumers," he said.

Some analysts have claimed that there was considerable opposition from National Party member farmers to Nampo's militant stance.

Chief Whip praises P W on maize price

NM 9/5/85

3-Maize

African Affairs Correspondent

ULUNDI—The Chief Whip of the KwaZulu Legislative Assembly and Member for Enseleni, Mr Simon Conco, has praised the 'courage' of President Botha for refusing to allow an increase in the producers' price of maize.

Speaking during a snap debate in the Assembly yesterday, Mr Conco said that, on the eve of the Harrismith provincial by-election, Mr Botha had taken a calculated risk to incur the anger of his voters.

He said the President ought to withdraw the subsidies given to those farmers who were now hoarding maize in retaliation.

'They should not get relief from his coffers. This is our money,' Mr Conco said.

'God be with the State President. Give him strength to deal with these "political delinquents" who "play marbles" with us'.

Mr Conco said that, if by any misfortune, the Conservative Party came to power in South Africa and gave black people the treatment it had promised, the country would be reduced to ashes.

He said Mr Botha had heeded repeated requests from the KwaZulu Assembly that the price of maize should not be increased.

The black people had contributed to the stand taken by the President by consuming 30 percent less maize products because of periodic price increases.

Mr Conco said the various control boards in South Africa were 'institutions of slavery'.

Govt and Nampo to hold maize war peace talks

3 - Maize

NM 9/5/85

Mercury Reporter

MAIZE war peace talks have been scheduled between the Government and officials of the National Maize Producers' Organisation in Pretoria today and rebellious farmers have been asked by their representatives to resume maize deliveries.

The secretary of Nampo, Mr Tobie Lombard, indicated last night that the talks were a compromise and his organisation would enter them in a spirit of co-operation.

Farmers had claimed solid support for their refusal to deliver maize supplies to the Maize Board, but political circles in Cape Town indicated yesterday that this might not be the case.

'Still upset'

Indeed, it is understood that Nampo had been secretly doubtful about the support for the boycott, since there were about 31 000 deliverers to Maize Board agents and only 4 700 Nampo members.

Many maize farmers are known to have supported the Government's stand, and Government sources believe farmers have been seriously divided over the issue.

But Mr Lombard said last night that farmers were still upset by the way the whole situation had been handled by the Government, although they would try to find a peaceful and responsible solution.

'I cannot predict, however, what already angry and volatile farmers will do if the outcome is unfavourable.'

Mr Lombard claimed that the boycott on maize deliveries had been joined by the vast majority of farmers.

In a statement released yesterday, Mr Hennie de Jager, chairman of Nampo, said the appeal for a resumption of deliveries had been made because the Minister of Agriculture, Mr Greyling Wentzel, had agreed to attend today's talks, which would be aimed at solving 'specific problem areas in the industry, with special emphasis on clear guidelines for the seasons ahead'.

Among the items to be discussed would be ways to restructure the present maize marketing system, implementation of a two-market system before this year's planting season and reappointment of producer representatives on the Maize Board who had resigned in protest against the announced price structures.

While Mr de Jager praised the solidarity of producers, he warned that further delays in deliveries would disrupt the market seriously.

Mr A P Keeve, of the Scheepersnek Farmers' Association in Northern Natal and a Nampo official, said last night that Natal farmers had already decided to go ahead with deliveries.

Nampo calls off maize boycott

CT. 9/5/85

(3 MAIZE)

Political Staff

THE National Maize Producers' Organization has cut short its boycott and instructed farmers to carry on deliveries to cooperatives from today.

The instruction was relayed to maize farmers in a short statement from Bothaville yesterday afternoon.

Nampo secretary Mr Tobie Lombaard said the organization's executive would meet the Minister of Agricultural Economics, Mr Greyling Wentzel, in Pretoria this morning.

It is understood that neither side will go into the meeting with specific offers or counter-offers and that an attempt will be made to repair some of the bridges that were blown up in last week's showdown between the government and Nampo.

Mr Lombaard would say only that there were "signs of progress".

The minister also issued a statement yesterday reassuring consumers that there would be no maize shortage at current rates of delivery.

The boycott was initiated at a mass meeting of farmers in Klerksdorp last Friday after a stormy meeting between Nampo leaders and the State President, Mr P W Botha, in Cape Town the previous night.

Serious

However, farmers seem to have realized that an all-out fight with the government would have serious financial implications for individual farmers.

Mr Botha has said he will not reverse his decision to hold the producer price at last year's level of R218/ton.

It is also understood that Nampo may be feeling somewhat doubtful about the depth of support it has in the maize farming community. There are, it is understood, about 31 000 deliverers to Maize Board agents, and only 4 700 Nampo members.

The government appears to have won this round of the most serious challenge that it has faced from this historically vital element of its constituency since the Conservative Party broke away in 1982.

CAPE TIMES 10/5/85

Govt 'no' to Maize Board 8

CAPE TIMES 10/5/85

3 MAIZE

Political Staff

THE Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, has refused to reappoint the eight members of the Maize Board who resigned last week.

After yesterday's meeting between the government and the National Maize Producers' Association (Nampo), the strained relations between the two slumped further. However, it was agreed that further consultations would be held.

The impasse began last week when the government refused to put up the producer price of maize.

The entire Maize Board resigned in protest against this action.

'Not possible'

In a statement issued last night, Mr Wentzel said the executive of Nampo had requested that the same members of the board who had resigned should be reappointed.

He said this was not possible and that "the producer representatives concerned resigned because the producer prices fixed for maize and grain sorghum for the 1985/6 season, the circumstances surrounding the price fixation and the method of price fixation were unacceptable to them".

Mr Wentzel added that where a control board had to take decisions relating to the administration of price arrangements for the 1985/6 season and related matters "it is preferable that these functions in the circumstances should be carried out by a board on which new producer representatives serve".

Changes

He also said that an amendment to the present marketing arrangements for maize were under consideration and would probably be finalized by the end of September.

This, he said, could also involve changes to the composition of the Maize Board and it was probable that the appointment of members to the board would be reconsidered at this stage.

Nampo rejected an offer by the minister in terms of which they would submit the names of four members of the executive other than those who had resigned recently, two of whom he would appoint to the Maize Board.

The statement added that further talks between the two parties would be arranged later.

Maize men say: 'We're not unhappy'

Star 10/5/85

3-Maize

By Sue Leeman, Pretoria Bureau

The National Maize Producers' Organisation (Nampo) says it is not unhappy with the outcome of talks in Pretoria yesterday with the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel.

It adds that the Minister did not let the organisation go away empty-handed.

Organisation chairman Mr Hennie de Jager said the talks had been conducted in a good spirit and they were hopeful about future negotiations.

He added that the recent maize boycott, now ended, effectively showed the Minister that farmers were unhappy.

PLEASED

Mr de Jager said his organisation was pleased with the Minister's announcement of a change in regulations governing maize marketing, to be finalised by the end of September, and his concession of possible change in the Maize Board's composition.

However, he said, he deplored the Minister's refusal to reinstate the eight producer members who resigned from the Maize Board recently during a row over the fixing of the maize price for 1985/86.

Mr de Jager's organisation held long discussions with the Minister yesterday and is understood to have asked for radical changes to be made in the Maize Board's structure and function.

The Minister said after the meeting that although he had refused to reinstate the eight producer members, he had offered to appoint two of the organisation's executive members to the Maize Board provided they were not among the eight who had resigned.

However, he added, the organisation had refused to accept this offer.

MAIZE WAR (3) maize

Stand and deliver

If maize farmers believe they can successfully blackmail government into submission through their delivery boycott of co-op silos, they could be in for a surprise.

It transpires that stocks will not run out "within four days," as has been claimed. Indeed, the latest count suggests that the country has sufficient grain on hand to last up to two months.

Furthermore, some farmers, already under threat of insolvency, realise it would be economic suicide to cut off their income merely to prove a point. Many are thus defying the National Maize Producers Organisation (Nampo) boycott and delivering as usual.

It is also being brought home to some that the chances of a further government bail-out are now slim. The recent cut in the maize "marginal costs" subsidy to only R100m which increased the consumer price by 10% — has reinforced that view.

For the boycotters, interest charges on outstanding production cost credits with co-ops are rising daily, while valuable crops are left on the land to protest government's "no price hike" decision.

Politically speaking, there is also increasing evidence that Nampo members supporting the National Party are contesting the "political" nature of Nampo's protest. Some farmers are saying privately that elements in Nampo are using the maize issue to further Conservative Party aims.

Concerning stocks, Maize Board (MB) GM Hennie Nel says the white maize in hand will last at least five weeks. Explains Nel: "SA maize consumption is some 550 000 t/month, of which 350 000 t is white maize. Existing white maize stocks at mills countrywide amount to about 130 000 t, with a further 300 000 t of white and yellow now in various pipelines to the mills."

This appears to contradict his statement last week that SA had enough white maize for only "the next four days."

Nel says that statement referred only to the MB's unsold maize, and did not include the 430 000 t at the mills or already on the way. Thus, with total stocks at this level, the position is not yet critical.

Nel says yellow maize will last two months. This follows the Agriculture Department's "early delivery" premium offer to producers. This offer was recently cancelled because sufficient yellow maize had been received to cope with the demand.

It seems likely that government, expecting problems after its decision not to increase maize prices, hedged its bets by ensuring sufficient short-term maize stocks.

Once these start running out, government has an import option. Apart from trusted US yellow maize imports, Zimbabwe will soon harvest thousands of tons for export. It would be ironical for Nampo to find itself supporting Zimbabwe's maize industry at the expense of SA's.

Nel says certain mills may run out of maize stocks soon because deliveries have virtually stopped in the past seven to 10 days.

"The quantities of maize delivered by farmers during the next week or two will give a clearer indication whether extraordinary steps will be necessary to meet the demand for both white and yellow maize," says Nel.

Perhaps wisely, he refuses to give details of these "extraordinary" options. However, he leaves no doubt that government is able to *maak 'n plan.* Whether that plan will be needed, the next few weeks will tell. ■

COAL EXPORTS

Bottlenecks loom

Coal exporters are concerned. They say the Richards Bay Coal Terminal (RBCT) urgently needs to be expanded if the industry is to cope with 1988's projected increase in exports.

The terminal is set to reach full targeted-capacity of 44 Mt a year by 1987. But thereafter there is every prospect of increasing the figure and unless work on expansion starts soon, the port will not have the capacity to handle the business.

The issue was raised in 1982 with the advent of government's fourth export phase. Owing to a revised estimate of coal reserves from 1978's 25 billion tons to 52 billion tons, additional authorities were granted to raise potential coal exports from the 1978 estimate of 44 Mt a year to an eventual 84 Mt a year.

However, the authorities were granted not only to existing RBCT users, but also to "newcomers" who now need to use the RBCT facilities, reputedly the most efficient in the world.

Negotiations between the parties finally started a year ago. So far the RBCT has been totally financed by its present users who also initiated it and in the process, helped to make coal SA's largest export after gold.

Before the RBCT opened in 1976, coal exports peaked at 2,7 Mt a year. Now well over 30 Mt a year leaves SA, the bulk through the RBCT. SA's share of the world steam coal trade increased from less than 4%

ON THE MOVE?

Coal export allocations awarded to date (million tonnes)

Port:	Durban	Maputo	Richards Bay			Permit Coal	
Phase:			IIA	III	IVA		
Effective From:	Current	Current	1980	1988	+1990	+1990	Total
Trans Natal	—	—	1,4	6,1	4,0	—	11,5
Amcoal	0,324	—	3,5	3,5	4,0	—	11,324
TCOA	—	—	11,4	(1,4)	1,0	—	11,0
TC Lands	—	—	—	2,5	3,5	—	6,0
-Plus. Welgedacht	0,237	—	1,0	0,15	—	0,2	1,587
:Witbank	—	—	—	—	1,0	—	1,0
Shell	—	—	4,2	1,3	1,0	—	6,5
BP	—	—	1,4	4,1	0,5	—	6,0
Kangra	0,688	—	1,4	0,45	0,55	—	3,088
Total	—	—	1,4	1,1	0,5	—	3,0
GFSA	—	—	—	—	2,0	—	2,0
Icodev	—	—	—	—	2,0	—	2 0
JCI	—	—	—	—	1,5	—	1,5
D and H Coal	0,325	0,3	—	—	0,375	0,3	1 3
Duiker	0,126	—	0,3	0,2	0,5	—	1,126
Tselentis	0,3	—	—	—	0,45	0,3	1,05
Grinaker/Des Spar	0,5	—	—	—	0,35	0,15	1,0
Anglovaal		—	—	—	1,0	—	1,0
Rand London	0,4	—	—	—	0,35	0,25	1,0
Mining Corp.		—	—	—	—	0,75	0,75
Messina	—	0,18	—	—	0,5	—	0,68
McAlpine	—	—	—	—	0,5	—	0,5
Clydesdale	—	—	—	—	0,5	—	0,5
Concor/Carolina	—	0,24	—	—	0,26	—	0,5
Indumeni	—	—	—	—	0,3	0,15	0,45
Kobar	—	—	—	—	0,3	0,15	0,45
Severin Minerals	—	—	—	—	0,3	0,15	0,45
Others	—	0,24	—	—	1,05	1,75	3,040
TOTAL	2,90	0,96	26,0	18,0	28,285	4,15	80,295

Source Ed Hern, Rudolph

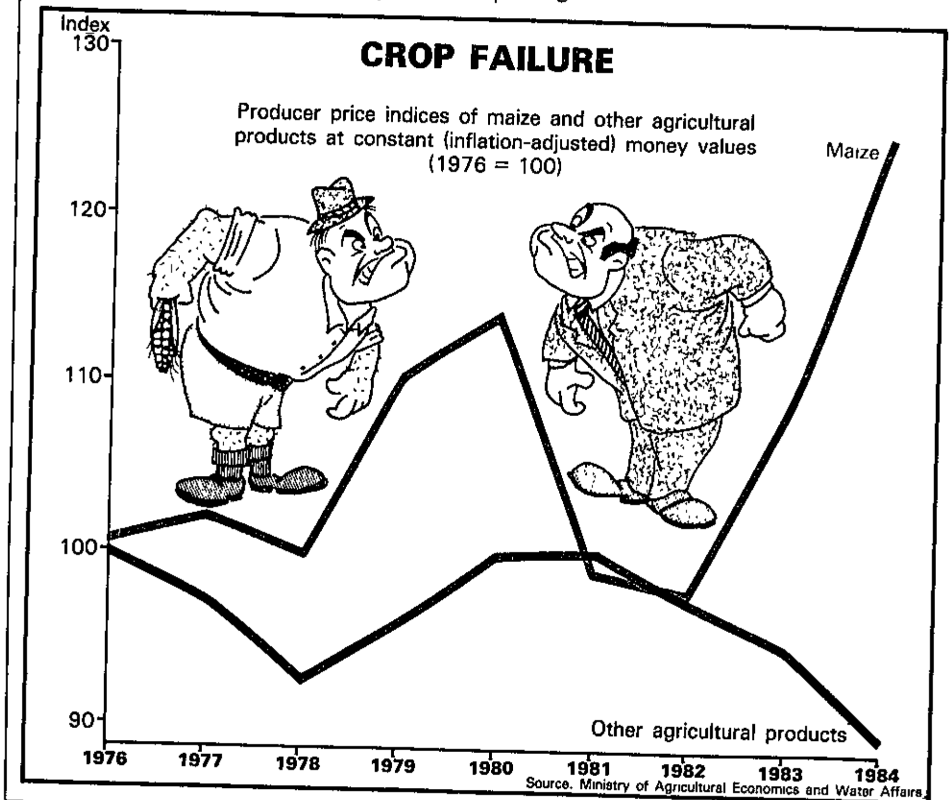
Out of the maize (3) maize

P W Botha's public rebuff of the maize lobby's price hike demand signals an end to Pretoria's traditional cosy relationship with the powerful agricultural lobby.

It's been a momentous week in agriculture. There can be no returning now to the structures of control that have for so long inhibited the development of freer markets in farm produce. Farmers must learn to live under a new and harsher regime.

Agriculture Minister Greyling Wentzel has spelt it out: the existing fixed price, one-channel maize marketing system is on its way out. However, it remains to be seen what will take its place. For example, whether we will get a quota and two-market system as propagated by Nampo, or a general movement towards freer marketing.

But far-ranging changes in agriculture are now assured. The Marketing Council's investigation into the control board system will probably be speeded up, particularly now that the Botha administration has so publicly focused its attention on agriculture. Control board structures have often been criticised for being administratively wasteful and costly to the consumer, as well as being out of touch with market realities. That could change.



A new tax structure for farmers can also be expected, enabling them to invest their profits from good years. This should induce greater financial self-sufficiency — and less dependence on State handouts.

Another possible area for investigation is the massive agricultural co-op movement with its R10 billion a year turnover — and remarkably little public scrutiny of its financial management. The increasing financing role of the co-ops is demonstrated by the fact that farm debts to co-ops mushroomed from R113,4m in 1970 to R1,78 billion in 1983 — that is, from 8% of total agricultural debt to 24%. In the process, many farmers have become virtual prisoners of their local co-ops. In addition, the co-ops also act as agents for the various control boards — so a web of power and control has been cast over many farmers.

Huge modern office complexes in platteland towns are evidence of the prosperity that has been created for co-op managements. Then there are the housing and car perks made possible by massive cash flows from the Land Bank, via the co-ops, to the farmer — and back again.

Against this background, the significance of government's action can be properly assessed. Ideally, a new dispensation for agriculture must benefit the economy, the consumer, and the farming sector itself (see page 38). For by moving towards more market-related prices, markets will expand, debts will decrease, and efficiency will determine financial survival.

Meanwhile, for the first time in its existence, Nampo has been turned down; and the upshot is that the "maize war" is degenerating into political sniping. The truth is that the threat to boycott maize deliveries to silos for a week could well explode in farmers' faces. There are enough white maize supplies in the pipeline for at least four to five weeks' consumption, while yellow maize stocks are even better.

(3) maize

LET THE BOYCOTT RIP

It's a pity that farmers have threatened to hold supplies back from the market for one week only. A continuing boycott could well turn out to be the best thing they could do — for themselves, consumers and the country. If sincere and successfully executed, a boycott could once and for all have the effect of moving SA farming to a free-market system.

A successful boycott would abolish the "producer maize price." Millers would buy from three sources: SA farmers who are too cash-strapped not to sell; farmers who boycott the boycott; and foreign suppliers. The price of maize would be set by the market, and that would depoliticise the issue — what could farmers boycott then? It would, in short, be far more devastating than Pretoria withdrawing various farm subsidies in response to the boycott.

The historical precedent of exposing farmers to free market, or world prices, is encouraging. Britain did it after the Napoleonic wars, and those affected said it would bring ruin. In hindsight, many say the move laid the foundations for the prosperity of Victorian England.

Farming is an economic sector quite suited to free markets. The bigger the risk, the bigger the reward (or loss) — and a freer market in farming could well give farmers *more* certainty than they ever thought possible. They could, for example, sell next year's production at a predetermined price on futures markets. Such action gives a greater degree of certainty of income relative to costs than is attainable in almost any other form of economic endeavour.

In the US, farmers are afforded a great degree of protection — but not against changes in market prices. The latter risk is carried by the farmer, who, by referring to such prices, decides what crops to grow and in what quantity. US farm prices are, in effect, prices set by the state of supply and demand in the world.

President Ronald Reagan's plan to withdraw $12 billion of farm support has led to estimates that the price for a bushel of corn will fall from $4 now to $2 by 1990. SA's farm support is in the nature of political price-propping by guaranteed fixed or minimum levels — the worst form of price intervention. To survive, US farmers have to be efficient, flexible, and responsive to consumer demands. Why not here?

Since 1945, most of the world's rich countries, by giving farmers irresistible incentives, have encouraged overproduction. The result is that 24m farmers in rich countries produce 25% of the world's food and 75% of food exports. They also produce mountains and lakes of surpluses; yet most of the world cannot afford enough to eat.

SA, like Europe, has surpluses and produce prices that are well above world prices. So arguments for the "strategic value" of farm produce rest on shaky foundations. There are many countries which export some products and import others, but import more food than they export. It is not necessarily good to be a food exporter *per se*. Those countries with the highest living standards in the world (bar the US) are all net importers of food — from Saudi Arabia and Switzerland to Sweden and Japan.

Being a net exporter or importer of any traded goods should be determined by market forces alone. Millers should be allowed to buy maize where they can find the best price. Farmers will survive. They are, after all, rugged individuals — and free markets should present a minimal threat to the continued well-being of the efficient.

It seems Nampo was caught flat-footed by the price freeze and that it has misjudged its general support base. Press reports on the organisation's Conservative Party (CP) sympathies are not helping a body that has always protested its "non-political" nature.

Within the larger agricultural lobby Nampo is also out on a limb — its stridency has long been frowned upon by more conservative bodies such as the SA Agricultural Union (SAAU). The powerful meat industry is also set against Nampo's continuous requests for ever-higher maize prices, and there is a widespread feeling that the body's stance is harmful to agriculture as a whole. And producers of alternative crops are licking their lips in anticipation of taking over market share from the maize growers. So beneath the surface there is really no "united maize lobby," or even widespread support for Nampo's actions.

On Monday, *Beeld* quoted National Party (NP) members of Nampo to the effect that they are disenchanted with the body's CP leanings, and this could well herald the demise of its fragmenting power-base. Government's veiled threats to reduce subsidies on farm debts — as well as on production and carry-over financing — could also serve to concentrate the minds of wavering Nampo supporters. The boycott is likely to end with a whimper.

Farmers are therefore likely to be forced to accept the reality of government's freeze. The alternative could spell effective suicide, since interest burdens on unpaid production credits with co-ops are increasing daily with the non-delivery of maize.

Government also has the option of resuming yellow maize imports — another way of proving that it is not a captive of Nampo's threats.

The NP's chief information officer, Chris Rencken, has spoken plainly about this: "No government can allow itself to be blackmailed — whether by Ted Kennedy, rioters in the streets or maize farmers." Rencken added that it is government's duty to act in the interests of the whole country and not of any special interest group. Furthermore: "All subsidisation — whether social or agricultural — must be within the country's capabilities."

Government regarded the farmers' price hike requests as unreasonable. According to Rencken, "The net producer price of maize over the past two years increased by some 27,6%, while average producer prices for the rest of agriculture in fact *decreased* by some 8,1% over the same period." During the same period, the net producer price of wheat dropped by 13,3%.

It has been shown that the maize price hike request was based on doubtful statistics. Latest official Department of Agricultural Economics and Marketing figures show that the average cost input figure for maize production is around R211/t, compared with Nampo's rejected R270/t. And a price hike would only have benefited those farmers with good crops.

A sharp boost in the maize price, on top of last year's exorbitant increase, would have helped to price maize even further out of the local market. Total grain consumption dropped by some 1 Mt last year. So government's decision was in the industry's long-term interests. Maize has lost its profitable export market, while local consumers are increasingly looking to alternatives like sorghum, wheat and soya.

Government has crossed its Rubicon and cannot now retreat from the courageous stand it has taken in the face of intensive rightwing pressure. Perhaps last Thursday's Harrismith by-election result was just the proof needed that even rural voters in a maize-producing constituency will not automatically be stampeded by the rightwing.

Meanwhile, it should be noted that government's own parlous financial situation limited its consumer price subsidy to R100m — against an expected R250m — so forcing a 10% increase in the retail price. Had this been added to Nampo's demand for R270/t, the maize price would have risen astronomically.

Government therefore had no choice — it had to grasp the nettle or be publicly seen to give in to exorbitant demands. This in turn would have left it open to even more demands and pressures from a farming community accustomed to "special" treatment.

So: well done, and let's have more of the same. ■

sunrise news

Erosion of rural power vital in Govt line on maize

3-Maize 2/4 Star 11/5/85

— by —
Bruce Cameron, Political Staff

CAPE TOWN — The Government's firm handling of maize farmers, who are part of the traditional grassroots support of the National Party, is surprising at first glance.

It was the farmers who swung the vote in 1948 to give the National Party its victory. Since then they have been well rewarded, with the Government going to great lengths to ensure their well-being and continued support.

In 1948 the country areas virtually controlled the Government of South Africa. Most of the seats were rural, and the loading in terms of the constitution could be as much as 60 percent more than in a city seat.

In 1948, and again in 1953, the United Party won the majority of the votes but failed to win a majority in Parliament. In 1948 the National Party and the Afrikaner Party won a combined 79 seats against the 65 for the United Party with 100 000 fewer votes.

The voters in the rural areas have tended to be more conservative than city dwellers, and the Conservative Party is attempting to repeat history by starting from a base in the rural areas.

But the overwhelming strength of the rural areas has been slowly eroded over the years. Not only has the ratio in favour of the country areas dropped to 1:1,24, but the number of rural seats has dropped significantly to slightly more than half the number of urban seats.

The big loadings are now most noticeable in the Free State with a ratio of 1:1,27 and the Cape with 1:1,32.

The disparity is now greater in provincial terms.

The reason for this has been the enormous growth of population in the cities caused by the drift from the rural areas and rising immigration.

The power base of the National Party is now in the urban and peri-urban areas, with most of its MPs representing urban voters. In making its decisions, the NP must now give more weight to this lobby than to the agricultural lobby.

This is not necessarily the only factor in the Government's refusal to budge on the maize price — but it must have played a part.

The reason for the loading in favour of the rural areas goes back to the National Convention of 1908.

The architects of the Union of South Africa followed the trend in many democratic countries in writing the loading into the constitution.

The motivation for this was the poor communication networks of the times and the long distances that voters and their public representatives had to cover.

Voting loads are worked out by delimitation commissions within the parameters of the constitution.

Commissions have to take various circumstances into account when deciding the boundaries of constituencies. These include community interests, density of population and geographical features.

They can then increase or even reduce the number of voters by 15 percent. In cases where a constituency is larger than 25 000 sq km, the commission may drop the loading by 30 percent.

Surprisingly these stipulations were written into the Republic constitution and again into the new tricameral constitution.

With the growth of the Conservative Party, National Party representatives are likely to present even fewer arguments in favour of loading rural constituencies at the next delimitation — which will sit between next year and 1989.

Mr Peter Soal MP (PFP, Johannesburg North) recently asked a question in Parliament about the number of voters in each constituency.

The replies given by Minister of Home Affairs, Mr F W de Klerk, revealed a major discrepancy. The Transvaal was under-represented by 11 seats — it should have 87 seats in the House of Assembly instead of the present 76.

By the same token the Cape was over-represented by nine seats, while Natal and the Free State were each over-represented by one seat.

In terms of the constitution, the number of voters in relation to the number of seats in each province should be the same.

But shortly before the last delimitation in 1980, the Government put through legislation freezing the provincial allocations of seats for 10 years.

In an invterview, Mr Soal said that it was totally unfair that there should now be any loading, whether between provinces or on an urban/rural basis.

"How can anyone justify a situation where one person's vote is worth more than another person's? The reasons for this have long since gone," he said.

He added that a 15 percent margin either way was far too generous.

How the provinces cast their votes

The table below reflects the approximate number of voters in rural constituencies and each province, indicating the average loading or de-loading in each case.

	No of seats	Voters	Average votes Per seat
CAPE:			
Rural	23	292 884	12 734
Urban	32	538 359	16 824
Total	55	831 243	15 113
NATAL:			
Rural	6	90 127	15 021
Urban	14	251 170	17 941
Total	20	341 297	17 064
FREE STATE:			
Rural	9	134 963	14 996
Urban	5	95 268	19 054
Total	14	230 231	16 445
TRANSVAAL:			
Rural	20	379 793	18 990
Urban	56	1 167 685	20 851
Total	76	1 547 478	20 361
NATIONAL:			
Rural	58	897 767	15 479
Urban	107	2 052 482	19 182
Total	165	2 950 249	17 880

Walvis Bay, which has only 4 603 voters and is considered to be part of the Cape Province, has not been included in the above table because it is an obvious anomaly and is dealt with as a separate case in the Constitution.

Maize hint to other farmers

By Ciaran Ryan

THE Government's slap in the face for maize producers may moderate demands for price increases from other agricultural control boards.

A wheat price increase of about 5% may be conceded by the Government. Last year's increase of 8,7% brought the price of Grade A wheat to R299 a ton.

The general manager of the wheat board, Dennis van Aarde, says producers have traditionally been modest in demands for price increases:

"We take into consideration the general economic climate and current overseas prices when asking for an increase."

The Government appears to have become irritated by extravagant demands by maize farmers who wanted a 24% price increase.

Farmers are expected to sow less maize next summer. Since the drought started three years ago the area planted to maize has declined by about 10%.

Threats by maize farmers to stop deliveries of grain to the co-operatives are not to be taken seriously, say observers.

Economists say the figure ignores grain at the millers.

Total farm debt is estimated at R10-billion. Withholding supplies of maize from the co-operatives will increase farmers' debt burden.

Farmers growing maize on marginal land will be most severely hit. A South African Agricultural Union report indicates that 30% of grain farmers are in serious financial trouble.

Jacques Basson, manager of retail advisory services at Trust Bank, says: "They may be able to meet the interest repayments on their debts, but not the capital repayments."

(3) Maize ~~Control~~

Wentzel asked to choose any 8 from 16 in maize pool

Boards B. Day 16/5/85

By GERALD REILLY

THE Maize Board is still without a quorum after the resignation of eight producer members in protest against this season's price freeze.

However, the National Maize Producers' Organisation (Nampo) has submitted a list of 16 names of producers to Minister of Agriculture Greyling Wentzel which includes those of the resigned members.

He has made it clear he has no intention of re-appointing the eight rebel members.

After a meeting with the Nampo executive last week, Wentzel said the eight had resigned because the price fix and the method of price fixing were unaceptable to them.

Control boards, he said, would be making decisions on administered price arrangements for the 1985/86 season and it was preferable that this function should be carried out by a board on which new producer representatives served.

Wentzel said amendments to marketing arrangements — including the two-market system — were being urgently considered and would probably be completed by October.

These amendments could include changes in the composition of the Maize Board.

on international markets — even though the weak rand should give manufacturers a price advantage.

Now they cannot even compete in SA where they are losing sales to cheap imports. As a result, a number of manufacturers have closed their doors, and others are retrenching or working short time.

Officials of the SA Federation of Footwear Manufacturers (FFM) say the only way to restore profitability to the industry is to reduce the price of inputs. Says one source: "Government will have to act soon or there will be no footwear industry left in SA."

One suggestion is that government should force local suppliers to drop their prices to manufacturers and pay direct subsidies to the industries it wants to protect. Another is that it should increase the duties on certain grades of landed footwear.

FFM president Sam Davidson notes that in January government *did* grant an increase in formula duties on canvas lace-up shoes and the bottom end of the leather sole market. But soaring local inflation has already eroded the benefits.

Davidson contends manufacturers' only option is to apply for a further duty increase covering a bigger range of shoes. But he is not pinning his hopes on a quick decision. The last application lay on the table for four years before government acted. ■

FACE TO FACE

GREYLING WENTZEL

Politics and the maize price

Agriculture Minister Greyling Wentzel faced probably the most hectic few days of his life with the country's maize farmers in revolt over government's refusal to raise the producer price. In this interview, Wentzel puts government's case.

***FM*: What led to government's decision? Did you disagree with Nampo's assessment of production costs?**

Wentzel: The net producer price of maize has increased 60,1% in the last two years. In real terms that's 27,7%. The producer price of *other* agricultural products in real terms *declined* by 8,1% in the same period. Wheat, for example, declined by 13,3%. If the Maize Board's recommended net producer price of R267,25 a ton had been accepted, it would have meant an increase in the net producer price of yellow maize this year of 24,5% and for white maize of 22,3%. That in turn would have meant a doubling of price over a three-year period.

If the Maize Board's proposed consumer price of R270 a ton (an increase of 20,3% for white and 22,5% for yellow maize) is considered, along with the board's estimated margin of R47 a ton, then the consumer price of maize, without State subsidisation, would have reached R317 a ton. That would mean, for example, that consumers in the Cape would have to pay around R360 for maize. Even with a State subsidy of R100m, the consumer price of maize in the western Cape would have topped R340, substantially more than the price for which we can import maize.

In the light of economic conditions and the world supply situation of feedgrains, and taking into account that products such as grain sorghum, feed wheat, barley and oats compete with maize on the local fodder market, it was obvious that great circumspection was required in setting the maize price. Thus the decision not to increase the producer price this year.

What played the biggest role in government's decision — its shortage of funds or a policy decision to make maize prices more market-related?

Both factors were important. Firstly, government could not fully subsidise the board's net margin for handling and storage for 1985-1986, estimated at R241,7m, but could contribute only R100m. Secondly, in view of the price increases over the past two years, care had to be taken that the maize industry did not price itself out of the market.

Do you foresee a different marketing and pricing structure should there be problems reconstructing the Maize Board?

I do not envisage problems reappointing members to the board, nor with the continuation of the present marketing system of maize.

What role did politics play in government's decision?

The maize price has nothing to do with politics. It is determined by pure economic principles.

What role did politics play in Nampo's price protests and boycotts?

You should ask Nampo. When *I* asked them they showed me a press statement saying they distanced themselves from the withholding of supplies. All I can say is that it would be to the detriment of the agricultural industry if people started to play political games trying to cause conflict between government and farmers. There are plenty of channels for negotiation. That door of mine is open to organised agriculture every day. Why should we pull politics into this?

How will the maize price decision affect the pricing of other commodities?

The increase in the consumer price of maize will have an influence on the costs of various inter-dependent products such as meat, dairy products, eggs and poultry among others.

Do you forsee any changes in the Marketing Act?

No amendments are being considered at present.

Is SA agriculture moving in a more market-related direction generally?

I refer you to the White Paper on Agricultural Policy which I tabled in Parliament last year. It states that if government supports the principles of the free market, then great care must be taken in the application of the control board system to ensure that the production, marketing and price structure is not distorted. Thus, on my instructions, the National Marketing Council is currently busy with an evaluation of the control schemes and will consider thoroughly the advantages of moving to a freer market system.

How far has that investigation progressed?

We expect it to be finished within the next year, after which the report and recommendations will be submitted to my Ministry for consideration.

When can a decision be expected on the new tax-saving fund for farmers?

This is being investigated by the Margo Commission.

Can government continue subsidising financially stricken farmers?

Even though farmers are subject to many problems not encountered in other sectors, subsidised interest rates for all farmers are not, under normal conditions, seen as a long-term instrument to help farmers solve their financial problems. In the event of disaster, State assistance to all communities — including urban — is not merely desirable but necessary. Government will continue to help farmers under such circumstances, so long as this assistance has a wider effect than simply helping the affected farmers.

Is government prepared to jeopardise its rural constituencies to promote more market-related pricing policies in agriculture?

A more market-related pricing structure is generally accepted and should not provoke resistance from rural voters.

What condition is our agricultural sector in?

Apart from the drought, agriculture has been hit by the poor economic situation. But in the long term, there is no cause for pessimism. SA agriculture has by no means yet reached its full production potential, and with better techniques, efficiency can be improved. The position is also favourable from the demand side. The growing population, coupled to the expected higher income levels of the lower income groups, should lead to healthy growth in demand for agricultural products. ■

Nampo grip on Maize Board broken

NM 22/5/85

Parliamentary Correspondent

CAPE TOWN—The National Maize Producers Organisation's grip on the Maize Board has been finally ~~broken with the~~ appointment of six new members, all prominent farmers. ?- Maize

The reconstituted board met on ~~Monday~~ and appointed Mr H D van Zyl of Mafikeng as the new chairman. The appointments of the six are provisional until October. Nampo has yet to decide whether two of its own nominees will join the board.

The reconstitution of the board follows the resignation a fortnight ago of eight members after Nampo fell out with the Government over the decision not to raise the producer price of maize.

Agricultural Economics Minister Greyling Wentzel said after the resignations he would not reinstate the eight who quit the board.

Two members

He announced yesterday the board has been reconstituted by him in consultation with the South African Agricultural Union.

Mr Wentzel indicated he had been, and was still prepared, to appoint two members of the Nampo executive to the board.

Mr Wentzel also said the proposed two-tier maize marketing system proposed by the former board in consultation with Nampo, was at present under consideration. It would be finalised towards the end of September.

The new members of the board are Messrs van Zyl, S J Schoeman, J A Durr, T J Loubser Jun, J J 'Kosie' Fick, and J J van Wyk.

Nampo rejects 'puppet' board

Govt puts farm vote on line

(3) Maize B. Day

22/5/85


Wentzel

By PAUL BELL and GERALD REILLY

GOVERNMENT has snapped one more link of the chain which binds it to the farming vote with its announcement that the Maize Board has been reconstituted. The move has important economic and political implications.

It effectively breaks the grip of the National Maize Producers' Organisation (Nampo) on the Maize Board.

Agricultural Economics Minister Greyling Wentzel has appointed six new members, all prominent farmers, to the eight-man executive.

Nampo has angrily rejected the six as Government puppets unrepresentative of the maize industry.

Nampo had held all the positions on the old board until its members quit in fury over the decision three weeks ago not to raise the producer price.

So far it has not taken up the two slots it has been offered.

But on the broader front, Wentzel's reconstitution is the next round in the battle to make agriculture pay its own way. Government has now reinforced three messages:

- If Nampo refuses to live with the decision not to raise the producer price, government is prepared to find other representatives of the maize community who will;
- Agriculture will be moved onto a market-orientated footing. Wentzel made that clear after the dramatic showdown between the State President and Nampo leaders on May 2.

Beset by an economy in decline, government has seized upon the free market with almost missionary fervour as the most likely way out of massively expensive subsidies to uneconomic farming.

- Even if it costs the National Party votes, pandering to the white rightwing is economically and politically too costly.

Instead, the complexion of national politics is set to change as the Government proceeds along the path of constitutional change.

The NP will seek to move its political base into the cities, to draw on whatever support it can find among moderates of all races — P W Botha's version of the "rainbow coalition".

The new Maize Board met on Monday and appointed H D van Zyl of Mafikeng as the new chairman.

The appointments of the six — Van Zyl, S J Schoeman, J A Durr, T J Loubser Jun, J J Fick and J J van Wyk — are provisional until October.

According to a statement, Wentzel indicated that he had been, and still was, prepared to appoint two Nampo executives to the board, but that they had not yet reacted to his offer.

After its protest congress in Klerksdorp attended by about 4 000 maize farmers, Nampo submitted the names of 16 producer members of the board to the Minister, the first eight names being the priority choice of the producers.

The Minister ignored the recommendation and instead asked Nampo to nominate two members of its executive as board members, which Nampo refused to do.

Nampo's president, Hennie de Jager, said last night the Minister's rejection of the plea to reappoint the eight members who had resigned was a severe blow to the industry.

"We told the Minister that his autocratic decision was unacceptable. It was, we said, an undermining of the democratic principles of the Marketing Act."

The act laid down that the Minister had to consult with Nampo as the representative producer body, on appointments to the board.

The six members did not have the support or the goodwill of the country's maize farmers and the Minister should think again.

De Jager said the Minister had acted ultra vires his powers in appointing members to the board without consulting Nampo and that this would be rejected by the country's maize farmers.

"These so-called well-known maize farmers will be dismissed by the industry as government marionettes appointed irregularly in breach of the terms of the Marketing Act," De Jager said.

But Nampo is in the cold, because Wentzel knows, as does Nampo, just how much — or how little — support the organisation has. Nampo's membership comprises about 4 700 of the more than 20 000 maize farmers.

It is understood that government was no longer prepared to rubber-stamp board decisions effectively made by Nampo to the detriment of consumers.

Yesterday's announcement also reinforced Wentzel's commitment to drive agriculture towards the free market.

He said the proposed two-tier maize marketing system proposed by the former Maize Board in consultation with Nampo, was under consideration.

● See Page 6

ARGUS 23/5/85 (3MAIZE

Nampo plans protest meetings

Argus Correspondent

PRETORIA. —The National Maize Producers' Organisation (Nampo) is arranging countrywide meetings to protest against the Government's appointment of new members to the Maize Board.

Two meetings are planned for today in Lichtenburg in the Transvaal and Koppies in the Free State. Nampo has invited the new Maize Board members to address the meetings to explain their "qualifications" for serving on the board.

The new chairman of the Maize Board, Mr H D van Zyl, could receive a grilling from Lichtenburg farmers, who are apparently not satisfied with the new board.

Farmers may call on another Maize Board member, Mr Tovie Laubscher, to resign, according to sources in the maize industry.

"High-handed"

"Maize farmers are not prepared to accept the Government's high-handed attitude to Nampo," said spokesman Mr Giel van Zyl.

"Farmers are fighting for one principle — the right of the producer to control his own industry from a production and marketing point of view."

Yesterday, the president of the South African Agricultural Union, Mr Kobus Jooste, said the names of the new Maize Board members had not been submitted to the union.

He said the only names submitted by the SAAU to the Government were the names provided by Nampo. The Minister of Agriculture, Mr Greyling Wentzel, was not prepared to appoint the eight Nampo nominations to the board.

The appointment of the new board has created a row in agricultural circles. Nampo claims Mr Wentzel has broken an agreement with maize farmers by arbitrarily appointing a board without the approval of farmers.

Nampo plans more protests

(3) Maize B. Day 24/5/85

By GERALD REILLY

The National Maize Producers Organisation is planning meetings in the Transvaal and Free State to protest against the appointment of six "non-representative" members to the Maize Board.

The six were appointed by Minister of Agriculture Greyling Wentzel.

"We will put it squarely to the producers that they are now represented on the board by government puppets," said Nampo GM Dr Piet Gous.

Gous said most of the six appointees were maize consumers and not maize producers.

One was a prominent beef farmer, another a sheep farmer, and yet another, a poultry farmer.

"How then can the minister expect these rubber stamps to represent the interests of maize farmers?" he said.

Background to the widening gulf between the maize farmers trade union (Nampo) and government was the resignation of eight Nampo board members in protest against government's freeze on the producer price of maize.

Wentzel refused to reappoint the eight. Instead he asked Nampo to nominate two members of its executive, which Nampo refused to do.

Gous told a meeting at Lichtenburg yesterday farmers had three options:

- They could sell their farms and leave the country — this they would not want to do.
- They could "lie down and be trampled on by the government — and that you dont want either".
- And they could stay and fight for a fair deal and a reasonable price for their product. This, Gous said, was the proper course.

MAIZE BOARD (3) maize

Still under fire 31/5/85

It hasn't taken long for the new government-appointed Maize Board (MB) to be dragged into the critical arena of agricultural politics.

SA Agricultural Union (SAAU) president Kobus Jooste criticises Agriculture Minister Greyling Wentzel for not adhering to an "understanding" that producer representatives on marketing boards will be appointed only on the Union's recommendation.

And now Stellenbosch professor and free market champion Eckard Kassier says he is not too impressed with the Board's composition. "My impression is that it will probably toe the official line far more than the previous one. This would be fine for government, but it seems like a continuation of the old system of control," he tells the *FM.*

New MB chairman Hendrik van Zyl disagrees. "Our term of office is only until October 4," he says, adding that he is also dissatisfied with government's decision not to increase maize prices. "But we now have to administer the new price and it does not help to kick against reality," he says.

Agriculture Minister Greyling Wentzel has indicated that a decision on the implementation of the proposed maize two-market and quota systems will be made by October, by which time a new MB will have to be in existence.

In spite of the SAAU criticism, Wentzel acted within his powers under the Marketing Act when he appointed the new MB members. Even the SAAU admits that "special circumstances" governed the appointments.

Sorghum producers, still represented by the MB, are meanwhile also making their voices heard. They will meet Wentzel on May 30 with the view to establishing a separate sorghum board to govern the industry. ■

3 MAIZE (18) 232

4 June 1985

Nampo to acquire Triomf Fertiliser

THE maize farmers organisation, Nampo, is to take over Mr Louis Luyt's Triomf Fertiliser, which has assets approaching R90-million.

Both parties have agreed to keep the price a secret and Nampo has not disclosed how it will finance the deal.

Nampo chairman Mr Hennie de Jager said it would acquire a 50 percent stake in Maizechem (Pty) which, in turn, acquired the shareholding of the Louis Luyt Group Investments (Pty) in Lanchem Ltd.

The decision was taken by Nampo because it believed conditions in the fertiliser industry may soon result in only two suppliers surviving.

And this, in Nampo's view, "will not be conducive to free enterprise".

● **Caxton's** net profit soared by 47 percent in the year to February to R2,7-million after turnover of rose to R43-million from R32,3-million.

Earnings a share were 457c (415c) and a 45c final dividend brings the year's total to 90c, up from 80c.

● The **Morkels** furniture chain opened eight new stores in the past 12 months and plans to raise the number from the current 63 to 100.

In the new financial year, stores in Pretoria North and Somerset West have come on stream and others are scheduled for Outdshoorn, Bloemfontein (making three), Parow (making two), Ladysmith, Empangeni and Table View.

With 10 extra stores operating by March 1986, the chain is looking to increase market penetration by a further 17,3 percent, says the managing director, Mr Carl Jansen.

● **Pepkor** forecasts an earnings rise of 10 percent for 1985.

The chairman, Mr Christo Wiese, says in his review retail trading results for the first two months of the new year have been satisfactory, indicating that Pepkor is better placed than many other retailers to ride out the recession.

Pep Stores achieved a profit growth unmatched by results of other retailing groups published this year. The Shoprite chain's growth both in sales and profit was also unmatched by other food retailers, he says.

Tom Hood

(3) Maize Q. Col. 1671 Hansard 4/6/85

Maize

*23. Mr D J N MALCOMESS asked the Minister of Agricultural Economics:

(1) Whether any maize was imported into South Africa in 1984; if so, who initiated these imports,

(2) Whether any South African shipping lines were asked to transport any of this maize; if not, why not; if so, which shipping lines;

(3) whether any South African insurance companies were asked to submit quotations for the insurance of these shipments; if not, why not; if so, which insurance companies;

(4) whether the charters were arranged from South Africa; if so,

(5) whether this was done in order to keep the brokerage fee in South Africa, if not, why not;

(6) (a) what was the landed cost of the maize in South Africa, including insurance costs but excluding dock charges or wharfage, and (b) what percentage of this amount was paid to South African organizations?

†The MINISTER OF AGRICULTURAL ECONOMICS:

(1) Yes, the Maize Board

(2) and (3) No, the maize was imported on a c i f basis.

(4) No, the charters were arranged by the sellers.

(5) The maize was imported on a c.i.f. basis.

(6) (a) The average c.i.f. price was R235,84 per ton for the 1984/85 season.

(b) Payment of the c.i.f. price was made to local registered companies in all cases.

Hansard Q. Col. 1672 4/6/85

Old Crossroads: unrest

*24. Mr K M ANDREW asked the Minister of Law and Order:

(1) Whether certain persons, whose names have been furnished to the South African Police for the purpose of the Minister's reply, were killed during the unrest in and around Old Crossroads during the period 18 to 20 February 1985; if not, which of these persons were not killed;

(2) whether inquests were or are to be held in respect of all persons killed in this unrest; if not, (a) why not and (b) in respect of which cases will inquests not be held;

(3) whether any inquests had been held as at the latest specified date for which figures are available; if so, (a) what were the names of each of the persons concerned, (b) when was each inquest held and (c) what were the findings in each case;

(4) whether the family of the person concerned was represented at the inquest in each case; if not, why not;

(5) whether any action has been taken as a result of the inquest findings; if so, what action;

(6) whether any inquests have yet to take place; if so, (a) why, (b) what are the names of the persons concerned and (c) when is the inquest due to take place in each case?

The MINISTER OF LAW AND ORDER:

(1) Yes, except B Yengwa and A Arosi of whom the police have no knowledge and M Kelly and N Pini who died on 26 March 1985 and 22 February 1985, respectiviely, but who could not be connected with the riot situation.

(2) Yes, inquests will be held in all the cases.

(3) No, the cases are still being investigated

(4), (5) and (6) Fall away.

Mr K M ANDREW: Mr Speaker, arising out of the hon the Minister's reply, can he tell me by when it is anticipated that these inquests will have been held?

The MINISTER: Mr Speaker, these matters are being expedited as far as possible but unfortunately I, cannot give the hon member any date at this stage.

Wine: cartels/other restrictive trade practices

*25. Mr K M ANDREW asked the Minister of Trade and Industry:

(1) Whether his Department and/or the Competition Board has received any representations concerning the alleged existence of (a) cartels and (b) other restrictive trade practices in respect of the (i) retail and (ii) wholesale distribution or sale of wine in the Western Cape; if so, (aa) when, (bb) what was the nature of the representations, (cc) what action was taken as a result and (dd) to what effect was such action taken; if not,

(2) whether any investigations have been undertaken in this regard; of so,

(3) whether these investigations have been completed; if not, when is it anticipated that they will be completed; if so, (a) when and (b) what were the findings;

(4) whether he will make a statement on the matter?

†The DEPUTY MINISTER OF AGRICULTURAL ECONOMICS (for the Minister of Trade and Industry):

(1) (a) and (b) No.

(1) (aa) to (dd) Fall away.

(2), (3) aan (4) Fall away.

Portland Cement site Q. Col. 1674 Hansard 4/6/85

*26. Mr K M ANDREW asked the Minister of Co-operation, Development and Education:

(1) Whether, with reference to his replies to Question No 108 on 14 March 1985 and Question No 26 on 19 March 1985, the (a) Portland Cement site (bordering on Nyanga) and (b) 26 hectares of privately owned land adjacent to Old Crossroads were offered to his Department or the Western Cape Development Board during the past five years; if so, (i)(aa) for what purposes, (bb) on what terms and conditions and (cc) on what dates were these offers made and (ii) what was the response to these offers;

(2) whether his Department or the Western Cape Development Board is the owner of the above-mentioned pieces of land; if not,

(3) whether he will furnish the House with the names of the owners concerned; if so, who are the owners;

(4) what is the size of the Portland Cement site referred to above;

(5) whether his Department or the Western Cape Development Board has made any approaches to (a) purchase and/or (b) lease these sites; if so, (i) on what dates, (ii) what was the nature of the approaches made and (iii) what was the outcome; if not, why not?

The MINISTER OF CO-OPERATION, DEVELOPMENT AND EDUCATION:

(1) (a) and (b) Yes, but it must be pointed out that the Portland Cement site bordering on Nyanga and the 26 hectares of privately owned land adjacent to Old Crossroads, referred to in the question, are in fact one and the same piece of land.

(i) (aa) For lease.

Big coup for maize farmers

Louis Luyt selling off to farmers

3) May 0

B-Day 20/6/85

By CHERILYN IRETON

MAIZE farmers clinched a deal with Louis Luyt yesterday which gives them a stake in and ultimate control of Triomf, one of the country's biggest fertiliser producers.

Yesterday Luyt signed the deal with the National Maize Producer Organisation (Nampo) which will gain control of Triomf within five years.

A new company, Maizechem — which gains control of the Luyt Group's 80% shareholding in Lanchem — has been established. Nampo and the Luyt Group each control 50% of the new company.

Lanchem holds 51% of Triomf Fertilizers.

The industry is involved in a debilitating price war sparked by the emergence of two newcomers at a time when the local market was severely depressed. This price war had threatened to eliminate some of the smaller fertiliser producers.

Nampo chairman Hennie de Jager said the decision to buy into Maizechem was taken in view of these circumstances which he believed could have resulted in only two of the five suppliers surviving.

The industry has a capacity to produce 5-million tons of fertiliser, but last year only 2,4-million tons were produced.

Local sales were down as a result of the drought, but the export market had also dried up.

Triomf had to cut back on 50% of all activities at their Richards Bay factory.

De Jager said the move was not designed to give Triomf a greater market share. "We are convinced the transaction will prove to be of great benefit to Nampo members and fertiliser consumers. Our involvement will be in the interests of the industry's future," he said. Triomf is believed to have a 23% market share, second only to Fedmis.

Nampo considers the fertiliser industry to be of stategic value.

Nampo will put their views to the other manufacturers on Friday. They believe joint action by the manufacturers could give rise to cost savings in the industry.

Though there will be no control changes within Triomf, Nampo will get to nominate directors and the chairman of the company's board.

Neither Luyt nor De Jager would reveal the cost of the acquisition.

Luyt had little to say about the deal, but described it as "upmanship".

LUYT/NAMPO DEAL (?) maize 28/6/85

Competition Board acts

Opposition fertiliser producers are saying little about Nampo's bid for control of Louis Luyt's Triomf Fertilizer. But behind the tactful silence lies the fear that their products could be locked out of one of their biggest markets — the agricultural co-operatives in maize areas.

However, there is still hope that the deal will be blocked after an investigation by the Competition Board. The *FM* understands that the board has already called for information on the grounds that it could constitute a "restrictive practice."

There are also doubts about Nampo's legal rights, as a non-profit organisation representing maize farmers, to enter into a deal with Luyt.

Nampo has wide representation on some maize area co-ops, and the board might also look into the objectivity of co-ops in fertiliser deals. In 1980 the board effectively forced certain co-ops to shed their investments in Triomf because this was felt to be vertical integration.

Most farmers, hit by drought, rely on co-op credit. Without access to the co-ops and the maize growers' majority share of fertiliser purchases — some 70% — the four opposition fertiliser producers would find it difficult to survive in the already deeply-troubled industry.

They are locked into a vicious price war, and plant is running at below half capacity at a time of falling fertiliser sales.

Deputy registrar of co-ops Louis du Toit says there is nothing to stop co-ops stocking only one brand of fertiliser. "They are business organisations acting in a free market. We are not banks and the Land Bank credit we administer is available only for the co-ops' stock."

The R1 billion/year Sentraal-Wes Koöperasie, operating in the Nampo stronghold of Bothaville, has "several" Nampo members on its board and already operates three fertiliser blending plants. Each has a capacity of 20 000 t/year.

"We buy basic fertiliser ingredients from the major producers and we intend to expand our blending operations considerably in the foreseeable future," says GM Pine Pienaar.

The opposition producers — Omnia, AECI's Kynoch, Sentrachem's Fedmis and Sasol Fertiliser — will not be drawn into public comment on the deal.

Some say their attendance at a hearing to explain the position should not be seen as an expression of approval, as a newspaper report suggested this week.

One company spokesman says that comment before the deal is through could upset business dealings with customers — co-ops and independent farmers. However, the four are clearly concerned about the long-term market implications. Their best hope, it seems, lies in Competition Board action.

Industry sources speculate that the deal does not involve a cash transaction but that Luyt will take a 7% kickback on annual profits over five years. "This must make the whole deal highly speculative because no one's making profits in the industry today," one executive tells the *FM*.

He also queries the attitude of Triomf's creditor banks to anything which will dilute their security. "The legal aspects concerning minority shareholders' rights also raise a major question mark."

He says that if the deal does eventually go through it could result in a worsening of the current price war.

This would be critical for the industry, where there are already fears that some producers are set for a fall (*Business* January 18).

The opposition companies feel that Triomf's own position is "delicate" at best. Apparently, its R140m DAP granulation plant at Richards Bay, built for export production, is running at about half capacity — and at a loss.

They also point out that, since the divorce from AECI, Triomf is entirely dependent on other producers — including rivals — for essential raw materials. ■

BREAD FM 28/6/85

Ready to rise

Bread prices are set to rise another 15c-20c/loaf later this year, unless government increases its bread subsidy. The R200m already allocated will last only until the end of September.

In today's stringent financial climate and with government's declared policy of limiting involvement in the economy, chances of a substantial subsidy boost are decidedly slim.

Agricultural Economics and Water Affairs Minister Greyling Wentzel's brief to the commission of inquiry looking at the bread subsidy is to investigate "the justification or otherwise of the scheme and whether or not its continued existence is deemed to be justified." This appears to bear out the view that government is thinking of cutting aid further.

Aggravating the situation is the possibility, based on current crop prospects, that SA may have to import wheat next year.

"In the eastern Free State, which normally produces some 50% of SA's wheat crop, the drought is grim. And in the western Free State, it is now almost too late to plant. The western Cape is also suffering from late rains," says Wheat Board (WB) GM Dennis van Aarde.

Agriculture's Wentzel . . . looking at subsidies

Carry-over stocks of about 560 000 t from this year's 2,176 Mt crop should cover three months' use, but imports next year cannot be excluded. And it's too early to guess the effect of this on 1986 prices.

The commission — due to report by September 15 — will investigate finance sources for a subsidy. It must also ensure the scheme is used most effectively "for the advantage of less privileged consumers."

The WB will decide on its recommended wheat price increase on July 24. This will go to Wentzel, who is expected to announce the new price by October 1, with a concomitant bread price hike.

Industry sources say there is little chance of an increased subsidy, and apparently the Finance Department is trying to pass the ball to Agriculture. The WB will have to throw its stabilisation fund into the gap, or the consumer will have to pay more.

"Our fund should stand at R70m by year-end — it grows by some R20m/year. But we gave government R40m last year to keep bread prices down, while in 1983 producers received a R48m *agterskot* in lieu of a wheat price hike. We cannot afford a repeat exercise this year," says Van Aarde.

The WB is sensitive to consumer reaction to bread price hikes after an 8,3% jump in wheat milled last year. This compares with average growth of 4%-5% in the last 30

Farmers switch to substitutes (3) Maize

B. Day 28/6/85

Maize losing place as chief animal feed

By GERALD REILLY

THE traditional dominance of maize in the animal feed and poultry industries is about to end, according to leaders in the two industries.

And this, with the steady switch away from maize for human consumption, could cost the maize industry tens of millions of rands a year.

Spokesman for the Organisation of Livestock Producers Roy van der Westhuizen said more and more beef farmers were switching to maize substitutes such as low grade wheat, sorghum, cane by-products, malt by-products from breweries, and cassava. "Some feedlot owners claim they can switch 100% away from maize with satisfactory results."

The average beef farmer was also rounding off his animals on natural veld and planted pastures.

The SA Poultry Association is searching "feverishly" for maize substitutes, according to SA Poultry Association general secretary Zach Coetzee. Tests had shown that sorghum could replace maize "one hundred per-cent" without any detrimental effects on broilers.

Coetzee said another alternative was sugar in its least refined form. Again laboratory tests had clearly shown that sugar could replace maize to the extent of 40% without adverse effects on the condition of birds or on production. "We have been forced into a desperate search for substitutes because of the high price of maize. If we succeed it will place us in a stronger bargaining position when maize prices in the projected two-market system are determined," Coetzee said.

Milling MD for Premier Food Industries Willem de Kock said the demand for maize for human consumption had declined steadily over the past few years partly due to shortages caused by drought-ravaged crops which compelled the Maize Board to suspend the sale of pure white mealie meal and substitute it with a yellow-white mix. "Blacks were turned off by the mix and the sales curve dipped."

White mealie meal had been back again on the market for the past two months and, although the decline in demand seemed to have been halted, consumption was static.

18/7/85 (3) Maize B. Day

Nampo explains Triomf deal

By GERALD REILLY

THE maize price was kept artificially low for political reasons to the disadvantage of farmers, according to the National Maize Producers' Organisation (Nampo).

Justifying its purchase of a 50% interest in Maizechem, in its journal *Maize*, Nampo said maize farmers could reduce their mountain of debt and arrear interest payments only with profits earned from maize production.

Through the deal, Maizechem had acquired the Louis Luyt group shareholding in Lanchem, and this transaction would enable Nampo to gain control "in time" of Triomf Fertilizer.

The decision was taken after careful consideration and in view of prevailing circumstances within the fertiliser industry, which could soon result in the survival of only two suppliers.

This would not be conducive to free enterprise, and the organisation was convinced the transaction would greatly benefit members of Nampo and other users of fertiliser. Its involvement in the fertiliser industry — which supplies one of the most important agricultural inputs — would, likewise, be in the interests of the industry.

It had contacted other suppliers of fertiliser to discuss its objectives, and believed joint action by fertiliser manufacturers could save costs.

Maize consumption falls

3-Maize 19/7/85

Financial Staff

South Africa's return to self-sufficiency in maize this year could prove to be a two-edged sword, with falling consumption of the commodity indicating that a surplus might once again have to be exported at a loss.

The Department of Agriculture yesterday estimated that this year's crop would leap to 7,07 million tonnes from 1984's drought-hit 4,39 million. And though this is a far cry from the record 14,7 million tonnes produced in 1981, domestic consumption has fallen steadily in recent years and at an estimated 6,5 million tonnes is now about 1 million down on the levels seen in 1981.

This is partly due to resistance to the imported yellow maize, but is also seen as the beginnings of a more fundamental shift in traditional eating habits of the lower income groups.

Nevertheless, SA still stands to save something like R1,2 billion, which it is was originally estimated was needed to be spent this year in importing almost 4 million tonnes of foreign grown maize. Star

World prices of maize are, however, falling rapidly with expectations that world grain stocks could rise to a record 1,6 billion tonnes this year. This has led to prices on the international futures markets dipping to the equivelant of a little more than R200 a tonne.

And though the government recently rejected the maize farmers' request for a substantial price rise, the domestic price is still around R220 a tonne.

The chances are that if world prices continue to weaken and demand does fall short of supply the surplus will be used to bolster the country's sorely depleted stockpile.

Grade 10

0.00	0.00	14.95	16.71	18.03	19.35	22.88	22.88	26.40	29.04
0.00	0.00	14.47	11.44	11.42	10.92	10.16	9.32	10.32	10.15

Current Hours: 44 Hourly Change 1975 to date: Nominal +0.0% Current Real Weekly Wage: R 9.3

Grade 12

10.38	13.85	16.55	18.76	20.14	21.58	24.48	24.48	28.08	30.96
10.95	14.38	16.02	12.84	12.75	12.18	10.87	9.98	10.97	10.82

Current Hours: 44 Hourly Change 1975 to date: Nominal +388.1% Real +49.5% Current Real Weekly Wage: R 10.01

R500-m bonanza for SA maize farmers

W/t Argus 20/7/85 (3 maize)

Financial Editor

NINE months after the three-year drought in the maize triangle, the drought in the retail trade in small towns in the maize triangle — and further afield — is also starting to end as farmers begin spending the proceeds of this year's harvest.

Figures issued by the Department of Agriculture show that the ending of the drought should give maize farmers about R500 million more to spend this year than last year — an increase of 48 percent.

The Department says this year's maize crop is about 7,07 million tons against 4,79 million tons last year.

PROTESTS

In spite of farmers' protests there has been no increase this year in the R218,55 a ton producers' price of maize.

On this figure this year's crop should be worth about R1 545 million against R1 047 million last year.

Traders in Kroonstad, at the southern point of the Maize Triangle, said today that business was still quiet. But they blamed this partly on most farmers being away on holiday at the coast.

"It should start picking up in the new two months," said Mr E L Nel at Northern Free State Motors, one of the town's leading motor dealers.

STRONGER RAND

For the authorities in Pretoria the increase in the maize crop is good news. It should be sufficient to meet the local market's requirement and eliminate the need for maize imports.

This should lessen pressures on the balance of payments and help the rand to recover.

Moreover, with no need to spend the consumers' money on maize imports more money will be available this year for purchases of local goods, which should also help the domestic economy.

Rice exempt from GST

STAR 10/8/85

3-MAR 85

by

Kashvina Jaga

Rice is now exempt from GST, giving the consumer the benefit of one more tax-free food item.

The new price came into effect this month and *The Star* weekly shopping basket survey, carried out at four north-western stores, found posters up informing the consumer of the change.

All prices surveyed exclude the 12 percent GST charged on some products.

Cheese prices increased recently after remaining constant for months. Elite mature cheddar went up from R6 99 a kg to R7 73 and Elite Gouda from R6 37 to R6 92.

NO SPECIALS

Several increases were noted this week as some items were no longer on special offer and several stores brought their prices in line with other stores.

Milk increased by 2,6 percent, selling for 79c a litre at three stores compared with last week when only two stores were selling milk at this price.

Eggs increased by 3,3 percent, yet two stores were selling eggs at 58c. The manager of Checkers Cresta, Mr Mike Goodman, said the 58c price was a two-week special and that eggs would be sold at the normal price from this week.

Potatoes increased by 23 percent as some stores were no longer selling them at a bargain price.

The prices of sugar, coffee, cereal and cooking oil increased by three percent, 3,6 and 1,4 respectively.

Chicken, bacon and fish went down in price.

(3) Maize FM 23/8/85

ISCOR

Victory in

Five months of talks between major interı tional iron ore producers and steel mills the so-called "mating season" — ended l week. And Iscor, the last at the negotiat: table, has come away smiling.

For the first time in two years it l secured a price increase from European a Japanese mills which had driven down pri since 1983.

At first glance, Iscor's estimated 1, average increase in Europe seems slight, l given the state of world markets and viev against the two-year run of price cuts of to 20%, producers can claim a modest vic ry.

Iscor's Van Wyk . . . pushing up prices

In the first five months of the year Iscor's iron ore export tonnages fell 31%, but they appear to have stabilised — and there is even a hope of improvement by year-end.

Iscor MD Willem van Wyk says the concessions were not easily won. Indeed, one Brazilian producer summed up the talks as "dialogue with the deaf."

The producers had started the vital talks adamantly insisting that the price slide had to be halted. But, since iron ore contracts are negotiated in dollars, they faced stiff opposition from steelmakers who argued that landed costs had escalated dramatically towards the end of 1984 because of the dollar's sharp rise.

Now producers and steelmakers are

... were able to increase the differential between the two grades," explains Van Wyk

In Europe, Iscor's long-term contracts remain lapsed. European steel mills will continue to source from Iscor but on contracts varying from 9-12 months.

Early last year, when iron ore prices were cut to the bone, Iscor's push on the spot market whittled down stockpiles at home. "But that was a short-term action," says Van Wyk. "Since then rates have firmed slightly and we will not follow that route again."

For producers, the main squall on the horizon is Brazil's massive Carajas project By 1987, it will dump an extra 35 Mt/year — about 20% of current world demand — on a market already buckling from over-supply (*Business* August 16). Japan's Nippon Kokan, for one, intends to buy from Carajas next year.

The new entrant stalled steel demand, and the tone of this year's price negotiations thus suggest that the 1986 negotiations will be even tougher. But producers are determined to hold the line: already they are planning their strategy to wring further increases from the world steel industry next year. ■

FM 23/8/85.

MAIZE HARVEST (3) Maize

Enough to spare

Latest projections for the 1984/85 maize crop show that some 7,4 Mt will be reaped, which is more than enough for SA's requirements. Last year SA imported about 2 Mt of US yellow maize.

"The current crop is made up of around 3,4 Mt white maize and 4 Mt of yellow maize," says Maize Board (MB) deputy GM Peter Cowney. "We will have yellow maize for export and the board will soon begin negotiations with prospective buyers."

Falling demand for yellow maize — consumption of alternatives like sorghum, feed wheat, bread, rice and spaghetti has taken off in tandem with the rising maize price — has put the MB in a dilemma. "We will have to broaden our local market," explains new chairman Hendrik van Zyl, "because exports usually mean losses for the producers."

About 900 000 t of the current crop will also be carried over in terms of the MB's

Maize . . . more than enough

policy of storing stock for the upcoming season.

Meanwhile, maize producers expect Agriculture Minister Greyling Wentzel to announce the new marketing system for the maize industry by mid-September. This follows a recent sharp about-turn by the producer body the National Maize Producers' Organisation (Nampo), which last week indicated that it is no longer in favour of the two-market and quota systems it has long supported.

"Nampo's decision merely reflects the feelings of the majority of producers.

"I trust that the status quo will continue, but the ball is now in the Minister's court," says Van Zyl.

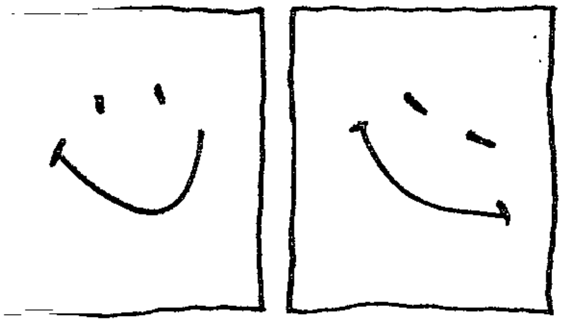
The special Cabinet committee on surplus food supplies has not yet devised a strategy on the provision of surplus food stocks, but some farmers in drought-stricken areas have apparently asked for special maize prices in their areas.

In a related development, sorghum producers have decided to ask government for a separate sorghum board (*Business* May 17) because they are not satisfied with the administration, pricing and marketing by the MB.

With the reduced government subsidy on maize — the current subsidy is R100m against the R250m sought — sorghum will become more price-competitive as a feed grain.

"We are out to capture a large portion of the feed maize market in SA," says a sorghum spokesman. "This year's crop is some 560 000 t and there is a huge potential for expanding production. It is more drought-resistant and cheaper to produce."

Signs are that government views the request for a new board favourably. To save costs, sorghum producers want it to be administered by an existing board at an agreed fee. ■



Taiwan agrees to take 200 000 tons of maize

3-Maize

9/9/85 STAR

Successful maize negotiations have been concluded with the Board of Foreign Trade in Taipei despite an earlier estimate that South Africa would have no maize to export until May next year.

Mr Hendrik van Zyl, the Maize Board chairman who is leading a negotiating team to Taipei said that although BOFT had been told in February there would be no maize for export, Mr Vincent Siew, the Board's director-general, was prepared to review the position and honour the spirit of the long-term maize agreement with South Africa.

Taiwan had now agreed to import 200 000 metric tons of maize in the first quarter of 1986.

"The Maize Board and the Minister of Agriculture, Mr Greyling Wentzel, were unanimous that the BOFT should be informed directly through a maize mission as soon as it became clear that South Africa had a maize supply to export," Mr van Zyl added.

The mission would spend a week in Japan to promote the market for South African maize and grain sorghum, the statement added.— Sapa.

R70 million rice project started in KwaZulu

Mercury 11/9/85

3-Maize

African Affairs Correspondent

ULUNDI—Details of a massive rice-growing scheme, which could save millions in foreign exchange and provide a quarter of South Africa's needs within five years, were revealed here yesterday.

The scheme, to be developed in the Ingwavuma area of KwaZulu, will mean the creation of a new town to house those who take up several hundred new jobs.

The Chief Minister of KwaZulu, Chief Mangosuthu Buthelezi, and the chief executive of the Development Bank, Dr Simon Brand, signed an agreement for a pilot project to be funded by the Development Bank, the KwaZulu Finance and Investment Corporation, and the Industrial Development Corporation.

The pilot scheme will cost R1 300 000 but R70 million will ultimately be invested over a four-year period.

600 workers

Chief Buthelezi said the South African economy was under seige. The project was, therefore, exciting because it would provide local employment opportunities for 600 people and could save South Africa R25 million a year in foreign exchange.

The Chief Minister said another 600 would find seasonal employment during planting and harvesting.

South Africa depended on imports for rice, currently buying about 175 000 tons a year, mainly from the United States at an annual cost of more than R100 million.

The KwaZulu Government was concerned about the impact the scheme would have on one of South Africa's most beautiful natural areas and a considerable sum would be spent on environmental impact studies.

Mr Hannes le Roux, acting development executive of the KFC, said that 4 ha of the scheme were already under rice and the initial results were very good.

The project would ultimately involve an area of 20 000 ha.

MAIZE FARMERS

(3) Maize

Down to earth

After decades of virtual insulation from free market forces, SA's 20 000-odd maize producers — still the backbone of the agricultural industry — are being called on to face a new reality

Almost guaranteed annual price increases seem likely to give way to *decreases* as maize fights to win back its place in the market.

With the industry losing some of its local market while sustaining huge losses on exports and facing decreasing government assistance, something has to give.

"Our top priority is to win back the local market, even if this means reduced maize prices," says Maize Board (MB) chairman Hendrik van Zyl. "The future lies in expanding our local market — not in uneconomic exports.

"We could have sold this year's 7,3 Mt crop locally had the maize price been between R205/t and R210/t. Instead, we expect local sales to total only some 5,6 Mt."

Last year about 900 000 t of potential local sales were lost to substitutes like sorghum, brown bread, rice, feed wheat and even potatoes. Meanwhile, reserves of some 900 000 t will have to be carried over to next year at a high cost.

The stark possibility of lower maize prices was spelt out last week by Van Zyl and Agriculture Minister Greyling Wentzel when they announced that:

- ☐ The proposed two-market and quota systems for the maize industry are not acceptable to government;
- ☐ The existing one-channel, fixed-price marketing system will remain in force until June next year; and
- ☐ The National Marketing Council is investigating possible alternatives to the existing scheme as Wentzel is "not inclined to continue with the present control arrangements and price determinations for maize."

Apart from the setback in the local market, maize men expect to sustain losses of some R45/t — or R36m — on exports of 800 000 t yellow maize to Taiwan and Japan this year, says Van Zyl. "And if we have another 14 Mt crop, as we did in 1981, these losses will mushroom," he adds.

Maize producers could face export losses of more than R300m in good crop years, should the rand rise substantially above current levels.

The industry is thus in a dilemma — strident and perpetual demands in the past for higher prices have lost it large sections of the local market, while export losses seem likely to remain a permanent feature.

Three alternatives are being looked at — massive increases in government subsidies, sharp drops in local (and export) maize prices and phasing out maize production in favour of other crops.

Van Zyl says the MB will ask government to increase its subsidy of the MB's "marginal" costs (storing and financing of maize crops). The subsidy was reduced to R100m this year after maize producers asked for R250m. This meant consumers had to pay more, while producers received no benefit.

Maize ... no longer SA's king cob

But Wentzel is adamant that government will not bail out an industry whose stabilisation fund is still beholden to the State for about R210m.

"We have a quid pro quo arrangement with the MB — government will gradually write off this indebtedness while we phase out subsidies to the industry," Wentzel tells the *FM*.

About R40m of the MB debt was written off this year, while government's subsidy of the MB marginal costs was reduced from the requested R250m to R100m, he says.

Wentzel adds categorically that government will accept no further liability for maize export losses.

Maize producers now have to consider their future strategy carefully. The obvious course is to heed the message of the market place and bring down prices Demands for higher prices or more State aid will be met by a firm refusal — the coffers are empty.

Years of greed and virtual blackmail of consumers and government has placed the entire industry in jeopardy.

Maize is still the staple of SA agriculture and its cost directly affects the price of red meat, chicken, eggs, milk, cheese, butter and many other products.

Lower maize prices would have an immediate impact on the inflation rate and government's decision to phase out subsidies signals a major monetary and fiscal aboutturn in agricultural pricing.

Wentzel has thus taken his courage in his hands and sent a clear message to maize producers — put your house in order or learn to live with shrinking local demand and spiralling losses on export markets. ■

COMMODITY TRADING

Filling vacuums

Fears that disinvestment moves by Phibro-Salomon's commodity trading arm Philipp Brothers (PB) would disrupt supplies of strategic bulk ferro-alloys to key overseas customers are ill-founded.

While PB is already dismantling its wholly-owned SA subsidiary Derby Metals (*Business* September 13) and unravelling contracts with mines and producers, a new trading house is being formed to handle a hefty slice of PB's local business.

The South African operation is being reactivated by PB employees overseas, who have been handling South African exports abroad, and key staff in Johannesburg.

Financial partners will be needed, but bankrolling the venture should not be expensive as start-up costs are minimal.

Talk in trading quarters is that the operation bears all the hallmarks of a joint Anglo American/Barlow Rand venture into commodity brokerage.

The company, as yet unnamed, is slated to start operations in the new year, but Derby

The privatisation of these corporations would also help solve SA's liquidity position by transferring current financial investment into real, employment-creating capital investment.

The paper calls for a cut in personal income tax and further relaxation of fringe benefits tax provisions to avoid "irreparable damage to the structure and fabric of our vehicle manufacturing industry."

Although government last week cut HP deposits on vehicles, the industry still believes credit instalment terms should be further relaxed. The paper points to the West European and US markets, where instalment periods are generally longer than SA's 42 months for cars and 36 months for commercial vehicles.

Falling efficiency caused by lower sales, added to the rand's fall, will mean a surge in vehicle prices. New vehicles can now be purchased on HP periods of up to 48 months for cars and 42 months for commercial vehicles, says the document.

The paper holds that the recession and last year's austerity package have had a more serious effect on the motor industry than other sectors. Therefore, the industry deserves more assistance than other sectors.

Car and light commercial vehicle sales this year are expected to be the lowest in eight years, while it is predicted that bus sales will hit their lowest level in 21 years. ■

27/9/85

MAIZE (3) Maize FM

Marketing muddle

Powerful groups are jockeying for key positions in a scramble to lead the troubled maize industry out of its marketing maze. The prize could be control of SA's most strategic agricultural sector.

The strong National Maize Producers' Organisation (Nampo), which lost control of the Maize Board (MB) earlier this year when government refused a R50/t hike in the 1985 maize price, and major grain co-operative Uniegraan have both suggested alternatives to the current fixed-price, one-channel maize marketing system.

The moves follow Agriculture Minister Greyling Wentzel's announcement that the two-tier marketing system — proposed by the MB — was not acceptable (*Business* September 20).

The decision was a further slapdown for Nampo, which strongly supported the proposal.

Wentzel has also instructed the National Marketing Council to investigate new systems for marketing maize. Meanwhile, the *status quo* will remain and existing board members retain their seats — at least until June 1986.

This interim arrangement has left the field open for other players to make their moves for power in an industry worth R1,7 billion in a good season.

Under the existing system, huge price hikes have led to drastic drops in maize consumption, and export losses are now endemic. The rejected quota and two-market systems were partly devised to reduce production by placing the risk of export losses squarely on producers' shoulders.

Government rejected it on the grounds that it did not offer a "practical solution to the the problems of the maize industry."

MB chairman Hendrik van Zyl favours the existing system. He says farmers could reduce input costs by using more economical and cost-effective production methods. Lower costs would lead to greater flexibility in maize pricing and enable the industry to recapture the lost local market. This could even involve reducing maize prices in future.

This is no idle talk. For example, average production costs on Van Zyl's farms in the dry, so-called marginal northern Cape and Transvaal is only R165/ha against much higher figures traditionally quoted for maize-producing areas generally. Van Zyl has been rewarded by being attacked by some farmers in the central and eastern areas who fear that he is undermining their case for higher prices.

Van Zyl says government should continue supporting the maize industry by subsidising the cost of storing and financing crops. Although Wentzel is adamant that State subsidies will be phased out, Van Zyl believes this attitude could change with a new economic situation.

And what about freeing the market?

Deputy MB GM Peter Cownie says SA's maize market is too small for a Chicago-type commodity exchange where maize could be freely bought and sold on spot and futures markets. He asserts that some kind of protection mechanism is needed to prevent the exploitation of individual producers by the milling giants.

But two other alternatives to the existing system are also being hotly debated.

Nampo economist Kit le Clus says the two-market and quota systems would separate maize exports from local sales. Farmers would receive the full benefits from local quota sales, while export receipts would be separately determined by world prices.

In its *Mielies/Maize* publication Nampo suggests that "rigid marketing schemes and thought patterns in agriculture will increasingly have to adjust to the concept that every individual farmer will himself have to accept responsibility for his production decisions, and that specific costs will have to be borne and be allocated where they originate."

This basic free market principle implies that farmers should decide individually whether they want to produce for the export market and then accept *personal* responsibility for all costs — transport, marketing and management.

The other alternative — a one-channel pool system — has been suggested by major grain co-operative Uniegraan. Producers would have to deliver their maize into a pool, owned and administered by the MB. The MB would arrange for orderly selling and pay producers a *voorskot*, a *middelskot* and an *agterskot* based on original and eventual price, size of crop and after assessing marketing costs.

However, this system is seen by the SA Agricultural Union "old guard" as a veiled attempt to regain bureaucratic control of the maize industry. The idea is therefore unlikely to receive much support from producers or government, which still firmly supports the free market line. ■

CHEERFUL DEMAND

Everybody knows by now that the recession has apparently not swollen the ranks of those seeking comfort from the bottle. Drinks sales are down across the board.

But there is an area of cheer. Witness the results of the Bergkelder's latest tender of fine wines which brought a 200% oversubscription for the 4 273 cases on offer.

The tender system was devised in an attempt to ensure equitable distribution to retailers of special wines which have built up in limited quantities in Bergkelder stores.

The system seems fair. Brochures are sent out to the trade providing full particulars of the wines to be offered and calling for tenders. The public can get a piece of the action by submitting offers through retailers.

Marketing manager Giel Groenewald maintains the system works well, and the response to the latest sale appears to support him. Literage sold was up 14% while cash value even in these lean times advanced 31%.

More to the point for consumers, though, the system is intended to ensure that some particularly fine wines will reach the market at reasonable prices. For example, wines such as Zandvliet Shiraz, Meerendal Pinotage, Allesverloren Cabernet, Allesverloren Port and Alto Cabernet were oversubscribed by more than 800% and would have fetched tragically expensive heights by normal auction methods.

Other particularly good buys appear to include 1978 Fleur du Cap Shiraz, Meerlust Rubicon, Theuniskraal Gewurztraminer, Fleur du Cap Riesling and Hazendal Steen. Not such good value, save for the highly image conscious, were magnums which went for three times the price of the same wine in ordinary bottles.

US SANCTIONS

Biter bit

Most of SA's 350 US-linked companies will be affected in some way by Washington's new sanctions legislation. And some — espe-

First maize exports on the way to Japan

3-Maize 19/10/85

By Frank Jeans

South Africa is back in the maize export business after shipments were halted by drought.

The first consignment of 20 000 tons of yellow maize is now on its way to Japan on the Safmarine time-chartered ship, Falcon.

Mr Peter Cownie, acting general manager of the Maize Board in Pretoria says at least 800 000 tons of maize are available for export this year.

Two hundred thousand tons have already been committed to buyers in Taiwan, while the balance is available for other markets.

"This year, we have a surplus for export," says Mr Cownie. "While the quantity is small, it is certainly of value to South Africa in terms of foreign exchange today."

(3) Maize

Broker sees good chance of overseas sales

Maize sales drop may mean more for export

B. Day 2/10/85

ALAN SENDZUL

THE one-channel system, whereby all maize is sold to the Maize Board at a regulated producer price, insulates the market from price fluctuations. Of more importance, however, is the probability of there being a surplus which could then be sold on the world market.

This year's crop was 7,4-million tons. On average, 6,5-million tons are consumed domestically. Indications are that, with shrinking living standards, local needs for 1985 may be at least 10% down.

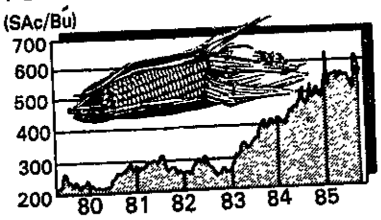
This means that part of this year's excess inventory will be up for sale to international buyers. The graph reveals an estimated world spot maize price by using a futures contract approaching maturity — that is, very close to the current market price.

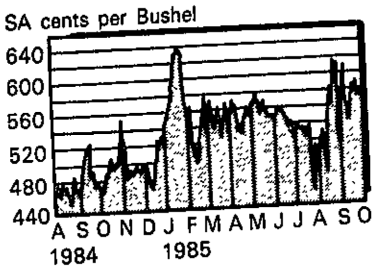
Maize exports appear to be better placed now compared with the first half of the year. Export proceeds also rely on private arrangements with suppliers and distribution channels are politically sensitive.

SA's premium-quality maize could also be a positive pricing factor.

Maize prices on the Chicago futures — which indicate the expected pattern of maize demand and supply,

MAIZE



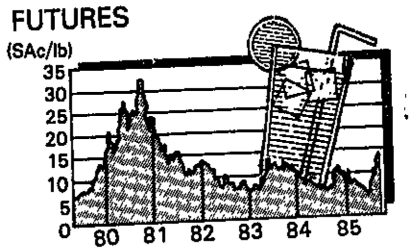


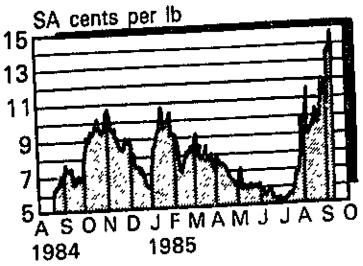
as opposed to spot world prices — have been moving upwards.

Commodity broker Holcom is not too despondent about the effect of a bearish US Department of Agriculture maize-crop report. Holcom regards this as a buying opportunity, because a weaker long-term dollar could improve US grain exports and lead to a higher price within the next two months.

Meanwhile, the SA sugar industry is optimistic about the outlook for

SUGAR



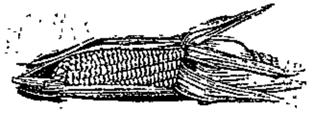


spot sugar after several months in the doldrums. Sugar producers will no doubt be pleased to receive higher-than-expected revenue for exports.

On sugar futures, West German analyst F O Licht put a slight damper on hopes with an estimate that world sugar stocks would decline by only 1,74-million tons. The mild setback to expectations of a faster running-down of inventories — by about 2-million tons — has put a lid on the sugar-futures price temporarily.

(3) Maize

Big losses in store for maize exports



GERALD REILLY

SOUTH AFRICA will export about 700 000 tons of surplus maize this year — and the losses could be heavy.

Wheat will also be exported at a loss to neighbouring countries.

Maize prices on world markets have hit rock-bottom — US Gulf fob price is curently $98,22 a ton. Even taking the weak rand into account, there is no way deficits can be avoided.

These will add to the huge R270m accumulated deficit in the Maize Board's stabilisation fund.

However, foreign exchange earnings could exceed R80m.

Maize Board GM Hennie Nel said in Pretoria yesterday that 200 000 tons would be sold to Taiwan, while the balance of the surplus was available for other markets.

Board chairman Hennie van Zyl said earlier this year the prospects of selling to Japan were favourable.

Nel said SA maize was of exceptional quality and international demand was strong.

But he stressed that a dramatic change in the prospects for the country's '85/'86 maize crop could lead to the export programme being scaled down.

The Wheat Board expects to export about 80 000 tons of wheat to neighbouring states this season, with losses to be carried by its stabilisation fund.

Maize surplus sold at loss

DISPATCH 3-Maize 08/11/85

JOHANNESBURG — The widespread rains which have fallen in the maize belt have boosted farmers' hopes for a favourable 1986 crop season — but if present export trends continue the surplus will be sold at a loss overseas.

The general manager of the Maize Board, Mr Hennie Nel, said last week's rain had improved conditions in the maize-growing areas, but there was still "a long way to go".

"In some areas there has been ample rain, while in other parts of the country more rain is needed. But there is still plenty of time to plant," he said.

Mr Nel said it was not possible to predict future marketing conditions, but he conceded that it was difficult to sell the country's export maize at a profit.

"There is always a demand for South Africa's high quality yellow maize, but low prices overseas are the problem," he said.

In September the Maize Board announced that it had negotiated a contract to sell Taiwan 200 000 tons of maize from the 1985 season — but at a loss of several million rand.

Mr Nel said the Maize Board was processing export deliveries of 700 000 tons following the small surplus at the end of this season.

A spokesman for the South African Agricultural Union said dam levels were steadily improving in country areas as a result of the runoff from the recent rains. He said maize farmers were beginning the new season on an optimistic note.

He said the SAAU believed that even if surplus maize was exported at a loss it would be beneficial to South Africa since it would bring in valuable foreign captial.

The maize marketing system is presently being investigated by the National Marketing Council after the government decided earlier this year not to go ahead with the proposed two-tier marketing scheme. — Sapa most recent entrants include the United ... All to put

BUS DAY 3/12/85 (3) MAIZE

Wentzel, Nampo on better terms

● WENTZEL

GERALD REILLY

THE fractured relationship between the National Maize Producers' Organisation and Agriculture Minister Greyling Wentzel is on the mend.

Relations have been strained since May when eight Maize Board members, including chairman Crawford von Abo, walked out in anger after government refused to grant an increase in producer prices.

However, Wentzel met with Nampo's full executive in Bothaville on Friday to "normalise the relations between Nampo and government", Wentzel said in a statement.

Wentzel said Nampo chairman Hennie de Jager and he were satisfied after the talks that progress had been made, and that the talks could mark a new era of co-operation between government and the maize producers.

They discussed the minister's powers over maize marketing and pricing, decisions made by members of the Maize Board, the appointment of producer members to the board, the elimination of duplication between the activities of Nampo and the board, Nampo's financing, and alternative maize marketing and pricing arrangements.

BUS DAY 3/12/85

Pick 'n Pay returns beer

Lawrence Bedford

Pick 'n Pay says it sold 40 000 cases (24 to a case) of SWA Breweries (SWB) Windhoek Light beer through 26 of its 36 outlets before the SA government "gazetted it off the shelves".

Containing an alcohol volume of 1,9%, the new brand is aimed at providing a thirst quencher for sportsmen and a "safe" drink for drivers.

Food director Peter Dove said at the weekend the sales spanned a period of about four weeks. Pick 'n Pay was now returning about 6 000 cases to SWB.

In a notice published in the *Government Gazette* of November 22, the beer was reclassified as liquor. It gave the retail chain no chance to get rid of existing stocks.

Maize industry peaceful again

(3) MAIZE STAR 4/12/85

Pretoria Bureau

Peace has been restored to the maize industry after talks between the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, and the National Maize Producers' Organisation (Nampo) in Bothaville last week.

Both sides were satisfied with the talks which concerned a new marketing scheme for maize and the reappointment of Nampo members to the Maize Board.

They resigned earlier this year when the Minister refused to grant a maize price increase and were replaced by Government appointees.

Extra maize exported at loss

4/12/85

BUS DAY

MAIZE 3

GERALD REILLY

ABOUT 700 000 tons of SA's 1985-86 surplus maize has been exported — at a loss.

Of this about 200 000 tons has been shipped to Taiwan and the bulk of the remaining 500 000 tons to Japan.

Yesterday Maize Board GM Hennie Nel declined to dsclose the extent of the loss.

However, he did say it would be debited to the board's stabilisation fund — already R200m in the red.

The loss, he said, would be cushioned by borrowings from the Land Bank.

Nel said international markets were glutted with huge grain surpluses.

However, SA produced probably the world's highest quality maize, which provided a strong competitive edge.

Prices were low, reflecting the big surplus, and this neutralised much of the advantage from the low exchange value of the rand.

Grain merchants said losses were undoubtedly being suffered on exports but the extent was only known to the Maize Board.

One industry source said SA was probably realising about $102 a ton on exports.

This, at an exchange rate of $0,038 to the rand, translated into R268.

However, to be deducted from this, were export costs of about R60 a ton — resulting in an overall deficit of about R40 a ton.

Acquitted UDF 12 might sue Le Grange

3674A 3474 BUS DAY 11/12/85 3131

PETER HONEY and LINDA ENSOR

THE 12 UDF leaders acquitted of high treason in Maritzburg Supreme Court on Monday are considering bringing substantial claims for damages against Law and Order Minister Louis le Grange.

Instructing attorney for the group Norman Manoim confirmed this yesterday.

He said the claims would be for loss of earnings and liberty. He declined to speculate on the possible amounts involved.

Most of the acquitted trialists are professional people — doctors and lawyers — whose defence since the trial began in May is thought to have cost about R100 000 a month.

The case against the 12 crumbled this week because of flimsy evidence, legal experts said yesterday.

However, the trial of four co-accused trade unionists is scheduled to continue — possibly in Durban — on February 3.

Clive Thomson, senior partner in one of the firms of instructing attorneys, said he believed the decision to withdraw charges against the 12 was an "independent" one taken by the Attorney-General of Natal after evaluating the State's case.

UDF treasurer and former trialist Cassim Saloojee said yesterday the trial had not stemmed from a genuine belief on government's part that the accused

● To Page 2

Rain saves OFS farmers

11/12/85 BUS DAY 3 MAIZE

Business Day Reporter

MAIZE farmers in the north-western Free State have been saved from almost certain disaster by this week's good rains. Conditions in the Western Transvaal remain critical.

Had the Free State rains been delayed for even another week, heavy losses would have been unavoidable.

Now, according to National Maize Producers Organisation (Nampo) GM Piet Gous, provided there are good rains in early January and February, an average harvest in an area which produces about 30% of the national crop would be possible.

The position in the Western Transvaal — which produces 40% of the crop in an average year — is critical. Farmers say there must be a fall within the next 10 days if there is to be any hope of a reasonable crop.

Farmers say intense heat and strong winds in the area during the past three weeks have dried out their lands and, without heavy rains, it will be futile to plant.

In the Eastern Transvaal farmers also say they desperately need rain in the next few days.

Even the weekend rains were insufficient, says Anton Steyn, of the Department of Water Affairs.

20/12/85 BUS DAY

Hope for maize crop

(3) MAIZE

LINDA ENSOR

PROSPECTS for a reasonable maize crop this season still exist, provided sufficient and continuous rains fall in the next few months, says a spokesman for the National Maize Producers' Organisation.

According to Giel van Zyl, planting in most areas — with the exception of the north-western Transvaal — has been completed, and thunderstorms over the past two weeks have improved conditions.

Theo le Roux of the Central Western Co-operative says he is reasonably optimistic about the crop, although the situation in the north-western Transvaal is serious. He estimates plantings in the area to be as little as 20% of normal and says about 7% of this is dry-land planting.

According to the Weather Bureau, December has seen normal to good rainfall over most parts of SA.

AGRICULTURE - OTHERS

MAIZE — 1986

JAN. — DEC.

Bumper maize crop if rain continues

BUS DAY 9/1/86

(3) MAIZE

GERALD REILLY

THE chances of a 10-million-ton maize crop are good — providing "normal" rains fall over the mealie belt during late January and in February.

That is the critical period for the crop when a lack of rain and high temperatures could mean another disastrous harvest of less than five-million tons.

Nampo GM Piet Gous said from Bothaville yesterday that the crop had got off to a great start, especially in the eastern areas.

"We are holding thumbs for good rains in the critical growing period to the end of February.

"If we get them, an above average crop is likely," he said.

He said a harvest of nine-million tons — considered a normal yield under average growing conditions — would leave two-and-a-half-million tons for export.

That, under current exchange rates and international maize price conditions, would earn the country up to R700m in foreign exchange.

Asked whether a crop of this size would materially ease the serious financial plight of maize farmers' Gous said: "Summer grain grain farmer's debts now amount to about R12bn, and it would take more than one good season to bring them meaningful relief."

He said farmers' gross income from a nine-million-ton crop would amount to about R2bn at current prices.

However, to plant and grow the crop cost anything up to R1,5bn.

"So it is obvious that one or two, or even three good seasons in a row would be insufficient to wipe out the huge debt burden being carried by maize farmers," he said.

The total value of SA's agricultural exports in 1984 amounted to R1,842bn.

But because of the drought, the maize crop was only big enough to meet the local need.

Economists pointed out that a good agricultural year — and this was now a likely prospect — would make a solid contribution to an economic upswing.

for his repatriation to Britain.

Maize price rise is in the offing

STAR 16/1/86

MAIZE

(3)

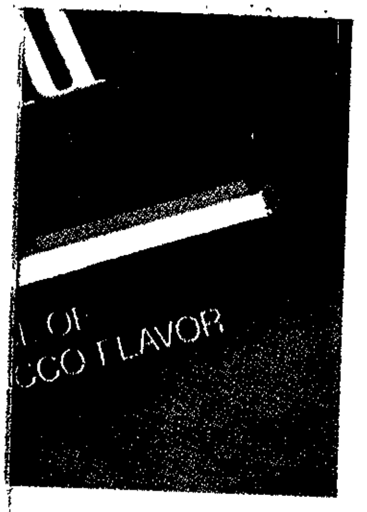
Pretoria Bureau

An increase in the maize price is in the offing as South Africa's maize producers claim they are no longer able to absorb rising costs.

Maize farmers have also lashed out at the recent rises in the prices of diesel and fertiliser, saying the only alternative to a price increase was to reduce production and revert to being a net maize importing country.

Dr P J Gous, general manager of Nampo, said diesel and fertiliser were major cost items in maize production and producers would be compelled to pass on increases to consumers.

The financial position of maize farmers was critical and cash flow problems have become the producers' nightmare. Farmers drastically cut their input usage, to which suppliers responded with rapid price increases instead of lowering prices to stimulate demand, he said.



(3) MAIZE BUS DAY 6/1/86

Blueprint sought 'urgently'

New selling plan for maize likely

GERALD REILLY

A NEW maize-marketing scheme may be introduced from the start of the new season in May, according to Pretoria sources.

It is understood Minister of Agriculture Greyling Wentzel is putting pressure on the National Marketing Council to have a blueprint of the new scheme completed as soon as possible.

Last year Wentzel rejected a two-tier system for maize — a system recommended by the National Maize Producers Organisation (Nampo) and the Jacobs Commission.

This would have entailed quotas for farmers based on previous production figures for which a predetermined price would be paid.

Anything in excess of the quotas would have had to be exported by the farmer at the best available price.

This scheme would have removed the burden of exporting surplus maize at prices substantially lower than the domestic price.

Nampo economist Kit le Clus said yesterday the minister had indicated the present marketing system was unsatisfactory.

If the proposed new scheme is ready in time, it will be submitted to Nampo's annual price-fixing congress on March 12 and 13.

On the still-to-be-determined price for the current crop, Le Clus said producers' demand for a price rise last year was rejected by government.

That meant the costs of production requisites — fertiliser, fuel, machinery, labour and others — had spiralled more than 30% since maize producers last got an increase.

Le Clus said a symptom of the farmers' plight was the disastrous decline in land prices in some areas.

The number of forced sales was also rising.

The situation was due to two main factors — successive droughts and inadequate profit margins for maize producers.

Southern's plans for Cape HQ

NEWLANDS in Cape Town can expect a massive injection of commercial activity over the next few years if Southern Life goes ahead with plans to expand its corporate headquarters on the corner of Dean Street and Main Road.

Southern says it is under intense pressure to establish a consolidated head office to accommodate its growing staff.

If the company is unable to expand, it might have to consider moving its central operation to Johannesburg.

The expansion plans, which will necessitate demolition of flats behind the Great Westerford site, are currently before the city council.

Southern also hopes to build a parking garage for 735 cars next to the Newlands rugby ground to provide staff parking.

The garage would be available to rugby fans over weekends.

Southern executives said they were fully aware of the possible environmental impact of the development and would try to preserve the existing natural features of both sites.

The first phase of the development, which is expected to cost around R40m, will begin in 1988 if the council gives Southern the go-ahead. — Sapa.

(3) MAIZE 28/1/86 BUS DAY

SURVEY SHOWS MAIZE FARMERS WILL PRESS DEMANDS TO THE LIMIT

GERALD REILLY

SUMMER grain farmers — more than R1bn in debt — expect substantial price increases this year.

A survey carried out by the National Maize Producers' Organisation (Nampo) shows that maize farmers in particular intend demanding a big price rise.

Last year government rejected their demands for a price increase — a move which led to an angry walkout from the Maize Board by eight Nampo members, including chairman Crawford van Abo.

Nampo economist Kit le Clus said yesterday farmers' expectations were high that a resonable price rise would be agreed ~~this year~~.

Nampo's annual congress, at which price recommendations are formulated, is scheduled for March 12 in Klerksdorp.

The recommendations will be submitted to the Maize Board, which is due to meet the following week.

Le Clus said prospects for the current maize crop were fair.

With good, widespread rains in the maize belt, especially in the Western Transvaal and north-west Free State — where more than half the crop is grown — a crop of between 8-million and 9-million tons is likely.

What would happen to a large percentage of debt-ridden maize farmers if February rains hold off "does not bear thinking about", Le Clus said.

BUS DAY 29/1/86 (3) MAIZE

Maize Board boss to take action against Nampo

GERALD REILLY

MAIZE BOARD chairman Hendrik van Zyl is taking legal action against the National Maize Producer's Organisation (Nampo), after he and four other members were expelled from the organisation for alleged infringements of the Nampo constitution.

Van Zyl's legal advisers yesterday said: "We are petitioning the Supreme Court to set aside Nampo's decision. Until all the required documents are in our possession, there is nothing more we can say," reports Sapa.

The suspension means the fragile accord negotiated last year between Minister of Agriculture Greyling Wentzel and Nampo is in danger of being shattered.

It is understood Wentzel yesterday sent an urgent telegram to Nampo president Hennie de Jager asking for a full explanation.

Nampo in effect gave the four suspended members a choice between staying members of the Maize Board and suspension.

In terms of Nampo's constitution, only executive members of Nampo are entitled to represent producers on the board. None of the four was an executive member.

They were appointed by Wentzel last May after eight Nampo members, including board chairman Crawford van Abo, walked out in protest against the maize price freeze.

At the time, Nampo accused Wentzel of appointing to the board members unrepresentative of maize producers.

Wentzel undertook to re-appoint producer members to that board last October. This did not occur and his latest undertaking is to review appointments in July.

Towards the end of last year, Wentzel met the Nampo executive in an attempt at reconciliation. The meeting was hailed as a success at the time.

The suspension of the four board members could, however, lead to open conflict, particularly if Wentzel reappoints them in July and ignores the Nampo executive.

According to the Marketing Act, Wentzel can appoint whom he pleases to the board to represent producers, and for as long as he thinks fit.

Wentzel told *Business Day* yesterday the Nampo decision was not in the spirit of the discussions he had with Nampo late last year.

He declined to comment further, except to say he was "disappointed" that Nampo had suspended members he had appointed to the board.

Wednesday, February 5 1986

3m-ton surplus forecast

BUS DAY 5/2/86 (3) MAIZE

Exports of maize could earn R700m

PRISCILLA WHYTE and GERALD REILLY

PROSPECTS for the maize crop this year are extremely encouraging and there should be enough to meet SA's domestic needs as well as a possible 3-million-ton export surplus, which could rake in more than R700m in foreign exchange.

This would provide a welcome bonanza for the balance of payments and improve the foreign exchange value of the rand.

This good news comes at a time when SA needs financial muscle for bargaining in the critical, debt-moratorium discussions with foreign bankers, scheduled for February 20.

National Association of Maize Producers (Nampo) GM Piet Gouws told *Business Day* yesterday: "The outlook for the maize crop at this stage is the best in five years. I can make the blunt statment that this year SA is not going to import maize."

He added that, depending on the rainfall in February and March, the maize crop this year could be one of the best in the past 10 years, with a crop of 9,2-million tons.

Domestic consumption is about 6-million tons a year, so the 1986 crop would allow about 3-million tons to be exported.

Nampo is basing its R700m estimate of foreign exchange earnings on $0,45 to the rand and an international selling price for SA maize of $110/ton.

A good 1986 farming year could result in an influx of R2 000m into the South African economy from the farming community, Gouws said.

But nobody is living under the illusion that one promising year can wipe out the crippling farming debt, currently running at about R10 000m.

If an export ton of maize fetches R244, the farmer would receive R170, with R70 to R80 for marketing, storage and transport costs. The farmers' cost/ton varies, but was about R500/ha.

Yesterday Maize Board GM Hennie Nel was also hedging his bets well into the future. He did say, however, that at present about 4,2-million ha were under maize.

MAIZE PRICE (3) Maize FM 7/2/86

More storm clouds

As battle lines are drawn in the perennial maize price negotiations, the growers are watching developments in the corridors of power as anxiously as they're watching the skies for vital follow-up rains.

The outcome of a major power struggle between producer body Nampo, the Maize Board (MB) and Agriculture Minister Greyling Wentzel will determine the future of the industry.

At stake is Nampo's future representation on the MB, whether government will allow any maize price increase this year and whether there will be major changes to the current fixed-price, one-channel maize marketing system, already under investigation by the National Marketing Council (NMC).

The maize price issue will be decided by March/April, when the MB sends its recommendation to the NMC and government.

Central to the NMC investigation is government's watershed decision to sanction a separate Grain Sorghum Board (GSB), to be administered in conjunction with the Potato and Dry Beans boards. Sorghum was previously administered by the Nampo-controlled MB.

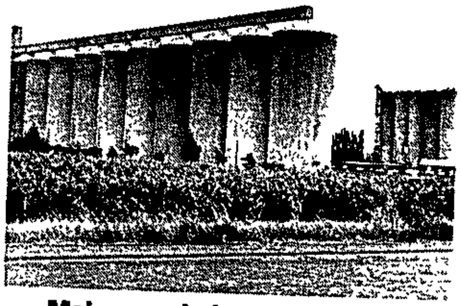
Maize will now face direct competition from sorghum in the feed grain market, with price a major determinant of market share. The new GSB has just announced that it will administer a surplus removal scheme, freeing sorghum growers to compete on price in the market.

Drought-resistant sorghum has made major inroads into the yellow maize feed grain market. Marketing Council chairman Roelf Kotze says total maize sales in the period May-August 1985 dropped by 740 000 t — or 37% — against the same period in 1982. Yellow maize sales alone dropped 497 000 t, or 52,3%.

Kotze ascribes this drop in lucrative local sales to the 25,3% increase — in real terms — in maize prices in the period 1976-1984. This compares with a 10,5% price fall in all other agricultural products over the same period.

First shots in the war between Nampo and government were fired when Nampo recently terminated the MB membership of five of its members, including MB chairman Hendrik van Zyl, who had been appointed to the board by Wentzel last year after Nampo members had resigned *en masse*. This followed government's refusal to meet Nampo's request for a R50/t maize price increase above the current R220/t.

Last November's "peace of Bothaville," when Wentzel and Nampo mended fences after last year's price fiasco, has now been broken. Wentzel says he is "disappointed" at



Maize ... industry at the crossroads

Nampo's action because this was against the spirit of the November discussions.

Maize farmers' massive debts complicate the problems, but it is doubtful whether government will allow any major increase in the maize price this year.

"A lot will depend on the size of the current crop. If good rains fall until March, a 10 Mt crop is not impossible. At current Gulf prices of $110/t fob — or some R244/t — this *could* mean foreign exchange earnings of some R700m," Nampo CE Piet Gous tells the *FM*.

Also militating against a big price increase this year is the farmers' reduction on input costs.

And further savings are possible.

Pretoria University's agronomics professor, Willem Folscher, says maize farmers could cut fertiliser inputs by an average of 60%, while chief engineer of the Directorate of Agricultural Engineering, Burrie Boshoff, tells the *FM* that farmers could save at least 50% of their spending on implements and fuel by applying conservation tillage techniques. ■

ENTRY FOR CAs

Not accountable

South African chartered accountants who responded to a recent press release may think they have found an open-sesame to practise in the UK. If so, they have been misled, says the UK's Department of Trade and Industry.

The release claimed that membership of the UK Association of Authorised Public Accountants (AAPA) would "entitle" South Africans "to work in the UK or in EEC countries without going through the formalities of further examinations."

However, inquiries have established that, to join the association, an accountant must *already* have individual authorisation from the Secretary of State for Trade and Industry to do statutory company audits. So membership of the AAPA could be looked on as an optional extra.

An official of the DTI refuted a claim by Stanley Coxhead, executive secretary of the AAPA, that membership would facilitate the authorisation.

"Authorisation depends solely on the Secretary of State being satisfied that the necessary conditions have been met," he said.

Put out by Johannesburg auditor Ernest Last, "on behalf of" the AAPA, the release implies that the AAPA is a statutory recognised body.

However, according to Ray Norman of the Institute of Chartered Accountants (ICA) of England and Wales, the AAPA is not a statutory recognised body. "And membership of AAPA confers no special entitlement to work as an accountant in the UK."

Norman says there are no legal restrictions to practising as an accountant. But only those qualified by virtue of their membership of one of the three Institutes or the Chartered Association of Certified Accountants or as a result of individual authorisation by the DTI, may audit companies.

"We would normally expect individual authorisation to be given by virtue of the SA Chartered Accountants' qualification."

The DTI spokesman who described the release as highly misleading is writing to the SA Institute of Chartered Accountants (Saica) to "clarify the situation."

Approached for comment, Saica executive director Ken Mockler said: "I intend placing the matter before the investigations committees of Saica and the Public Accountants and Auditors Board."

When the *FM* suggested to Ernest Last, some weeks ago, that the press release was misleading, he would not concede the point. Attempts to contact him this week to put the views of the English ICA and the DTI failed.

His secretary said he would not be available until after the *FM* went to press. A draft of the story left with his secretary some hours before the deadline elicited no response. ■

DAIMLER-BENZ

100 not out

"A century ago there was only one car in the world. For some people there still is." So reads a double-page display advertisement in the *Financial Times* of January 29, the 100th anniversary of the day Karl Benz "set free the horse and changed the course of history."

(3) For the period 1985-07-21 until 1986-01-31.

Note: The application of the emergency regulations which were declared in terms of the Public Safety Act, 1953 (Act No 3 of 1953) are primarily of a preventive nature.

Uitenhage: members charged

HANSARD 11/2/86

*34. Mrs H SUZMAN asked the Minister of Law and Order:

(1) Whether two members of the South African Police in Uitenhage, whose names have been furnished to the South African Police for the purpose of the Minister's reply, were found guilty of common assault in December 1985; if so, (a) what are their names, (b) what were the circumstances surrounding the charge and (c) what was the sentence in each case;

(2) whether the South African Police have taken any action against these persons as a result of the conviction; if not, why not; if so, (a) what action, and (b) when, in each case;

(3) whether he will make a statement on the matter?

The MINISTER OF LAW AND ORDER:

(1) Yes.

(a) Detective constable A M Lubengo.
Detective constable G Simanga.

(b) On 17 March 1985 Black man Norman Kona was allegedly assaulted with a sjambok by two members of the force during interrogation on three counts of arson. Both members have been suspended from duty since 20 March 1985.

(c) On 9 December 1985 both members were sentenced to a R150,00 or 3 months imprisonment.

(2) Yes.

(a) In terms of Regulation 64(1) of the Regulations for the South African Police boards of enquiry were convened with the aim to establish the fitness of the members concerned to remain in the Force.

(b) 10 December 1985.

(3) No, accept to mention that the proceedings of the boards of enquiry have not been finalised yet.

Sedgefield: residential areas opened for occupation by non-Whites

*35. Mr L F STOFBERG asked the Minister of Constitutional Development and Planning:†

(1) Whether certain White residential areas of Sedgefield were recently opened for occupation by non-Whites; if so, (a) when, (b) why and (c) which residential areas; if not,

(2) whether a certain company, the name of which has been furnished to the Minister's Department for the purposes of his reply, has provided residential facilities in White residential areas of Sedgefield to non-Whites; if so, (a) what is the name of this company and (b) in which residential areas;

(3) whether his Department has taken or will take steps in respect of this company; if so, what steps; if not, why not?

The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

(1) No.

(a), (b) and (c) Fall away.

(2) The Department of Constitutional Development and Planning has no record that the company whose name has been furnished to the Department supplied residential facilities to non-Whites in White residential areas of Sedgefield.

(a) and (b) Falls away.

(3) Falls away.

Witwatersrand: transportation cost of petrol

*36. Mr L F STOFBERG asked the Minister of Transport Affairs:†

(1) What is the weighted real historical transportation cost, calculated from the refineries or other production plants, of the petrol delivered to oil company depots on the Witwatersrand in December 1985;

(2) whether any other factors were taken into account in calculating the abovementioned costs; if so, (a) what factors and (b) what is the total amount of the cost involved in these factors?

The MINISTER OF TRANSPORT AFFAIRS:

(1) Separate costs for a particular section of the pipeline are not readily available but the total cost of all product pumped during December 1985 amounted to three cent per litre.

(2) Yes.

(a) As petrol is conveyed by both pipeline and rail tank trucks, pipeline tariffs are based on rail distances and rail tariffs.

(b) This information is not readily available.

(3) MAIZE HANSARD 11/2/86

Maize

*37. Mr L F STOFBERG asked the Minister of Agricultural Economics:†

(1) Whether the real production cost per hectare of maize farmers has increased since the 1985 season; if so, by what percentage;

(2) whether the 1986 producer price of maize is to be adjusted to compensate maize farmers for this increase; if so, to what extent; if not, why not;

(3) whether he will make a statement on the matter?

The MINISTER OF AGRICULTURAL ECONOMICS:

(1) The cost calculations for the 1985-86 production season have not been finalised but it can be expected that the costs per hectare would have risen due to rises in input costs.

(2) Production cost is not the only factor which is taken into consideration when the maize price is determined. Various other factors such as the supply and demand situation for maize, the economic conditions in the country and the expected export realisation are also taken into account.

(3) No.

For written reply:

General Affairs:

HANSARD 11/2/86

Voters

18. Mr P G SOAL asked the Minister of Home Affairs:

How many voters were registered in (a) each constituency, (b) each province and (c) the Republic as at 31 December 1985?

The MINISTER OF HOME AFFAIRS:

(a), (b) and (c) See annexures A, B and C.

Bleak future for maize predicted

STAR 12/2/86

(3)

MAIZE

Pretoria Bureau

In spite of the weak rand, the short-term outlook for South African maize exports is not rosy, according to the Maize Board.

In a presentation at Agrocon today, the board said international surpluses of all types of grain foods were expected "and there is little hope that prices, particularly for mealies, will strengthen in the near future".

The board said the Soviet Union had harvested a record maize crop in 1985 and many other producer countries expected good crops.

"In addition, the USA has great reserves of mealies for which they cannot find buyers."

These factors had resulted in the international maize price reaching a record low in August and September last year.

"The only positive factor as regards exports, was the low dollar value of the rand, which strengthened prices somewhat."

However, the board said it believed South Africa's traditional customers would continue to buy maize.

On the local front, the board said attempts must be made to keep the producer price low.

BUSDAY (3) MAIZE 13/2/86

Poor outlook seen for maize

By GERALD REILLY

INTERNATIONAL surpluses of all grain foods make the outlook poor for SA maize exports in spite of the weak rand.

In a summary of marketing conditions, presented to the Agricultural Outlook Conference in Pretoria this week, the Maize Board said there was little hope that prices would strengthen soon.

The Soviet Union harvested a record maize crop in 1985 and many other producer countries expected above-average crops. The US also had vast reserves of maize and there were few buyers.

The maize price fell sharply in August and September. The depressed dollar-value of the rand, however, had strengthened prices.

The board was confident SA's traditional customers would continue buying maize. It said attempts must be made to keep down the local producer price.

Nampo slams decision to import maize

(3) MAIZE STAR 14/2/86

By Jackie Unwin

The National Maize Producers' Organisation (Nampo) has criticised the Maize Board for its decision to import white maize and believes it was a result of the board's under-estimation of local consumption.

The Maize Board announced this week it would import a small quantity of white maize to prevent white maize being mixed with yellow. Mixed maize products have been unpopular with consumers.

At the same time, the board has been involved in the export of yellow maize at a loss.

Nampo general manager, Dr Piet Gouws, said: "We are exporting maize at present at a tremendous loss for the local producer. It is yellow maize, but it is maize.

"Now we are going to import maize which will according to sources be landed in South Africa from Zimbabwe at much higher prices than the local maize is sold for here.

"We hear that it will cost between R260 and R270 a ton — about R5,3 million — for maize imported from Zimbabwe."

Mr Hennie Nel, general manager of the Maize Board, said: "I cannot tell you how much maize is to be imported. The transaction has not been finalised and it is a very sensitive area."

It was a limited quantity and would make it possible not to impose the unpopular mixing scheme against the will of the black consumers, said Mr Nel.

He said 500 000 tons of yellow maize had been exported by last December and there might be more exports, depending on the size of this year's crop.

ister's Department for the purposes of his reply, on or about 29 December 1985 on the occasion of a national convention at the University of the Witwatersrand; if so, what is the name of this organisation;

(2) whether his Department has commented on these resolutions; if so, what is the purport of the comment;

(3) whether he will make a statement on the matter?

The DEPUTY MINISTER OF EDUCATION AND DEVELOPMENT AID:

(1) No, but note was taken of resolutions taken during the National Education Conference which was held on 28-29 December 1985.

(2) No.

(3) No, because the resolutions are still being studied.

†Dr W J SNYMAN: Mr Speaker, arising from the reply of the hon the Deputy Minister I should like to put the following question to him. One of the requirements the committee laid down at that conference was that parents would no longer have to pay school fees for books and for pupils. Is the fact that the Department will from now on provide children with free books and stationery perhaps a result of the said decision by that committee?

†The DEPUTY MINISTER: Mr Speaker, in reply to that question by the hon member for Pietersburg I just want to point out that the Department of Education and Training does not require any obligatory payment of school fees by the children. School fees are determined by the local bodies concerned. This is in fact a local affair which is not regulated by the Department as such.

De Nyschen/Van Eck families: investigation into deaths

HANSARD

*3. Dr W J SNYMAN asked the Minister of Law and Order:†

18/2/86

Q-COL 75.

(1) Whether the South African Police has investigated the deaths of members of the De Nyschen and Van Eck families on the farm Chatsworth in the magisterial district of Messina on or about 15 December 1985; if so,

(2) whether the investigation has been completed; if so, with what result; if not, what progress has been made up to now;

(3) whether he will make a statement on the matter?

†The DEPUTY MINISTER OF LAW AND ORDER:

(1) Yes.

(2) No. Chase was given to the terrorists in order to trace them. The tracks were followed as far as the farm Schutwater, district Messina, where it crossed the Limpopo River into Zimbabwe. The investigation is still in progress.

(3) No, except that the South African Police does everything in their power to bring the culprits to book.

HANSARD (3) MAIZE

Maize Board

*4. Mr L F STOFBERG asked the Minister of Agricultural Economics:†

18/2/86 Q-COL 76.

(1) Whether producer members of control boards are appointed by the producers themselves; if not, in what way are such members appointed; if so,

(2) whether there was any departure from this procedure in respect of the Maize Board; if so, (a) why, (b) when and (c) on whose authority?

†The MINISTER OF AGRICULTURAL ECONOMICS:

(1) No. The appointments are made by the Minister in terms of Section 28 of the Marketing Act, 1968 (Act 59 of 1968).

(2) Falls away.

Person employed

*5. Mr P A MYBURGH asked the Minister of Defence:

(1) (a) In what (i) section and (ii) capacity was a certain person, whose name has been furnished to the South African Defence Force for the purpose of the Minister's reply, employed in the Defence Force in 1984 and 1985, respectively, and (b) what were his specific functions in each such year;

(2) in what (a) section and (b) capacity is this person employed at present;

(3) whether he will furnish the House with the name of this person; if so, what is his name?

†The DEPUTY MINISTER OF DEFENCE:

The person whose name was supplied is unknown in the SA Defence Force.

Person employed

*6. Mr B B GOODALL asked the Minister of Defence:

(1) (a) In what (i) section and (ii) capacity was a certain person, whose name has been furnished to the South African Defence Force for the purpose of the Minister's reply, employed in the Defence Force in 1984 and 1985, respectively, and (b) what were his specific functions in each such year;

(2) in what (a) section and (b) capacity is this person employed at present;

(3) whether he will furnish the House with the name of this person; if so, what is his name?

The DEPUTY MINISTER OF DEFENCE:

The hon member is referred to my statement in reply to Question number 2 of 11 February 1986.

Person employed

*7. Mr B B GOODALL asked the Minister of Defence:

(1) (a) In what (i) section and (ii) capacity was a certain person, whose name has been furnished to the South African Defence Force for the purpose of the Minister's reply, employed in the Defence Force in 1984 and 1985, respectively, and (b) what were his specific functions in each such year;

(2) in what (a) section and (b) capacity is this person employed at present;

(3) whether he will furnish the House with the name of this person; if so, what is his name?

†The DEPUTY MINISTER OF DEFENCE:

The hon member is referred to my statement in reply to Question number 2 of 11 February 1986.

Simon's Town: training/simulating exercises

HANSARD 18/2/86

*8. Mr P A MYBURGH asked the Minister of Law and Order:

(1) Whether any members of the South African Police, Police Reserve and/or Police Reserve Force undertook any training or simulating exercises on State property in Simon's Town in November 1985; if so, (a) where, (b) when and (c) what was the nature of the training or simulating exercises;

Q-COL 78.

(2) whether the South African Police have held an investigation into a mountain fire which occurred in Simon's Town in November 1985; if not, why not; if so, what were the findings;

(3) whether he will make a statement on the matter?

The DEPUTY MINISTER OF LAW AND ORDER:

(1) Yes, members of the Reserve Police

MAIZE FARMING (3) MAIZE

Cutting costs 21/2/86

Whether there's a maize price increase or not, there's still great scope for debt-ridden farmers to slash production costs and boost profits.

Experiments carried out in the last three or four years on 20 farms over the whole maize production area have shown that farmers can save at least 60% on average fertiliser use.

And this can be done without any marked drop in yield, "while profitability soars," says Pretoria agronomics professor Willem Folscher.

Folscher says savings of at least R90/ha can be achieved, leading to R350m-R400m being slashed off total annual maize production costs.

Fertiliser Society of SA (FSSA) sales figures for 1985 show that fertiliser use by maize farmers has dropped.

"Plant food sales in the central, maize-producing area — constituting some 27% of total tonnage sold — dropped from 672 516 t in 1981 to 411 942 t last year," says a FSSA spokesman.

But Folscher says many farmers have not come near the potential saving on fertiliser. He says some farms in the western Transvaal which applied no fertiliser in the last three years achieved the best profits of all farmers participating in the experiments.

"Unfortunately there has been no official support for these findings. Co-ops are still financing farmers to buy the maximum amount of fertiliser, as recommended by manufacturers. The fact that co-ops are both the wholesalers and bankers for many farmers complicates the situation," says Folscher.

The stake the maize producer body Nampo has acquired in fertiliser giant Triomf is another possible complicating factor. "How can such a body recommend reduced fertiliser applications when they have a vested interest in maximised sales?" asks Folscher.

Maize import plan under fire

STAR 22/2/86

3 MAIZE

By Jackie Unwin

Approval has been given to import a maximum of 200 000 tons of white maize for local consumption to overcome a shortage before the next crop is harvested, according to the Minsiter of Agricultural Economics and Water Affairs, Mr Greyling Wentzel.

Drought conditions resulted in late planting this season and the harvest will be between four and seven weeks late. The amount to be imported will depend on early yields from the new crop.

The National Maize Producers' Organisation (Nampo) has attacked the import decision which, it said, resulted from an under-estimation of local consumption. Nampo felt the imports could have been avoided if a small quantity of yellow maize could be mixed with white — a move which the consumer would not have noticed. South Africa is exporting yellow maize at a loss.

EXTREME CASES

Mr Wentzel said the mixing of white maize with yellow was done only in extreme circumstances because the consumer preferred pure-white maize products. The mixing of the two in the past had been adversely received.

The only maize being exported this year was the yellow variety, of which there was a reasonable surplus.

He said a report that consumption of maize had decreased referred to yellow maize and this had occurred in the past year. Demand for white maize in the past month had increased considerably.

The expected consumption of white maize for the coming season is 3,3 million tons.

Maize price rise sought

25/2/88

BUS DAY GERALD REILLY (3) MAIZE

FARMERS are to demand a maize price increase.

National Maize Producers' Organisation (Nampo) GM Piet Gous said yesterday that a "reasonable" price increase from May would be on the agenda at Nampo's annual congress in Klerksdorp next month.

He said production costs had increased by 30% since producers last obtained a maize price increase in May 1984.

"It is inconceivable, therefore, that government would again refuse relief to producers," he said.

The new price, Gous said, would depend on production costs, the ability of consumers to pay and the expected extent of losses on exports.

BUSINESS

Markets

$/Rand	50,60c (F-rand 37,25c)
FT close	1264,2 down 11,0
Dow close	1692,66 down 5,62

Commodities

Copper (3-mths)	£987,00
Platinum	$423,50 ($405,40)
Sugar	£98,50 (£100,50)

Maize farmers need rain desperately

(3) MAIZE 26/2/86.

By Frank Jeans

South Africa's maize crop is again in danger because of the abnormally dry weather so far this year.

According to agricultural economists the crop has deteriorated to such an extent that it is now unlikely to reach the normal average of 10 million tons.

Much of the crop which was planted late in the season because of a dry start to the summer is now at a critical stage.

Following good rains up to January the crop, after several drought years, had looked promising and many experts had expected a harvest of between 10 and 11 million tons.

It is generally conceded in the industry that unless there are good rains soon there could be "tremendous damage".

While any accurate forecast of the total crop is impossible until the end of March, what is certain is that there is no possibility of it even approaching the record 14 million tons of the late Seventies.

Mr Alfred Kahn, managing director of grain merchants, Kahn and Kahn, is gravely concerned about the progress of the maize crop.

"In the first instance," he says, "the crop is about a month later than usual and therefore is not as advanced as it would normally be at this time of year.

"Accordingly, it is more susceptible to adverse growing conditions at this stage."

Emphasising that rain was critically needed throughout the maize triangle to avert further deterioration, Mr Kahn has no doubt that favourable weather must continue throughout March to "ensure a normal crop".

The problem is compounded too, so far as the country is concerned, by the rand-dollar exchange rate which has improved to the 50c level.

The latest issue of the National Maize Producers' Organisation journal says that at an exchange rate of 45c, the gross export realisation would be R244 or a net R180 a ton after admin, railage and storage costs.

However at the 50c level the gross proceeds would be R220 a ton or about R150 net.

With the farmer receiving a minimum of last year's R220 a ton for his maize produced, each ton exported could cost the country R70, says Mr Kahn.

If the exportable surplus is 3 million tons this will cost the country R210 million — a bill which has to be footed by the government and the long-suffering taxpayer.

Mr Kahn points out, the farmers are seeking a further increase for the current crop which would exacerbate the situation even further.

GRAIN BATTLE (3) MAIZE

FIN MAIL 28/2/86

Not chicken feed

Maize growers, who have already warned that they will be seeking a price increase this year, are facing attack in an important segment of their market.

Sorghum producers, recently freed from Mazie Board control, are courting the chicken feed market and broiler producers are showing interest — provided the price is right.

SA's R1 billion-a-year broiler industry currently consumes some 700 000 t of yellow maize a year, which makes up about 70% of its total feed requirements. The balance is made up by fishmeal and other protein feeds.

As feed makes up about 65% of broiler operating costs, producers are obviously keen to talk.

Says Morris Leonard, chairman of the new Grain Sorghum Board (GSB). "Chicken producers have indicated that they are interested in buying some 150 000 t of our grain a year as soon as we agree on price and quality."

Leonard suggests that sorghum prices may come down later this year, enhancing prospects for clinching the first-ever major deal between the two industries.

"The minimum sorghum floor price will be reconsidered at the next GSB meeting on March 24 and it could result in a price reduction, which would have to be ratified by government," says Leonard.

In the past, prices were pitched too high, inducing many farmers to sell to the control board rather than directly to consumers, he notes.

The 1985 sorghum price was set by the Maize Board, which previously administered the crop, at R174/t. Administrative levies, storage, the cost of sacks and other handling fees brought the consumer price to R253,80/t — higher than the cost of yellow maize.

"But the board is still selling excess stocks to the animal feed industry at a 15% discount for R205,69/t, a loss of R48/t," says Leonard.

The ideal solution appears to be for farmers to sell their crops direct to the trade, rather than through the GSB. "Price will play the major role," adds Leonard.

Lower prices would give sorghum producers a better chance of penetrating the yellow maize market, forcing some farmers to switch crops. Alternatively, the competition could force the maize industry to become more price-sensitive and market-conscious, a turnabout for maize price politics in recent years.

One thing seems certain: sorghum producers will not easily accept a one-channel, fixed-price marketing system which helped price maize out of large sections of their local and export markets (*Business* February 7).

The battle lines are now drawn in the animal feed industry, and sorghum producers are poised to take the gap — if they sell at a discount.

But much depends on how the GSB shapes up in the next year or two. The current crop is projected at 600 000 t if good follow-up rains fall. But Leonard says this could double to 1,2 Mt if producers support the new system. ■

Outlook is bleak as drought devastates maize

STAR 7/3/86 (3) MAIZE

By Kym Hamilton,
Pretoria Bureau

Farmers' high hopes for a bumper 1986 maize crop have been dashed by poor February rains and an estimated R600 million in possible export revenue has already been lost.

The outlook has been described as "bleak".

Theadministrative manager of the National Maize Producers' Organisation (Nampo), Mr Giel van Zyl, said the intense heat of the past two weeks had turned the green mealie plantations of the Western Transvaal, southern Free State and north-western Free State into burnt fields of devastation.

On February 19 a Nampo survey put crop expectations at 9,5 million tons.

To date, the fierce heat had reduced the bumper crop projections to 8 million tons and unless substantial rain fell within the next few days, the crop could be as low as 7 million tons, said Mr van Zyl.

Some farmers were ready to turn in the keys to their farms to banks and co-ops, and there was talk of some 25 farmers who had given up. However, Mr van Zyl said he was not sure of this figure as no full assessment had yet been made.

SUBSIDIES

For the past five years the country's more than 6 000 farmers had been resilient in their battle against the drought, but it was unlikely they would be able to continue to sustain losses. Even with the extensive help and Government subsidies they had received during the drought, many farmers would not be able to pay back their debts, said Mr van Zyl.

This year, initial hopes had been high. There had been a bouyancy among farmers, "everyone was expecting something". But now the dramatic crop failure had dashed hopes and many farmers were on the brink of ruin.

A spokesman for the Pretoria Weather Bureau said the February rainfall in most parts of the country was well below quota, while areas recorded as little as 30 percent of their normal February rains.

Figures show that many vital dams are also well below average capacity compared with this time last year.

On Wednesday, one Western Transvaal farmer described his 7 000 hectares of crops as burned out. Another in the Lichtenburg district said he was cutting his crops for silage.

With the belated summer rains, many farmers planted their crops late. Although the maize plant is very resilient, it is now at a critical stage.

There is no subterranean moisture and the sustained heat can kill a plant in four days.

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deficiency syndrome were diagnosed in 1985?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

Twelve.

Lung cancer

HANSARD 10/3/86 GCOL 427

245. Dr M S BARNARD asked the Minister of National Health and Population Development:

How many persons in each race group died of lung cancer during the latest specified period of 12 months for which figures are available?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

For the year 1985:

Primary malignancy of bronchus (deaths), White 155; Coloured 126; Asian 2; Black 33.

Primary malignancy of lung (deaths), White 136; Coloured 71; Asian 3; Black 50.

Stock theft

HANSARD 10/3/86 - GCOL 427

265. Mr P R C ROGERS asked the Minister of Justice:

How many persons were convicted of theft of (a) small stock and (b) large stock in the magisterial districts of (i) East London, (ii) King William's Town, (iii) Stutterheim, (iv) Cathcart and (v) Queenstown during 1985 or the latest specified period of 12 months for which figures are available?

The MINISTER OF JUSTICE:

The information for 1985 is as follows:

Magisterial District	(a) Small Stock	(b) Large Stock
(i) East London	37	19
(ii) King William's Town ..	33	2
(iii) Stutterheim	67	9
(iv) Cathcart	8	0
(v) Queenstown	38	0

Eastern Cape: offences

HANSARD 10/3/86 GCOL 428

269. Mr P R C ROGERS asked the Minister of Justice:

How many persons were convicted of (a) assault with intent to do grievous bodily harm, (b) culpable homicide, (c) murder, (d) rape and (e) robbery in the magisterial districts of (i) East London, (ii) King William's Town, (iii) Stutterheim, (iv) Cathcart, (v) Queenstown and (vi) Komga during 1985 or the latest specified period of 12 months for which figures are available?

The MINISTER OF JUSTICE:

The information for 1985 is as follows:

	(a)	(b)	(c)	(d)	(e)
(i) East London	271	60	12	57	107
(ii) King William's Town ..	72	15 (Includes (iii)(b))	None	11 (Includes (iii)(d))	12
(iii) Stutterheim	89	Included in (ii)(b)	None	Included in (ii)(d)	4
(iv) Cathcart	23	3	None	2	1
(v) Queenstown	169	36	10	40	23
(vi) Komga	49	4	4	7	5

GCOL 429

Civil Pensions Stabilisation Account

HANSARD 10/3/86

271. Mr R M BURROWS asked the Minister of National Health and Population Development:

(1) Whether there have been any shortfalls in the Civil Pensions Stabilisation Account since its inception; if so, (a) by what amount did this account fall short of the sum paid out in each specified year and (b) which body makes up the shortfalls in this account;

(2) whether there was a shortfall in this account in the 1984-85 financial year; if so, what was the shortfall;

(3) whether it is anticipated that there will be shortfalls in this account in the 1985-86 and 1986-87 financial years; if so, what is the anticipated shortfall in respect of each of these financial years?

The MINISTER OF NATIONAL HEALTH AND POPULATION DEVELOPMENT:

(1) Yes—In respect of the Government Service Pension Fund.

(a) 1982/83 financial year—R17,6 million.
1983/84 financial year—R53,4 million.
1984/85 financial year—R96,8 million.

(b) (i) The State Revenue fund in respect of Government and Provincial civil pensioners.

(ii) The Post Office Fund in respect of Post Office civil pensioners.

(2) Yes—see (1)(a)

(3) Yes—1985/86—R133,8 million.
1986/87—R109,5 million.

HANSARD GCOL 430

Consolidation: cost of land

10/3/86

275. Mr R A F SWART asked the Minister of Education and Development Aid:

What was the cost of purchasing land for the purpose of consolidation in respect of each (a) national state and (b) independent Black state as at 31 December 1985 or the latest specified date for which figures are available?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(a) and (b) On 31 December 1985 the cost of land purchased for consolidation purposes was R1 101 000 000.

The cost relating to the purchase of land are not recorded separately in respect of each national state. The figures requested are thus not readily available.

Removals/resettlements

276. Mr R A F SWART asked the Minister of Education and Development Aid:

(a) What total number of Black persons in the national states were resettled in 1985, (b)(i) from what specified places were they removed and (ii) in what specified places were they resettled and (c) for what reasons were they resettled?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

The competence to settle Blacks in the national states vests in the state concerned. The Department of Development Aid has no information regarding such settlement actions and was not involved in any settlement action in the national states.

Maize

(3) MAIZE HANSARD

299. Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

10/3/86 G.COL 430.

(1) What stocks of maize were on hand at the latest specified date for which figures are available;

(2) whether it is the intention to export surplus maize; if so, (a) when and (b) what quantity;

(3) whether such maize will be exported at a profit or a loss; if so, at what estimated profit or loss;

(4) whether the Maize Board intends importing maize; if so, (a) why, (b) when and (c) at what estimated cost;

(5) whether he will make a statement on the matter?

The MINISTER OF AGRICULTURAL ECONOMICS:

(1) It is at this stage not in the interest of trade negotiations to divulge the stocks of maize on hand.

(2) Yes, yellow maize only.

(a) and (b) On a continuous basis throughout the year depending on the size of the new crop.

(3) Will probably be exported at a loss which can not be quantified as yet owing to a changing rate of exchange and the uncertainty regarding the local price which has still to be determined.

(4) Yes.

(a) White maize will be imported to supplement the shortage.

(b) March/April 1986.

(c) Owing to various factors not yet known finally but it is expected that the cost will be somewhat higher than the Maize Board's present selling price.

(5) No.

Report on drivers' licences/identity documents

309. Mr P G SOAL asked the Minister of Transport Affairs:

(1) Whether, with reference to his reply to Question No 818 on 30 April 1985, the Provincial Administrations have as yet reported to the Cabinet on measures to give effect to the decision that drivers' licences be separate from identity documents and reference books; if not, when is it anticipated that the Provincial Administrations will report to the Cabinet; if so,

(2) whether the Provincial Administrations have made any recommendations in this regard; if so, (a) what is the nature of these recommendations and (b) when will they be implemented?

The MINISTER OF TRANSPORT AFFAIRS:

(1) No. Indications are that a report will be submitted to the Cabinet towards the middle of 1986.

(2) (a) and (b) Fall away.

Land bought

HANSARD 10/3/86

312. Mr R A F SWART asked the Minister of Education and Development Aid:

QCOL 432

(1) What was the total (a) area of land which had been bought in each province in terms of the Development Trust and Land Act, No 18 of 1936, as at 31 December 1985 and (b) amount paid for this land;

(2) what area of land (a) was bought in each province in 1985, (b) was added to each national state and independent Black state in that year and (c) remained to be bought in each province as at 31 December 1985;

(3) (a) what area of (i) land was added to each national state and independent Black state as compensation for the removal of Black spots and (ii) compensatory land remained to be purchased in each province, and (b) what was the total area of land held by the South African Development Trust, as at the latest specified date for which figures are available?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

(1) (a)

Orange Free State	118 589 hectares
Cape	1 555 803 hectares
Natal	501 395 hectares
Transvaal	3 135 569 hectares

(b) R1 101 000 000.

(2) (a)

Orange Free State	20 hectares
Cape	49 865 hectares
Natal	8 932 hectares
Transvaal	101 739 hectares

(b)

Transkei	20 536 hectares
Bophuthatswana	None
Venda	None
Ciskei	None
KaNgwane	None
KwaNdebele	None
Lebowa	None
Gazankulu	65 900 hectares
Qwaqwa	None
KwaZulu	13 925 hectares

(c) The required information is not readily available. Certain proposals of the Commission for Co-operation and Development are still to be considered and the decisions on these proposals will affect the extent of the land still to be acquired.

(3) (a) (i) and (ii) details of the total area of compensatory land which was added to each national and independent state are not kept in a special register and the information is consequently not readily available.

(b) Approximately 6 650 000 hectares, of which by far the greater part forms part of the areas of jurisdiction of the respective national states.

It will be noted that with regard to the area of land in paragraph 1(a)—Cape, the total of 1 555 803 hectares is less than the figure furnished in reply (1)(a) of Question 383 of 1985 viz. 1 647 488 hectares. The correct total for the Cape (1984) was 1 505 938 hectares.

The area of land purchased in the Cape Province (item 2(a) of the said question) amounted to 26 582 hectares.

These facts were established during a recent audit.

Blacks: citizenship

HANSARD 10/3/86

320. Mr R A F SWART asked the Minister of Home Affairs:

QCOL 434

(1) How many Blacks in each independent Black state regained their South African citizenship between 1 January and 31 December 1985 in terms of the provisions of the National States Citizenship Amendement Act, No 13 of 1978;

(2) whether any applications were refused; if so, (a) how many from each state and (b) why in each case?

10/3/86 · BUS DAY (3) MAIZE

Drought hurting maize industry

GERALD REILLY

THE maize industry has again been dumped into crisis, with the rich lands of the Western Transvaal and Northern OFS devastated by drought and scorching temperatures.

This will be the background to the annual congress of the National Maize Producers' Organisation in Potchefstroom on Wednesday and Thursday. Nampo administrative manager Giel van Zyl said at the weekend that the destruction of crops had taken place at a time when a new marketing strategy was to be announced at the congress.

The congress will be attended by Agriculture Minister Greyling Wentzel and his deputy Gert Kotze.

The minister is expected to make an important announcement on the future of the troubled maize industry.

Kotze will addresss the congress on government policy on State interference versus State involvement in the agricultural industry, on government's standpoint on a more market-related agricultural industry, and on agricultural subsidies and export losses.

Nampo economist Kit le Clus has estimated that nearly 3-million tons of a one-time potential harvest of 10-million tons has already been lost, slicing more than R600m from producers' gross incomes.

● See Page 5

10/3/86 · BUS DAY ③ MAIZE

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● See Page 5

Good rains needed to save the maize crop

STAR (3) MAIZE 10/3/86

Good rains were needed to boost critical dam levels and save parched maize crops in the Transvaal and Free State.

A spokesman for the National Maize Producers' Organisation (Nampo) said rains were needed to save crops planted late in the season.

Last month's rains were well below average, with only about 25 percent of the country getting normal falls. The rains were essential for summer crops and for the Vaal catchment area, which had had mainly sporadic thundershowers.

Farmers' hopes for a good 1986 maize crop were dashed by poor February rains, and an estimated R600 million in possible export revenue has been lost.

In mid-February, a Nampo survey estimated crop expectations at 9,5 million tons, but the intense heat had reduced the projections to 8 million tons. Unless good rains fall soon, the crop could be as small as 7 million tons.

Last week one western Transvaal farmer described his 7 000 hectares of crops as burned out. A farmer in the Lichtenburg district said he was cutting his crops for sileage.

And a Department of Water Affairs spokesman said last night's scattered rain was too light to affect dam levels.

He said the level of the Vaal Dam had fallen because of the heat of the last few weeks — and last week stood at 25 percent capacity.

Rainfall figures for last night include Vereeniging — 22,5 mm; Joubert Park — 8,7 mm; southern Johannesburg 8 mm; Bryanston 4,5 mm; Springs 2,5 mm.

Rainfall last month in the south and south-western Transvaal was patchy with some areas receiving good rains and others little. Large parts of the country received less than 50 percent of their average totals for February.

In Johannesburg, 56,3 mm of rain was recorded at Joubert Park. That was well below the February average of 123,5 mm, but higher than last year's figure of 45,5 mm.

Jan Smuts received 90,8 mm, only 1 mm below average, but in February, last year, the airport recorded 146,9 mm.

The tropical cyclone, Gista, has contributed to dry conditions over most of the central areas, except for the Eastern Transvaal escarpment area, where the cyclone contributed to the high rainfall.

Engineer	2
Control Technician	3
Senior Technician	29
Technician	32
Industrial Technician	10
Soil Conservation Technician	12
Research Technician	11
Senior Industrial Technician	10
Senior Research Technician	4
Chief Technician	6
Control Agricultural Extension Technician	1
Control Industrial Technician	2
Chief Agricultural Research Technician	3
Chief Agricultural Extension Officer	18
Chief Live Stock Improvement Technician	1
Senior Live Stock Improvement Technician	1
Chief Extension Officer	2
Agricultural Research Officer	12
Senior Outdoor Officer	2
Outdoor Officer	8
Control Farm Manager	2
Farm Manager	3
Assistant Agricultural Extension Officer	1
Veterinarian Surgeon	1
Stock Inspector	2
Senior Professional Officer	15
Professional Officer	7
Liaison Officer	2
Social Worker	1
Administrative Officer	1
District Surgeon	1
Senior Dentist	5
Dentist	3
Professional Nurse	7
Senior Dietician	1
Nursing Service Manager	1
Agricultural Extension Officer	15
Vocational Councillor	2
Training Officer	1
Assistant Agricultural Meteorologist	1
Deputy Regional Representative	1
Liquor Inspector	1
Drilling Inspector	2
Wine Controller	2
Senior Plant and Seed Inspector	16
Weed Inspector	1
Research Leader	5
Workshop Foreman	1
Soil Protection Officer	1
Soil Protection Technician	7

The attention of the hon member is drawn to the fact that the initial capital outlay for the purchase of these vehicles forms a debit against the vote of the Department of Transport but that all allowances for the amortisation of the purchase price, maintenance, insurance and garaging are paid out of funds allocated to the Department involved. It is also pointed out that due to the new dispensation, 302 of the 341 motor vehicles were transferred from other Departments to the Administration: House of Assembly where these services are now seated and are therefore not new allocations in the 1984-85 financial year.

Q COL 512

HANSARD 12/3/86

National states: size

319. Mr R A F SWART asked the Minister of Education and Development Aid:

What was the size in hectares of each of the national states as at the latest specified date for which figures are available?

The MINISTER OF EDUCATION AND DEVELOPMENT AID:

KwaNdebele	103 370 ha
Gazankulu	744 570 ha
Qwaqwa	62 000 ha
KaNgwane	385 337 ha
Lebowa	2 212 897 ha
KwaZulu	3 188 295 ha

as at 31 December 1985.

HANSARD 12/3/86

Bus operators: subsidy

Q COL 512

334. Mr A SAVAGE asked the Minister of Transport Affairs:

What was the extent of the subsidy granted to bus operators in respect of commuter traffic in each of the four main metropolitan areas in the 1984-85 financial year?

The MINISTER OF TRANSPORT AFFAIRS:

Cape Town: R13 685 932,09
Port Natal: R33 834 326,45
PWV-Area: R35 565 236,06
Johannesburg and West Rand:
R20 782 903,79

(3) MAIZE

HANSARD Maize 12/3/86 Q COL 513

356. Dr M S BARNARD asked the Minister of Agricultural Economics:

What was the (a) landed cost of each consignment of maize imported in 1984 and (b)(i) outflow of foreign currency and (ii) extra cost to the taxpayer as a result of these imports?

The MINISTER OF AGRICULTURAL ECONOMICS:

(a) Date of Arrival	Contract Quantity	$-price/t c.i.f.	Rate of Exchange	R/t-price c.i.f.	Total R
May 1984	200 000 t	$175,00	R = $0,8148	R214,78	42 956 000
May 1984	100 000 t	$172,25	R = $0,8060	R213,71	21 371 000
May 1984	50 000 t	$166,50	R = $0,8022	R207,55	10 377 500
June 1984	100 000 t	$170,25	R = $0,8022	R212,23	21 223 000
July 1984	50 000 t	$165,50	R = $0,8022	R206,31	10 315 500
June 1984	200 000 t	$166,50	R = $0,7970	R208,91	41 782 000
July 1984	50 000 t	$167,75	R = $0,7768	R215,95	10 797 500
July 1984	50 000 t	$168,00	R = $0,7768	R216,27	10 813 500
July 1984	100 000 t	$166,90	R = $0,7835	R213,02	21 302 000
July 1984	50 000 t	$163,40	R = $0,7835	R208,55	10 427 500
August 1984	50 000 t	$163,25	R = $0,6755	R241,67	12 083 500
August 1984	50 000 t	$167,50	R = $0,6755	R247,96	12 398 000
September 1984	25 000 t	$157,34	R = $0,5960	R263,99	6 599 750
September 1984	25 000 t	$159,84	R = $0,5960	R268,19	6 704 750
September 1984	25 000 t	$160,90	R = $0,5960	R269,97	6 749 250
September 1984	25 000 t	$156,50	R = $0,5960	R262,58	6 564 500
November 1984	75 000 t	$142,88	R = $0,5950	R240,13	18 009 750
November 1984	50 000 t	$142,09	R = $0,5950	R238,81	11 940 500
November 1984	25 000 t	$140,97	R = $0,5950	R236,92	5 923 000
November 1984	25 000 t	$142,34	R = $0,5950	R239,23	5 980 750
December 1984	50 000 t	$142,20	R = $0,5160	R275,58	13 779 000
December 1984	50 000 t	$141,81	R = $0,5160	R274,83	13 741 500
December 1984	25 000 t	$142,10	R = $0,5160	R275,39	6 884 750
December 1984	50 000 t	$141,85	R = $0,5160	R274,90	13 745 000
December 1984	25 000 t	$142,18	R = $0,5160	R275,54	6 888 500
December 1984	25 000 t	$139,95	R = $0,555	R252,16	6 304 000
January 1985	75 000 t	$140,60	R = $0,5505	R255,40	19 155 000
February 1985	75 000 t	$139,90	R = $0,5505	R254,13	19 059 750
February 1985	50 000 t	$139,90	R = $0,5505	R254,13	12 706 500
March 1985	25 000 t	$142,46	R = $0,4315	R330,15	8 253 750
March 1985	25 000 t	$140,96	R = $0,4315	R326,67	8 166 750
March 1985	25 000 t	$141,42	R = $0,4315	R327,74	8 193 500

(b) (i) R431 197 250.

(ii) R101,3 million. A margin of R46,63 per ton for handling and storage would have been paid if the 1 825 000 tonnes had been produced locally which would imply an effective additional cost of only R16,2 million for the taxpayer in respect of the imported maize.

Sunflower seed

452. Mr R W HARDINGHAM asked the Minister of Agricultural Economics:

(1) What quantities of sunflower seed for oil extraction purposes were on hand as at the latest specified date for which figures are available;

(2) whether consideration is being given

(3) MAIZE B. DAY. 13/3/86

Nampo votes to abolish price-fixing

LINDA ENSOR

THE Congress of the National Maize Producers Organisation (NAMPO) unanimously voted yesterday to accept in principle recommendations for the abolition of price-fixing in the maize industry.

Details of the new marketing system — recommended by the National Marketing Council (NMC) — will be worked out later.

NMC chairman Roelf Kotze told the congress in Potchefstroom that to protect the bargaining powers of farmers, and in the interests of "order", the one-channel marketing system should be retained.

The NMC has proposed a maximum price for white mealies — used for human consumption — be fixed by the Maize Board (MB) with the approval of Agriculture Minister Greyling Wentzel until the MB has settled its debt to the State and subsidies have been phased out.

The MB will have sole discretion over the price paid to farmers for white mealies.

The price of yellow maize — used for animal feed — will be decided by the MB without ministerial approval and it will thus enter into competition with other animal feeds such as grain sorghum.

"These guidelines have the advantage that the control of the marketing and price of mealies will rest mainly with producers," Kotze said when announcing the recommendations for the first time.

He added that prices will become more market-related and "depoliticised".

The fixed-price system created problems, Kotze told the congress, as prices had to be fixed at the beginning of the year on the basis of estimates of production, consumption and export earnings which might not materialise.

This had a far-reaching effect on the structure of the industry.

The NMC adopted the standpoint that in determining prices the MB must take into account government's policy regarding the phasing out of subsidies.

The pool system was rejected by the NMC because the State would still have a great deal of control over price-fixing.

The floor price or surface-removal scheme was also rejected.

PRICE MOVES AT A GLANCE

REUTERS

KEY MARKET MOVEMENTS — MARCH 11 to MARCH 12

Gold			JSE	Previous			Latest		Johannesburg Stock Exchange		
$/oz	$/oz	R/oz	Kruger-rand	$/R Comm	$/R Fin	DM/$	£/R	3 months BA	All Gold BD Index	BD Indust Index	JSE Ov'all Index
344,00	343,85	683,19	708	0,5040	0,3575	2,2775	0,3461	12,30	1 187,4	1 246,6	1 389,5
					NO MOVE						
343,25	342,90	680,35	704	0,5033	0,3575	2,2585	0,3429	12,25	1 175,9	1 242,0	1 382,9
LONDON CLOSE	LONDON AFTERNOON FIX					FRANKFURT CLOSE	LONDON CLOSE				

Maize price rise likely

BDAY 18/3/86

(3) MAIZE

GERALD REILLY and Reuter

NAMPO is expected to submit a price increase demand of about 15% at this week's Maize Board meeting.

The board's recommendation will be passed on to Agricultural Minister Greyling Wentzel and the new price will be announced next month.

Eight members of the newly-constituted board are executive members of nampo.

Basic factors in determining the board's recommendation will be the absence of a producers' price increase in two years, the worsening financial plight of maize farmers and possible consumer resistance to a big price hike.

Another factor is the export, at a substantial loss, of any surplus production from this year's crop.

The board's stabilisation fund is about R240m in the red, so export losses would have to be met by production levies, which would cut into the producers' net returns. Official government policy is to cut back on subsidies.

Meanwhile Nampo chief executive Piet Gous has said that South Africa's maize crop in the year ending April 30 will total about 8-million tons compared with 7,4-million in the previous year.

He said Nampo had estimated a crop of 9-million tons but had cut its forecast because there had been no February rains in the western parts of the country.

Gous said that South Africa would not have to import maize this year.

Maize marketing 'will hit the consumer pocket'

(3) MAIZE STAR

17/3/86

Pretoria Bureau

Price controls and export losses are the two crucial factors which will have to be addressed by any new marketing system for the maize industry.

Addressing the National Maize Producers' Organisations (Nampo) congress in Potchefstroom yesterday, the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, said the Government had committed itself to a free-market system.

Mr Wentzel added that the Government would not withdraw totally and leave everything to the private sector, but was paving the way for a mixed economy.

Many of the functions being performed by the authorities could be taken over by the private sector but this would mean consumers would, in the long run, have to pay for these services.

Mr Wentzel refused to give an indication of what form any new marketing control system for the maize industry would take, but added he did not doubt the State would still be involved.

State subsidies were being reduced gradually but the Government would not abandon the country's farmers and could still be relied on in a disaster.

The completion of Richards Bay harbour would save the maize industry R18,83 million a year in export costs and would stimulate the export of maize.

However, because of the world surplus, exporters at present could expect to realise R158 a ton of mealies and this posed the question whether maize for export was still economically viable.

First bread — now maize subsidy is cut

(3) maize 19/3/86

By David Braun, Political Correspondent

CAPE TOWN — The Government has slashed its subsidy on maize in this year's Budget by more than 50 percent, posing an ominous threat to the price of South Africa's most basic foodstuff.

According to the latest estimates of expenditure, the internal maize price subsidy has been cut from last year's R250 million to R120 million in 1986.

This is quite apart from the slashing of the bread price subsidy from R220 million to R150 million.

The Cabinet is expected to decide on the new bread price at its meeting today. Observers expect the price of brown bread to rise by at least 6c a loaf.

The new maize price is to be determined towards the end of next month, to come into effect on May 1.

Chief Opposition spokesman on Finance Mr Harry Schwarz said today that the Minister of Finance, Mr Barend du Plessis, and the Minister of Agricultural Economics, Mr Greyling Wentzel, would have to explain themselves. Maize and bread were of great importance to the lowest income groups.

"This is very serious in view of the substantial inflation and poverty we have in South Africa," he said.

He predicted that the maize and bread prices would become major issues in Parliament.

A spokesman for the Department of Agricultural Economics said changes in the structuring of subsidy did not necessarily mean a major change to the maize price.

● Apart from the brown bread price increase, there may also be a rise in the price of white bread. White bread is not subsidised, but an increase in its price could be used as a cross-subsidy to help keep down the price of brown bread.

Nampo row ends

(3) Maize
19/3/86. BUSDAY

GERALD REILLY

THE five-year confrontation between the National Maize Producers' Organisation (Nampo) and the Ministry of Agriculture is over.

Newly-appointed Maize Board chairman and Nampo president Hennie de Jager said yesterday that harmony and producer unity had replaced the strife which had plagued and divided the maize industry for the past two decades.

At the root of the problem had been the producers striving for greater control over their own affairs, he said at a Press conference in Pretoria.

The industry had not wanted State interference but accepted that a degree of State involvement was inevitable, he said.

De Jager predicted greater producer co-operation with government in future.

He said that under the planned new marketing dispensation, the industry was moving towards a free market.

Guidelines for a more market-related system had been accepted at Nampo's congress last week.

However, he said, the industry accepted that government regarded the one-channel marketing system as necessary to maintain order.

De Jager would not comment on the maize price recommended at the inaugural meeting of the new board this week, but said there were good reasons for a maize price increase.

He said the industry had not received an increase for two years and the inflation rate was at 20,7%.

Maize subsidy slashed

③ MAIZE

20/3/86

GERALD REILLY

THE subsidy for local consumption of maize has been slashed by more than 50% to R120m.

National Maize Producers' Organisation (Nampo) GM Piet Gous yesterday said the cut was in line with the Cabinet's policy of reducing food subsidies.

Consumers would have to pay more for maize to make up for the lower subsidy, he said.

"This is in addition to any producer price increase granted from May."

A 12-15% price increase was recommended to the National Marketing Council by the Maize Board this week, it is understood.

Gous would not comment on this but said that where profit margins were sufficient, the milling industry could easily absorb the R130m subsidy-cut.

The reduced maize subsidy comes after the bread subsidy was cut by a quarter, from R200m to R150m.

Decision to peg bread price welcomed

25/3/86

DISPATCH

Political Correspondent

CAPE TOWN — A bread price rise would have been "disastrous", Mr Harry Schwarz, chief opposition finance spokesman, said yesterday in welcoming the announcement that there would be no increase in spite of a R70 million cut in government subsidies.

Days of speculation were ended yesterday by the Minister of Agricultural Economics, Mr Greyling Wentzel, who said funds made available by the Wheat Board had made it possible to retain current prices.

However, he said that while the government was doing everything it could to keep the bread price down — specially in the current economic circumstances — it remained policy to phase out bread subsidies in keeping with the government's initiatives to give more direct aid to hunger victims.

"I am very happy they have found enough money to keep the bread price down as an increase now would have been disastrous," said Mr Schwarz.

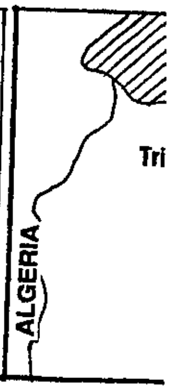
He pointed out, however, that flour subsidies to neighbouring countries from the Department of Foreign Affairs had been reduced by R6 million.

"We will have to do something to help them," he said.

Mr Wentzel said reduced interest rates were continuously taken into account where the payment of financing costs on the Wheat Board's stocks was concerned and millers' and bakers' margins would be reduced from April 1.

Apart from these savings, the improvement in the rand's exchange rate meant that imported wheat would be cheaper.

The Wheat Board and the milling and baking industries were maintaining an efficiency level which made it possible to produce bread cheaper than in most other countries.



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3 MAIZE FIN MAIL 28/3/86.

MAIZE INDUSTRY

Sowing the wind

Government's new maize marketing system, recently unveiled by Marketing Council chairman Roelf Kotze, will change the face of the R1,7 billion a year industry.

On the credit side for maize producers is the fact that they will have far greater control over pricing and marketing of their product. But then the industry will have to face direct price competition in the lucrative animal feed market from grain sorghum and face the progressive phasing-out of State subsidies on its R230m a year storage and finance costs.

In the maize game, government has so far played its cards extremely well. After last year's price furore and the mass resignation of Nampo members from the Maize Board (MB), the government has now simultaneously made peace with Nampo and rid itself of agriculture's hottest potato.

Nampo now has control of the industry and the MB, but under circumstances that might tax the ingenuity of a Leutwiler Maize carry-over debts with co-ops stand at some R2,6 billion at a time when prospects are dismal.

Single-channel maize marketing will remain — until maize producers have fully repaid their accumulated R230m loans, mainly for export losses. And, of course, government will no longer subsidise export losses — at a time when prospects for sales abroad are bleak.

Local yellow maize consumption has fallen dramatically by 1,4 Mt in the past two years to a mere 2 Mt a year. An expected 4,5 Mt yellow maize crop this year will leave about 2,5 Mt for export, but world markets are overhung by a 106,6 Mt stockpile and world prices are expected to scrape along the bottom at $90/t-$100/t in 1986.

To meet this challenge, Nampo is seeking government permission to use surplus maize for countertrade deals.

"The maize industry's fertiliser needs include huge potash and sulphur imports, which could be swapped for yellow maize. Nampo has already proved that area can be swapped for maize with east European nations. We could even do deals with the Russians," says Nampo CE Piet Gous.

Gous says government's acceptance of countertrade has opened the way for this "exciting" use of surplus maize: "Once we get the green light, the sky is virtually the limit."

With Nampo in control of both the maize industry and of Triomf (*Business* March 7), countertrade with Comecon countries could give it huge leverage if government allows the deals and if it permits Nampo to virtually guarantee Triomf's ascendancy over other fertiliser groups.

Maize . . . growing into a free market industry

Swapping maize for cheap ammonia-based urea could give Triomf a big advantage over other fertiliser companies. It currently buys ammonia from competitors Sasol and AECI.

Whatever the outcome, cash exports will still, in theory, cost the industry dearly. "Even if we receive R212/t for yellow maize exports of some 2,676 Mt this year, storage costs of R50/t and shipping costs of R47/t will have to be deducted. This would mean net export revenues of just R115/t," says Nampo economist Kit le Clus.

New prices

Government is expected to announce 1986 maize prices late in April, after considering the MB's white maize price recommendation.

The new system allows the MB to determine both producer and consumer prices for yellow maize and the producer price for white maize. But the consumer price for white maize will be subject to ministerial approval. The MB could even announce different producer prices for different areas.

Consumer prices will now be increased monthly to reduce the shock when government ends its storage and financing costs support.

Although white maize is less price-sensitive, the industry is obviously in trouble, and Le Clus goes so far as to make a case for increased State subsidies.

He says projected State support for passenger and other transport in 1985-1986 will be about R862,7m, while commerce and industry will get about R931m. Agriculture has been allocated R631,9m, of which R251,3m is for maize products and R112m for internal maize consumption.

Some would say that agriculture is getting more than its contribution to the national wealth deserves but, for Le Clus, the figures show that "agriculture, and maize particularly, is not the heaviest-subsidised sector in the economy." ■

MINE CAPEX FIN MAIL 28/3/86

What's in store

Seen from the air, capital expenditure by SA's gold and uranium mines is expected to increase at a blistering pace in 1986, according to the latest estimates from the Chamber of Mines. But the ground-level view tempers the confidence with uncertainty about the long-term gold price.

As matters stand, the chamber forecasts that capital expenditure will jump by 22% to R2,33 billion this year, against last year's total of R1,92 billion.

It is unlikely to remain on this high plateau for the next three years, with estimates of R2,36 billion in 1987 and a peak of R2,38 billion in 1988.

The current outlook is that capex will then fall steeply in 1989 to R2,08 billion and continue to fall more slowly until 1991 as the mines adjust to the heady rate of expansion in the Seventies and early Eighties.

The industry outlook came under the microscope at the Techno-Economic Society of Southern Africa's Capex in Mining conference last week, where the chamber's spending line was charted by senior economist Henry Kenney.

Broadly, the level of capital spending has declined some 6% in the four years to 1985 — "a normal reaction to the marked rise of previous years," as Kenney sees it.

But the predicted high level of spending for the next few years augurs well for a boost to the depression-hit building and construction sector. An analysis of 1984 spending shows that 40,1% of capex went to building and construction contractors. Another 21,1% was spent on plant and machinery, while electrical machinery and spares took 9,5% of the total.

A major factor in the high level of capital

CROP PROSPECTS (3) MAIZE

FIN MAIL 28/3/86

Growing brighter

Excellent late summer rains, a favourable Budget and the prospect of better relations between maize farmers and government have combined to lift the gloom in the northern summer rainfall crop areas, despite the massive debt overhang.

The maize crop has stabilised at more than 8 Mt, after earlier fears that it might fall to below 7 Mt.

"Although the western area is still drought-stricken, the rains have brought great relief. Some areas received between 100 mm and 200 mm," says Nampo CE Piet Gous.

Better outlook

Prospects for a good 1986-1987 wheat crop in the north-western Free State have also improved, while the outlook for cattle farming is much brighter.

Gous says that the Nampo members' return to the Maize Board (MB) has restored peace to the industry and Budget indications that food subsidies will be phased out have brought a sense of "realism."

Although the wheat crop is looking good, the smaller bread subsidy of R150m will undoubtedly lead to higher bread prices and hit sales.

The Wheat Board's (WB) stabilisation fund, which stood at R76,8m at September 30, will not necessarily be used to cushion price increases. WB assistant GM Jacob Laubscher says the board still has to study the issue before deciding the size and timing of any price increases.

The latest crop receipts indicate a current wheat crop of some 1,6 Mt. With the carry-over stocks of some 720 000 t there should be just sufficient wheat until October, and government has approved the import of 150 000 t as a reserve over the October-November period, Laubscher tells the *FM*.

As Cape crops start coming in only during October, the WB has to cover against the possibility of crop failures or delivery delays.

WB GM Dennis van Aarde leaves for the US and Canada on March 27 to investigate import possibilities. "Gulf landed prices are now in the region of R280/t, compared to a local price of R325/t," says Laubscher.

If good rains continue to replenish Free State underground reserves in the next few weeks, winter wheat prospects could be very good, he adds.

But it's not all good fortune. A massive locust plague is destroying grazing over large areas of the Karoo, northern Cape and south-western Free State, and farmers in the north-western Transvaal and northern Cape border areas are still suffering the effects of drought.

The need for feed aid to Karoo sheep farmers suffering from the locust plague still has to be assessed, and government must "urgently assist" Molopo and Limpopo border farmers for strategic reasons, says SA Agricultural Union economist Dries Davel. "SA's defence burden will increase if these areas become depopulated," he adds.

Many farmers on the Limpopo border have seen breeding herds fall to some 20%-40% of normal size, and others have lost all their stock because of the drought. Says Davel: "Drastic emergency relief is needed to keep these farmers on the land." ■

HENNIE DE JAGER

FIN MAIL (3) MAIZE 28/3/86

Corn pop

Hennie de Jager never sought the position of chairman of the Maize Board (MB). But he'll have to use all his diplomatic skills, financial experience and managerial talents to steer the troubled maize industry into calmer waters.

Soft-spoken De Jager (56) stepped into the MB chair last Monday. He takes over administration of the strategic, R1,7 billion a year industry at a trying time. In the face of falling demand, increased local competition and massive world surpluses challenging exports, the emotional maize price issue must be decided soon.

He is well qualified for the job. A full-time Bothaville maize farmer, De Jager also boasts 10 years' banking experience and a 12-year stint as co-director of an agricultural machinery company. Appropriately, he ended his business career as marketing director.

Born and bred in the Harrismith-Bethlehem districts, De Jager has been involved with the stormy maize industry since 1966. As chairman of the National Maize Producers' Organisation (Nampo) he gained first-hand experience of mealie politics.

De Jager's accession to the MB chair follows a six-year period of strife during which Nampo was often accused of strident extremism and of seeking confrontation with government. But since De Jager, seven Nampo members and five others were appointed to take over the running of the MB, this is all water under the bridge.

There is no sense of victory in Nampo's return to the MB — at best it will be an unenviable and challenging experience. "Confrontation with government is a thing of the past — and with a new marketing system on the table, State control will diminish. But we'll always welcome a measure of State involvement in this strategic food industry," says De Jager.

Nampo has always strived for autonomy for the maize industry and a reduction in unnecessary State control, he adds. Though the proposed new marketing system still involves the State, De Jager considers this acceptable.

Nampo and the MB will administer new maize marketing and pricing systems, against a 1m t drop in local demand for yellow maize, massive world grain surpluses and low international prices. There's also aggressive competition from independent grain sorghum producers in the local feed grain market.

De Jager ... first-hand experience of mielie politics

Adding to industry woes, government has announced the phasing-out of the subsidy on the maize industry's "marginal" storage costs of some R230m a year. Producers will have to negotiate better deals for storage costs in co-op-owned grain silos, or recover these costs through higher consumer prices — in a shrinking market.

The subsidy on these costs was reduced by R100m in 1985; more cuts are in the offing, following the Budget. To top it all, De Jager and his board have to face government's recent announcement that it will no longer subsidise the industry's export losses, while producers will have to take over responsibility for the industry's stabilisation fund — now more than R200m in the red.

So the problems and prospects are daunting — and maize producers traditionally expect special treatment. "Though we face increasing competition from grain sorghum, we are negotiating for permission to enter into international countertrade deals with surplus yellow maize. Once we receive the green light, we can do miracles with this commodity," he says, *"'n Boer maak 'n plan"*.

Apart from his maize farm, De Jager owns a cattle farm near Vryburg and enjoys game farming on his farm near the Limpopo border. Since 1979, he's been chairman of the Kroonstad-Wes Kooperasie as well as a member of the SA Agricultural Union's executive General Council since 1980.

De Jager says co-ops have a role to play — on condition that blind loyalty from members is not demanded and that free competition from other co-ops is allowed — a view contrary to mainstream co-op thinking.

"I am against monopolistic tendencies. If business warrants it, there should be more than one co-op competing for farmers' business. I strongly believe in market-related policies in agriculture. Government control should be replaced by State involvement, which will always remain an essential ingredient of agriculture throughout the world," he says.

De Jager appears calm and unruffled. With his wide experience, the support and expertise of a tightly-knit Nampo team and his wife and three children, he's ready for the challenge.

"There are no holy cows in agriculture. We cannot afford to stagnate. If existing strategies or policies do not work, we will have to devise new ones," he says. "Slowly but surely we will solve the maize industry's problems." ■

(3) MAIZE BUS DAY. 2/4/86

Maize crop predictions defended

LINDA ENSOR

THE National Maize Producers' Organisation (Nampo) yesterday denied suggestions it was under-estimating this year's crop in order to press for a higher price.

The Cabinet is considering a Maize Board recommendation for a new price. An announcement is expected by the end of the month.

Responding to claims by industry sources, Nampo economist Kit le Clus described them as "not worth commenting on".

He said: "The production figures we are looking at are the official estimates of the Department of Agriculture."

Crop estimates have declined steadily since initial predictions of a bumper maize harvest to the point where major organisations are in wide disagreement.

Alfred Kahn, MD of grain distributors Kahn & Kahn, expects a harvest of about 9-million tons.

Nampo believes an 8,2-million-ton crop will be reaped, with 7,5-million tons being delivered to the Maize Board.

Kahn says last year's crop of 7,4-million was achieved on a smaller hectarage and under worse growing conditions than this year's.

"Generally speaking, climatic conditions have been much better this season," he says, adding that about 157 000 more hectares are under cultivation.

In 1985/86, 3,887-million ha were cultivated, compared to the 4,044-million this year — an increase of 4%.

Late maturation, Kahn says, could bring his estimate down to 8,5-million tons.

Le Clus believes the area under maize cultivation has been over-estimated.

The 4% increase in hectarage would not make a significant contribution to the total crop, he feels, because it occurred mainly in areas with a low yield potential.

"There are even doubts over whether 8-million tons will be reached," he says, because low temperatures would have a detrimental affect on the maturation of young maize plants in the Western Transvaal.

"Allowing for a 5% variation either way, we could get between 7,6-million tons and 8,4-million tons. I cannot see it going up to 9-million."

It's make or break for maize farmers this year

(3) MAIZE STAR 3/4/86

By Kym Hamilton,
Pretoria Bureau

There is little light on the South African farmers' horizon.

The optimism with which farmers greeted 1986 has been dashed by the lack of rain, particularly in the maize-producing lands of the Western Transvaal and Free State.

Predictions of a bumper 9,5 million ton-crop are now down to 8 million tons and this figure is expected to dwindle further.

The rate of liquidations is expected to quicken as maize producers, particularly in the Western Transvaal and Free State, face their fifth successive year of failure.

Maize yields about 25 to 30 percent of the agricultural sector's contribution to the gross domestic product, said Dr Kees du Toit, chief economist of the South African Agricultural Union.

Even if the next four years were good, it was doubtful whether farmers, burdened with staggering debts, could recover, he said.

INSTITUTIONS

The biggest sector in agriculture — maize — faces a watershed year. If there is another crop disaster, many will have to give up their farms.

The dilemma facing the financial institutions, co-operatives and organised agriculture is whether to finance farmers again, given the strong possibility of no rain, said Dr du Toit.

Many believed this would only prolong the agony and give farmers even more rope with which to hang themselves.

South Africa was now paying for the good times — in the optimistic 70s, many farmers ignored sound economic advice to make provision for the lean times, said Mr du Toit.

Although the weather factor was uncontrollable, the farmer was suffering the consequences of recklessness. The agricultural sector was not peculiar in this attitude and the accusation of foolishness applied to the whole country, said Dr du Toit.

South Africa needed 6,5 million tons of maize for local consumption. A "normal" crop usually yielded about 9 million tons.

In 1981, maize farmers produced a record 14 million tons.

This year, some experts are putting forward a figure of 7 million tons.

Dr du Toit said farmers were not expected to hold back more than about 4 percent of their crop for their own consumption, as most needed cash to pay back their severe debt burden.

'NO DIVERSITY'

One of the causes of the present situation was that most maize farmers had failed to diversify. Farmers, particularly maize producers, over-specialised, pinning all their assets on one crop — in this instance maize.

There was no solution to the problem in sight and agriculturalists were facing the reality of the dry spell continuing for another three to four years.

It would be foolish to pin hopes on rain next year, cautioned Dr du Toit.

The latest cut in the water quota to farmers in the Vaalharts Irrigation Scheme was also a portent of trouble, he said. Many farmers had invested heavily in costly irrigation equipment and needed two good crops a year to make a profit.

Farmers totally dependent on dams and rivers which, throughout the country were critically low, with many empty, faced disaster.

Maize exports may hit farms

BUSDAY/ 3/4/86 (3) MAIZE

● WENTZEL

GERALD REILLY

PRODUCERS stand to lose up to R200m on surplus maize exports this year, agricultural sources say.

The 1985/86 crop is estimated officially at 8-million tons. This would, National Maize Producers' Organisation (Nampo) says, leave an exportable surplus of more than 2-million tons.

Because of saturated international markets, SA can expect to realise an export price of about $102 a ton.

However, Maize Board general manager Hennie Nel says storage, insurance, handling, transport, administration and other related costs could amount to about $32 a ton.

The net loss on exports, compared with a local price of R240 a ton, could therefore, amount to about R100 a ton.

With the board's Stabilisation Fund a record R230m in the red, the loss would be carried by producer levies, which would increase the plight of maize farmers.

Sources say the extent of producer levies will be decided at the same time as the new season's maize price, now under review by the National Marketing Council.

Agriculture, Economics and Water Supply Minister Greyling Wentzel is to announce the new price in the last week of this month.

Sources say the price increase — farmers received no increase last year — is likely to be more than 10%.

Nel has denied a recent report that another 100 000 tons of white maize — on top of the 200 000 already ordered — are to be imported from Zimbabwe.

He says producers have been offered premium prices for early deliveries to bolster supplies of white maize.

On the R230m Stabilisation Fund deficit, Reserve Bank senior deputy governor and agriculture standing committee chairman Japie Jacobs says his committee has recommended the deficit be written off to relieve the farmers' debt burden.

A senior agriculture department source says government has begun to liquidate the deficit with payments to the Land Bank and Reserve Bank.

Last year R40m was paid off.

Future payments will depend on government's financial circumstances, he says.

BUSINESS DAY, Friday, April 4 1986

Meat and maize marketers take the biggest slice 4/4/86 3 MAIZE MEAT BUSDAY

Farm boards gulp R188m

● WENTZEL

Own Correspondent

AGRICULTURAL marketing boards racked up expenses of R188m in 1984/85. About R65m of this was in administrative costs alone.

The figures do not include direct operational expenses incurred by the 21 boards such as storage, handling, treatment, processing, fumigation and shipping.

The five biggest spenders were the Maize Board (R35m), the Meat Board (R34,9m), the Wool Board (R24,9m), the Wheat Board (R21,9m) and the Chicory Board (R17,7m).

Replying to a written question from Philip Myburgh (PFP Wynberg), Minister of Agricultural Economics Greyling Wentzel said the administrative expenses of the Meat Board were R13,2m in the year under review.

The expenses incurred by the Lucerne Board were R210 000, including R117 000 in administrative expenses. The administrative costs of the Karakul Board were R30 000 (total costs: R288 000).

Wentzel said costs incurred included board expenditure on product promotion, stabilisation, research and contributions to industry organisations.

Replying to question from Mike Tarr (PFP, Martizburg South) Wentzel said investigations by the National Marketing Council into operation of the control boards were not complete.

However, the investigation into the Dairy and Cotton schemes had been completed.

Reports were submitted to the boards concerned and to the Agricultural Union. The investigation into the remaining boards should be completed with the next 12 months, he said.

The council found that that various Dairy Scheme control measures were not justified. It recommemded the abolition of:

☐ Restrictive registration of fresh-milk distributors and industrial-milk manufacturers;

☐ Fixing of wholesale and retail prices for butter and cheese.

The council also recommended that the Dairy Board should buy only surplus butter and skimmed milk.

Its findings on the Cotton Scheme were that control measures were justified and should remain almost unchanged.

WEEKEND POST,

'No fear of SA maize shortage'

3 Mar 84
W. Post

Post Reporter

THERE was enough white and yellow maize in the country to last until May next year and no shortage was envisaged although 200 000 tons were due to be exported to the Republic of China, the Maize Board's public relations officer, Mr Hennie Nel, said today.

He was commenting after it was reported that a delegation of Chinese leaders had arrived in Pretoria yesterday to finalise the deal.

The 200 000 tons of yellow maize, for animal feed, will be shipped to Taiwan in May.

Only white maize is for human consumption.

Mr Nel was unable to say how much the Chinese had paid for the supply.

"The crop now being harvested will last until May next year and no shortage of white or yellow maize was envisaged," he said.

The board's chairman, Mr H B de Jager, was due to hold a Press conference in connection with the deal in Pretoria today.

Mr Tseng-ti Chiang, Deputy Director-General of the Chinese Board of Foreign Trade, said yesterday his country had always been impresssed by the quality of South African maize. — Sapa

Maize price to go up soon

③ MAIZE 21/4/86

CAPE TOWN — A higher maize price is to be announced soon.

The increase may be in the region of 10 percent. It will affect the price of animal feeds which could lead to an increase in poultry prices.

The Minister of Agricultural Economics, Mr Greyling Wentzel, discussed the new price with the Maize Board last week.

An announcement can be expected today or tomorrow. — Political Staff.

White maize price goes up 13,9 percent from tomorrow

22/4/86 STAR (3) MAIZE

CAPE TOWN — The consumer price of white maize will be increased by 13,9 percent from tomorrow and that of yellow maize by 9,7 percent.

The producer price of white maize will be increased by 10 percent to R240,35 per ton and that of yellow maize by five percent to R225,27 per ton from May 1.

The Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, announced the increases today.

The increases are likely to affect the price of livestock feeds.

Mr Wentzel said maize producers have been experiencing sharp increases in the price of inputs. From January 1985 to January 1986 the prices of farming requisites increased by 23,1 percent.

The prices of some items such as tractors, trucks, fuel and pesticides had increased by more than 30 percent.

Mr Wentzel said the Government had decided to increase by R17 million to R129 million the subsidy on the selling price of the Maize Board.

After this subsidy had been taken into account the consumer price still had to be increased, he said.

MAIZE PRICE UP

By TOS WENTZEL
Political Correspondent

22/4/86

THE consumer price of white maize will be increased by 13,9 percent from tomorrow and that of yellow maize by 9,7 percent, the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, announced today.

The producer price of white maize will be increased by 10 percent to R240,35 a ton and yellow maize by five percent to R225,27 a ton from May 1.

The increases will have a ripple effect on the cost of living — but some manufacturers are hoping to offset some rises against the petrol price cut.

Mr Wentzel said the price decision taken by the Maize Board was endorsed by the National Marketing Council.

Recently maize producers had experienced sharp increases in production costs.

From January 1985 to January 1986 the prices of farming requisites increased by 23,1 percent and the prices of items such as tractors, trucks, fuel and pesticides increased by more than 30 percent.

Increases essential

Increases to maize producers were therefore essential.

The country was producing insufficient white maize, which is used for human consumption only while there was a surplus of yellow maize produced mainly for livestock feed.

About 2,2-million tons of yellow maize would be exported at considerable loss while about 200 000 tons of white maize had been imported at a loss.

Mr Wentzel said the Government had decided to increase the subsidy on the selling price of the Maize Board by R17-million to R129-million. After this subsidy had been taken into account, the consumer price still had to be increased.

Set to go up are all products containing maize and staple foods like samp, maizemeal and maize rice.

Consumers can expect to pay more for baby food, cornflour, cereals containing maize, starches, tinned vegetables and pet food. It will also mean an increase in the price of animal feeds, which will affect the price of meat and poultry.

Spokesmen for major animal feed producers and poultry producers said the maize price would definitely affect prices, but it was too soon to know exactly what increases to consumers would be.

Mr Chris Walwyn, Press liaison officer for Tiger Oats and Meadow Feeds, said they hoped to offset the increase against the lower petrol price.

Tariffs

The price increase of yellow maize would mean increased production costs of R16-million for the chicken industry, said Mr D Finlayson, marketing director of County Fair.

"The chicken industry is the largest consumer of maize in South Africa and the cost of maize is the biggest factor in the production of chickens.

"The increase will have a direct influence on production costs and will put pressure on the industry to recover the costs in the market place."

Furious consumers have demanded the Government reconsider the consumer price increases and the Housewives' League warned maize was being priced out of the local market.

The Black Consumer Association president, Mrs Ellen Kuzwayo, said she was "devastated". The increases would particularly hurt the unemployed with maize being "their last refuge" when they could not afford other food.

ARGAL 3 MAR 28
22/4/86

Maize price up 13,9 percent

By TOS WENTZEL, Political Correspondent

THE consumer price of white maize will be increased by 13,9 percent from tomorrow and that of yellow maize by 9,7 percent, the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, announced today.

The producer price of white maize will be increased by 10 percent to R240,35 a ton and of yellow maize by five percent to R225,27 a ton from May 1.

The increases are likely to affect the price of livestock feeds and especially the price of poultry products.

Mr Wentzel said the price decision taken by the Maize Board was endorsed by the National Marketing Council.

Recently maize producers had experienced sharp increases in production costs.

ESSENTIAL

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Increases to maize producers were therefore essential.

The country was producing insufficient white maize which is used for human consumption only while there was a surplus of yellow maize produced mainly for livestock feed.

About 2,2-million tons of yellow maize would be exported at considerable loss while about 200 000 tons of white maize had been imported at a loss.

Mr Wentzel said the Government had decided to increase the subsidy on the selling price of the Maize Board by R17-million to R129-million. After this subsidy had been taken into account, the consumer price still had to be increased.

Maize prices raised, wheat set to follow

3 Maize ~~244~~

22/4/86.

By DIRK VAN ZYL
Political Correspondent

CAPE TOWN — The selling price of white and yellow maize is to be increased from tomorrow by 13,9% and 9,7%, respectively, while the cost of bread is certain to rise from October 1 when a new wheat price comes into effect.

The Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, announced the increased maize prices today.

A senior departmental spokesman said that the percentage rises would in all likelihood be those paid by the ordinary consumer.

The spokesman also pointed out that a rise in the bread price, which is linked to the wheat price, was inevitable on October 1 when a new wheat price would come into effect.

Mr Wentzel announced increase to R225,27 a ton on that date.

Mr Wentzel said maize producers had recently experienced sharp increases in costs.

From January, 1985, to that the new selling price of white maize from tomorrow would amount to R280,89 a ton, and that of yellow maize R266,27 a ton.

White maize is a staple food for many people, particularly blacks, while yellow maize is used mainly for livestock feed.

Mr Wentzel said he had approved the price decisions of the Maize Board for the 1986/87 marketing season, as endorsed by the National Marketing Council.

This meant that the net price to the producer of white maize would be increased from May 1 by 10% to R240,35 a ton while the producer of yellow maize would receive a 5%

January, 1986, the prices of farming requisites had, for instance, risen by 23,1%.

Prices of various items such as tractors, trucks, fuel and pesticides had increased by more than 30%.

"The Government is gravely concerned over the steep rise in the price of agricultural inputs and, as recently announced, the Department of Trade and Industry is engaged at present in an investigation in this connection. Meanwhile, these increases in the producer price of maize, owing to financial considerations, are essential," Mr Wentzel said.

On the difference in the rise of the prices of white and yellow maize, he pointed out that the white maize crop was insufficient to meet the needs of the country. In contrast, the production of yellow maize was considerably more than the local consumption needs and about 2,2 million tons would be exported at a considerable loss.

In recent years shortages of white maize had been experienced and as this produce could not be obtained from abroad, yellow maize was mixed with it.

This, however, gave rise to considerable consumer resistance and consumption dropped

Cape Times 23/4/86

3MAI26

Higher maize price will affect poultry

Staff Reporter

THE increase in the maize price, effective today, would put strong upward pressure on the prices of poultry and pet-food products, retailers and producers said yesterday.

The Minister of Agricultural Economics, Mr Greyling Wentzel, announced yesterday that the price of white maize was to be increased by 13,9 percent and of yellow by 9,7 percent. The price would be subject to further monthly increases of R5 a ton to help cover "storage and handling" costs.

Mr Hennie de Jager, chairman of the Maize Board, described the increases as "conservative".

He said the maize producer was sympathetic towards local consumers, who constituted the most important market for maize.

"We don't want to price ourselves out of the market, but the weak financial situation of producers and continuous abnormal increases in the prices of inputs made an increase in the producer price unavoidable," he said.

The chief professional officer of the Consumer Council, Mr Lou van der Merwe, said the council welcomed the "relatively low increase", but said it would affect the consumer indirectly. Millers and stockfeed producers would have to increase their prices, but "there is no need for them to do this immediately".

Mr David Finlayson, the marketing director for County Fair Chicken Products, predicted a rise in the prices of poultry products in May. He said the cost of the maize price increase to the poultry industry would be R16 million a year.

"This increase will put great pressure on our cost structure, as maize is the largest single factor determining our costs," said Mr Finlayson.

A spokesman for another poultry producer said the increase had come at a "very inopportune time", and would "greatly boost our already heavy inflation rate".

The chief buyer for Pick 'n Pay, Mr Alan Baxter, said the jump in the maize price would have a "snowballing effect" on prices of related products.

Maize farmers are nearly R3-bn in red

SPAR (3) MAIZE 23/4/86

By Sue Leeman, Pretoria Bureau

Maize farmers' debts now total R2 662 million, says the Maize Board.

At the same time, the maize stabilisation fund is R235 million in the red — despite periodic injections of Government funds.

The chairman of the Maize Board, Mr Hennie de Jager, said yesterday that the maize industry was experiencing severe financial problems.

"So much so, that the stabilisation fund shortfall is just a drop in the bucket."

High interest rates

Farmers, he said, now owed R2 662 million, of which R1 264 million was in arrears.

Maize farmers had borrowed heavily at high interest rates in order to stay on their land in the face of severe drought and many of them owed the co-operatives large sums of money.

At the end of August 1984, maize farmers were R1 180 million in arrears. New production loans of R1 423 million, with interest of R416 million, brought total indebtedness at that time to R3 020 million.

A total of R1 756 million had been paid back by farmers but, by August 1 last year, there were still carry-over arrears of R1 264 million.

New production credit in the last season totalled R998 million, plus R400 million interest — making a total debt of R2 662 million at present.

Mr de Jager said the stabilisation fund, which was used to make good any losses on the surplus market, would receive another R40 million in 1986/87, which would leave it with an estimated shortfall of R213 million once all factors had been taken into consideration.

The fund was vital to cover losses that stricken producers could not pay for.

But it was Government policy that subsidies to agriculture were to be gradually reduced.

The Consumer Council has welcomed the "relatively low" maize price increase, bearing in mind that maize producers received no price increase last year.

But council director Mr Jan Cronje said it was a pity that export losses would have to be carried indirectly by the consumer to the tune of R45,40 a ton.

Mr Cronje urged millers and stockfeed producers to acquire their supplies as soon as possible as storage costs would escalate by R5 a ton every month.

"There is no reason for millers, stockfeed and other producers to increase their prices immediately," he said.

The South African Poultry Association is expected to discuss increased feed costs — and the possibility of raising poultry prices — at a regular meeting in Johannesburg today.

For the consumer who uses three kilograms of mealie meal a day, the increased cost of maize will mean an extra six cents a day for food.

ARGUS 23/4/86 (3 MAIZE)

SA maize farmers' debts now total R2 662-million

The Argus Correspondent

PRETORIA. — Maize farmers' debts now total a staggering R2 662-million, the Maize Board says.

And the maize stabilisation fund is R235-million in the red — in spite of periodic injections of Government funds.

The chairman of the Maize Board, Mr Hennie de Jager, said yesterday that R1 264-million of the total of R2 662-million was in arrears.

Maize farmers had borrowed heavily at high interest rates in order to stay on their land in the face of severe drought.

Many of them owed the co-operatives large sums of money.

New production credit in the past season totalled R998-million plus R400-million interest — making the present total debt R2 662-million.

Mr de Jager said the stabilisation fund, which was used to make good any losses on the surplus market, would receive another R40-million in 1986/87, which would leave it with an estimated shortfall of R213-million once all factors had been taken into consideration.

The fund was vital to cover losses for which stricken producers could not pay.

However, it was stated Government policy that subsidies to agriculture were to be slowly reduced.

'Farmers should look to oilseeds'

STAR 24/4/86

Pretoria Bureau

(3) MAIZE

Oilseeds provided a viable alternative for the drought-weary maize industry, said Mr Gert Kotze, Deputy Minister of Agriculture Economics, at the opening of the National Oilseeds Congress in Pretoria this week.

Yields for maize dropped by 49 percent during the drought years, while sunflower seeds decreased by only 30 percent.

Mr Kotze said this comparison was enlightening as it indicated that sunflower seeds withstood the drought far better the maize, although it was still seen as a supplementary crop.

Sunflower seeds deserved to play a far more important role in the agricultural sector, he added.

Before the drought, the production of sunflower seeds, soya beans and groundnuts was high, averaging more than a ton per hectare compared to 0,7 a ton during the drought seasons.

Predictions for this year's harvest were hopeful, although early frost was still a danger.

This year's yields are not expected to reach the levels of 1974 to 1981.

SOWETAN, Thursday, April 24, 1986

DISMAY OVER MAIZE INCREASE

3-Maize 24

SOWETAN Reporter

THE increase in the price of maize — which came into effect yesterday — was yesterday met with anger and dismay.

Mr Greyling Wentzel, Minister of Agricultural Economics and Water Affairs, announced in Cape Town on Tuesday that the consumer price of white maize would be incresed by 13,9 percent and that of yellow maize by 9,7 percent from yesterday.

Mr Wentzel said the increase was necessary as producers had been experiencing sharp increases in the price of inputs between January 1985 and January this year.

He said farming requisites had also increased by 23,1 percent while prices of various items such as tractors, trucks, fuel and pesticides were increased by more than 30 percent.

Mrs Ellen Khuzwayo, president of the Black Consumer Union, said it was regrettable that the Government considered the interests of white producers instead of those of millions of blacks, of whom the majority were either unemployed or earning meagre wages.

She said she could not understand why the maize price had to be increased at a time when the price of petrol — which was given as one of the reasons for the hike — had been reduced.

"Mielie-meal is a staple commodity consumed by blacks. Many people will be hard-hit," Mrs Khuzwayo said.

Minister 'misled' the public on maize price

(3) MAIZE (24)

STAR 24/6/81

Consumers are in for further shocks — the price of maize to the consumer will rise by an average of about 25 percent over the year, says a spokesman for the milling industry.

And the Minister of Agriculture, Mr Greyling Wentzel, has been criticised for "misleading" the public about the price rises announced this week.

The consumer price of maize will rise almost immediately by more than 18 percent.

The price increases announced by Mr Wentzel of 13,9 percent for white maize and 9,7 percent for yellow maize are initial prices to the miller. The storage charge of R5 a ton a month which will in future be levied was not included.

BUSDAY 25/4/86.

STRY (244) (3) MAIZE (3) POULTRY

Poultry firms angered by maize increase

Pretoria Bureau

Poultry producers and feed manufacturers are up in arms about the maize price increase, saying it will push up their production costs — and inevitably lead to higher poultry prices in the supermarket.

Consumers could find themselves paying more for chicken, turkey and duck within the next two weeks, they indicated.

A spokesman for the South African Poultry Association and the Animal Feed Manufacturers' Association said although the increase in the cost of yellow maize was put at 9,7 percent, in the long term it would amount to more like 21 percent.

This was due to the new R5 levy which was being added into the consumer price of maize to cover storage and handling costs.

The levy, which would increase by R5 a month, would amount to R55 by the end of April next year.

"The consumer price of yel low maize will then be R321 a ton — up 32,4 percent.

"A new system is being used to cover up the real size of the increase."

25/4/86 (3) MAIZE BUS DAY

Govt accused of misleading over maize

GERALD REILLY

THE Federated Chamber of Industries (FCI) has accused government of misleading consumers on the actual extent of the maize price increase.

Minister of Agriculture Greyling Wentzel announced this week that the white maize price would be raised by 13,9% and yellow maize by 9,7%.

But FCI agricultural sub-committee chairman L K Japhet told *Business Day* yesterday the actual increase to millers and feed manufacturers would be 25,1%.

These higher costs would be passed on to end-users.

Japhet said the Minister's announcement ignored the fact that from June there would be a monthly price rise of R5/ton.

"Effectively, therefore, until the end of the season next April, there will be an additional increase of R27,50/ton on both types of maize."

The main cause of the big increase, Japhet claimed, was that maize was still marketed through a fixed price mechanism that threw surplus losses and carrying costs on to consumers.

The SA Poultry Association and the Animal Feed Manufacturers' Association (Afma) are also angry at the misleading information about the maize price.

After a meeting in Johannesburg yesterday, Afma's Roger du Toit said the dramatic real increase would impact heavily on production costs and pricing of poultry and poultry products, including eggs.

AIRLINE MOVEMENTS

Friday Air Schedule
Johannesburg to Cape Town

Dep	Arr	Flight											
0100	0305	SA397	1145	1350	SA311	1725	2040	SA346	0850	0950	SA506		
0710	1040	SA301	1250	1455	SA343	1800	1955	SA326	1000	1100	SA512		
0730	0935	SA303	1430	1635	SA325	1930	2125	SA330	1145	1245	SA516		
0930	1135	SA307	1600	1805	SA329	2345	0140	SA398	1300	1400	SA518		
			1630	1830	SA337	Johannesburg to Durban			1600	1700	SA522	Port Elizabeth to Joh	
			1750	2140	SA349				1735	1835	SA524	0140	0310
			1800	2005	SA333	0145	0245	SA595	2040	2140		0800	0930
			1805	2135								0900	1115
												1150	1320
												1415	

Maize price rise: Anger is growing

ARGUS 25/4/86

3 MAI

The Argus Correspondent

JOHANNESBURG. — There is growing anger at the maize price increase — millers estimate that it will be 25 percent later this year — and what is claimed to be a cover up by the Government to hide the extent of the increase.

Mrs Ellen Kuzwayo, president of the Black Consumer Association, says a 25 percent increase in the maize price could result in death for many unemployed in the black community.

But a spokesman for the Department of Agriculture denied that the Minister's announcement was misleading. He said the Minister had clearly stated that the selling price of white maize by the Maize Board would increase by 13,9 percent and yellow maize by 9,7 percent the following day, and that prices would increase by R5 a ton on a monthly basis partly to make provision for handling and storage costs.

Appeal made

The Housewives' League has appealed to the Government to reconsider the price increase, although it supports the increase to the producer.

The Federated Chamber of Industries, the South African Poultry Association and the Animal Feed Manufacturers' Association and major retailers have deplored the magnitude of the maize price increase and the "misleading way this has been conveyed to the public".

The chairman of the FCI sub-committee on agriculture, Mr Lance Japhet, said the actual increased cost to the miller and feed manufacturer would be more than 25 percent and which would have to be passed on to the consumer.

He said the Government's announcement this week that the consumer price of white maize has been increased by 13,9 percent and yellow maize by 9,7 percent ignored the fact that from June 1 there will be a monthly price increase of R5 a ton a month.

"As maize is a basic commodity in the diet of both man and beast the substantial cost increases will have both a direct and spiral effect on the already unacceptably high consumer price index and in areas where they can be least afforded," he said.

The SA Poultry Association and the Animal Feed Manufacturers' Association said this "dramatic increase will have a detrimental effect on the production cost and pricing of poultry and poultry products".

Retailers and consumers join protest

26/4/86 · SOWK

MAIZE

3

Growing anger at increase in price of maize

By Jackie Unwin

There is growing anger at the maize price increase — estimated by millers to be 25 percent by later this year — and what is claimed to be a Government cover-up to hide the extent of the increase.

Mrs Ellen Kuzwayo, president of the Black Consumer Association, says a 25 percent increase in the maize price could result in death for many unemployed people.

But a spokesman for the Department of Agriculture denied the Minister's announcement was misleading.

He said the Minister of Agriculture had clearly stated on April 22 that the selling price of white maize by the Maize Board would increase by 13,9 percent and yellow maize by 9,7 percent the following day, and prices would increase by R5 a ton on a monthly basis to partially make provision for handling and storage costs.

"The eventual price increase for maize buyers will therefore depend on the time of purchase and quantity kept in storage.

"A similar system has been successfully applied in the marketing of wheat for many years.

"It must also be borne in mind that the prices of maize products are not controlled and consumers should shop around."

The Housewives' League has appealed to the Government to reconsider the price increase, although it supports the increase to the producer.

The Federated Chamber of Industries, the South African Poultry Association and the Animal Feed Manufacturers' Association and major retailers have deplored the magnitude of the maize price increase and the "misleading way this has been conveyed to the public".

Cover-up claim

A Press statement issued jointly by the South African Poultry Association and the Animal Feed Manufacturers' Association states:

"It appears as if a new system was used to cover up the real size of the increase."

Chairman of the FCI subcommittee on agriculture, Mr Lance Japhet, said the actual increased cost to the miller and feed manufacturer will be more than 25 percent.

These costs would have to be passed on to the end user.

He said the Government's announcement this week that the consumer price of white maize has been increased by 13,9 percent and yellow maize by 9,7 percent ignored the fact that from June 1 there would be a monthly price increase of R5 per ton.

"As maize is a basic commodity in the diet of both man and beast, the substantial cost increases will have both a direct and spiral effect on the already unacceptably high consumer price index and in areas where they can be least afforded."

The SA Poultry Association and the Animal Feed Manufacturers' Association statement also said:

"The producer price was increased from R214,65 to R225,27 per ton. The difference between the producer price and the consumer price is, therefore, R41 per ton.

"This will be used to offset losses incurred in the export of surplus maize and the export of surplus maize and the consumers must now pay for this as opposed to the previous system where the producers carried this cost.

FIN MAIL 2/5/86

MAIZE (3) MAIZE

Price confusion

Officially the consumer price of maize has been set at R280,89/t for white and R266,27/t for yellow (*Business* April 25). But the truth of the matter is that millers (who pay the consumer price) will be forking out R340,89/t and R326,27/t respectively by the end of April next year.

The reason is a R5/t monthly increase

R271,77/t for yellow maize, leaving net producer prices of R240,35/t for white and R225,27/t for yellow maize.

"As producers are liable for the industry's costs and losses," adds Malherbe, "there is an understandable discrepancy between producer and consumer prices." ■

By Angela Peat

New start to EL maize exports

3-Maize

DISPATCH 3/5/86

EAST LONDON —About 34 000 tons of maize will be exported from East London harbour on May 7 — the first consequential transhipment of its sort in nearly three years.

The 34 000 tons of yellow maize is the first export parcel of the 110 000 ton quoted for shipment this month.

This was confirmed by a trader's representative here, Mr John Fish.

Mr Fish said the Brave Venture would call in port on Wednesday for the maize which is bound for Taiwan.

He said details of the ship's registration were not available at this stage.

Taiwan and South Africa signed a 200 000 ton maize deal last month, the Maize Board said.

Half of the tonnage will be handled by the East London harbour.

The chief supervisor of the grain elevator here, Mr Willie Hattingh, said 300 000 tons of maize were expected to be exported at a rate of 100 000 tons a month from June to August.

Between 1,2 million and two million tons of maize were available in South Africa for export, he said. The export duties would be split between Durban and East London.

Although the main transhipments organised by the government would be going to Taiwan, Mr Hattingh said traders had arranged for the rest of the maize to be exported to other foreign countries.

FIN MAIL 9/5/86.

AGRICULTURE (3) MAIZE

Sunflower option

The recent 17,6% increase in the producer price of sunflower seed to R400/t should be a signal to debt-ridden maize farmers to switch to sunflower. Such a move would save the country valuable foreign exchange on costly vegetable oil, while improving farmers' profitability.

However, while government continues to regulate the maize industry and ensures that consumers subsidise so-called "export losses" on surpluses, there is little financial incentive for maize farmers to make the switch.

The current fixed-price, single channel maize scheme allows the industry to recover export losses from local consumers (*Business* May 2), who have to pay the industry's Stabilisation Fund levies of some R45/t.

In a free market, the projected R370m "loss" on the export of a 2,2 Mt yellow maize surplus into overstocked world markets would automatically induce farmers to move out of maize and into sunflower production.

However, in SA's currently over-regulated and structured agricultural sector, increased sunflower production depends on whether farmers find it more profitable to produce low-yield sunflower rather than subsidised maize.

More profitable

SA's current average maize yield is some 2 t/ha, while sunflower yields about 0,9 t/ha. And with the latest guaranteed maize price increasing to R240,35/t for white and R225,27/t for yellow, it remains more profitable to stay with maize.

Meanwhile, the shortage of sunflower is costing SA valuable foreign exchange.

Over the past three years, some 360 000 t of vegetable oil has had to be imported at a cost to the country of around R400m. This year, SA will again have to spend millions on costly imports.

Current vegetable oil consumption is about 220 000 t a year, but SA produces only about 177 000 t in a normal season, notes Deputy Agricultural Economics and Water Affairs Minister Gert Kotze.

This is is made up of about 30 000 t of groundnut oil, 145 000 t of sunflower oil and 2 000 t of soya oil.

Oil Seeds Board GM Jan du Preez tells the *FM* the current sunflower seed crop is projected at 270 000 t. Although up on last year's 238 000 t, it is still well below SA's requirements.

"This indicates a permanent shortage of vegetable oil, given the area planted and the average yields for the industry," adds Kotze.

The strong local demand could easily absorb another 300 000 t of sunflower seed at the new higher price. However, until it acts to prevent powerful agricultural lobbies from twisting market forces to protect their industries, SA will have to continue spending foreign exchange on imports which should not be necessary. ■

20/5/86

AGRICULTURE (3) MAIZE

FINMAIL

Amazing maize

Paradoxically, maize farmers look set to score on expectations that deliveries from the current maize crop could be some 300 000 t below the previous industry estimate.

With export losses calculated at some R170/t on a 2 Mt exportable surplus, the lower volumes could mean a R51m saving on the Maize Board's (MB) assessment that well over R300m would have to be recovered from consumers. The country's foreign exchange earnings would obviously also be cut.

"The possibility of higher export prices after the Chernobyl nuclear disaster (*Business* May 16) and the lower crop assessment of some 7,4 Mt could work together to put more money into farmers' pockets," says MB chairman Hennie de Jager.

But consumers are unlikely to see any of the benefits. GM Hennie Nel tells the *FM* the MB will continue to pay the industry's R41/t stabilisation fund levies for export losses assessed on the escalating consumer maize price.

Meanwhile, the MB's convoluted pricing system — this year producers will receive R240,35/t for white maize and R225,27/t for yellow — has forced De Jager to issue a "serious warning" to maize farmers not to go overboard on white maize during next season's plantings.

"If normal rains fall next season, large plantings of white maize could result in a considerable surplus of white maize. This situation will cause bigger problems for the industry as the demand on overseas markets is for yellow and not for white maize," says De Jager.

Past experience proves that surplus white maize export receipts are usually considerably lower than those for yellow maize. This means over-production of white maize can result in larger losses for the industry, adds De Jager.

"The board also points out that this year's prices pertain specifically to the circumstances of the current season and that the difference between the net producer prices of white and yellow maize is only a temporary measure and will not necessarily be repeated next season," says De Jager.

Clearly, only a free market for maize could give farmers the right message without further price distortions, taxpayer subsidies or huge market losses to substitutes. ■

cord-industry pirates in a renewed attempt to stamp out the flourishing ...

Costs price them out of the market

(3) MAIZE

Yellow-maize farmers face financial ruin

GERALD REILLY

SOUTH AFRICAN maize farmers had been priced out of world markets and largely out of the local market because of unrestrained increases in input costs, the National Maize Producers' Organisation (Nampo) said.

In its journal, *Mealies/Maize*, Nampo said a large number of maize farmers had been ruined financially and that the survival of the industry was at stake.

It said: "Against that background of unrestained price rises in input costs of which not even a fraction can be recovered in the producer price, farmers will no longer tolerate any delay in explaining why the constant increases in input and marketing costs cannot be stopped immediately."

The reality was that by early next year many people wanting to buy yellow maize as stack feed would have to pay nearly R300 a ton in a declining economy and with strong competition from grain sorghum and other feeds. That would mean another drop in the local consumption of yellow maize.

Surpluses would have to be exported at a net producer realisation of substantially less than R100 a ton. A switch from yellow to white maize would not solve the problem. The market for white maize was facing the same problems as yellow maize.

Nampo said the writing was on the wall for farmers. They would have to limit production and plan to use a large proportion of their crop for the production of eggs, broilers, slaughter lambs, milk, pigs and cattle. Any restrictions on those markets would have to be lifted or maize farmers would simply have to ignore them if they were to make a decent living.

FW MAIL 6/6/86 (3) MAIZE

MAIZE FARMERS

Awaiting the lifeboat

Government's financial assistance scheme for the agricultural sector — to be announced this week — will mean the difference between survival and insolvency for hundreds of farmers in the drought-stricken western parts of the maize production area.

The SA Agricultural Union (SAAU) has asked government to extend the repayment period of the current six-year debt consolidation scheme to 10 years and to waive interest repayments in the first three years. Further, the State has been asked to subsidise interest rates to bring them down from the current 8% to an effective 7%, or even 5%.

"The seriousness of the agricultural debt does not lie in its size — now about R11,5 billion — but in its nature," says Volkskas agricultural market adviser Wikus Ligthelm. "Currently, about 54% — or more than R6 billion — of the total farming debt is short-term, and without sufficient cash-flow or State aid, many farmers will go under."

The worsening state of the farming debt problem is reflected in the R1,66 billion jump in the total debt in the past year, from R9,49 billion in 1984 to R11,16 billion at December 31 1985.

Farmers debt to the Land Bank increased to R2,34 billion (from R1,92 billion), while loans to commercial banks rose to almost R3,5 billion (R2,97 billion). Agricultural co-ops also increased their exposure to R2,74 billion (R2,23 billion), while other creditors' totals increased to R2,58 billion (R2,37 billion).

Impossible demand

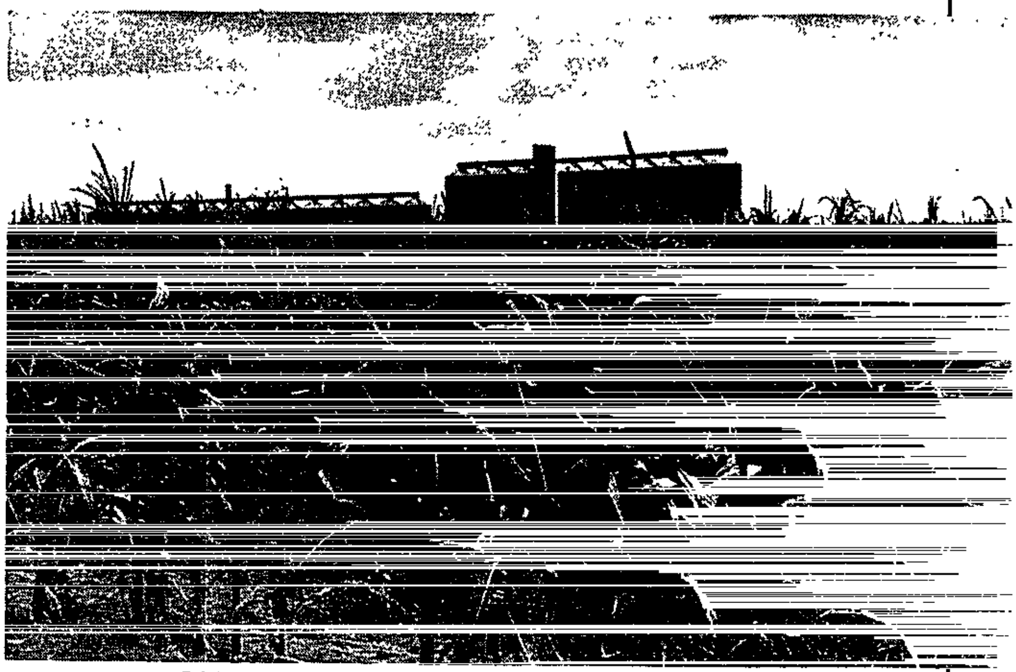
Ligthelm says with total farming assets in 1985 assessed at R43 billion, the ratio of farm debt to assets was only some 27%. But with 54% of this debt due within the next year to 18 months, the cash flow requirements are impossible to meet, even with five years of good crops in many instances.

The SAAU, for one, is optimistic that aid is on the way. "We believe government will consider our request sympathetically — as the alternative would mean that potentially good farmers will be lost to agriculture to the long-term detriment of the whole economy," says SAAU economist Koos du Toit.

Du Toit adds that the SAAU understands government's financial stringencies, but if struggling farmers are not bailed out, large areas of the country would face financial collapse.

In his Budget speech on May 15, Agriculture and Water Affairs Minister Sarel Hayward pointed out that farm land prices in some areas had been inflated to three times their actual production values.

Accordingly, the forced sale of many of these properties could lead to a collapse in farm prices and tremendous strains on the credit position of remaining farmers as well as on banks and other financial institutions.



SA's farmers ... facing massive debt problems

Another problem, aggravated by the drought's effects on cash-flow, is the worsening ratio between product and input prices. From a figure of one in 1975, this ratio weakened to 0,78 in 1985, adding to the strains on cash-flow and surplus funds available for debt redemption, says Ligthelm.

Du Toit says the rising cost of production inputs and interest on outstanding debt means many farmers are "on a treadmill" from which they cannot escape without an extension of government's extraordinary subsidy aid.

"For example, on August 31 1984, farmers in summer-rainfall crop areas owed co-ops R1,18 billion in carry-over debts. Planting the next crop cost them another R1,84 billion (including interest), from which they recovered R1,75 billion to repay the co-ops. This left them with carry-over debts of R1,27 billion at August 31 last year," says Du Toit.

Complicating the debt situation is the fact that commercial banks — the largest creditors — often have inferior security as the Land Bank and co-ops usually have preferential bonds. As they have to carry the greatest risk with less security, they sometimes charge more than prime rates, and exercise more pressure on their farming debtors.

"The SAAU has divided farmers into three main segments — those who can survive on their own or with the existing six-year and 21-year subsidy schemes, those who need an extension to 10 years and the last group, which will have to go under."

"Our request to government," says Du Toit, "is to ensure that at least the first two groups survive." ■

FW MAIL 6/6/86

CIVIL ENGINEERING

Another sinking

The recession in civil engineering has taken its toll of venturesome Cape-based Underwater Construction (UC). But, ironically, the development could breathe new life into the dormant Woodbridge Island project in Table Bay off Milnerton.

Darling and Hodgson (D & H), which previously held 51% control of UC, has bought the remaining 49% held by the family trust of founder Harry Fuchs. UC's operations are being rationalised within D & H's Group Five.

Former MD Fuchs has already stepped aside from day-to-day management. He declines to disclose the price paid for the trust's holding, but says he's happy.

There was no alternative to the sale, he explains, because little marine work of any consequence is likely in SA for at least two years, and Group Five (which duplicates some of UC's services) would not have been able to rationalise as long as he remained a minority shareholder.

+SORGHUM
(3) MAIZE FIN/MAIL
4/7/86.

CONTROL BOARDS

Out of the maize

The test case loosening up of agricultural marketing — embodied in the new Grain Sorghum Board (GSB) — has shaken the advocates of controls. The move, entailing the removal of sorghum marketing from the once all-powerful Maize Board, has been so successful that the feeling is growing that market forces can still apply to some extent, even in long-protected agriculture.

The GSB's decision to pitch this year's price at R187,05/t, well below that of yellow maize, means that sorghum producers now have too little stock to meet soaring demand. And the freedom granted growers to sell wherever they wish — at whatever price — has stimulated demand. Discounts offered to users buying directly from farmers have expanded the market, while board levies (currently some R45/t on yellow maize) have been cut.

The present sorghum crop is estimated at some 420 000 t, and industry sources estimate potential demand this year at 800 000 t-900 000 t.

The GSB's policy of maintaining a low floor price has widened the market by making sorghum attractive to consumers who have so far "found it an uneconomic substitute for maize," comments Alfred Kahn, MD of grain merchant Kahn & Kahn. The feed manufacturing industry and private feedlots are now absorbing a much larger percentage of sorghum, he adds.

The conservative price gives producers the flexibility to take the gap offered by the rigid one-channel, fixed-price maize system, which has increased yellow maize prices to R266/t. The new system gives sorghum a firm stake in the 3 Mt a year animal feed market, previously the domain of yellow maize.

Kahn says the price differential between sorghum and yellow maize could give it feed sales of 600 000 t a year. With offtake of another 250 000 t for the malting industry, total local sales would be close to 900 000 t a year.

"This is far higher than any sorghum output so far," adds Kahn. His views are echoed by another industry source, who says a potential production figure of 2 Mt a year has already been mentioned. He says sorghum farmers could easily have sold 800 000 t this year if the crop had been available.

Although the market outlook has improved radically, the provisional assessment of the 1986 crop is well down from last year's 591 000 t assessment and a final crop of 641 000 t.

The brighter future, along with sorghum's far greater drought resistance and lower production costs, should tempt more maize farmers to switch. But because maize still offers far higher fixed, or guaranteed prices, most farmers will continue to plant maize when early rains point to a good season.

The artificial maize market, however, cannot continue forever. In the past two years, the industry has lost close on 1 Mt of its local market to cheaper substitutes, while surplus production beyond local needs of 5 Mt a year has had to be exported at book losses. Exorbitant increases in fixed maize prices over the past three years have led to this state of affairs.

The success of sorghum in the vital animal feed market poses the question of how long government can allow the current maize scheme to continue. This is especially relevant in the light of SA's economic problems and the demands on taxpayers to subsidise uneconomic systems.

Total direct State assistance to the maize industry in 1986 is R169m, compared with R225m in 1985.

The GSB's market-related surplus removal scheme, with a lower floor price, benefits producers, consumers and taxpayers alike as most producers now sell directly to the trade and save costly administrative levies.

"So far this year we have had to buy in only some 50 000 t, compared with last year's 300 000 t," says GSB vice-chairman Theuns Swart. "Our policy is for producers to expand their own markets, limiting the board's marketing function to the minimum. Accordingly, we can reduce administrative levies, as producers now handle their own marketing."

The GSB levy on sorghum sold for animal feed has been reduced from last year's R27/t to R20/t. Swart says the GSB intends to reduce levies further, but has to provide for bad years and industry commitments. It is offering a R15/t discount on direct sales to stimulate demand.

Maize will always be more expensive than sorghum in the animal feed market because sorghum is about 15% less nutritional. But the flexibility of the sorghum pricing and marketing system and the enlightened philosophy of the new board should send a clear signal to the maize industry. It should also be a beacon to government for finding a way out of the agricultural control mess

15/7/86. BUS DAY.

BMW man suggests SA components plan

Car parts savings scheme

DAVID FURLONGER

● HASSELKUS

VEHICLE component manufacturers could save millions of rands in wasted investment by taking part in an export complementation scheme, says BMW MD Walter Hasselkus.

Present government regulations require vehicle manufacturers to include a minimum percentage of locally-made components — 66%, in the case of cars — in order to protect the SA components industry from imports.

Under an export complementation scheme, exported components would be deemed local content and included in the overall average required by each vehicle manufacturer to comply with the law.

Hasselkus said yesterday: "The advantage of the scheme would be that manufacturers would tool up for a more limited range of components.

"This must bring about greater economies of scale and more efficient use of tooling. By being allowed to use the mass of exported components as deemed local content in locally assembled models, manufacturers will avoid investment in the local manufacture of several other components."

He said BMW, through the National Association of Automobile Manufacturers (Naamsa), would present "a strong case" for export complementation to the Board of Trade and Industries.

Hasselkus also called for increased foreign financial assistance to help SA overcome its political and social problems.

15/7/86 BUS DAY (3) MAIZE

Nampo advises: Plant less maize

GERALD REILLY

THE National Maize Producers' Organisation (Nampo) has advised farmers to cut back on maize plantings this year.

"If they don't, and we have a favourable summer season, the losses on exports could be astronomical," Nampo administration manager Giel van Zyl told *Business Day* yesterday.

It was vital for farmers to leave marginal land fallow or use it for other productive purposes. World prices, because of saturated markets, were expected to fall as low as \$70 to \$80 a ton. At that level, losses on SA exports could be a disastrous R170/t.

ique ... director Frans Stroebel ... flexibility in Parktown

06/7/86.

BUS DAY.

Farmers urged to cut mealie planting

(3) HMAGE

GERALD REILLY

THE National Maize Producers' Organisation (Nampo) has advised farmers to cut back on their mealie planting this year.

"If they don't, and we have a favourable summer season, losses on exports could be astronomical," says Nampo manager (administration) Giel van Zyl.

It had become vitally important for farmers to leave marginal land fallow or use it for some other purpose, he said.

Because of saturated markets, world prices were expected to fall as low as $70 to $80 a ton. At that level losses on South African exports could be a disastrous R170 a ton.

Nampo hoped the area planted to maize would be cut back by about 25% to 3-million ha.

SA Agricultural Union economist Koos du Toit said in the 1985-86 season farmers had planted an additional 250 000ha, pushing the total maize area to more than 4-million hectare, in an effort to recoup losses of the previous season.

State backs maize barter, farmers told

3 MAIZE

Staff Reporter Argus 18/7/86

MAIZE farmers have been advised by an agricultural magazine to consider barter trade in the light of the international sanctions threat and the crisis in the economy.

An editorial in the July edition of Mielies/Maize, official publication of the National Maize Producers' Organisation (Nampo), said there were opportunities for barter and the maize farmer could exploit them with positive support from the Government.

RECOVERY

The maize industry was experiencing a low and recovery was inevitably linked with what would happen to the economy at national level.

The article said the Government officially sanctioned barter trade and the industry would have active support and assistance from the State.

With increasing talk of sanctions and boycotts, South Africa would find it increasingly difficult to import certain commodities and export others. Barter, especially with a product as sought after as maize, could fulfil an extremely important function.

BUSDAY 23/3/87

Loss looms for export maize

GERALD REILLY

LOSSES on the 2,2-million tons of maize to be exported this year could reach R360m if glutted conditions on world markets persist.

Maize Board GM Hennie Davel says maize is fetching $80 a ton (about R200). At this price he estimates losses on exports are running at about R170 a ton.

With the board's stabilisation fund in the red to the tune of about R260m, the losses will be borne by producers.

This year's producer levy of R41 a ton should be just about enough to break the back of expected losses.

Davel says substantial exports have already been made to Taiwan and Japan. He declines to give the quantities on contracts concluded by the board.

The balance of the surplus is earmarked for other destinations.

Nampo has warned farmers to cut back on plantings this year to avoid catastrophic losses on export surpluses. The warning is supported by the Agricultural Union.

19/8/86 BUS DAY (3) MAIZE

Price moves on maize

GERALD REILLY

MINISTER of Agriculture Greyling Wentzel has approved new marketing arrangements for maize.

The vital aspect of the new strategy is that from the start of the 1987-88 season the maize board will recommend price guidelines in advance.

The guidelines, determined against a background of world market prices, local demand and other considerations, will be submitted to Wentzel for a final decision.

The guideline prices will help farmers plan their planting programme. Until now maize prices have been determined at the close of a season. Nampo warns, however, that if conditions changed significantly mid-season, the guideline price might have to be amended.

Wentzel said in Pretoria yesterday, from the start of the 1987-88 season the board will ensure maximum development of the local market by determining prices on a more market-related basis.

Other sources pointed out the new strategy was aimed at boosting local consumption and reducing surpluses which under current conditions can only be exported at a loss.

Call to curb maize output

(3) MAIZE
20/8/86
BDAY

GERALD REILLY

MAIZE production must be scaled down, Maize Board and National Maize Producers Organisation (Nampo) chairman Hennie de Jager said in Pretoria yesterday.

This was because of over-supplied and heavily subsidised world grain markets in the US and the European Community countries, as well as threatening sanctions which would disrupt SA exports.

De Jager was responding to Agriculture Minister Greyling Wentzel's announcement earlier this week that the board would fix price guidelines to assist farmers in planning production from the start of the 1978-88 season.

The board had accepted in principle the proposed marketing arrangement concerning the problem of over-production provided solutions to producers' survival problems were negotiated with government.

FIN MAIL 22/8/86.

MAIZE MARKETING (3) MAIZE

Piecemeal reform

Ever so slowly, maize producers are changing course towards a market-orientated pricing system for their R1,5 billion industry.

This week's proposed new pricing structure marks a slight shift away from the one-channel, fixed-price system which has lost maize so many markets. It is long overdue. But, as a major feedlot operator says, "anything's better than the status quo."

Basically, the new system — accepted in principle by government but still to be spelt out in detail — boils down to a game of crystal-gazing. The Maize Board (MB) will determine a series of maize price increases based on econometric projections of the expected maize crop, the rand/dollar exchange

rate and export market trends.

Maize producer prices could be scaled down in the event of heavy surpluses, acting as a disincentive to growers. But there's still a lot of talking to be done before the maize lobby is likely to go along with the new plan.

"Aspects still subject to negotiation are export incentive measures for producers, the size of strategic maize reserves, special assistance to producers to enable them to adjust to changed circumstances and the rapid rise in the price of farm inputs," says MB and Nampo chairman Hennie de Jager.

He adds that the MB is now compiling and evaluating prices for crops of various sizes. It will consider the new arrangements and proposed prices at meetings on August 26 and 27.

Agriculture Minister Greyling Wentzel appears to have been anticipating tough bargaining when he announced government's acceptance of the new system.

"If these possible price adjustments should cause structural changes in the summer sowing regions, this would have to be addressed as a separate matter," he said.

MB GM Hennie Davel says the scene is set for a "new ballgame" in the maize industry. Although only producer prices will be predetermined at this stage, it's not impossible that consumer price trends could be preset, once the situation is clear, he adds.

The MB has apparently learnt the lesson that pricing a crop out of a market can lead to the gradual decline and possible collapse of a once-powerful industry. But, say some, this message has not yet penetrated deeply enough.

"Their intransigence has lost the maize industry a potential market of 750 000 t-1 Mt in the feedlot industry alone," says an industry source. "While the MB is exporting some 2 Mt of surplus yellow maize at a net return of about R100/t, the feedlot industry would be prepared to pay R200/t — but the MB refuses to make any exception to their rules."

His views are echoed by another feedlot representative. "We are now looking at importing around 50 000 t of Australian feed-wheat at R200/t because we have to pay the MB R260/t for yellow maize. Surely the board could devise a system of feed maize quotas at prices below the current consumer price and keep our custom?" ■

3/9/86 BUSDAY (3) MAIZE

Maize farmers urged to plant wisely

GERALD REILLY

A BIG maize surplus in the 1986/87 season would spell disaster for many farmers, National Maize Producers' Organisation GM Piet Gous has said.

This was why Nampo appealed to farmers to plant only their most productive land.

"We would like to see a million ha left out of production. Leaving about 3-million ha on which to plant the crop."

The world maize surplus had never been greater.

Prices on international markets have plummeted.

Under current conditions farmers would get a net return from exports of about R80/ton.

"The losses would be huge if we have a big crop this coming season," Gous said.

He added: "Farmer would have to foot ther bill. There are hundreds of them who would not survive."

Asked if farmers were listening to Nampo's advice, Gous said: "Hopefully, some are. But there are others whose financial position is so desperate they will plant every inch of their land in an effort to maximise their incomes."

Other authorities said the coming season would be make or break for many producers .

New maize price guide announced

(3) MAIZE

BUSDAY 4/8/86

GERALD REILLY

NEW PRICE guidelines for maize producers — aimed at eliminating the threat of surpluses which have to be exported at a loss — were announced by Maize Board chairman Hennie de Jager in Pretoria yesterday.

The guidelines for the 1987-88 season, based on a larger-the-crop-lower-the-price basis, range from R252 a ton for white maize and R240 a ton for yellow maize in a crop of 6 000 tons, to R157 a ton and R145 a ton in a crop of 14 000. The current producer price for white maize is R240,35 a ton.

De Jager said domestic consumption in the season ahead was estimated at 3,3m tons of white and 1,7m tons of yellow — 5m tons in all.

Because of over-supplied world markets it was estimated that SA maize would fetch $80 a ton. It was clear that anything in excess of 5m tons would have to be exported at a big loss which would have to be carried by producers.

"Consequences for the producer are that marginal land will have to be withdrawn from maize production, and farmers will have to think seriously before making large-scale plantings."

De Jager, who is also chairman of the National Maize Producers' Organisation (Nampo), said Nampo had warned government that the financial plight of farmers as well as the structural changes could cause bankruptcies if government refused financial aid in the transitional years.

The guideline prices could be adjusted if conditions changed before the start of the 1987-88 season, he added.

If, however, domestic and overseas prices remained unchanged, it was likely the net producer price would alter substantially.

It was not expected that the basic selling price of maize would rise significantly — in fact, the price of maize for the feed market could drop, De Jager said.

☐ Agricultural authorities warned last night that the reaction of farmers to the new scheme would be bitter.

MAIZE INDUSTRY (3) MAIZE FIN MAIL 12/9/86

The axe falls

The new maize marketing system announced by the Maize Board in Pretoria last week, is already sending shock waves through agriculture.

In a bid to cut heavy recurring export losses on surplus yellow maize, provision has been made for local prices for the harvest due early next year to slide downwards according to the size of the crop (*Business* August 22). For example, a 6 Mt crop would attract R240/t, while a 10 Mt crop would earn farmers R173/t.

The system aims to allocate responsibility for crops heavily in excess of the local 5 Mt a year market directly to farmers. Uneconomic exports of 2 Mt of yellow maize this year will earn the industry only about R100/t against current local prices of R260/t.

Although there's more flexibility, the new system still essentially represents a fixed-price, one-channel market. But even this could change.

The Maize Board's GM Hennie Davel, tells the *FM* the board is now urgently investigating the possibility of regaining lost yellow maize sales to the feedlot industry by applying more flexible pricing. Hopefully, this will be finalised at the board's meetings on September 29 and 30.

Davel says the local sale of "discount maize" is receiving top priority. In principle, he strongly favours the move, but he warns that reaction from other customers paying increasing current prices could influence the final decision. Nevertheless, he says feedlotters have already been informed of the board's investigation.

Yellow maize sales of between 750 000 t and 1 Mt to feedlots are already in jeopardy because the Maize Board refused to sell export maize to them at R200/t (*FM* August 22). This intransigence could lose maize producers additional income of R75m-R100m because the grain is now being exported at only R100/t.

If the board decides to change its fixed price system, which has operated since the Thirties, implications for the future of the industry appear enormous. And the rest of agriculture will not escape unscathed.

"Other farming sectors are bound to feel the spin-off from reduced maize production," says SA Agricultural Union director (SAAU) Piet Swart. "Although the SAAU in principle supports moves to more market-related systems, the current change comes at a very difficult time for farmers."

The SAAU has launched a top-level investigation into the implications of a more market-related maize pricing structure throughout agriculture, he adds.

If maize growers are forced into other sectors, these could be forced to follow the lead towards more market-related pricing. This hypothesis is accepted by a Wheat Board spokesman, who says a wheat surplus following a spill-over into wheat production could lead to pressure for the industry to change its one-channel, fixed-price system.

While consumers will benefit from lower prices, producers will feel the chill draught of reduced incomes and disappearing credit lines.

Commercial bank spokesmen say they expect major repercussions as reduced financing leads to higher insolvency. But, says Volkskas agricultural economist Wikus Lighthelm, agricultural co-ops will be first in the firing-line as they are the major sources of production credit.

With farmers' income reduced by lower maize prices, credit from financially troubled co-ops would come under severe strain. "Farmers whose average crop yields put them below the profitability cut-off point, will find their credit lifelines disappearing unless government throws them another lifeline," says Lighthelm.

The Maize Board's chairman Hennie de Jager adds that government will have to give maize farmers additional short-term assistance. Other forms of State help suggested by Nampo include export incentive measures and a reduction of input costs. ■

12/9/86

the Pacific basin.

Foreign scientists and industrialists are being pressured by colleagues, companies and students to cut all ties with SA and local experts are invited overseas less often for fear of political disruption.

And, already, the net loss of technological skills as a result of political uncertainty is assuming serious proportions. SA is, simply, being shut out.

To counter the trend, it needs to prove that it has a role to play in international scientific endeavour and that it has specialised skills and products to barter in the world's technology markets. ■

MAIZE INDUSTRY (3) MAIZE

The axe falls

FIN MAIL 12/9/86

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Yellow maize sales of between 750 000 t and 1 Mt to feedlots are already in jeopardy because the Maize Board refused to sell export maize to them at R200/t (*FM* August 22). This intransigence could lose maize producers additional income of R75m-R100m because the grain is now being exported at only R100/t.

If the board decides to change its fixed price system, which has operated since the Thirties, implications for the future of the industry appear enormous. And the rest of agriculture will not escape unscathed.

"Other farming sectors are bound to feel the spin-off from reduced maize production," says SA Agricultural Union director (SAAU) Piet Swart. "Although the SAAU in principle supports moves to more market-related systems, the current change comes at a very difficult time for farmers."

The SAAU has launched a top-level investigation into the implications of a more market-related maize pricing structure throughout agriculture, he adds.

If maize growers are forced into other sectors, these could be forced to follow the lead towards more market-related pricing. This hypothesis is accepted by a Wheat Board spokesman, who says a wheat surplus following a spill-over into wheat production could lead to pressure for the industry to change its one-channel, fixed-price system.

While consumers will benefit from lower prices, producers will feel the chill draught of reduced incomes and disappearing credit lines.

Commercial bank spokesmen say they expect major repercussions as reduced financing leads to higher insolvency. But, says Volkskas agricultural economist Wikus Lighthelm, agricultural co-ops will be first in the firing-line as they are the major sources of production credit.

With farmers' income reduced by lower maize prices, credit from financially troubled co-ops would come under severe strain. "Farmers whose average crop yields put them below the profitability cut-off point, will find their credit lifelines disappearing unless government throws them another lifeline," says Lighthelm.

The Maize Board's chairman Hennie de Jager adds that government will have to give maize farmers additional short-term assistance. Other forms of State help suggested by Nampo include export incentive measures and a reduction of input costs. ■

SLOW DOWN FOR CARS

FIN MAIL

Encouraging sales by motor manufacturers in June and July have not been maintained in August.

Total vehicle sales of 23 642 showed a decline of 6% on the previous month and a 9,8% fall from the figure for the same month last year. Car sales of 15 404 were 8,2% down on the previous month and 10,7% down on August 1985.

But within the total there were considerable fluctuations.

The best news came from Mercedes-Benz, which increased sales by 49,4%, from 1 675 in July to 2 503 in August. This follows supply shortages after the launch of the 124 series in April, but the company can now meet demand.

Nissan sales showed a 5,8% rise over the previous month to 2 887, but Toyota kept its pre-eminent position by notching up 7 096 sales, a 1% rise on July. The Corolla, with 2 705 sales, remained the best-selling new car in SA.

But it was generally bad news as eight of the 14 manufacturers saw sales slump from July levels. Volkswagen experienced a 35% decline and General Motors saw a 29% drop in sales.

Volkswagen MD Peter Searle describes the VW figure as a "hiccup" resulting from price increases. He points out VW's market share had grown considerably over the year to July from 12,9% to 20,6%.

But overall, National Association of Automobile Manufacturers of SA director Nico Vermeulen says that on a seasonally adjusted basis the sales trend for new cars and light commercials remains positive.

The continuing fall in interest rates and more reasonable valuation of company cars for fringe benefit tax will both help sales, he adds.

EXHIBITIONS

Heads together

The National Exhibition Centre (NEC) at Crown Mines has proved that tradition and modern business practice can combine comfortably.

The 51 ha site is owned by the Witwatersrand Agricultural Society (WAS), established in 1894 to run the Rand Show. But the purchase of land and the contruction of facilities left the WAS with a debt of some R63m last year, according to WAS president Ian Louw. He says the size and sophistication of the NEC also involves considerably higher running costs than were incurred at the old Milner Park showgrounds.

And so the WAS has put into operation the company it formed two years ago as the vehicle to finance the new site. The company is to streamline the activities of the WAS and develop a marketing strategy to maximise efficiency and the returns of the multi-million rand complex.

First task, says WAS GM and interim NEC MD Jan Kleynhans, is to look at alternative sources of funding. "Our loan is now in the form of bankers' acceptances, the rate for which is under 10% — a sight lower than our original projection of an average 15% over 20 years. And yet, with a loan exposure of about R61m we think we should look at doing even better."

Finance charges for the year to end June were almost R10,5m, outstripping revenue by more than R4m.

Secondly, a marketing plan has been launched with the appointment of a consultant and a full-time promotions executive. The aim is to make the NEC much more than the site for the Rand Show by promoting its many facilities. Already it accommodates about 40 specialised trade exhibitions each year, and there are also conference centres, shops, banks and restaurants.

Maize farmers face an uncertain future

23/9/86 (3) MAIZE

GERALD REILLY

A QUESTION mark hangs over SA's maize industry only weeks before the planting season starts.

A substantial number of farmers will find their creditworthiness has disappeared, and banks' and co-operatives' doors closed to them, says the National Maize Producers' Organisation (Nampo).

The SA Agricultural Union and Nampo are conducting a survey to determine how many farmers are unable to find the credit to finance the new crop.

Nampo economist Kit le Clus says bankruptcies among farmers are accelerating. For this reason, and because of the new pre-planning pricing system, less land will be planted with maize.

Nampo has urged farmers to reduce production substantially this year or face the threat of huge export losses.

It has recommended that the industry take out of production 1-million of the 4-million ha normally planted with maize.

Le Clus stresses there is uncertainty in the drought-plagued maize industry. If the new pricing system is to succeed, substantial government aid will be needed to assist farmers to switch from traditional maize production.

(3) MAIZE BUS DAY 24/9/86

Mercedes – there's no pulling the wool over farmers' eyes

DAVID FURLONGER
Industrial Editor

SHEEP farmers in the Karoo have never had it so good. Maize farmers in the Western Transvaal, on the other hand, are feeling the pinch.

Car sales, long accepted as a reliable economic indicator, show clearly where the wealth is in SA today.

In the Western Karoo last month, 36,3% of all new cars were sold by Mercedes-Benz or BMW. In the Eastern Karoo, the figure was 29,4%.

The region is enjoying the start of the 1986 wool-buying season. Demand is good, prices are high — local wool is tied to international prices — and even the recent strengthening of the rand against the wool basket of currencies has failed to appreciably weaken prices.

It's a different picture in the Western Transvaal, where drought-hit maize farmers are abandoning the traditional Mercedes in favour of down-market models.

The normally cash-rich region has in the past enjoyed a greater proportion of luxury cars than the country as a whole.

No longer. By 1985 it was lagging behind the rest of the country. The gap widened in the first six months of this year and by August had increased to 3%. Now, the region is becoming a buyer of Mazdas and Ford Lasers.

The picture is the same in the Eastern Cape, where recession and industrial decline have also hit sales of Mercedes and BMWs. Against a national combined percentage of 17,3% of all car sales in the first six months of this year, Port Elizabeth lagged by 2,4% and East London 4,1%.

In August, the difference was further pronounced — PE 6,1% behind and East London 6,4%.

Some regions, of course, have more than their share of status symbols: Johannesburg, the Natal coast and interior, Kimberley and the Far East Rand are all ahead of the game. In August, 23,5% of all cars sold in Pretoria came from Mercedes-Benz, while 25,6% of sales in the southern Free State were for BMWs.

FM MAY 26/9/86

AGRICULTURE (S) MAIZE

Switching crops

Some 3 000 of SA's maize growers, already labouring under a heavy debt burden, will be pushed to the brink of insolvency by the new sliding maize price which carries penalties for over-production (*Business* September 12).

Economic realities have forced government to withdraw from its traditional supporting role while massive world grain stockpiles present a grim prospect for export prices, at least for a few years ahead.

World grain stocks have increased from 81 Mt in 1983-1984 to 189 Mt in 1986-1987, and 129 Mt of that is maize. In July, maize futures prices crashed to their lowest level in 12 years at R170/t.

The local market has also fallen to 5 Mt a year, largely because of high prices. But maize producer body Nampo says three finance assistance schemes could help soften the shock of likely lower maize prices next year.

"Although government will no longer increase maize prices against market trends, it could help producers with export or consumer subsidies and by reducing input costs," says Nampo CE Piet Gous. He justifies these suggestions on socio-economic grounds and in the broad national interest.

Government could pay the R50/t transport costs to SA harbours on 3 Mt of export maize and then sell it at world prices. This would cost taxpayers R150m — "small potatoes" compared with annual US farming subsidies of $25 billion, even allowing for the difference in economic size. But SA could still earn a valuable $240m in foreign exchange at current world prices, adds Gous.

"An annual maize market of 8 Mt would ensure the survival of many of the younger and better qualified maize farmers and thousands of black farm workers would retain their livelihoods," he says.

Nampo now accepts market fundamentals: the world maize price has dived to some $80/t, while the local market has shrunk by 1 Mt. But it says the State can help by reducing levies, duties and taxes on farm inputs.

Maize, of course, is SA's major crop and two-thirds of the country's 6 Mha of arable land is devoted to the crop. Officials claim that about 1 Mha of marginal maize land — on which returns are below profit levels at the lower prices — could be withdrawn.

But farmers must diversify cautiously. Spill-over production into other sectors could transform current shortages into uneconomical surpluses. Several alternatives could be profitably produced, depending on the number of farmers making the switch, but sector leaders warn maize growers against moves into other products without fully weighing up the implications.

Says Meat Board deputy GM Frans Pieterse: "Although we cannot prescribe to maize farmers what they should do under these trying circumstances, we can ask them to be careful in their choice of alternative products and crops."

Restrictive slaughter quotas and permits — required for entry into controlled urban red meat markets — could keep many potential producers out.

The wheat industry could take an additional 300 000 t a year in bad yield years, but a major Free State spill-over into wheat will quickly lead to heavy surpluses. Traditional growers already produce SA's average annual needs of 2,2 Mt in good seasons.

"Roughly 10% of the maize production area could switch to wheat," says Wheat Board GM Dennis van Aarde. "Even at low average yields this could produce an additional 500 000 t a year."

There is also scope in wool. Wool Board MD Faan van Wyk says there's a virtually unlimited, and highly profitable, export market for South African wool.

"We have no marketing problems," he says, "and we produce just 5% of the world wool clip. Sheep fit in well with maize as they eat dried maize kernels, seed and leaves left on the ground after harvesting. And they produce valuable mutton."

Other alternatives include soyabean, sorghum, sunflower, dry beans, lupin, groundnuts and milk. SA has a massive shortage of animal feed every year and higher production of soya and sunflower would save expensive imports.

SA will have to import about 80 000 t of animal feed in 1986-1987, which is the equivalent of 500 000 t of sunflower or 200 000 t of soya or lupin.

Says Agriculture Minister Greyling Wentzel: "Promising lupin and soya cultivars already exist and surpluses are not foreseen in the near future."

Although maize farmers now face several critical choices, and might still seek government handouts for their survival, the industry appears to be looking forward to a brighter future — on the other side of the Rubicon. ■

Economics Reporter

Nampo shuns Triomf

3 HMZE 9/10/86

THE National Maize Producers Organisation (Nampo) said yesterday it would not take up its option to buy a major interest in troubled fertiliser manufacturer Triomf.

In addition, Louis Luyt, founder and vice-chairman of Triomf, and chairman Hennie de Jager, have resigned from the company's board.

Nedbank said the board had been reconstituted, leaving former Old Mutual MD Frans Davin as executive chairman.

De Jager, also chairman of Nampo, said the growers' organisation had decided to withdraw from Triomf after "intensive discussions with Nedbank". Neither De Jager nor Nedbank senior GM Chris Liebenberg would reveal the nature of the discussions.

Nampo became involved in Triomf in June — before the company was restructered by Nedbank — with a view to obtaining control within five years. However, De Jager said yesterday Nampo would not be able to achieve this goal, since Nedbank now held 75,1% of company's shares.

In terms of its original agreement, Nampo acquired 50% of Maizechem, a newly-formed company in which the Louis Luyt Group (LLG) — controlled by Triomf's founder and former chairman — would hold the remaining 50%.

Maizechem held 80% of Lanchem which, in turn, controlled 51% of Triomf shares.

But July's restructuring by Nedbank left Lanchem with just a quarter of its original interest in Triomf. Nampo's share, in turn, was reduced to about 5%.

As a result of yesterday's agreement, ownership of Nampo's shares will revert to LLG.

De Jager said yesterday Nampo had acquired the shares in Maizechem, but had never paid for them. "In the meantime, things went wrong," he said, referring to the chain of events two months

● To Page 2

883 3 HMZE

Nampo shuns Triomf offer

ago that led to Nedbank's take-over and the placement of Triomf's Richards Bay operation into provisional liquidation.

Nampo's withdrawal means its marketing agreement with Triomf will be cancelled. De Jager would not provide details of the agreement, calling it a "private" transaction.

Davin, however, said the marketing pact was "a very vague agreement" committing Nampo only to support Triomf products through its membership of farmers.

"What happened in practice was that

● From Page 1

Triomf sold where it could, and farmers bought where the discount was greatest," Davin said.

Other industry executives said the dissolution of the agreement probably would have little effect on the pattern of fertiliser sales to farming customers. "At the end of the day, Nampo members are still free to buy where they want," said an executive at a competing manufacturer.

Maize mountain a real nettle for Zimbabwe

By Robin Drew, of The Star's Africa News Service, reporting from Harare

HARARE

Millions of people in Africa face death from starvation but farmers in Zimbabwe are growing too much maize.

So much in fact that they have been told to cut production in half because the country cannot afford to store any more.

It already has two million tons in stock, more than enough to feed its own people for two years.

The shadow of the maize mountain has been growing for some time.

But it was only last week, when pre-planting preparations for the summer crop were virtually complete, that the Government announced price disincentives to keep production down.

The commercial grain producers said they were shocked at the severity of the measures aimed at forcing farmers to grow only half as much as they did last year.

UNDERMINING CONFIDENCE

A "fire brigade" exercise was how the chairman of the Commercial Grain Producers' Association, Mr Dick Bylo, termed it, warning that the implications were so severe that the structure of the grain industry could be affected and farmers' confidence undermined.

In a more restrained reaction, the leaders of the various farmers' unions said the steps would present serious viability problems for some farmers and underlined the need for a programme of production and pricing policies in line with the five-year national development plan.

Mr Bylo called for a dynamic and positive approach to marketing to reduce the stockpile and said his organisation had long warned of the need for action.

The commercial producers, mainly white farmers, have been cutting back on maize production for the past six years. Their area under the crop has gone down from 280 000 ha to 170 000 ha today.

But the small-scale farmers, mainly black, and the peasant farmers in the communal lands have increased their output sixfold since independence, thanks to credit lines and technical aid which they were not getting in anything like the same measure under a white government.

Small producers, under 20 tons, will not in fact be penalised this coming season under the new pricing policy.

The irony is that while Zimbabwe has proved its ability to feed itself and produce a surplus while many other African countries have failed dismally, the complexities of marketing and delays in decision-making have burdened the country with a R32 million debt in interest charges alone to keep the grain stock secure and in good condition.

Just across the border in Mozambique, four million people, according to recent reports, are facing starvation.

Zimbabwe's Minister of Agriculture, Mr Moven Mahachi, said the trouble was that neighbouring countries often did not have the money to pay Zimbabwe. And Zimbabwe was not going to give it away.

Exports so far this year include 250 000 tons to South Africa "at a very good price" and some sales to Mozambique, Zaire, Swaziland, Lesotho and Botswana.

Star 20/8/86

Maize dust inferno victim dies

STAR 15/10/92

By Abel Mabelane

One of 13 people injured when maize-meal powder exploded at the Jabula Food factory in Springs has died.

Colleagues identified her as Ms Ellen Madonsela (25).

She suffered third-degree burns and died in the Far East Rand Hospital, where the injured were taken after the explosion on Monday.

Two of those hurt have been discharged. The remaining 10, some still in critical condition, were transferred to a Johannesburg hospital.

Springs fire chief Mr Johan Venter said the explosion was caused by static electricity igniting the fine powder suspended in the air.

Mr Jabu Ngwenya, who escaped with burns on the wrist and temple, told *The Star*: "I was in the mill tower when the explosion occurred. There was a loud bang followed by thick black smoke and fire."

"We all ran for the exit and in the process almost tripped over each other in our rush to get away from the inferno."

The building where the explosion occurred was badly damaged.

AGRICULTURE

3) MAIZE FIN MAIL 17/10/86

More for less

While the National Marketing Council (NMC) is still investigating the proposed sliding scale for maize prices (*Business* September 12), another farm sector has switched to a price system directly linked to crop size.

The Oilseeds Board this week disclosed provisional prices for sunflower seeds, groundnut and soya bean for the 1986/87 season. Following the Maize Board's lead, producers will receive differing prices for different crop sizes, based on optimum local market needs.

A 500 000 t sunflower crop will attract the top price of R421/t, but this falls to R372/t for a 650 000 t crop. The 1986 advance price on a 271 200 t crop is R400/t.

Likewise, a 100 000 t groundnut crop will yield producers R812/t for edible nuts and R548/t for crushing nuts, while a 200 000 t crop will reduce receipts to R767/t and R433/t respectively. The 1986 prices for edible nuts and crushing nuts — on a 76 700 t crop — are R712/t and R559/t respectively.

A 50 000 t soya bean crop will bring in the maximum price of R436/t, while a 100 000 t crop will yield R361/t. The advance price on the 34 700 t crop is R395/t, says Oilseeds Board GM Jan du Preez.

The price announcements must serve as advance warning to spill-over producers

leaving the maize industry (*Business* September 26). The message is that while there is scope in the oilseeds sector, it is limited. Maize producers will have to plan carefully as both sectors now carry price penalties for over-production.

Although SA still imports large tonnages of animal protein feeds, this is cheaper than producing sufficient oil cake and then having to export the surplus oil at huge losses, says Du Preez.

"Farmers in summer rainfall areas must also guard against ill-judged expansion into grain sorghum planting. A large surplus for export could lead to large losses," warns Johan Roux chairman of the South African Agricultural Union's sorghum committee.

Meanwhile, the fixed-price, single-channel maize marketing scheme remains in existence until final details of the new system are decided by the NMC. The maize prices for 1987 will be announced, as usual, in March or April next year. National Maize Producers' organisation (Nampo) economist Kit le Clus says although Nampo still prefers its two-market and quota systems as solutions to over-production problems, it accepts that government has chosen the price mechanism to reduce maize production on marginal lands. It is, however, determined to fight what it sees as a potentially disastrous "instant" introduction of the new system.

"We are now calculating the form of State aid, and levels, that will be needed while the new system is phased in over a minimum period of five years," says Le Clus.

State assistance, he adds, will be essential to prevent a financial collapse in maize areas and a catastrophic fall in land prices. ■

14. Classical liberal capitalism:
    1. is also known as laissez faire capitalism
    2. sees a limited role for government
    3. was a world-wide institution at the beginning of the century
    4. all of the above
    5. none of the above

15. State capitalism:
    1. is the same as a command economy
    2. means extensive nationalisation
    3. means individual agents can win control over the resources without recourse to the market
    4. is brought about by pressure groups
    5. none of the above

16. One of the weaknesses of a system of capitalism is:
    1. it responds slowly to change as a result of the wide distribution of monopoly power
    2. it lacks incentives to innovate because of monopoly power
    3. that social costs are computed by private firms in their decision making process
    4. it can lead to a highly skewed distribution of income
    5. all of the above

17. Gosplan is:
    1. the same as Gosbank
    2. Marx's ideal communist state
    3. one of the republics of the USSR
    4. a statistical service from which plans are derived
    5. none of the above

18. One of the drawbacks of Soviet style planning is:
    1. it can lead to technical inefficiency
    2. it can lead to static inefficiency
    3. managers are inclined to hold stocks and hide productive capacity
    4. black markets will develop in the face of growing shortages
    5. all of the above

19. Market socialism:
    1. refers to a Yugoslavian type of system
    2. aims at planning to set prices not output
    3. refers to Soviet purchases from the "free world"
    4. is unlikely to be successful as it is only theory
    5. none of the above

20. Historically, Soviet economic planning has stressed:
    1. Consumer welfare as reflected in durable goods production
    2. the full development of an efficient agricultural sector
    3. rapid industrial growth and military strength
    4. rapid expansion of trade with the Far East
    5. none of the above

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Hope in maize field

24/10/86 BUSDAY (3) MAIZE

Industrial Staff

CONDITIONS in the maize industry had bottomed out, Maize Board GM Hennie Davel said last night.

Addressing a farmers' meeting in Viljoenskroon, Davel said with government assistance measures and expansion of the local market, there was hope for marginal improvement.

But he said: "The present surplus of grain on the world market is the biggest in history and it is clear that there are no profits to be made on the export market for the foreseeable future."

He warned that SA's uncertain weather conditions made it impossible for the Maize Board to accurately pre-plan a crop to meet exact internal demand.

To overcome the problems, farmers would have to diversify and consider production of other grain and oilseed crops. Meat products was another alternative the traditional maize farmer could incorporate into his operation.

He said although SA maize cost R154 a ton on the world market, the net producer price was only R57 — the difference made up by handling, storage and transport costs.

GERALD REILLY reports that SA might have to import up to 200 000 tons of wheat in the current season to supplement local harvest.

But the world has a massive wheat surplus, and there are plenty of eager sellers.

The latest Department of Agriculture crop estimate is 2,1-million tons, of which 60 000 tons of low-grade wheat will be kept on farms for stockfeeding.

The local crop is just over 2-million tons and the difference will have to be imported.

(3) Maize

DD 27/10/86

30 000 tons of SA maize for Lesotho

MASERU — South Africa has agreed to give Lesotho a loan to buy 30 000 tons of white maize to be milled in the mountain kingdom, the Minister of Foreign Affairs, Mr Pik Botha, said yesterday.

Announcing the agreement at the signing of the Lesotho Highland Water Project treaty between South Africa and Lesotho, he said the decision to go ahead with the scheme was evidence that if Africans worked together they could find solutions to their problems without outside interference.

Southern Africa's affairs had sometimes been turbulent, with neighbours facing one another as enemies, but the real enemy — the vicious cycle of poverty, hunger, instabililty and despair — had been ignored.

"When we all work together we can turn tides, break the poverty cycle and we can grow, prosper and develop," Mr Botha said at the signing of what he called the most important agreement ever entered into between South Africa and Lesotho. — Sapa

Maize Board group on secret visit

7/11/86 BUS DAY (3) MAIZE

MICK COLLINS and Reuters

A FIVE-MEMBER delegation from the Maize Board has left SA on a secret mission to a number of Far East markets.

The group will arrive in Taipei on Monday to discuss SA's new export schedules to Taiwan.

A Maize Board spokesman said yesterday he could not comment on the visit in view of the sanctions issue.

The delegation, led by Maize Board chairman Hennie de Jager, will discuss the Taiwanese contract with trade officials and importers.

During the visit, the delegation will negotiate the renewal of a three-year contract calling for 600 000 tons a year.

During the previous three-year contract, which ran from June 1982 to May 1985, SA shipped 450 000 tons to Taiwan, down from the contracted 1,8-million tons because of drought.

● Sekhonyana and Pik Botha in Pretoria yesterday

27/11/86

Lesotho maize deal concluded

SA MAIZE

FINAL arrangements for the supply of 30 000 tons of SA maize to Lesotho were completed in Pretoria yesterday when Minister of Foreign Affairs Pik Botha met Lesotho's Minister of Finance and Agricultural Affairs Retselisitsoe Sekhonyana.

Botha said after their lunchtime meeting at the Union Buildings they had discussed and finalised the agreement.

Sekhonyana said the maize, worth about R10,3m, would be milled in a new facility in Lesotho.

Botha said other matters of mutual interest between the two countries, including the Highlands Water Project, were also discussed.

No further details of the discussions were provided.

It was learnt later that SA would export more than 2-million tons of surplus maize this year.

DD 5/12/86
(3) Maize

Record maize shipment for EL

Dispatch Reporter

EAST LONDON — The biggest consignment of maize to leave South Africa, weighing 44 000 tons, will be shipped from East London next week.

This was announced by the general manager of the Maize Board, Dr Hennie Davel, in Pretoria yesterday.

The previous largest maize consignment to leave East London harbour was 40 424 tons in 1978

Dr Davel said the maize would be transported in a new flat-bottomed vessel, the Hallam Venture, one of many flat-bottomed vessels built since 1983 and which had a holding capacity of between 55 000 tons and 57 000 tons of grain.

The public relations officer for the Maize Board, Mr Steyn Luremans, said the size of the cargo would save R500 000 in freight charges.

Meanwhile, Dr Davel said it was possible that grain handling facilities would be built at Richards Bay in the near future.

"East London will not, however, be cut out altogether as a maize handling port if these grain handling facilities are built at Richards Bay," he said.

Only small quantities of maize would be shipped out from Richards Bay and larger shipments would still be handled by Durban and East London harbours.

At present the Maize Board used Durban to full capacity and anything Durban could not manage was shipped through East London.

East London's harbour manager, Mr Sarel Broodryk, said that to date 1 550 ships had been loaded in East London and 25,5 million tons of maize in total had been shipped through the harbour.

Dr Davel said East London harbour had an added advantage over Durban as it had loading facilities which allowed for the quicker loading of a vessel, which meant that East London could load a ship in half the time that Durban could.

He added though, that the maize consignment planned for next week would not mean increased quantities of maize would be shipped through East London in future as it was not possible to market a product such as maize according to high and low tides — a factor which determined whether the special flat-bottomed vessel could enter or leave the harbour.

The Maize Board would like to ship through East London more frequently because of its better facilities, but the higher internal transport costs

"If the Department of Transport could come up with some type of reduction scheme then the Maize Board would consider using East London more often," Dr Davel said.

Similarly, if the Maize Board received the same cost advantages in East London that it received when exporting through Durban, it would make use of East London more frequently, he added.

The chairman of the transport committee of the East London Chamber of Commerce, Mr George Orsmond, said he was happy to see that big shipments of maize were leaving East London.

Shultz: time running out

WASHINGTON — The United States Secretary of State, Mr George Shultz, yesterday issued an urgent appeal to South Africans to start talks on producing a multi-racial democracy — warning that time was running out for peaceful

Sebe: Ciskei a free society

Dispatch Reporter

BISHO — The greatest benefit of Ciskei independence had been the creation of a free society and a thriving economy in which Ciskeians could live with self-respect and dignity, President Lennox Sebe said yesterday.

He was addressing more that 20 000 people at celebrations marking the fifth anniversary of Ciskei's independence.

The celebrations were attended by the President of Venda, Mr Patrick Mpephu, and the South African Minister of Foreign Affairs, Mr Pik Botha.

President Sebe rejected claims that, in the light of current reform measures in South Africa's political policies, Ciskei had made a "grave" mistake in opting for independence.

He said it spoke for itself that Ciskei, which 10 years ago had nothing but hope and national pride, today stood as a leading country in development, having created an industrial base of spectacular dimen-

Self-help plan rescues sinking maize farmers

5/12/86 CITY PRESS (3) MAIZE

NORMAN SHEPHERD

THE livelihood of about 30 farmers and more than 3 000 farmworkers has been saved through a self-help scheme set up by Lichtenburg maize farmers.

Most of the drought-ravaged farms have not yielded harvests in the past five years, prompting a spate of creditor repossessions in recent months.

With commercial credit lines being cut off and State and co-operative aid stretched to the limit, the farming community set up an assistance and advisory committee to co-ordinate aid to farmers from colleagues.

A scheme was devised whereby, this past two weeks, groups took tractors, implements, labour, fertiliser and seed to some of the farms and ploughed and planted more than 2 000ha.

National Maize Producers Organisation organising secretary Tobie Lombard said yesterday this was the first large-scale self-help scheme established by SA farmers.

It would encourage farmers in other areas to stand together in tough times.

"As a result of this action, farming in Lichtenburg has become a community affair," he said.

MICK COLLINS

Hopes up in maize fields

(3) MAIZE

17/12/86

HEAVY rains throughout the summer grain-producing areas have raised hopes for a record 1987 crop.

Final estimates for the 1986 maize crop indicate an exportable surplus of 2,2-million tons.

However, a report published by Johannesburg analysts Kahn & Kahn cautions that the current favourable growing conditions must prevail throughout December, January and February to prevent a set-back.

"The critical months are the first two months of 1987 when hot weather is expected. It is vital that hot conditions be relieved by regular rainfall."

Farmers have also been urged to step up production of white maize for use in the production of maize meal as consumers continue to show a strong preference for the pure white product.

The report says the maize crop estimate for the past year stands at 7,7-million tons, of which 42,5% is white maize and 57,5% yellow maize.

"The total consumption of maize in SA is estimated at 5,5-million tons, depending on economic circumstances. All of the exportable surplus (2,2-million tons) is yellow maize."

The final estimate for the 1986 grain sorghum crop is 431 650 tons compared with 591 295 tons in 1985.

"The improved flexibility of the floor-price scheme administered by the Grain Sorghum Board has resulted in the entire crop being absorbed domestically.

"Even if crop had been as much as 900 000 tons there would have been no need to export, which is good from the farmer's point of view due to the depressed state of world grain markets," the report says.

However, the report advises farmers to seek outlets through normal trade channels in 1987, which will offer higher prices than the established floor-price.

"When this becomes impossible, farmers should utilise the facilities of the board as a last resort."

It says certain changes are being investigated in the grading regulations for the coming season.

In the past year grain sorghum competed with maize and in the coming season it is hoped that sorghum can again be offered to the animal feed industry.

"The production of grain sorghum in certain areas is more economic than maize. Even in the disastrous growing season of 1983/84 the yield per hectare was 1,02 tons.

"There have been seasons when the average yield countrywide has been as high as 2,8 tons per hectare."

Initial fears that the Dry Bean Board would lose money because of the floor-price purchase of huge tonnages in 1985 and 1986 were dispelled early in October when world prices surged.

Failure of the US crop saw world prices appreciate dramatically, which allowed SA exporters to tender to the board for its entire stocks.

"These are now being exported. There is much to be said for the initiative and market awareness of private enterprise which was quick to capitalise on the misfortune of the US bean farmers to the benefit of the SA economy."

BUSINESS

seen

COMMODITIES

ARGUS 18/12/86 3/4A/26

Bumper SA maize harvest

From FRANK JEANS

JOHANNESBURG. — The heavy rains throughout the entire summer grain-producing areas have brought high hopes of a good harvest but much depends on the weather in the critical months of January and February.

Reporting encouraging signs for the start of the 1987 crop, grain distributors, Kahn & Kahn says the final estimate for the 1986 maize crop is 7,7-million tons, of which 42,5 percent is white and 57,5 yellow.

"The total consumption of maize in South Africa is estimated at 5,5-million tons, depending on economic circumstances, so that the effective exportable surplus for the coming year is about 2,2-million tons, all of which is the yellow variety because the white maize crop has not been sufficient to cater for domestic demand," says Kahn & Kahn.

The final estimate of this year's grain sorghum crop is 431 000 tons (1985: 591 295 tons).

"The improved flexibility of the floor price scheme administered by the newly-created Grain Sorghum Board has resulted in the entire crop being absorbed domestically.

"This, from the farmer's point of view, is desirable because the export market for all types of grain is extremely depressed," says the company.

The latest edition of Maize, the official publication of the National Maize Producers' Organisation, hits out at the lack of representation by maize producers at a recent meeting of businessmen and the Government.

"In what turned out to be constructive dialogue on vital issues, agriculture was conspicuous by its representation — the maize industry by its total absence," says the journal.

"In view of the extent of the maize industry and the millions of people whose lives and welfare are directly or indirectly affected by the prosperity of this major industry, one would have expected that their views would also have been solicited.

"This, however, did not materialise. Not a single person at the meeting could speak on behalf of the maize producers or could have familiarised himself with the views and ideas of the maize producers concerning the points discussed."

Attempt to boost local sales

Maize Board cuts yellow maize price

3M/A12S

BUS DAY 30/12/86.

THE producer price of yellow maize is to be cut by 8,1% or R25 a ton from January 1.

Announcing the price cut yesterday, Maize Board chairman Hennie de Jager said he trusted processing groups and the trade would pass on the price cut to end-users.

The decrease comes after local sales of yellow maize plunged 18% to 1,4-million tons for the first nine months of this year, compared with 1,7-million tons over the same period last year.

Export prospects have also dimmed. De Jager said: "The world price for maize has dropped by 28% to the present almost unheard of $65 to $70."

The white maize price will not fall as there is a shortage of white maize.

De Jager said the price decrease for yellow maize had been decided on in co-operation with the National Association of Maize Producers' Organisation. Agriculture Minister Greyling Wentzel had approved it.

He said the board had discussed yellow maize with users over the past month and they had undertaken to buy more yellow maize at the new price.

He said producers knew the future of the SA maize industry lay in the local market and that this market needed special attention. Increased internal sales would help curtail export losses which now run at R113

NORMAN SHEPHERD

(nett) per ton once transport and other diverse costs have been taken into account.

He said the board held in-depth discussions with major maize buyers and consumer groups, including the wet milling industry, the Egg Board, the Maize Millers' Association, the National Dairy Committee, the National Pig Committee of the SA Agricultural Union, the SA Poultry Association, the SA Balanced Feed Manufacturers' Association, the SA Feedlot Association and the Meat Board.

De Jager said it became clear from these discussions that the system of monthly price increases created problems for the board's clients. A single annual increase to counter the board's storage costs was considered more acceptable.

"The consumer groups," said De Jager, "stressed that maize was their first choice as animal feed but that they were being forced to use substitutes because of the discrepancy between the maize price and the selling prices of their products.

"This measure proves the maize industry is prepared to take strong action to ensure maize regains its position as the first choice of energy source in animal feeds. I am also convinced that this step is in the best interest of maize producers."

Freeze on maize price

29/12/86 (3) STAR

Pretoria Bureau

The Maize Board today announced a R20-million freeze on the selling price of yellow maize.

The price, scheduled to rise by R25 a ton (8,1 percent) by April, now remains unchanged.

Mr Hennie de Jager, chairman of the Maize Board, said it was hoped this would stimulate the local market.

The price of white maize, of which there is a shortage, remains unchanged.

The board believes that if the freeze stimulates internal sales, this would curtail export losses running at R113 (net) a ton.

Local consumption of yellow maize for the first nine months of this year stood at 1,4 million tons — 18 percent down on the 1985 figure of 1,7 million tons.

(3) Maize DD 30/12/86

Yellow maize price to be cut

Dispatch Correspondent

JOHANNESBURG — The producer price of yellow maize is to be cut by 8,1 per cent or R25 a ton from January 1.

Announcing the price cut yesterday, the chairman of the Maize Board, Mr Hennie de Jager, said he trusted the processing groups and the trade would pass it on to end-users.

If the price cut is passed on, there could be a reduction in the cost of a wide range of foodstuffs, including red meat, poultry and dairy products.

The decrease comes after local sales of yellow maize plunged 18 per cent to 1 400 000 tons for the first nine months of this year, compared with 1 700 000 tons over the same period last year.

Export prospects have also dimmed. Mr De Jager said: "The world price for maize has dropped by 28 per cent to the present almost unheard of $65 to $70."

Mr De Jager said the decrease had been decided on in co-operation with the National Maize Producers' Organisation. The Minister of Agriculture, Mr Greyling Wentzel, had approved it.

Mr De Jager said producers knew the future of the SA maize industry lay in the local market and that this market needed special attention. Increased internal sales would help curtail export losses which now run at R113 (net) per ton, once transport and other diverse costs have been taken into account.

He said the board held discussions with major maize buyers and consumer groups, including the wet milling industry, the Egg Board, the Maize Millers' Association, the National Dairy Committee, the National Pig Committee of the SA Agricultural Union, the SA Poultry Association, the SA Balanced Feed Manufacturers' Association, the SA Feedlot Association and the Meat Board.

It it became clear from these discussions that the system of monthly price increases created problems for the board's clients. A single annual increase to counter the board's storage costs was more acceptable.

"The consumer groups," said Mr De Jager, "stressed that maize was their first choice as animal feed but that they were being forced to use substitutes because of the discrepancy between the maize price and the selling prices of their products.

"This measure proves the maize industry will take strong action to ensure that maize is the first choice of energy source in animal feeds."

Producers to drop price of yellow maize

30/12/86 N/M. Maize

Mercury Correspondent

JOHANNESBURG—The producer price of yellow maize is to be cut by 8,1% or R25 a ton from January 1.

Announcing the price cut yesterday, Maize Board chairman Hennie de Jager said he trusted processing groups and the trade would pass on the price cut to end-users.

The decrease comes after local sales of yellow maize plunged by 18% to 1 400 000 tons for the first nine months of this year, compared with 1 700 000 tons over the same period last year.

Export prospects have also dimmed.

Mr de Jager said: 'The world price for maize has dropped by 28% to the present almost unheard of $65 to $70.'

The white-maize price will not fall as there is a shortage of white maize.

Mr de Jager said the price decrease for yellow maize had been decided on in co-operation with the National Association of Maize Producers' Organisation. Agriculture Minister Greyling Wentzel had approved it.

The board had discussed yellow maize with users over the past month and they had undertaken to buy more yellow maize at the new price.

Producers knew the maize industry's fututre lay in the local market.

3 MAIZE

Cut in maize price queried

Business Day Reporter

THE new, cheaper selling price of yellow maize announced by the Maize Board has been queried by industry sources who find the stated figure of an 8,1% reduction misleading.

They say the effective reduction for January is 5,8%. For February it will be 7,39%, March 8,85% and April 10,27%.

Maize Board general manager Hennie Davel explains that yellow maize has been selling at R266 a ton since May, plus accumulated handling and storage costs. This price will immediately drop by 5%, which is R13. In addition, the price for handling and storage which added R5 a ton, monthly, will now be abandoned until end-April.

"Instead of yellow maize costing R301 in December, R306 in January, R311 in February, R310 in March and R321 in April, the price will be decreased to R288 and held until April.

"Yellow maize is down 5% on basic price and down 3,1% on handling and storage, giving our figure of 8,1%."

Considering that mealie meal is composed of 80% white and 20% yellow maize, some consumers are asking why there is no decrease in this price.

Davel says: "The portion of yellow maize that is mixed with white amounts to 200 000t over four months which will be reduced by 25%, a reduction of R5m. But it represents a reduction of only a few cents a kilo to the consumer.

The reduction was made in an effort to stimulate local demand for yellow maize. World prices fell 28% during the past nine months while local demand for yellow maize fell by 18%. It is sold abroad at a net loss of R113 a ton.

"There is no economic incentive to reduce the price of white maize because there is limited stock over the short run. But by reducing the price of yellow maize the industry will improve its market share and pass the benefit on to the consumer.

"We are starting a new advertising campaign in January to stimulate the use of maize meal in the black market. This is rather controversial advertising, which will hopefully improve local consumption."

The price decrease will last only until the end of the season, April 30.

MEAT

1983

JANUARY — DECEMBER

A scramble to reach abattoirs

CAPE TIMES 8/1/83 (? Mc k)

Own Correspondent

PRETORIA — Cattle farmers countrywide are scrambling to get their livestock to the abattoirs before they die in severe drought conditions.

But the Meat Board has warned that it could in no circumstances allow individual farmers to market cattle in excess of the numbers permmitted by the quota system.

And a South African Agricultural Union (SAAU) spokesman said yesterday that red meat prices had dropped sharply because of the current over-supply caused by the drought.

Another spokesman was unable to confirm reports that up to 100 000 cattle had died since the onset of the drought. The conditions were "at least" as bad as in the early sixties when thousands of cattle had died, he said.

A Transvaal Agricultural Union spokesman said yesterday that the Minister of Agricullture, Mr Greyling Wentzel, had accepted an invitation by the TAU to visit drought-stricken areas in the northern and western Transvaal during the next fortnight.

No announcement concerning emergency aid to Transvaal famers had yet been made, a SAAU spokesman said.

A Meat Board spokesman said authorities were slaughtering animals "at full capacity" to help ease abattoir congestion.

The Meat Board had to apply the quota system stringently because there would be "chaos" at abattoirs if farmers were permitted to send cattle for slaughter at random.

A SAAU spokesman said that while super grade red meat was selling at 250c a kilogram over Christmas, it had droppped to the floor price of 228c a kilogram earlier this week.

Meanwhile, consumers have reacted to the announcement yesterday that the price of dairy products might drop because of the milk, butter and cheese glut — also caused by the drought.

The president of the Housewives' League, Mrs Joy Hurwitz, said the only way to deal with a glut was to sell to the consumers at a reduced price.

The huge increase in the price of dairy products in the past had led to a drastic cutback in the consumption of these products, even though they were basic foodstuffs, Mrs Hurwitz said.

Weathermen in Pretoria said yesterday that prospects for rain in the drought-stricken areas of the country were not good.

...Y CANDIDATE MUST enter in ...n (1) the number of each question ...ered (in the order in which it has ...answered); leave columns (2) and ...nk

	Internal	External
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Examiners' Initials		

Subject: Economics II
(to be copied from the heading on the Examination Paper)

Paper No: I
(to be copied from the heading on the Examination Paper)

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

Drought threatens future of Border meat production

D. Dispatch 8/1/83

(2) Meat ~~(3) General~~

By AL SMIT

EAST LONDON — The Border region's breeding herd and future production of meat could be jeopardised unless significant rains fall soon.

The liaison officer of the East Cape Agricultural Union, Mr Lourens Schoeman, said although farmers were trying to sell their marketable stock, it had not yet been necessary for any farmers "to cut into their breeding herds".

"This situation may drastically change if it does not rain before the end of February," he said.

"If they have to sell the breeding stocks, there could be a shortage of meat in the long term because the farmers would then have to build up their breeding herd again."

However, Mr Schoeman said the coming two months were the Border's main rainfall months, and successful rains could avert the need to sell breeding stock.

"At present, the situation is in the balance, and it completely depends on the weather."

Although agricultural officials for the Border area have had no reports of stock losses, summer crops are being threatened by the dry conditions.

Mr Schoeman said good rains were needed for successful harvests of summer crops.

"A lot less summer crops such as maize and vegetables were planted this year compared to 1980-81, and reasonable harvests can only be expected if good rains fall soon.

"The drought conditions are becoming more and more severe every day," Mr Schoeman said.

He said veld grazing lands were dry and short in almost the entire Border area, and that cultivated pastures were deteriorating due to the heat.

"The dairy farmers rely on cultivated pastures to a great extent, and so they are the ones facing the most problems in that respect."

Pineapple farm crops had also "suffered quite a lot of sunburn," but exact losses were not known.

Stock losses had been kept down due to good management of veld and water reserves by farmers, and in most parts of the Border, herds were still in a fair conditon, Mr Schoeman said.

One of the main problems, however, was stock water shortages in areas where farm dams were empty and boreholes drying up.

"As the boreholes dry up, farmers have to resort to carting water."

A spokesman for the Department of Agriculture at Dohne said some farmers in the Komga, East London, King William's Town and Stutterheim districts were carting water.

"Some boreholes have weakened, and others have dried up in certain areas of the Border."

Dry land lucerne crops in areas such as Aliwal North and Jamestown were also showing signs of stress.

"The condition of stock, particularly small stock, is fair to reasonably good. In some areas the condition of large stock is not quite so good, but nowhere have we had any reports of stock losses in the Border as a result of lack of grazing."

The spokesman said Albany and Bathurst districts had applied for emergency grazing status to qualify for railage rebates on feed transportation.

However, although conditions were dry, the Border was approaching its normal rainfall period, as statistics showed that the peak rainfall in the summer rainfall area was between January and March, he said.

Rain could also be experienced in certain districts throughout the year due to coastal influences, but the main rains fell in the first three months of the year, he said.

Dry land crops such as maize and potatoes in the Elliot, Ugie, Stutterheim and Maclear areas had been adversely affected, and where there were shortages of irrigation water, cultivated pastures used by dairy farmers had also been affected.

"The farming community are not despondent, but are viewing the position with concern, and are looking for effective rains which would allow a run-off to replenish the dwindling water supplies and allow veld recovery."

A spokesman for the Department of Water Affairs here said Border dams continued to show a drop in levels.

Percentage levels measured on Monday were: Bridle Drift Dam 45,92; Laing Dam 97,8; Nahoon Dam 34,75 and Rooikrantz Dam 17,49 per cent.

These dams had all shown an average one per cent decrease during the week prior to their reading.

Meanwhile, a weather office spokesman said no rain had been forecast for the weekend.

East London and interior centres are expected to experience berg wind conditions today, and "quite high" temperatures were forecast, which are expected to reach 34 C here.

A spokesman for the Molteno municipality said conditions in the district were "very dry and very hot". Water in the Jubilee Dam was running low at about 60 per cent, but the situation was not critical.

The town clerk at Dordrecht, Miss J. M. Brits, said the area was very dry with farm dams "more or less dry," and farmers relying on boreholes.

"The position is very serious."

She said the Hogsett Dam near the town — which has not had rain since mid-November — was about 20 per cent full.

"This will last for another month, then we will have to rely on boreholes."

At Aliwal North, which obtains its supply from the Orange River, there was no water shortage, the town clerk, Mr Jan Jacobs, said.

The Mansfield Dam at Port Alfred had dropped to 27 cent — less than 50 million litres — but the draw off from the reservoirs was "dropping steadily day by day and slowly returning back to normal," the assistant town clerk, Mr A. Schlemmer, said.

Price of meat is at 'rock bottom'

(3) Meat
RDM
12/1/83

Mail Reporter

MEAT prices have hit rock-bottom because of the continuing drought and a low demand after Christmas.

A spokesman for the Meat Board in Pretoria said yesterday the meat prices were hovering above the floor price.

Supermarkets and butcheries yesterday confirmed this. Super grade lamb sold for R2,94/kg and super grade beef at R2,32/kg, just four cents above the floor price. Grade one lamb went for R2,50/kg and grade one beef for R2,22/kg.

"The price drop is mainly due to the drought as the farmer is now forced to sell his cattle," said the Meat Board spokesman. "There is a high supply of meat on the market and, as a result, the price has dropped significantly. In fact, it cannot get any lower."

He also said after the Christmas spending spree, the average person did not spend much money. "Thus the demand is low and this means the meat price is low."

He warned that a break in the drought would have a drastic effect on the meat price. "The farmer would no longer be forced to sell his herds. The supply would be low and the price would then rise."

CONSUMER FOCUS

Co-ops' link-up 'will not mean meat price rise'

(3) Meat. Star 13/1/83

Farmer Brokers Co-op and Vleissentraal announced recently their intention to "join forces for concerted future action" in the industry. Their move was hailed by the South African Agricultural Union and the Minister of Agriculture, Mr Greyling Wentzel, as a breakthrough for producers. Consumer watchdogs did not display the same enthusiasm.

COLLEEN RYAN explored the background to the merger.

The spotlight has been focused firmly on the meat industry in recent years — and housewives now relate reports of "monopolies" and "mergers" with high prices for meat.

But the chief of the BKB co-op, Mr Jan van Zyl, has made it clear that retail prices will not be affected by the new agreement between his organisation and the powerful Vleissentraal.

"BKB has always been a shareholder in Vleissentraal," said Mr van Zyl. "We were a big supplier of meat from Namibia to Vleissentraal. In addition, we ran independent livestock agencies at the meat markets.

"When we sold our Namibian interests two years ago our situation changed to some extent. We were no longer a large supplier but our agents were working in opposition to Vleissentraal at the markets."

Vleissentraal became increasingly restless about the competition from the BKB agents and this resulted in tension between the co-ops.

In 1981, the SA Agricultural Union arranged a meeting between the warring co-ops in an effort to reach a compromise. The negotiations were unsuccessful and shortly afterwards Vleissentraal changed its regulations to expel the two BKB members who served on its board of directors.

The pressure from Vleissentraal seemed to have the desired effect and within four months the two co-ops announced "one of the biggest breakthroughs in the livestock industry and for agriculture in general".

In terms of the agreement, Vleissentraal's board of directors was to be "restructured" — again — to provide for two BKB directors.

Will the merger lead to higher meat prices?

The co-op chiefs are adamant it will not and they argue it is necessary for farmers to have a strong, united co-operative voice if they are to survive the difficult years ahead.

WILDLIFE

Meat surplus reaching crisis proportions

(3) Meat Star 14/1/83

By Colleen Ryan, Consumer Reporter

Consumer demand for meat has continued to decline in recent weeks and the Meat Board now has 70 000 unsold carcasses in cold storage.

The surplus, consisting mainly of beef, had placed the board in an emergency marketing situation, said a spokesman for the board, Mr Koos Blignaut.

"We are buying in 1 500 to 2 000 carcasses a week from the eight controlled marketing areas in the country."

The Meat Board has cut quotas to farmers in certain areas in an effort to contain the surplus. In terms of the quota system, farmers are restricted to supplying a certain number of animals to the markets in accordance with the Meat Board allocation.

The severe drought is driving farmers to desperation. Many are being forced to keep their animals alive on valuable feed because they cannot sell sufficient stock.

There is speculation in the industry that the board may re-introduce a discount scheme in an effort to sell more meat.

The board is coming under "considerable pressure" to market more animals, according to Mr Blignaut.

One Meat Board scheme currently in operation was a discount of R1 a kg on the price of beef to all children's homes, he said.

School principals are invited to contact the board for further details.

Last month old age homes were offered the R1 discount and the scheme was successful.

The board was inundated with requests and more than 100 tons were distributed.

(3) Meat RDM 15/1/83

'Abattoirs could price meat off market'

Pretoria Bureau

THE costs of abattoirs and their capital costs over the next 10 years would contribute to pricing red meat off the market, the chairman of the Transvaal Agricultural Union's beef committee, Mr Basie Snyman, warned in Pretoria yesterday

Addressing a beef marketing conference, he said the red meat industry could not afford "these abattoirs".

"There is little doubt abattoirs must be seen as being in the national interest but the State must drastically intervene to bring relief."

Mr Snyman said on a falling producers' market it was not always possible for a trade, because of rising distribution costs, to pass on fully to consumers the lower prices

This resulted in dissatisfaction from housewives as well as and producers, who could not understand the gap between their price and the price paid by the housewife

Mr Snyman said if the producer price fell by 15% it was not possible for the trade to reduce the consumer price by 15% as other costs increases were at an inflation rate of 15%.

He said that in times of meat shortages and to ensure that prices did not rise to unacceptable levels, red meat would have to be imported.

It was known that farmers were opposed to importing meat, he said.

The chairman of the TAU pig committee, Mr S Saffer, said under the present production and marketing system "surpluses could burst on us without prior warning".

"You can point to the recession, the lack of economic growth and depressed buying power as contributing to the surplus, but even had we been in a period of economic growth the evil day would merely have been delayed."

A surplus of unwanted meat would be inevitable at one time or another

Board explains meat price offer

(5) Meat D. Dispatch 21/1/83

EAST LONDON — The Meat Board here has denied allegations that it was unable to supply meat at a reduced price to the city's old age homes.

The branch manager, Mr G. M. P. Olivier, said this yesterday following a statement by the Red Cross which said a cut-price offer of meat to old-age institutions was ineffective here and "never even started, as far as we are concerned."

Mr Olivier said the Meat Board had sent a letter to the institutions clearly stating the position and qualifications of the offer.

"It stated that the meat is available only in Johannesburg, Cape Town and Durban," he said.

Mr Olivier said it was not practical to send a vehicle to one of the three branches to obtain 100 cartons of de-boned mixed-cut meat.

"But in trying to assist East London old-age homes we obtained Meat Board permission to buy in at the abattoir here and provide quality carcasses at reduced prices to the homes.

"We as a board don't compete at the abattoir, and can only take surplus carcasses at the floor price. Those are the carcasses we had in mind to supply the institutions," Mr Olivier said.

However, due to the drought, very little high grade meat was available on the market, and only third grade meat could be found which was unsuitable to the homes' needs.

"Therefore it is not an inability of the board to offer the cut-price scheme, but a matter of time to obtain the high grade carcasses at a reduced price.

"The offer still stands. We are trying our best to help these people, and we appeal to them to be patient," Mr Olivier said.

The assistant regional director of the Red Cross, Mr John Denby, said he realised the Meat Board's position and was grateful for the offer.

"Our problem was that we had to keep space open in our deep freezers for this meat from them.

"If they could give us a date when the meat would be available, there would be no problem, but if they say they have meat available, we might not have space for it as we have now gone back to buying in bulk," he said. — DDR.

SA turning away from red meat, says board

(3 meat)

South Africans have been forced to cut back on meat consumption and in 10 years there has been virtually no growth in the local meat industry.

In a decade, consumer expenditure on meat has increased by nearly 400 percent yet consumption has increased by only 4,8 percent.

These figures were supplied by the Meat Board at the Agricultural Outlook Conference in Pretoria.

Taking the growth of population into account, South Africans as a whole are buying less red meat than they did in 1973.

Consumers have turned increasingly to substitute products, hence the growth in the sale of chickens.

Chicken consumption has increased by 93 percent since 1973, according to the Meat Board figures.

But poultry prices have also risen sharply. According to estimates supplied by the market research division of the Department of Agriculture, white meat prices increased by at least 400 percent in 10 years.

The Meat Board is clearly concerned about this situation. The chairman of the Meat Board, Mr Philip du Toit, said producers were well aware of the threat the chicken market posed to the red meat industry.

In his review of 1982, Mr du Toit told delegates market prices had remained stable and supplies to the trade were increased.

"The consumer did not consistently share in the stable or even lower market prices," he said.

He called on meat traders to play a more decisive role in promoting meat consumption.

"Consumers have suffered from the impact of high prices in recent years and it is essential they should share in any price reductions," said Mr du Toit.

(3) Meat (2) ~~Control Boards~~

GROWTH/DECLINE IN THE CONSUMPTION OF CHICKEN AND RED MEAT OVER THE PAST DECADE

Star 26/1/83

YEAR	MEAT CONSUMPTION (1 000 TONS)	PERCENTAGE CHANGE FROM PREVIOUS YEAR	CHICKEN CONSUMPTION (1 000 TONS)	PERCENTAGE CHANGE FROM PREVIOUS YEAR
1973	849	-	194	-
1974	813	-4,4 percent	232	+19,5 percent
1975	777	-4,4 percent	265	+14,2 percent
1976	799	+2,8 percent	287	+8,3 percent
1977	867	+8,5 percent	299	+4,1 percent
1978	884	+1,9 percent	300	+0,3 percent
1979	909	+2,8 percent	302	+0,6 percent
1980	1 025	+12,7 percent	308	+1,9 percent
1981	877	-14,4 percent	322	+4,5 percent
1982*	903	+2,9 percent	355	+10,2 percent
1983*	890	-1,4 percent	375	+5,6 percent
	TOTAL GROWTH IN TEN YEARS: +4,8 percent		TOTAL GROWTH IN TEN YEARS: +93,2 percent	

*estimate figures

(Figures supplied by the Meat Board)

CONSUMER SPENDING ON RED MEAT

YEAR	EXPENDITURE (R MILLION)	PERCENTAGE INCREASE FROM PREVIOUS YEAR	MEAT CONSUMPTION (1 000 TONS)	PERCENTAGE CHANGE FROM PREVIOUS YEAR
1979	R1 892	24,9 percent	909	+2,8 percent
1980	R2 470	30,5 percent	1 025	+12,7 percent
1981	R3 205	29,7 percent	877	-14,4 percent
1982*	R3 869	20,7 percent	903	+2,9 percent
1983*	R4 250	9,8 percent	890	-1,4 percent

*estimate figures

(Figures supplied by the Meat Board)

(3) Meat ~~Control Boards~~

Meat Board: salaries/allowances

Hansard Q. Col. 36-37 8/2/83

51. Mr. P. A. MYBURGH asked the Minister of Agriculture:

(1) What were the (a) salaries and (b) allowances paid to the (i) chairman and (ii) members of the Meat Board in the 1981-'82 financial year;

(2) what was the total amount paid by the Meat Board in respect of (a) salaries and (b) allowances in the said financial year?

The MINISTER OF AGRICULTURE:

(1) (a) (i) No salary: R7 500—Honorarium per annum.

(ii) No salaries: R36435—Total of all honorariums to members.

(b) (i) R18 161—Entertainment, travel and subsistance allowance.

(ii) R37 106—Travel and subsistance allowance.

(2) (a) Total amount of salaries 1981/82: R4 940 443.

(b) Total amount of allowances 1981/82: R2 124 580.

DD 12/2/83 (3) meat

Farmers favour quotas — survey

EAST LONDON — An opinion poll conducted by the meat commodity committee of the East Cape Agricultural Union (ECAU) showed farmers to be overwhelmingly in favour of retaining the quota system of supplying markets with meat, the public relations officer for the ECAU, Mr L. Schoeman said yesterday.

He said the survey showed that 95 per cent of the farmers were in favour of using the quota system at those abattoirs where it was still operative — East London, Port Elizabeth and Cato Ridge.

The survey was done because the ECAU wanted to know whether farmers preferred the current quota system, where market agents receive quotas from the Meat Board which allow them to market a certain number of livestock, or the newly proposed permit system, where permits would be issued directly to the producer by the Meat Board.

Mr James Starke, chairman of the meat commodity committee would have a meeting with the general manager of the Meat Board, Dr P. Coetzee, on March 1, to discuss the result of the survey, Mr Schoeman said. — DDR

3 meat

No price request

EAST LONDON — The East Cape Agricultural Union (ECAU), decided at a meeting held in Queenstown that it would not request an increase in the floor price of mutton and beef for the coming season, the public relations officer of the ECAU, Mr L. Schoeman said yesterday.

The union would, however, press for the acceptance of the principle of a tramline system, whereby meat prices could be amended between two price levels without having to consult the Minister first, Mr Schoeman said. — DDR

14/2/83 Star

(3) Meat

R7 m administration bill for Meat Board

Farming Correspondent

The Meat Board spent R7,6 million on administration expenses to market 462 300 tons of meat in 1981-82.

This emerged from statistics released by the board last week. The administration costs amounted to 0,73 percent of the turnover of R1 040 million.

Headquarters expenses were R2,95 million (or 38 percent of the total administration bill). The Johannesburg branch office accounted for R1,72 million (or 23 percent).

Salaries and wages for 430 white employees and 103 employees of other races cost the board R6,1 million.

Administration expenses were covered by a levy of 1,4c a kg paid by the farmer and deducted from his price.

The producer also paid 2,9c a kg into the price stabilisation fund and 1,1c a kg for the board's meat promotion programmes.

The stabilisation fund now stood at R63 million. Almost R10 million had been paid into the fund from the levy and R2,9 million had been spent by the fund on buying carcasses under floor price rules, as well as transport and storage. During 1981-82, two percent of beef carcasses had been bought in to maintain the guaranteed floor price.

It was not yet known how much the two cheap-meat schemes run by the board would cost the stabilisation fund, but the board had earmarked R6 million for them.

During 1981-82 total meat consumption in South Africa rose by 2 percent to 680 000 tons — 10 percent lower than in the peak year 1979-80.

The chairman of the Meat Board, Mr P R du Toit, said consumption would not pick up again until the next economic boom.

(3) Meat Hansard Q. Col. 114 — 115
15/2/83

Floor price of pork

70 Mr. P. A. MYBURGH asked the Minister of Agriculture:

(1) Whether the floor price of pork was adjusted during the latest specified period of two years for which figures are available; if so, (a) by how much in each case and (b) how often;

(2) what factors are taken into consideration when floor prices are adjusted.

(3) whether these adjustments are affected by increased production costs; if so, (a) what are the comparative figures in this regard and (b) on what basis is each estimated?

The MINISTER OF AGRICULTURE:

(1) Yes.

(a) and (b) by an average of 26,1 c/kg on 6 July 1981, and an average of 5,6 c/kg on 5 July 1982.

(2) Estimated cost of production levels, probable level of market prices, historical price relationships between grades and massclasses and representations by the South African Agricultural Union.

(3) Yes, if justified by the probable minimum market price levels.

(a) On a porker to baconer ratio of 30/70 the average estimated production costs for the past three years are as follows:

1980	130 c/kg
1981	147 c/kg
1982	188 c/kg.

(b) Costs are determined in accordance with cost models for pork- and bacon production units of which the calculation factors are better than or at least representative of the average for the industry.

the U.S.A. The Canadians feel however that their cultural identity is more important than a slightly raised standard of living. This too is relevant to S.A, if we could abandon the apartheid ideology we could trade more extensively with other nations, increasing our market.

Consumers may feel it unjust that they should bear the cost of supporting protected industries but in South Africa's case the need for a broad-based economy I feel protection is justified, however that the protected "infants" can remain infants for up to thirty years I find hard to believe.

Sorry for terrible

but its a

Free

(3) Meat Hansard Q 61. 118-119 15/2/83

Sheep scab

117. Mr. E. K. MOORCROFT asked the Minister of Agriculture:

119 WEDNESDAY, 16

(1) How many outbreaks of sheep scab were reported in the Republic in 1981 and 1982, respectively;

(2) how many farmers were prosecuted in each such year for offences under the relevant provisions of the Animal Diseases and Parasites Act, No. 13 of 1956?

The MINISTER OF AGRICULTURE:

(1) 1981 = 281;
1982 = 246.

(2) 1981 = 55;
1982 = 47.

(3) Meat Hansard 18/2/83
Q. Col. 217 — 219

Meat Board: subsidies

107. Mr. P. A. MYBURGH asked the Minister of Agriculture:

(a) What was the total amount spent by the Meat Board by way of subsidies in its two recent campaigns to promote the sale of red meat and (b)(i) what amount was spent in each specified area and (ii) what form did the subsidy take in each case?

The MINISTER OF AGRICULTURE:

(a) R1 973 199.

(b) (i) Controlled areas R1 932 649
Outside areas R40 550.

(ii) (a) Subsidy payment 25-27 October 1982:

a Subsidy of 20 c/kg was paid on all purchases of red meat (beef, mutton and pork) by controlled area retail butchers, plus 30 c/kg on all red meat purchased in excess of their average weekly purchases, calculated over the period 1 April-30 September 1982.

(b) Subsidy payment 2 22 December 1982.

A subsidy of up to 22 c/kg was paid on all purchases of mutton below the prevailing floor prices, in other words, the difference between the bidprice and the floor price was subsidized to a maximum of 22 c/kg.

A supplementary subsidy of 20 c/kg was paid to all controlled area retail butchers on each kilogram of red meat purchased in excess of their normal averages during the period 1 April to 30 September 1982.

A refund of the stabiliza-

tion portion (R5,33 per head of cattle) of the total levy of R10,15 per head was paid to the outside area butchers for December 1982 with the request that the benefits be passed on to the consumer.

(c) The Meat Board has, until further notice, decided to sell frozen mutton at a special discount of R1,00/kg to State subsidized old age homes and orphanages on the following basis:

Old age homes=3½ kg per person per month.
Orphanages=6½ kg per child per month.

The total subsidy granted by the Board amounted to R30 000 at 31 December 1982. This amount is included in the total subsidy mentioned under question (a).

Hansard Q. Col. 220

18/2/83

Subsidies: bread/maize/butter

(3) Wheat ~~(2) Dairy~~ ~~(3) Farming~~

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

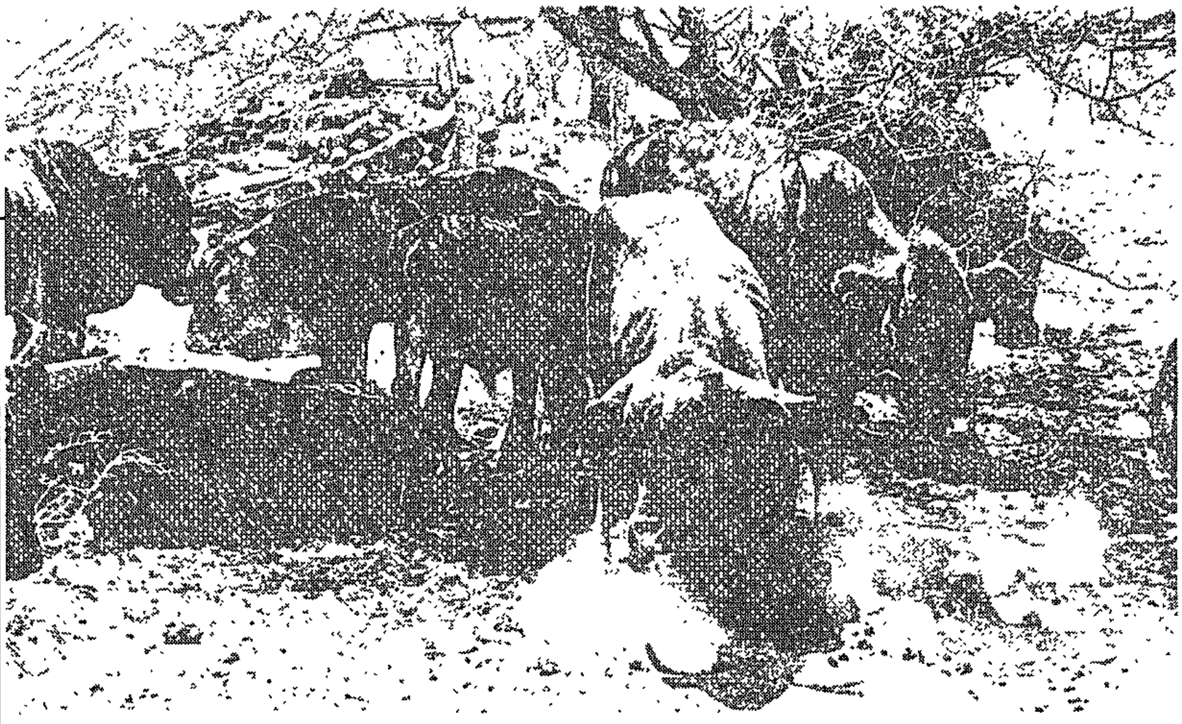
What amount was paid out in subsidies in respect of (a) bread, (b) maize and (c) butter for consumer use in 1982?

The MINISTER OF AGRICULTURE:

(a) R181 968 823,44 (1981/82 financial year).

(b) R82 949 863,32 (1981/82 financial year).

(c) R3 210 715,75 (1981/1982 financial year).



South African Police hard pressed to control stock theft

3 Neat 21/2/83 Star

By Mike Cohen, Crime Reporter

Stock thefts across the South Africa-Lesotho border are on the increase — and police are hard pressed to control the situation because of apparent friction between the police forces of the two countries.

One of the reasons given for this apparent friction is the raid into Maseru by South African security forces late last year.

But the chief of the South African CID, Major-General Chrissie Zietsman, has denied that the raid has anything to do with lack of co-operation.

"We have received no reports of any lack of co-operation apart from normal problems of identification. Arrests are still being made in Lesotho and cattle recovered," he said.

An Underberg farmer recently lost 243 head of cattle which were taken across the border into Lesotho. The local stock theft unit was called in to track down the cattle.

The herd was tracked to a border crossing by members of the unit.

But, the helicopter assisting the unit was delayed by police when it landed in Lesotho because of this apparent friction, said one of the local farmers.

Only 36 head of cattle were recovered and brought back to South Africa. The total loss was estimated in the region of R14 000.

Many of the farmers in the same area have been the victims of similar thefts.

An amendment to the Stock Theft Act has allowed for heavier penalties for convictions in terms of the Act, with fines of up to R2 000 now possible.

A court can also direct the attention of the stock owner suffering damage or loss to the provisions of the Criminal Procedures Act.

Section 300 of the Act allows for an award to the owner of an amount not exceeding R10 000.

The fines are planned to act as a deterrent to potential stock thieves who have been operating in a highly professional manner along South Africa's borders.

Heavy vehicles are now often used to transport the stolen cattle across the borders.

A special force has been appointed at various stations in an attempt to curb the growing stock losses, with experienced trackers, helicopters, motorcycles and horses being used to follow the trail.

The South African Police view the thefts in a serious light and have received outstanding assistance from local farmers in their drive to cut down the number of incidents.

Farmers attached to the police reserve have done much to scare away stock thieves in the border areas.

Mobile anti-stock theft units are on duty round-the-clock and as soon as one particular area shows an increase in the crime, the units move in with scrambler motorcycles and dogs.

The local farmers' associations are also assisting the police and the introduction of a stock theft register to assist in the identification of stolen animals has been planned in several areas.

The security fencing on the South African side of the South Africa-Zimbabwe border has been cut more than 300 times and stock thieves still strike regularly.

Reinforcements have been sent to the area — a strip almost 200 km long east of Messina — in an attempt to stop the incursions.

Last year it was reported that the South African Police were investigating the possible use of muzzle prints to identify stolen cattle.

The idea was investigated by Colonel Phillip Putter, former head of the fingerprint unit at Johan Vorster Square and a full report has been submitted.

Using this method a thick piece of absorbent paper is pressed against the inked muzzle of the animal.

It has been found that no two muzzle prints are the same.

The system has been proved to be more reliable than branding or tattooing in proving ownership.

(3) Meat RDM 26/2/83

R3m cold-storage facility for Reef

By SIMON WILLSON
Industrial Editor

INCREASING demand for frozen food — especially among urban blacks — lies behind the 300 m³ expansion of City Deep's frozen storage capacity in Johannesburg.

A R3-million refrigerated warehouse, Kaserne Cold Storage, was opened yesterday by the Minister of Agriculture, Mr J J Wentzel. The project is a joint venture between the Ellerman Group, part of Ellerman Lines of London, and Storm & Co of Durban.

The warehouse is a public cold store, charging on a basis of quotations a metric ton, container or pallet.

Mr Wentzel said most of South Africa's frozen storage capacity was at ports. There had been a marked shortage of cold storage facilities on the Reef in the past two years.

"Rapidly changing lifestyles had led to a steady growth in demand for refrigerated warehousing capacity.

"Most of this capacity is found at the coast where frozen cargo is accumulated in bulk and in large volumes, as can be expected in the natural flow of import and export traffic.

"Johannesburg and the Reef in general reveal a different aspect of the business in that goods are required in this area for distribution. This means substantial volumes of traffic may be moved in relatively small parcels."

The Reef housed most of SA's consumers. The Reef had market sophistication, high buying power and rising living standards among all population groups. All affected the food industry.

Public cold-storage facilities on the Reef could save food producers spending substantial capital sums on non-productive items.

Such capital could be diverted to the improvement of the actual product. Overall efficiency would also be improved by easier distribution patterns based on public cold-storage facilities.

"Cold warehousing is particularly important for the storage of meat and dairy produce as well as for the fishing industry. These facilities can accommodate surpluses and can be used for storage against the additional need in times of shortages."

He said the development of public frozen warehouses was a move towards a more sophisticated food market in South Africa.

"In the United States, there is approximately four cubic feet of public cold storage for every person. In Britain the figure is significantly lower at 2,5 cubic feet for each member of the population. In South Africa we have only one cubic foot per head of population.

"But this pattern is changing and the new facility marks an important milestone along the way to raising our standards to meet the needs of food-processing and consumption patterns for the remainder of this century and for the 21st century."

Meat Board does it again — now pork prices set to soar

(3) Meat Meat Boards

27/2/83

MANY of South Africa's pig farmers are up in arms over a new permit system to be introduced by the Meat Board — and have warned that prices of pork will rise substantially within the next few weeks.

They also warn that the new permit quota will lead to increased production costs which in turn will set off a growing shortage of pork products in most major centres

Farmers also believe that the new permits, which come into operation on Thursday, will force many of them out of the industry and off their farms.

The controversial move by the

By ANGELA GILCHRIST

Meat Board — which could disrupt other sectors of the meat industry as well — comes just four months after the board bungled its R6-million subsidy when it withdrew it before it could get off the ground.

But now pig farmers will need permits to market their pigs, though many are either not aware of this, or have not yet received their permits from the Meat Board in Pretoria.

The board remains adamant the new system is needed to curb a surplus of pigs and restore stability to the industry.

Board public relations officer Mr Koos Blignaut confirmed that pigs could not be marketed without permits after Thursday. He said producers were informed "months ago" that the onus was on them to register and apply for permits.

"Farmers who have not received their permits should contact the Meat Board and establish whether they will be able to sell their usual quota next week. Permits will be backdated accordingly."

Mr Blignaut said the Meat Board had to know in advance what it could expect from the market, and indications were that it was moving into an 'over-supply situation'.

Mr Blignaut said that last year the board encouraged farmers to expand, "but no-one told them to go overboard, regardless of the consequences".

But the pig farmers don't agree

One said yesterday: "Until we have a free enterprise system in this country, farming is doomed Last year a Meat Board deputation came to my farm and encouraged me to expand my operation. I'm glad I didn't."

The farmer — who refused to be named for fear of victimisation — said: "Permit quotas have been based on last year's production figures, and farmers will have to pay a levy on each pig they try to sell over quota. We stand to lose thousands of rands.

"The permits will become black market commodities."

He said he had not received his permits from the Meat Board and had no idea how many pigs to take to the abattoir on Tuesday.

"In the end the consumer is going to pay dearly. Producers will be forced out of the industry and this, coupled with this year's drought, will cause drastic shortages."

Another pig farmer, Mr Richard Drummond, said he had not received the permits he had applied for.

"Restrictions on production will force many of us out of the industry," he said.

"I don't know how the board can claim to have a surplus. South Africa hasn't entered the export market for pig meat."

Pig farmer Mr Arthur Webber said anybody who increased his production since last year would be in "big trouble".

And Mr Ivan Peterson said: "The outlook for farmers is bleak.

"If there is an over-supply, it means that pork products are insufficiently advertised," he said.

Meat Board to slaughter more cattle

RDM 5/3/83

Pretoria Bureau

THE MEAT BOARD is being inundated with applications for slaughter permits from desperate farmers caught up in the worst drought in the ranching areas of the Transvaal for decades.

The board, because its own storage capacity is filled with 80 000 carcasses, is only able to grant from 50 to 60% of the applications, according to a Meat Board spokesman.

Beef farmers are faced with the fearful but virtually unavoidable prospect of heavy cattle deaths during the four dry winter months.

Few are in a financial position to buy and rail feed in sufficient quantities to their farms to keep all their animals alive.

The board, according to its spokesman, is aware of the desperate plight of ranchers and is deliberating on how best to relieve the worsening crisis.

The board announced yesterday, for instance, that it intended slaughering an extra 3 500 head of cattle a week from next Friday — 1 500 head at City Deep and 2 000 at Krugersdorp.

The meat will be processed and canned at a Krugersdorp factory at a rate of 250 000 cans a day.

The general manager of the board, Dr P Coetzee, appealed to farmers to inform the board by telegram whether they intended taking part in the scheme. They will be paid the average weekly price for their animals.

Meanwhile the general council of the South African Agricultural Union will meet in Pretoria on Wednesday and Thursday next week to review the desperate plight of farmers in the drought areas.

The meeting will be preceded by meetings of the SAAU's co-operative council and its executive committee.

The council will make urgent recommendations to the Government, aimed at easing the acute distress in many farming areas.

Pig farming becomes closed-shop activity

(3) Meat E.Post 5/3/83

By CLIFF FOSTER

THE Meat Board this week effectively made pig farming a closed shop by introducing a permit system.

Mr K Slabbert, manager of the Meat Board in Port Elizabeth, told Weekend Post: "If a man wants to start pig farming today he won't be able to get a permit, so there is no point in starting at this moment. But the situation will be reviewed from time to time."

Under the new permit system, a pig farmer cannot send to market more pigs than he did in the same period last year.

So if a man was not in production last year he will not be able to market pigs this year.

The new system has already given rise to alarm among some new pig farmers. One, producing since November on a fairly large scale, was afraid he would not be able to supply the market again until November this year, but the Meat Board has made an adjustment to the system in his case and assessed him on the quantity he supplied between November and January.

Further problems have arisen because farmers have not applied for permits in time.

Permits are issued for each quarter and applications for the one effective from March 1 should have been submitted by January 23.

Late applications, however, are being considered.

Meat Board bids to sell to public

Star 10/3/83 (3) Meat

Pretoria Correspondent

The Meat Board has applied to the Minister of Agriculture for permission to sell beef directly to the public at wholesale prices.

A spokesman said the aim was to sell a surplus of 80 000 beef carcasses in this way, but the the Minister has not yet consented to the scheme.

Should permission be granted, the board's regional offices would sell frozen beef in quantities of 25kg.

The spokesman said that any member of the public could still, however, buy meat at wholesale prices at the daily auctions at abattoirs just like the regular dealers.

This was confirmed by a spokesman for the South African Abattoir Corporation, who said members of the public had the right to attend and bid at meat auctions.

They could only buy meat for their own domestic use and had to comply with certain regulations such as wearing protective clothing on the abattoir premises, he said.

Carcasses had to be bought in bulk as presented at the auctions. Sometimes only one or two sheep carcasses were being sold at a time. As far as beef and pork were concerned, people had to buy at least one carcass.

RED MEAT (3) meat

Slaughter battles

FM 18/3/83

Red meat producers in Natal are fighting to prevent their quota system for abattoir deliveries being replaced by slaughter permits allocated by the Meat Board (MB) The issue was raised at the third national Meat Congress in Durban this week

National Meat Committee chairman, Fanie van Rensburg, referred the matter to a MB sub-committee which will report back to the Minister of Agriculture His decision is expected later this year

The MB would like to introduce the permit system in Natal and the eastern Cape to bring these regions in line with slaughtering procedures in the rest of the country.

But Natal farmers say that 92% of the livestock in the province is marketed through the co-ops They argue that co-ops, with their close contact with the farmers, are in a much better position to take decisions on quotas than MB officials in Pretoria.

Says Ken Schefermann, chairman of the Stock Owners Co-operative: "We feel it would be a retrogressive step to remove something that's working well. The reason for its success is that Natal co-ops are much stronger than those in the other provinces."

In another resolution, farmers rapped the MB over the knuckles for not being more market-orientated. They want the MB to advise farmers more accurately on market requirements and suggest that red meat exports become a permanent feature and not a last resort in times of surplus.

Meat Committee chairman Van Rensburg accepts the criticism: "Some 40% of meat consumption in SA this year will be in poultry. There is no doubt that we have the superior product. We must be more aggressive in our approach and ensure that lower red meat prices do reach the consumer."

Bid to block 'cheap' meat

ARGUS 15/3/83 3 meat

CONSUMER COUNSEL

By AUDREY D'ANGELO

Readers complain over price mark-ups

ONE of the most frequent complaints I get from readers is of supermarkets "marking up" the prices of goods on their shelves.

As I have mentioned before, there is no law against raising the price of goods already on the shelves.

But all four of the main supermarket chains make a point of stating that it is their policy to hold prices down until all existing stocks have been sold.

So customers tend to be disillusioned when they come across assistants marking up goods, or (as more often happens) see them being taken off the shelves to be brought back soon afterwards with a higher price.

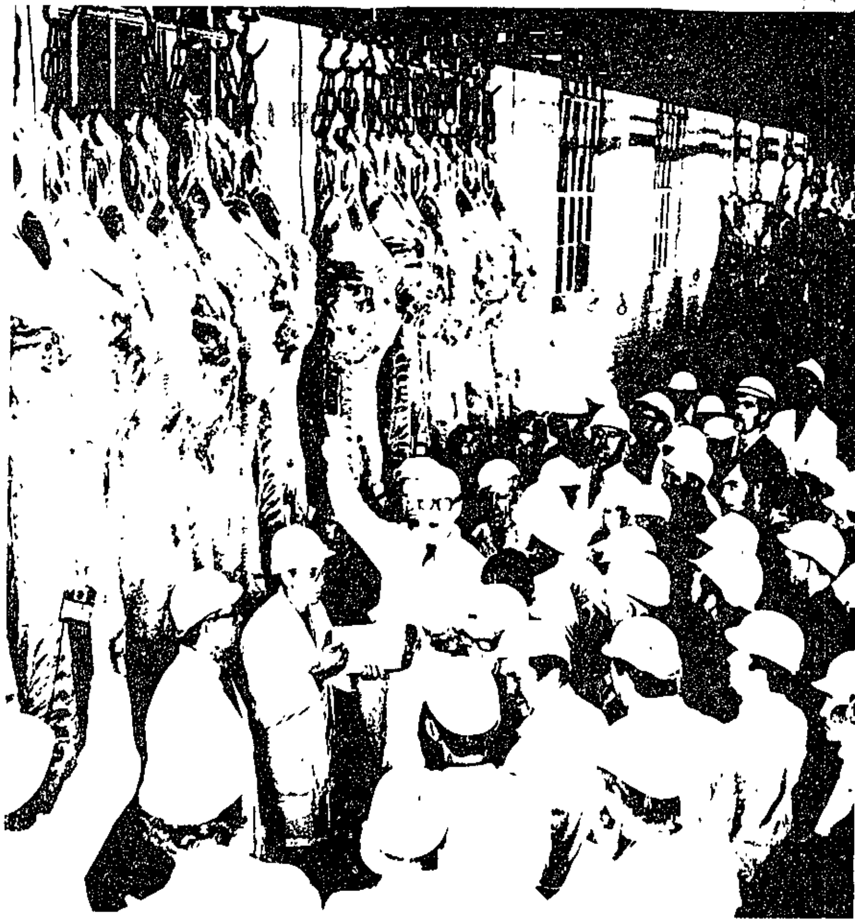
It's strange that supermarkets, who are so conscious of the value of customer goodwill, so often make this mistake.

BUTCHERS are trying to stop a plan to let the public benefit from the meat surplus by buying it directly from the Meat Board at the floor price — the minimum at which carcasses can be sold at abattoir auctions.

The South African Federation of Meat Traders is believed to have asked the Minister of Agriculture, Mr J J G Wentzel, not to allow it.

The butchers' reaction is, of course, understandable because they will lose business if the plan goes ahead.

But it will give us all a wonderful opportunity to buy meat in bulk at the cheapest prices for years, without any middleman's or retailer's profit.



Sabotage

The general manager of the Meat Board, Dr Pieter Coetzee, said he did not think the butchers would succeed in sabotaging his plan to clear the enormous surplus of 80 000 carcasses in the board's cold stores because they had no alternative suggestion.

"I asked them for ideas and they failed to come up with anything," he said.

The surplus, which in the Western Cape is mostly of lower grade carcasses, but includes super and prime, has built up because of the drought. This has forced farmers to send animals for slaughter at a time when shortage of money is keeping demand for meat low.

The Meat Board is trying to sell the surplus and to help the consumer and it was defeated in the past by market forces which stopped its subsidy scheme from working properly.

When it subsidised meat sold through the normal channels the rise in demand forced the price up at the abattoir auctions so that the only people to benefit in the end were the wholesalers.

This cannot happen, of course, with direct selling where a rise in demand will not alter the fixed price.

Meat from the board's cold stores is usually sold for manufacturing purposes and I have been told in the past that South African housewives will not buy frozen meat.

It will be interesting to see if this is true, if the board is allowed to go ahead with the scheme. Housewives in Britain have happily bought frozen imported meat for years.

Another interesting development is that the Meat Board is considering an auction system for offal, which at the moment is sold at fixed prices, so that it will be cheaper when supplies are plentiful.

Staff at the board's regional headquarters in Goodwood said no preparations had been made yet for selling meat to the public. They are waiting for instructions.

But at the Durban headquarters, where staff "jumped the gun" through a misunderstanding, and sold meat directly for a short time, whole sheep were sold and it was intended to sell beef in quarters.

SECTION IV

Bottoms up' greets Royals

WELLINGTON. — Political protests by New Zealand's "lunatic lefts" sank to a cheeky level yesterday when a Maori demonstrator bared his bottom in front of the Prince and Princess of Wales.

Maori tradition, this is one of the most highly offensive gestures that can be made.

The incident occurred soon after the royal couple arrived in the national capital for a two-day visit. It was the climax of a day peppered with insignificant anti-royalist demonstrations.

The Maori rights activist waited for the royal limousine to draw level with him. He grimaced repeatedly, stuck out his tongue several times and police on duty nearby took it as a traditional gesture of greeting. But the man suddenly turned his back, bent over and flipped up his grass skirt to expose his naked buttocks.

Police detained the 39-year-old Maori, Mr Nathan Dun Mihaka, a seasoned anti-royalist, and charged him with offensive behaviour.

For the first time on their Australasian tour, the Prince and princess encountered rowdy jeering, obscenities and unmistakable hostility.

But the royal couple ignored the small groups of highly vocal objectors and delighted thousands lining the streets of central Wellington by going "walkabout".

At a banquet last night the Prime Minister Mr Robert Muldoon assured the royal visitors of New Zealand's overwhelming loyalty to the Crown

Desperate farmers turn to slaughter

(3) Meat RDM 21/4/83

By GERALD REILLY and JEANETTE MINNIE

DESPERATE cattle farmers, their land in many parts trampled to a fine powder, are swamping the Meat Board with applications for slaughter permits

One of the most severe droughts in living memory has put thousands of farmers on the verge of bankruptcy, created a need to import two million tons of maize from the United States and caused a loss in potential export earnings of about R700-million.

It has already destroyed the greater part of the country's summer crops, and now, with four dry winter months just ahead, many more cattle are virtually certain to die

Cattle feed is almost unobtainable, and where it can be found, is beyond the means of many farmers

The general manager of the meat board, Dr P H Coetzee, said only 19% of the permits applied for in Johanessburg, for slaughtering at the City Deep abattoirs, could be granted, and only 16% in the Pretoria area.

"Applications for slaughtering between April and June amounted to 265 000 and we could only grant 69 000. The position in Pretoria is even worse — 70 000 applications and only 10 000 granted"

The position, Dr Coetzee said, was critical.

And with the Vaal Dam down to about 31% of its storage capacity, increased water restrictions are looming on the horizon for the 70 towns and cities in the Transvaal which receive their water from the Rand Water Board.

A spokesman for the RWB said yesterday that all indications were that increased restrictions would be announced on Friday He declined to give details of how the present restrictions would be tightened

A survey of Johannesburg, Roodepoort and Germiston, as well as the towns of Randburg and Sandton, yesterday showed that consumers are far from saving 20% of water as required by the Minister of Environment Affairs

Sandton consumers appear to be trying the hardest with a 17% saving, while Germiston is saving about 12%

Roodepoort is hovering between a 10% and 12% with Randburg saving about 10%

Johannesburg is barely managing to save 6%.

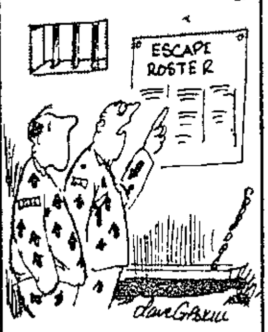
● A major shortage of dairy products could be expected later this year, although the milk price is not expected to rise before the annual price review, the chairman of the Dairy Board, Mr Jan van Vuuren, said at Heilbron this week. Milk production was falling and was expected to fall further during the winter, he said.

● The prices of fruit and vegetables, while still very high, have remained static over the past few weeks, a spokesman for the Municipal Market said yesterday

First grade potatoes, sold for between R6.50 and R8.50 a pocket, with those from the OFS and the Cape selling for as much as R11 yesterday.

Carrots were between R15 and R30 a crate, a crate of lettuces sold for between R2.50 and R5 and first grade ripe tomatoes were R3.50 a box.

Breakfast Quip



"No, it's fingers, Boetie and Scarface this month — we're down for May."

Mine sewerage manhole fumes kill three workers

(2.2) RDM 21/4/83

Mail Reporter

TWO men died trying to help a colleague who had been overcome by gas fumes, seconds after a valve in a sewerage manhole was opened at Stilfontein gold mine yesterday.

All three men died in the hole.

A statement issued by General Mining Union Corporation (Gencor) yesterday said the accident happened when a black sanitation assistant went down a manhole to open a stuck valve to drain sewerage effluent from a circular settling tank.

He was overcome by sulphurated hydrogen gas after opening the valve and releasing a sudden rush of sewerage into the manhole.

A second assistant went to his aid and was also overcome by the fumes

Apprentice electrician Mr Sven Frederikssen, 25, of Stilfontein climbed into the manhole to help but was also overcome by fumes and died.

'EVE'

THE Meat Board hopes to offer frozen red meat to consumers at bargain prices

According to the Housewives' League, the Board is running out of storage space and drought-stricken farmers are sending more and more animals to the abattoirs

Although that's bad news in the long run, it could mean cheaper meat very soon

Latest on the meat mountain is in EVE today

Also in this issue are details of the Rand Daily Mail Wine Festival, which will run from April 29 to May 9 at the Milner Park Showgrounds

And you'll find another chance in EVE to win a Krugerrand in our gold coin competition

It's all in EVE today.

Baby's body found in a washroom

A 19-YEAR-OLD girl has been placed in the custody of her parents after police detained her in connection with the death of a new-born baby boy, found in a washroom at a Pretoria Youth Centre

Lieutenant-Colonel Fred King, chief of the Pretoria Murder and Robbery Squad, said yesterday the girl was admitted to a hospital.

An employee at the Ararat Youth Centre in Troye Centre, Sunnyside, found the body early on Tuesday. It had apparently been wrapped in plastic bags

Shortly after the body was found, a young girl at the centre was questioned by the police — Sapa.

Do you need to know HP rates?

DETAILS of the reduced maximum hire purchase and money lending rates laid down by law are given in today's Business Mail.

● See Page 13

Escaped prisoners take schoolchildren as hostages

By MARSHALL WILSON

MELBOURNE — Two desperate escaped prisoners are believed to have taken several school children hostage in the isolated Merton area, north of Melbourne, yesterday.

Norman Bloomfield, 40, a convicted murderer, and Anthony Burleigh, 34, a convicted armed robber, fled into the bush with what police say may be up to four young hostages..

The escapers had broken out of Melbourne's Pentridge maximum security prison on Saturday, after using sophisticated hydraulic equipment to prize open the steel bars, before cutting a fence and scaling an outer wall with a makeshift ladder.

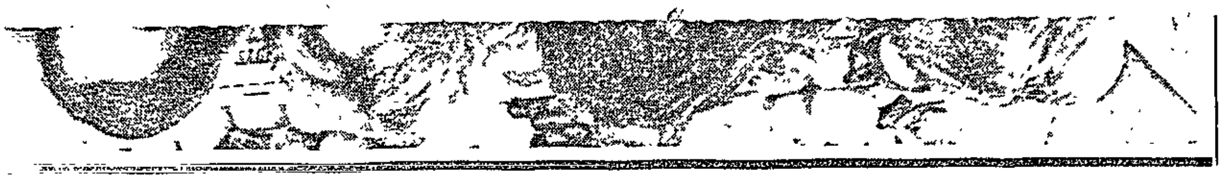
After holding a family hostage on their first night of freedom, during which they obtained a .22 rifle and several knives, they literally headed for the hills in a stolen four-wheel drive vehicle

As 100 policemen scoured the rugged slopes and two aircraft and a helicopter tried to track their moves, the escapers were slowed by an ankle injury which one of them had sustained while scaling the wall.

Early yesterday, the four pulled into a campsite near Merton and found a group of 64 high school students, three male teachers and two women teachers.

The children were asleep but the teachers awake, when the men surprised them, and after being tied up and threatened at gunpoint not to make a sound, the teachers sat for three hours before an approaching police car panicked their assailants.

Bloomfield and Burleigh ran into the darkness and herded a few children with them, police believe, while gang leader Peter Morgan and the injured Trevor Bradley were rearrested.



Boston. The combined weight of the truck was 18 tons.

Farmers allege retailers keep meat prices up

2 APR 1983 (3) meat D. Dispatch

PORT ELIZABETH — Claims that meat distributors were not passing lower prices on to the consumer were made by farmers at the congress of the Cape branch of the National Woolgrowers' Association here yesterday.

Farmers claimed the drought necessitated an urgent need to get rid of some livestock, but this could not be done as consumer demand was low because of the high prices the consumer faced.

Farmers said they also strongly suspected, but had no factual evidence, that the recent investigation by the Meat Board into the promotion to sell more and cheaper meat proved that retailers were not passing lower meat prices on to the consumer.

Meat prices came under fire during the discussion of a resolution submitted by P. G. Bruwer of Piketberg asking the congress to request the Meat Board to become more market-orientated by making stocks available to the public at the floor price.

"Consumers always blame the farmers and the Meat Board for the high prices, but it is in the hands of the retailer according to our free enterprise system," said Mr Pieter Kingwill from Murraysburg, the newly elected vice-chairman for the Cape branch of the associaion.

Mr C. Cawood, of Tarkastad, said the "per capita consumption of red meat had decreased by 17 per cent in the past 20 years. Mutton consumption had dropped by 18 per cent in the same period.

He said in January 1981 the farmer was getting 60 per cent of what the consumer spent on meat. In January 1982 this had decreased to 45 per cent and in March this year the farmer was only getting 39 per cent.

Mr Koenie Slabber, branch manager of the Meat Board in Port Elizabeth, told the congress the board was looking at "certain possibilities and is searching for a mechanism" to sell their meat supplies directly to the public to bring meat prices within the reach of the consumer.

He said the Meat Board had no control over retail prices.

"But this is a very sensitive matter because then we are in the field of the butcher and the retailer," Mr Slabber said.

Farmers in the Cape Province are divided as to which system should be used for the marketing of meat.

Some would like the quota system retained while others favour the permit system.

But Mr Slabber said that regardless of the needs of organised agriculture, the Meat Board had already decided to introduce the permit system for marketing meat all over South Africa.

Mr Andre du Plessis, the delegate for Albany said the permit system was too tedious and rigid for crisis situations like farming conditions that could change from day to day.

"The system could also be very easily subjected to bureaucracy. To introduce it on a national basis would also result in high administration costs for the Meat Board which would be passed on to the producer in the end."

In its favour, the quota system was adaptable to the seasonal and climatic changes farmers had to face, he said.

"The Meat Board is investigating bottle-necks. With the quota system the agents will dictate to the producer but, with the reviewed permit system, the producer will be able to dictate to the agent when and where he would like to market his stock." Mr Slabber said.

The motion was accepted. — DDC.

News 28/4/83 3 meat

In the shops

Tell us how to cut prices, Meat Board asks butchers

By Audrey d'Angelo

THE Meat Control Board has asked butchers to suggest a foolproof way of bringing down meat prices to the public as a result of the current glut.

Otherwise the board hopes to go ahead with its plan to sell stocks of frozen meat, in 25 kg packs, directly to the public at below wholesale prices.

A spokesman for the board told me this week that it still had 80 000 carcasses bought in at the floor price — the lowest level they are allowed to reach at abattoir auctions.

Permission

The board asked the Minister of Agriculture, Mr Greyling Wentzel, six weeks ago for permission to sell the meat directly to the public at the floor price.

But this, predictably, brought an outcry from butchers who appealed to the Minister not to allow it.

The board has now had discussions with representatives of the trade and has asked them to put forward acceptable alternative ideas.

"We found in the past that it did no good to subsidise the meat price either at auction or retail level because increased demand pushed up the auction price," the spokesman explained.

"No guarantee"

"Meat prices at the auctions are decided by supply and demand and we have no control over wholesale or retail prices.

"So we have no guarantee that any subsidy scheme will actually benefit the public, as it is intended to do."

The present over-supply is caused by the drought, which is forcing farmers to send even breeding stock for slaughter.

It is likely to continue for months yet, unless the drought ends.

Mr Greyling Wentzel

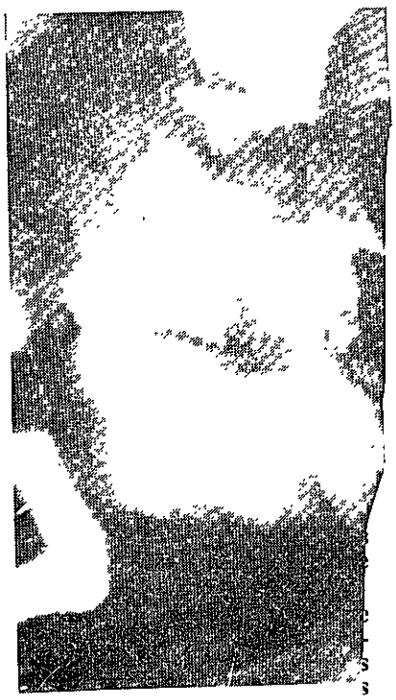
The spokesman told me that at present only 16 percent of farmers' applications to send animals for slaughter in Pretoria and 19 percent of applications to send them to the City Deep abattoir in Johannesburg could be granted.

The emergency slaughtering of cattle for canning was continuing at the rate of 3 000 a week "and this will be kept up for at least 20 weeks. We don't know where the animals are coming from".

So consumers should benefit now. The trouble will come in a few months' time when herds will be so badly depleted that there will be a serious meat shortage.

We can expect prices to rocket then. In the meantime, make the most of the lowest meat prices we are likely to have for years.

And, if you have a freezer, keep it well stocked. You'll be glad of its contents when meat becomes a luxury item.



Meat price to drop?

4 MAY 1983

(3) WEDS DD 15PARZU

PORT ELIZABETH — The Meat Board will be announcing plans to rid the South African market of a meat surplus caused by the countrywide drought, Mr Koos Blignaut, public relations officer for the board, said yesterday — and it is believed a drastic cut in prices could be on the way.

Mr Blignaut refused to confirm this, however, but said an official announcement on the board's plans to deal with the surplus meat would be made "soon."

He said the present excess of 80 000 beef carcasses had arisen as a result of farmers being compelled to sell large percentages of their stock because of the widespread drought.

Although the carcass excess may sound large, it actually only represents two weeks' supply for the country, but a lot of pressure is being placed on the market by farmers who still need to sell stock," he said.

Mr Blignaut said the board had been forced to contemplate "all sorts of plans" to get rid of the surplus which had now reached serious proportions.

He said the surplus was mainly confined to beef which represented 75 per cent of the country's consumption.

Last month Mr Blignaut expressed concern that the present rush to slaughter animals could lead to a shortage of meat and price increases when drought conditions abated. — DDC.

5 MAY 1983 D.Dispatch B/Meat

Local pressure on abattoir – Meat Board

EAST LONDON — Local farmers are putting "tremendous pressure" on the city abattoir to slaughter more livestock, the branch manager of the Meat Board, Mr Gert Olivier, said yesterday.

He also confirmed that there was a surplus of slaughter stock at the moment, as farmers were "trying desperately" to get rid of stock because of feeding problems.

"We work within a quota system and can only slaughter set amounts," he said. "We are killing stock at capacity now, and are bound by the system."

Mr Olivier would not comment on speculation that the Meat Board may drastically cut meat prices to get rid of surplus supplies.

"That is for head office to say," he said.

The East Cape Agricultural Union's public relations officer, Mr Lourens Schoeman, said farmers in the region would welcome measures which could clear the "glut" of meat.

"There definitely is an oversupply, and anything which could make it easier to sell would please farmers," he said from Queenstown yesterday.

"The one thing we don't want is for abattoirs to open their gates and just slaughter everything. We still need control on supplies. "At the moment farmers are only getting a little for their stock. But if there was a stampede to the abattoirs farmers could end up with next to nothing."

The main aim of farmers, Mr Schoeman said, was to keep the nucleus of their breeding stock "as well fed as is possible in these times".

"That way they'll have breeding stock for after the drought," he said. — DDR

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1958

1958 TUCSA resolved to establish a special multi-racial committee (on which TUCSA would be represented to co-ordinate the tasks of organising all workers.

1959 Five african unions working closely with TUCSA and four smaller unaffiliated unions formed the Federation of Free African Trade Unions (FOFATUSA)

1962 TUCSA decided at its Conference to amend its constitution to allow African unions to affiliate. By 1965 five unions had affiliated.

1966 The matter of African affiliation was again raised and the Amalgamated Engineering Union decided to disaffiliate because of African inclusion

1966 FOFATUSA's membership had fallen drastically and it was dissolved.

1967 TUCSA which now had 13 affiliated African unions called a special conference on the issue of African inclusion. SA Typographical Union suggested that TUCSA divide into two wings one of registered unions only and the other with African unions and those registered unions preferring to belong to this section. Immediately prior to the vote the largest TUCSA African affiliate, the National Union of Clothing Workers and others resigned to prevent TUCSA splitting.

At this Conference a resolution was adopted for submission to the next ordinary conference - that the membership of TUCSA be confined to registered trade unions and that representation should be made to the Minister that Africans should be allowed membership of registered unions on the basis of limited rights.

1968 The Annual Conference voted however to continue to allow African Unions to affiliate and in the following months several unions including some of the largest withdrew from TUCSA over the issue of African affiliation

The S.A. Confederation amends its constitution so as to facilitate affiliation by individual unions

S.A. Federation of Trade Unions dissolved.

Scholtz: cattle farms legal

E.P. MAY 1983

E 4 MAY 1983

(S) MGAT
DIDUS PAPA

EAST LONDON — South African and Ciskei government spokesmen yesterday disagreed over the legality of farmers grazing cattle on land in the Stockenstroom area near Seymour.

The land, which has been released for incorporation into Ciskei but not handed over yet, is being leased to a number of farmers until July 31.

Ciskei has threatened to impound cattle, belonging to white farmers, found grazing on the land.

Yesterday the deputy chief commissioner for the Department of Co-operation and Development in Port Elizabeth, Mr J. Scholtz, said the white farmers on the land were there "quite legally" and were entitled to graze their cattle on the land.

But the Commander-in-Chief of Ciskei State Security, Lieutenant-General Charles Sebe, rejected the claim that stock was grazing legally on the farms.

"How can there be legal grazing on land that has been handed over to the Republic of Ciskei and still being in the custody of the so-called Bantu Trust?" he said.

Mr Scholtz said there were about 16 farms in the area which were scheduled for incorporation into Ciskei, of which 10 had been leased to white farmers for the past two years.

"Six farms have not been leased and no cattle are grazing on them," he added. — DDR.

CAPE TIMES 6/5/83

Big drop in meat prices on Monday

3 Meat

Own Correspondent

MARITZBURG. — Butchers and supermarkets throughout South Africa are poised to unload about eight million kilograms of frozen beef at drastically reduced prices to the public from Monday.

Savings of R1 a kg and more on all cuts of fresh and frozen beef have been forecast for the next two weeks as the Meat Board disposes of its huge beef stockpile.

The Meat Board apparently hopes to relieve the pressure on the market by clearing its coldrooms of the 80 000 beef carcasses which have accumulated during recent months.

The promotion is intended to run for two weeks.

A Meat Board spokesman would only say that an announcement would be made today, but the chairman of the Durban and District Meat Traders' Association, Mr Dudley Thompson, said the promotion was based on suggestions to the board by the meat traders.

As a result, the scheme ironed out "all sorts of complications — quite apart from violations of the free-market principle" which dogged previous Meat Board promotions and led to higher, rather than lower, meat prices.

Frozen beef prices to be slashed next week

(3) Meat

Mercury

6/5/83

Pietermaritzburg Bureau

BUTCHERS and supermarkets throughout South Africa are poised to unload 8 000 000 kg of frozen beef at drastically reduced prices from Monday.

Savings of R1/kg and more on all cuts of fresh and frozen beef have been forecast for the next two weeks as the Meat Board disposes of its huge beef stockpile.

The board apparently hopes to relieve pressure on the market by clearing 80 000 beef carcasses built up recently as farmers struggled to get their animals off drought-ravaged land.

Although the promotion was intended to run for two weeks, butchers predicted that they might be sold out within days, or even hours, of putting the special-offer meat on their shelves.

A spokesman for the board would say only that an announcement would be made today, but the chairman of the Durban and District Meat Traders Association, Mr Dudley Thompson, told the Mercury the promotion had been based on suggestions by traders.

Complications which had dogged previous board promotions which had led to higher, rather than lower, meat prices, had been ironed out in the new scheme.

Mr Thompson had drafted a letter which had been sent by the Federation of Meat Traders to all butchers, appealing to them to enter into the spirit of the promotion.

A check yesterday with several butchers and supermarket chiefs revealed, however, that many had been left behind in the scramble behind the scenes to get their hands on limited stocks of better-quality cuts.

It was learned that, for all practical purposes, the board's stocks in Durban were already completely taken up.

Warning

Mr Brian Beavon, of Spar stores, said his shop would be offering substantial reductions on frozen beef from Monday.

He warned, however, that there was a lot of lower-grade beef likely to reach the market.

Mr Ron Clauson of Pick 'n Pay said he would have to emphasise that the promotion would run while stocks lasted, but promised a simultaneous promotion on fresh meat which could slice R1,50/kg off the price.

Several retailers said they planned to reduce prices on fresh meat as well as frozen.

W+L+S

II-21

③ meat

CHEAPER CUTS

FM 6/5/83

Beef prices are about to tumble. That's the word from the retail trade, which expects the Meat Board (MB) to introduce a new price-cutting plan on Monday to offload 80 000 carcasses.

And SA Federation of Meat Traders chairman Eddie Bielovich is advising retailers to make a special effort to obtain maximum advantage from the project.

The MB bought the carcasses in the past few months to absorb oversupplies created by the drought. It seems the board has elected to cut prices because its storage facilities are full and farmers are appealing for a stronger marketing policy on beef.

Trade sources have been told that the meat, to be supplied cut in 25 kg cartons, will be sold to them at 20% below cost for hindquarter cuts and 30% discount for forequarter cuts. Rump, for example, should cost retailers R5,24 less 20% and topside R3,48 less 20%.

Bielovich believes the meat will be bought by consumers within two weeks. However, he has written to all registered butchers, asking them to use the promotion to boost the image of the meat trade.

Firstly, he says, butchers should show that they are responsible by helping the MB reduce its stocks during the present crisis period. And, to prevent a fall-off in demand on fresh carcase sales, "which would be counterproductive, causing the MB to again buy in," he suggests they offer discounts on various beef cuts, fresh and frozen.

This, Bielovich concludes, will cause auction demand to increase. "If this promotion succeeds," he adds, "it is possible that further discount promotions will be agreed to by the board."

7 MAY 1983 DAILY DISPATCH, SATURDA'

Frozen beef prices to drop substantially

(3) MEAT

EAST LONDON — Beef prices in the city will drop "substantially" from Monday in terms of a Meat Board discount scheme announced yesterday.

The chairman of the East London Meat Traders' Association, Mr Dennis Meyer, said the discount could be up to R1 a kg on some cuts, but added that it was hard to predict the exact discount.

"It depends on the cut and what the butchers decide," he said yesterday.

The discount scheme announced yesterday applies only to frozen meat, which is being made available to butchers in 25 kg cartons.

The cartons contain different cuts ranging from C2 to Super A — supplies of which have "piled up in coldrooms because of the drought and other factors", according to Meat Board chairman Mr P. R. du Toit.

Mr Du Toit said in a statement that the scheme had been launched with the approval of the Minister of Agriculture, Mr Greyling Wentzel, and would last "a maximum of two weeks".

"The board is still experiencing exceptional pressure from farmers as a result of the drought and the scheme is an attempt to ease the marketing pressure so that farmers can gain greater market access for their stock, which they are forced to market on account of the sustained drought," Mr Du Toit said.

Explaining the background to the discount scheme, Mr Meyer said it was one of several suggested by the SA Federation of Meat Traders when farmers first started pressurising the authorities to allow more stock to be slaughtered.

"Because of the drought they wanted to get rid of as many animals as they could," Mr Meyer said. "This is obviously the solution the Meat Board thinks is best."

Truckloads of the frozen beef started arriving in the city yesterday afternoon, with more due from Cape Town and Johannesburg today and on Monday.

"The frozen meat still has to be distributed, which may mean a delay before it is actually on the shelf," Mr Meyer said. "I can only appeal to consumers to be patient."

Mr Meyer expected sales to be good once the frozen meat was properly distributed. — DDR.

Meat price cuts

'Yet another promotion bungled . . .'

(3) Meat

Mark Loudon
Pietermaritzburg Bureau

A NATAL supermarket chief accused the Meat Board yesterday of bungling yet another meat promotion — before it has even started.

Mr Brian Beavon, managing director of Spar Natal, told the Mercury last night he felt obliged to speak out on the 'unplanned, ill-advised' action of the board in its two-week frozen beef promotion which starts on Monday.

Of all the cuts of frozen meat which the board had said would be available, his division of the group, which had 150 butcheries countrywide, had only been able to get frozen meat suitable for mincing.

On top of that he felt the 30 percent discounts quoted by the board in the Press could not be met by retailers without facing 'serious financial loss — if not ruin'.

However, he pledged that his store would 'more than rise to the latest bungling of the board in order to satisfy its customers'.

They would be passing on the full savings on whatever frozen beef they succeeded in getting and would introduce substantial reductions on choice cuts of fresh meat.

Similar across-the-board savings have also been offered by other supermaket chains and butcheries.

Mr Beavon said the board's unprecedented action proved once again the insufficient representation of retailers and consumers on the board.

A board spokesman in Pretoria pointed out the latest scheme was suggested to the board by the meat traders.

He said the 30 percent reductions referred to were those offered to butchers and supermarkets on fore-quarter cuts, with 20 percent reductions on hind-quarter cuts.

The board did not say, however, that these discounts would be passed on in full to consumers; only that consumers should be able to get a better deal from their local dealers than from the board itself.

The prices quoted were the undiscounted prices available at the board's warehouses to the public.

The spokesman added attempts were being made to ensure the frozen meat was reaching most of the country.

Mr Chris de Welzin, manager of the board in Durban, confirmed there had been a rush on stocks of frozen beef but said additional supplies had already been sent from Johannesburg and were now available.

Buying pattern 'could be changed'

Pietermaritzburg Bureau

THE reluctance of the South African housewife to buy frozen meat was misplaced, especially as most put their fresh meat in the freezer as soon as they get home, butchers believe.

A Mercury survey among butchers yesterday revealed that the Meat Board's countrywide frozen-beef promotion could permanently change consumer attitudes.

The main resistance stemmed from the lack of 'eye appeal' in frozen meat, according to Mr Dudley Thompson, chairman of the Durban and District Meat Traders Association.

But eye appeal did not put off the housewife when she opened her own deep freeze to choose meat for the next meal, he said.

'Added to that the meat frozen by the board is handled under absolutely hygenic conditions, is totally fresh when it is frozen and deboned, and is frozen far more professionally that can be done in the home.'

Mr Thompson advised consumers to defrost their meat slowly by putting it in the lower section of their fridge for up to two days if possible.

The general manager of Renown Meat Products, who supplies Checkers and OK Bazaars, Mr Bob Papendorf echoed Mr Thompson's observations, and said his outlets had made special arrangements to display frozen cuts.

Young Ciskei, Transkei scientists for London

EAST LONDON — Two 17-year-old matriculants, Hlohloza Nkuleleko of Philemon Ngcelwane High School of Ciskei and Italian born Ivano Colombo of Butterworth High School, Transkei, have qualified to attend the 25th International Youth Science Fortnight in London from July 27 to August 10.

They have been given these awards by the Foundation for Education, Science and Technology for excelling in the National Science Olympiad examinations.

Meanwhile, five Border students finished among the top 79 students in the Olympiad examinations. They have qualified to attend the National Youth Science Week at the University of Witwaterand from July 10 to 15.

They are: Neil Russell, Richard Brown, Janet Cole (Kingswood College, Grahamstown), David Kettle (Queen's College, Queenstown), and Jones William Sion (Selborne College, East London).

The first Border student, Neil finished 17th Kingswood College excelled when they produced three of the six Border qualifiers.

Border runners-up were: Stephen Cook of St Andrew's College, Kim van Wijk of Diocesan School for Girls of Grahamstown and Hlohoza Nkuleleko. Hlohloza and Ivano were also nominated top scholars of Ciskei and Transkei respectively.

Kingswood College, Philemon Ngcelwane High School and Mehlomakulu Secondary School, Transkei, are proud winners of teacher awards.

These schools may nominate one teacher each to attend the annual conference of the British Association of Science Education in London and the 10th National Convention for Teachers of Science and Mathematics at the University of the Orange Free State from July 11-15

Mehlomakulu High School have won two other awards — they won R1 000 for attaining the highest average among schools in Transkei and R100 for attaining the highest average in mathematics.

While Philemon Ngcelwane High School won R1 000 for attaining the highest average among Transkei schools' and Wongaletu High School of Ciskei won R100 for attaining the highest average in mathematics. — DDR.

D. DISPATCH (13) meat

9 MAY 1983

Co-op report praises meat marketing scheme

EAST LONDON — Difficulties in meat marketing were not confined to South Africa, Mr H. J. D. Matthews, the chairman for the Cape Eastern Meat Co-operative (CEM) said in his annual report.

Producers in Australia and New Zealand were receiving about 40 per cent of the South African prices for lamb and beef with no floor price and only a support price based on net export prices realised.

"Our meat marketing scheme is thus greatly to our farmers' advantage and our over-production at this stage is minimal compared with that in Australia and New Zeland," he stated.

The red meat industry was, however, losing ground to the poultry industry which accounted for 40 per cent of all meat consumed.

The Meat Board had as a result, he said, allocated a substantially larger budget to promote all forms of red meat

The unchanged prevailing product prices, inflated input prices, the effect of a country wide drought and extremely high interest rates and other economic factors had resulted in the primary producer being forced to accept much lower net income returns.

The present recession would not last forever and economists predicted a boom period ahead, he said.

The board of directors repeated that despite the drought and adverse economic conditions, the co-operative emerged as one of the strongest primary meat co-operatives.

Highlights of the past financial year were:

- An amount of R83 274 was available for distribution as bonuses. In addition members had benefited to a total of R262 000 by way of savings rebate on central marketing and farmers' unions received R94 000 directly as commission. — DDR.

Nicaragua seeks UN help

MANAGUA — Nicaragua, fighting off invasion attempts by right-wing rebels, will ask a UN Security Council meeting today to send a United Nations peace-keeping force to the country, diplomatic sources said yesterday.

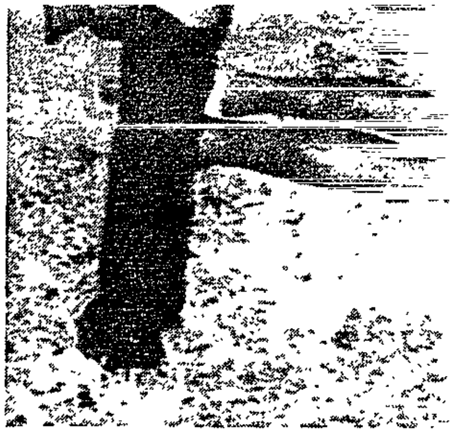
Nicaragua called an emergency meeting of the Security Council last week, alleging aggression by US-backed guerillas based in Honduras.

The diplomatic sources said the United States could veto a request for peace-keeping troops in the Security Council. But a majority of members in the UN General Assembly could demand a special session to consider Nicaragua's request.

The Nicaraguan Defence Ministry reported heavy fighting between the Sandinista government's troops and large rebel forces in Nicaragua near the Honduran border on Saturday.

The US is providing covert aid to a 7 000-strong anti-government force in Nicaragua which 16 months ago numbered only 500, the House of Representatives and Senate intelligence committees said yesterday.

President Ronald



Trader slams Meat Board over surplus

(3) Meat E. Post

9/5/83

By SHIRLEY PRESSLY

AN executive member of the Port Elizabeth Meat Traders' Association, Mr Leon van Dalen, today voiced strong disapproval of the way in which the Meat Board was disposing of surplus frozen red meat supplies.

"I will not be stocking any of that meat," said Mr Van Dalen, who said he was sorry that more butchers had not supported his stand.

The meat comes frozen or vacuum-packed.

The Meat Board announced on Friday that it would make its frozen beef supplies available to the trade at a special discount from today.

The scheme is expected to last for two weeks at the most.

The chairman of the board, Mr P R du Toit, said the purpose of the scheme was to dispose of meat which had piled up in coldrooms because of the drought and other factors.

"It is dangerous to defrost meat and then freeze it again," Mr Van Dalen said. "It will only be of any use to a customer if he buys it and then cooks it almost straightaway without re-freezing it.

"The frozen meat will only benefit big buyers who buy it in bulk, frozen, and then use it at a later stage.

"If a man gets sick after buying frozen beef from me which has defrosted and which he has frozen again before cooking, who gets the blame?

"The Meat Board won't get the blame. I will get the blame because I sold it to him."

Mr Van Dalen said the Meat Board should have started disposing of the red meat when it first started to stockpile instead of waiting so long.

He said he was not prepared to use frozen forequarters to make sausage. A booklet published by the Meat Board specifically stated that fresh meat should be used for making boerewors. Frozen meat discoloured and went black.

Mr Les Greensmith, manager of a butchery at a Walmer supermarket, said there had been a tremendous run on mince.

"We have received vacuum-packed meat, but the next delivery could be frozen meat," he said.

He would make sure that the frozen meat remained frozen and did not defrost.

Today he was selling two-kilogram packs of stewing steak at R3,28 a kilogram, topside at R3,28 a kilogram, regular mince at R2,08 a kilogram and silverside at R3,28 a kilogram.

He said this was an average saving of R1,60 a kilogram.

Mr Don Futter, chairman of the Port Elizabeth Meat Traders' Association, said the demand had been terrific. Many customers were buying in bulk.

"They walk in and place orders for a selection of meat to the value of between R150 and R200," he said.

"The selection they leave up to me."

He said the meat was frozen and cut up in the frozen state by him. "It is not defrosted at any stage," he said. "So there is no danger".

Mr LES GREENSMITH (left) holds vacuum-packed supplies from the Meat Board which he has processed into two-kilogram packs which are selling like hot cakes, while a butcher in Strand Street, Mr JAPIE GERBER, shows what the frozen meat supplies look like.

Chaos reigns as cheap beef scheme falters

9 MAY 1983

SAPRE

MEAT

(3)

By Colleen Ryan,
Consumer Reporter

The Meat Board's new discount beef scheme faltered today as confusion reigned over whether consumers could buy frozen meat directly from the board.

People were turned back when they tried to buy meat directly from the board's Johannesburg distributing point in City Deep.

A board employee said he had not been told whether consumers were to be served.

"I have been trying to telephone the board all day but the lines are busy," he said.

Last week the board announced it would sell de-boned beef in 25 kg boxes for discounts of 20 to 30 percent. The beef would be available from butchers and from the board's offices.

Consumers have been able to buy some cheaper beef today — although most butchers will sell the frozen, discount meat in 25 kg boxes.

The chairman of the South African Federation of Meat Traders, Mr Eddie Bielovich, said customers would have to buy in large quantities to benefit from the new discount scheme.

"Some butchers may break up the packs and sell individual joints, but generally the meat will be sold in 25 kg packs," he said.

Supermarket chains are also taking part in the discount scheme.

At least two chains are breaking up the packs and are selling individual hindquarter joints.

The move should rid the country of a meat surplus caused by the drought. Mr Bielovich said about 80 000 beef carcasses were in the board's cold storage depots.

The frozen meat will be packed in two different cartons to indicate quality.

Super and B grade cuts will be sold in blue packs and C grade cuts will be sold in red packs.

These are the prices butchers should be generally charging:

Frozen topside (Super A) — R3,48 a kg.

Frozen silverside (Super A) — R3,51 a kg.

Frozen rump (Super A) — R5,24 a kg.

D. Dispatch 10/5/83

Cheap meat in bulk in EL from Friday

(3) meat

EAST LONDON — About 25 tons of frozen beef will be available to East London consumers at discount prices from Friday.

A few butcheries have already received stocks of the frozen beef and are selling it at reduced prices.

"East London consumers must be patient as our meat comes from Johannesburg and Cape Town," the chairman of the East London Meat Traders Association, Mr Dennis Meyer said.

"Consumers will definitely be able to buy frozen beef on Friday at reduced prices but they must not expect to get fresh meat at reduced prices," he added.

A large chain store in Vincent sold more than half a ton of mince and about a ton of beef at reduced prices yesterday. "Consumers have been buying topside beef at a reduction of R1,30 a kg, stewing beef at a reducton of R1 a kg, mince at a reduction of R1,28 a kg and boerewors at R1,23 a kg," the manager of the store said.

The Meat Board last week announced savings of up to 30 per cent on all cuts of frozen beef in an attempt to dispose of a huge stockpile of 80 000 carcases which had built up as drought-stricken farmers battled to get their cattle off the land.

In Port Elizabeth demand was high and butchers complained about the quality of the frozen deboned meat.

Some butchers said it was impossible to separate the frozen meat. Others complained they could not obtain any of the frozen meat from the Meat Board.

Frozen beef sales rocketed in Durban with one retailer reporting a virtual sell-out of stocks within 90 minutes of opening shop doors.

The manager of the Meat Board's Durban office, Mr Chris de Welzin, said although there had been a rush on stocks of frozen beef and supplies were temporarily unavailable, further stocks were being brought in from Johannesburg. — DDR-DDC.

Natal Mercury, Tuesday, May 10, 1983

Consumers scramble for cut-price frozen beef in city

3 Meat

Mercury Reporter

FROZEN beef sales rocketed in Durban yesterday with one retailer reporting a virtual sell-out of stocks within 90 minutes of opening.

The Meat Board last week announced savings of up to 30 percent on all cuts of frozen beef in a bid to dispose of a stockpile of 80 000 carcasses which had built up as drought-stricken farmers battled to get their cattle off the land.

Mr Ron Clauson, general manager of the Blue Ribbon Meat Corporation which supplies Pick 'n Pay stores, said sales 'took off like a bomb'.

'I've never seen anything like it — people were walking away with 25 kg cases of topside.

'We sold more than 1 000 cases altogether.'

He said supplies had been inadequate, however, and he wished the Meat Board had made more frozen beef available.

'We just don't have any stocks to replace them.'

The manager of the Meat Board's Durban office, Mr Chris de Welzim, said although there had been a rush on stocks of frozen beef and supplies were temporarily unavailable, further stocks were being brought in from Johannesburg.

Divided

'The trade is aware that we haven't got the stocks available, we will take orders and they'll get their stocks before the week is out — provided other centres have stocks in hand,' he said.

The surplus had been divided among the provinces — 'so it depends on the sales in the other centres as to whether we can fill the orders'.

Mr de Welzim added stocks were being distributed on a pro-rata basis.

'We would not have supplied one trader with our entire stock, even if he had wanted to buy the lot.'

Asked whether the cut-price meat would be available for the predicted two-week period, Mr de Welzim said it depended on how quickly the surplus was depleted.

'We have big stocks, but they're not unlimited.'

But in the capital the stock hadn't come . . .

Pietermaritzburg Bureau

THE Meat Board's widely publicised frozen-beef bonanza failed to materialise on its opening day in the capital.

None of the city butchers contacted, and only one of the supermarkets, had been able to transport stocks of the de-boned meat from the board's coldrooms in Durban to Pietermaritzburg by yesterday.

Mr Dick Smout of Game and Mr Andy Shaw of Checkers both said they were all set for the promotion — except that they had nothing to promote yet.

However, both were hoping for stocks by today or Friday.

East Griqualand Meat Supplies and Plaza Butchery were in the same position, having been delayed by transport difficulties and the unannounced insistence of the board that payment by bank-guaranteed cheque be made on collecting cartons of frozen beef.

A major problem encountered already, however, was that all their callers had asked for whole hindquarters at 30-percent discounts, whereas reports in the Press had clearly stated the meat was deboned and sectioned, and the discounts applied only to the trade.

Only Pick 'n Pay had stocks of cut-price frozen topside, silverside and mince.

(3) MEAT D-DISPATCH 11 MAY 1983

Big demand may lead to meat sellout

EAST LONDON — Frozen beef supplies being sold at specially cut prices are selling like hot cakes, butchers here who have got supplies from the Meat Board said yesterday.

They said they did not expect their stocks to last the two weeks set aside by the board to get rid of a stockpile of 80 000 frozen carcases.

Queenstown and Grahamstown butchers also said their supplies were going fast.

One butcher, who bought three tons of frozen beef from the board, said he had sold 500 kg already.

Many butchers have not received their supplies yet, but the chairman of the Meat Traders' Association, Mr Dennis Meyer, said 25 tons of frozen beef was expected to arrive in East London on Friday.

Other major centres around the country also report that the frozen beef is selling so fast that there are problems keeping pace with demand.

And last night the Meat Board said that because of the huge demand it could no longer be certain that supplies would last a fortnight as originally predicted.

A Meat Board spokesman, Mr Chris Blignault, said: "How it will last under the present pressure of sales is anyone's guess. Our first impression is that supplies will not last as long as we predicted."

In Durban a major retailer reported a virtual sell-out of stocks within 90 minutes of opening his chain store doors.

In Port Elizabeth some supermarkets could not even obtain the meat because of demand from Meat Board outlets.

In Johannesburg supermarkets reported traffic jams of refrigerated lorries trying to pick up the frozen meat at various Meat Board wholesale outlets. "We can't get in and out fast enough," one chain market meat buyer reported.

In Pretoria the Meat Board's telephone exchange was jammed most of yesterday with calls from consumers inquiring about the frozen beef offers.

Transkeians, however, seem unlikely to benefit from the beef price reductions in South Africa.

The head of the Transkei meat industry, Mr Louis du Plessis, said: "Transkei is an independent country and has its own surplus of cattle to contend with. We will first have to see to our own situation before we look at beef in South Africa."

But Mr Du Plessis was adamant that Transkei's beef prices "which concentrated on freshly slaughtered quality" were comparable. — DDR-DDC.

Mr and Mrs W. T. Hemington buy cheaper frozen beef at a supermarket in Vincent, East London.

Frozen beef passes taste test

EAST LONDON — While around the country hungry consumers besiege butchers to buy frozen meat at special discounts and help the Meat Board demolish a mountain of surplus meat, one small question remains: What does it taste like?

There is a mild controversy over eating frozen meat that has been partially defrosted — by butchers who try to cut the meat up for more convenient packaging — and refrozen.

A Port Elizabeth butcher, Mr Leon van Dalen, has aroused the ire of fellow meat traders with a statement that people may get sick eating defrosted meat that has been refrozen.

A spokesman for the Meat Board in Pretoria, Mr Koos Blignaut, said the board's frozen meat was of a high quality and could be frozen for months.

He said it was not a health hazard, but was "superb" beef.

But a domestic scientist at the board warned that to contain the quality of the meat it was not advisable to refreeze it once it had been thawed.

In a test in Johannesburg, an executive chef at a leading hotel, Mr Jimmy Waters, prepared a meal, in 45 minutes, from two kg of frozen super grade top-side — which cost R3.29.

To taste the meal was Mr Manfred Muellers, a lecturer at the hotel school and manager of the 1980 South African gold medal winning team at the Frankfurt Culinary Olympics.

Their verdict: Frozen steaks are not good straight, but the beef is perfect for stews, casseroles, curries and any other dish made with tasty sauces. Ideal for the big family which wants to eat meat but cannot afford high prices.

"It's not bad meat," said Mr Waters. "I would use it for braised steak, stews and the like."

"It is more tasty than tender," said Mr Muellers. "For a large family it is ideal." — DDR-DDC

D Dispatch 11 MAY 1983 (13) meat

President Lennox Sebe of Ciskei receives a jersey cow from Mr Jock Emslie at the handing over of a herd of 18 animals by the Albany Jersey Cattle Club yesterday. Right is Dr Frans van der Merwe of the South African Department of Agriculture.

Gift of Jersey herd for Ciskei

BISHO — Eighteen Jersey cows from the Albany Jersey Cattle Club were handed to President Lennox Sebe by the chief director of animal production of the South African Department of Agriculture, Dr Frans van der Merwe, who was deputising for the Minister of Agriculture, Mr Greyling Wentzel.

"We realise the importance of cattle in the lives of your nation — both from a historical point of view and from the point of view of providing a source of food production," he said.

"I feel sure you will agree that the Albany Jersey Cattle Club must be commended for this fine gesture and I hope and trust that the recipients of this herd will reciprocate the gesture by developing Jersey cattle breeding in Ciskei in the best manner possible."

The chairman of the Albany Jersey Cattle Club, Mr R. C. Fox, said the gesture had been made because Albany farmers realised they would be neighbours with Ciskei for many years to come.

The farmers were willing to co-operate with, and assist in the agricultural development of Ciskei.

"We appreciate the fact that Ciskei is a young and developing nation and we feel it is in your interests to develop quality cattle breeding which will place your herds on an equal footing with cattle anywhere in the world," he said.

President Lennox Sebe said livestock had traditionally been the Ciskeian people's wealth.

That wealth had now been increased by the generous donation of the fine Jersey herd. These animals would enable young Ciskeians to be trained in the sophisticated management techniques associated with a higher production dairy herd.

President Sebe said Ciskei was grateful for the involvement by the South African Department of Agriculture and looked forward to fostering the close ties which existed between the two countries. — DDR.

Hunt season decision

EAST LONDON — The Department of Nature Conservation is due to make known today its' decision on whether the hunting season will be closed this year.

The season was due to start on May 31 until July 31. — DDR

Crocker's SA visit delayed

CAPE TOWN — American Assistant Secretary of State, Dr Chester Crocker, is now expected to visit South Africa on the SWA issue later than originally expected.

The Foreign Minister, Mr Pik Botha, confirmed yesterday that a meeting had been arranged but that the dates had had to be changed.

He said the reason was a security council debate on South West Africa later this month.

Simon Barber reports from Washington that the Reagan Administration is not at all convinced that much can be achieved until the Prime Minister, Mr P. W. Botha, has restored his primacy.

The administration is unwilling to run the risk of sending a high-level team to South Africa without some assurance, which the Prime Minister might currently have difficulty giving, of the outcome. — DDC.

Ciskei cattle row resolved

2 MAY 1983 DD MATCH (3) MEAT

EAST LONDON — The Commander-in-Chief of Ciskeian State Security, Lieutenant-General Charles Sebe, said last night the cattle-grazing dispute over farms in the Seymour district had been "resolved amicably".

The Daily Dispatch Port Elizabeth correspondent reports the Deputy Minister for Co-operation, Dr G. de V. Morrison, said that according to the South African Ambassador to Ciskei, the matter had "been defused".

Dr Morrison said had Ciskeian military forces intervened in the "cattle affair" on farms in the Stockenstrom area, "it would virtually be declaring war on South Africa".

He added there was no possible way that the Ciskei military forces could have advanced on the Stockenstrom district without South African retaliation.

It was learnt last night that ministers of the Ciskeian Government had approached an official of the Department of Co-operation and Development earlier this week to request urgent grazing rights on a farm which in terms of the two governments, bilateral agreement, would be handed over to Ciskei later this year.

The Ciskei Minister of Agriculture, Mr L. M. Fani, said last night that although the ministers who had approached the official were aware that at present the farms belonged to the South African Government, they were "in desperate need of grazing land."

Mr Fani said that he and two other cabinet ministers — Mr Morris Sebe, Minister of Transport and younger brother of President Lennox Sebe, and Mr A. M. Tapa, Minister of Education — "requested" grazing rights on the farm Springfontein, from Mr Norman Peinke, an official of the Department of Co-operation and Development stationed at Seymour.

Mr Morris Sebe denied any knowledge of the incident when asked whether he was present or knew about it.

However, Mr George Reynolds, the Chief Commissioner for the Eastern Cape, said Mr Peinke had no authority to grant permission for such grazing rights and that the farms would be handed over to Ciskei by bilateral agreement in due course.

"Ciskei should negotiate through the correct channels for such grazing and ~~if~~ they had moved cattle to Springfontein, action would have been taken to remove the cattle," Mr Reynolds said.

The Ciskei cattle row started about 10 days ago when General Sebe threatened that Ciskeian military forces would impound the cattle of white farmers in the Seymour district that were grazing on farms released to Ciskei.

However, a spokesman for the Department of Co-operation and Development later explained that the land scheduled for release in the Stockenstrom area was to be incorporated into Ciskei in July and farmers in the district were there "quite legally".

General Sebe would not give further details last night on how the matter had been resolved.

(3) Meat

Meat boss warns on cheap cuts

YOU may not again get the chance to buy meat at the rock-bottom prices you paid this week.

By LAUREN GOWER

Though the sale at special prices of 25kg packs of frozen beef has been successful, a spokesman for the Meat Board, Mr Koos Blignaut, has warned that South Africa could face huge shortages later this year.

"The drought is the worst ever," he said, "and the implications are too ghastly to contemplate."

Meanwhile, a massive 'meat mountain' — equivalent to 60 000 carcasses — is being sold at less than a third and in some cases half the price of fresh meat.

The bulk supplies have piled up in the wake of a clamour for more slaughter permits by farmers who are being forced to sell their cattle because of the drought.

As a result, the Meat Board has been hard-pressed to find storage space for hundreds of thousands of carcasses piling up in giant freezers around the country.

This week's price-cutting campaign, which has brought meat back to the tables of many households, literally got the Meat Board off the hook, and was welcomed by retailers.

But response from consumers has not been as good.

The Housewives' League, long-time enemy of and arch-campaigner against the Meat Board, believes the present meat prices will benefit affluent people only.

Its national president, Mrs Joy Hurwitz, said the meat was being sold in some supermarket stores in original boxes, which meant that only consumers with ready cash and freezer space would benefit.

Other criticisms included:

- The fact that the league, which has consistently met with Meat Board and Department of Agriculture officials, was not consulted about the scheme.
- Small consumers with little ready cash are at a disadvantage because they cannot buy in bulk.
- Some supermarkets have run out of stocks, but it is not clear if they will be replenished.
- Small butchers with limited storage space cannot compete with larger stores.

Mrs Hurwitz said the meat, offered from Monday, appeared to have been in short supply as early as Wednesday.

Meanwhile, Mrs Hurwitz said she had asked the Minister of Agriculture, Mr Greyling Wentzel, not to export meat or any other agricultural products until the situation in regard to the drought became clearer.

Meat Board general manager, Dr P Coetzee, said the board had made stocks available to the entire trade. One third of the stock had been reserved for the black trade.

The board had taken orders for stocks, but did not deliver to anybody.

Mr Coetzee said consumers who found they could not get meat from butchers at book-value prices were allowed to buy from the board. However, it had not offered them the same 20% discount which had gone to butchers, and their purchases were restricted to four boxes a person.

The board had undertaken to sell until the end of this week or until stocks lasted, he said.

6 ★ The Natal Mercury, Tuesday, May 17, 1983

(3) Meat

Frozen beef 'mountain' sold out in five shopping days

Pietermaritzburg Bureau

THE Meat Board has disposed of its 6 000 000 kg frozen beef mountain within five shopping-days of its two-week cut-price promotion.

An elated Meat Board spokesman in Pretoria said yesterday no further orders were being accepted as their entire 60 000-carcass stockpile had been taken up.

However, the frozen and de-boned cuts should continue to be available at various outlets for most of this week as the last of the stockpile filtered through to the marketplace, he said.

While the results of the board's market survey, conducted last week, were not yet completed, it was already clear that most butchers had played the game and passed on the discounts to their customers.

Another encouraging aspect of the promotion was that sales of fresh meat at the abattoirs across the country had remained steady, allaying fears that fresh meat consumption would drop sharply and negate any benefit gained.

However, the board's spokesman was reluctant to spell out the possible benefits which hard-pressed beef producers could expect in the wake of the promotion, saying he did not want to create false expectations.

The Durban manager of the Meat Board, Mr Chris de Welzim, said very few members of the public had come to his warehouse for their meat, which confirmed that the butchers had been giving them a fair deal.

Anger

Meanwhile, the traders' reactions to the abbreviated promotion varied widely yesterday, from satisfaction to anger.

Several supermarkets here reported they had sold out what stocks they had, while one said it had been a mistake to run the promotion mid-month, when shoppers were without ready cash.

Mr Dudley Thompson, chairman of the Durban Meat Traders' Association, said he thought the campaign had been a great success.

Another butcher, however, contacted the Mercury to condemn the board for failing to honour orders it had already accepted.

Mr de Welzim said he knew of no such incidents, however, and invited the butcher to speak to him personally.

3) Meat Hansard Q. col. 1295-6 18/5/83

Meat Board: alleged fraud

*8. Mr. P. A. MYBURGH asked the Minister of Agriculture:

(1) Whether the Meat Board has investigated instances of alleged fraud in connection with applications by farmers for marketing permits; if so, (a) how many farmers are involved, (b) what is the nature of the alleged fraud and (c) what were the findings of the said board;

(2) whether any action is to be taken as a result of the investigation; if not, why not; if so, what action?

†The MINISTER OF AGRICULTURE:

(1) Yes, at abattoir agents at Kimberley, Pretoria, Bloemfontein and Johannesburg as well as producers who are involved.

(a) 900 producers and 12 agents.

(b) The utilization by unauthorized persons of unused permits which should have been returned to the Board

(c) Investigation not yet completed.

(2) The Board will consider what action should be taken after the investigation has been finalized and the alleged malpractices can be proved Administrative as well as legal steps will be considered

Meat mountain grows

EOY 22/6/83 (3) Meat

By GERALD REILLY
Pretoria Bureau

COLD stores are filling with meat while hard-pressed consumers baulk at high meat prices and the Meat Board had had to slash the number of slaughter permits issued to stock farmers.

The meat mountain, marginally reduced by the Meat Board's recent sale direct to butchers of 270 000kg of cartoned, boned beef, has begun to rise again.

Ranchers in drought-stricken areas are faced with the grim alternatives of watching their animals weaken and die from hunger, or paying excessively high prices for fodder to keep them alive until early summer rains restore grazing — or slaughtering them.

The deputy general manager of the Meat Board, Mr D E Heystek pointed out permit allocations had been made for July to September, and for this period the board had received applications for the marketing of 950 000 cattle.

But it was only possible, he said, to issue 200 000 permits.

Recently the board had bought a large number of surplus carcasses.

In the first week of June alone 6 295 carcasses were bought at controlled markets.

Mr Heystek appealed to farmers not to inundate the boards offices with applications for emergency marketing.

Under present conditions such applications could not be agreed to by the board.

Limited demand, he said, could be attributed to the recession.

Meat control system seen as chaotic

(3) Meat
E. Post
20/7/83

BLOEMFONTEIN — The meat marketing system was condemned as "chaotic" by Mr Hennie Prinsloo in his presidential address to the annual congress of the National Wool Growers' Association here yesterday.

Defects in the system contributed to producers always being on the losing end, he said. Although the full potential of abattoirs in controlled areas was not exploited, access to the market was virtually impossible in many instances.

Mr Prinsloo admitted that there was exceptional marketing pressure because of the drought, but said the machinery to handle the situation satisfactorily did not exist.

"One of the biggest flaws in the system is that where we have surpluses, which result in producer prices decreasing, the decreased prices cannot be shifted to the consumer."

Mr Prinsloo warned that the wool farmer could no longer allow marketing of mutton to continue in the present unsatisfactory manner. — Sapa

Rise in price of mutton 'inevitable'

(3) Meat
E. Post
22/7/83

BLOEMFONTEIN — The current serious shortage of mutton at many major abattoirs would lead to an inevitable increase in producer and consumer prices, a farmers' congress agreed here today.

The shortage was disclosed at the National Wool Growers' Association congress by the Meat Board's general manager, Dr P Coetzee, when he reacted to the meat marketing system being condemned as "chaotic" by the NWGA's president, Mr Hennie Prinsloo.

Mr Prinsloo said there had been a large surplus of sheep because of the drought, and farmers had difficulty in gaining access to controlled markets.

Although prices to farmers had dropped, the consumers had not gained any benefit from the situation, he said.

But Dr Coetzee pointed out that there was, in fact, a shortage of sheep for slaughter.

As an example he quoted the fact that on Tuesday no sheep at all were slaughtered at the Pretoria abattoir — the first time in 10 years that it had been idle.

Only 200 sheep were available and the number was not sufficient for a slaughtering line which normally handled 2 000 sheep a day.

The only fully supplied abattoir was at Cape Town, where 5 042 sheep were slaughtered, he said.

During yesterday's proceedings at the congress wool farmers questioned whether the allocation of permits by the Meat Board to slaughter sheep at controlled markets was an improvement on the present quota system.

Mr A P Pretorius said problems could arise with two aspects of permit allocation.

These were the use of farmers' past performance records, or taking into account the number of animals a breeder would market.

"This might work under normal conditions, but what about abnormal times like drought when one has to market animals one normally would keep?" he asked.

"The basis of past perforances would cut out certain producers like wool farmers who don't normally sell their animals as slaughter stock, but as breeding stock."

Mr Pretorius said farmers who speculated on the sheep market had an advantage under the permit system.

"A better idea of the true situation on farms is gained under the quota system, where representatives of market agents visit farmers," he said.

Dr Coetzee told the congress the decision of the Meat Board to extend the permit system to wool farmers was directly influenced by delays in obtaining information from farmers.

Regarding speculators having an advantage, Dr Coetzee said that during the recent period of marketing pressure, the access to markets of well-known speculators had been eliminated. — Sapa

SA on guard as cattle-killer sweeps through 28 countries

Argus 18/7/83 3 maart

Argus Foreign Service

NAIROBI. — The news that 28 African countries have been hit by the horrific cattle disease, rinderpest, has sent a ripple of fear south through agricultural communities still haunted by the spectre of the 1896 epidemic.

Highly contagious and fatal, the "cattle plague" which was endemic in Central Africa, began its fearsome spread south in the late 1880s.

It swept into what was then Nyasaland in 1892 and reached Uganda in 1890.

Struck in Bulawayo

Gathering speed as it reached into areas more richly populated with domestic cattle, it struck Bulawayo in 1896 and was across the Orange River by March the next year.

Estimates of the number of cattle wiped out in Southern Africa range from 2,5-million to 4,5-million.

Wildlife populations were so badly ravaged that they never recovered.

Though the disease can be effectively controlled through systematic vaccination the fear remains that if it starts to move south again it could take hold in countries such as Mozambique and Angola where much of the agricultural, social and economic infrastructure has been wrecked by war.

If such countries lack the resources to stop it sweeping through their herds of game and domestic cattle, the disease could easily sweep through to the South African border.

As a precaution South African veterinary scientists have already stockpiled a million doses of vaccine for use at home or in African countries "quite far to the north" which have already asked for help.

In 1896 the lack of communications on the continent was such that tribespeople, farmers and transport operators were caught completely by suprise when whole herds of their cattle began to sicken and die within hours.

Huge areas were littered with the bones of buffalo and other game which succumbed as the disease was carried on its ghastly way by vultures and other "housekeepers" of nature which were not affected by it themselves.

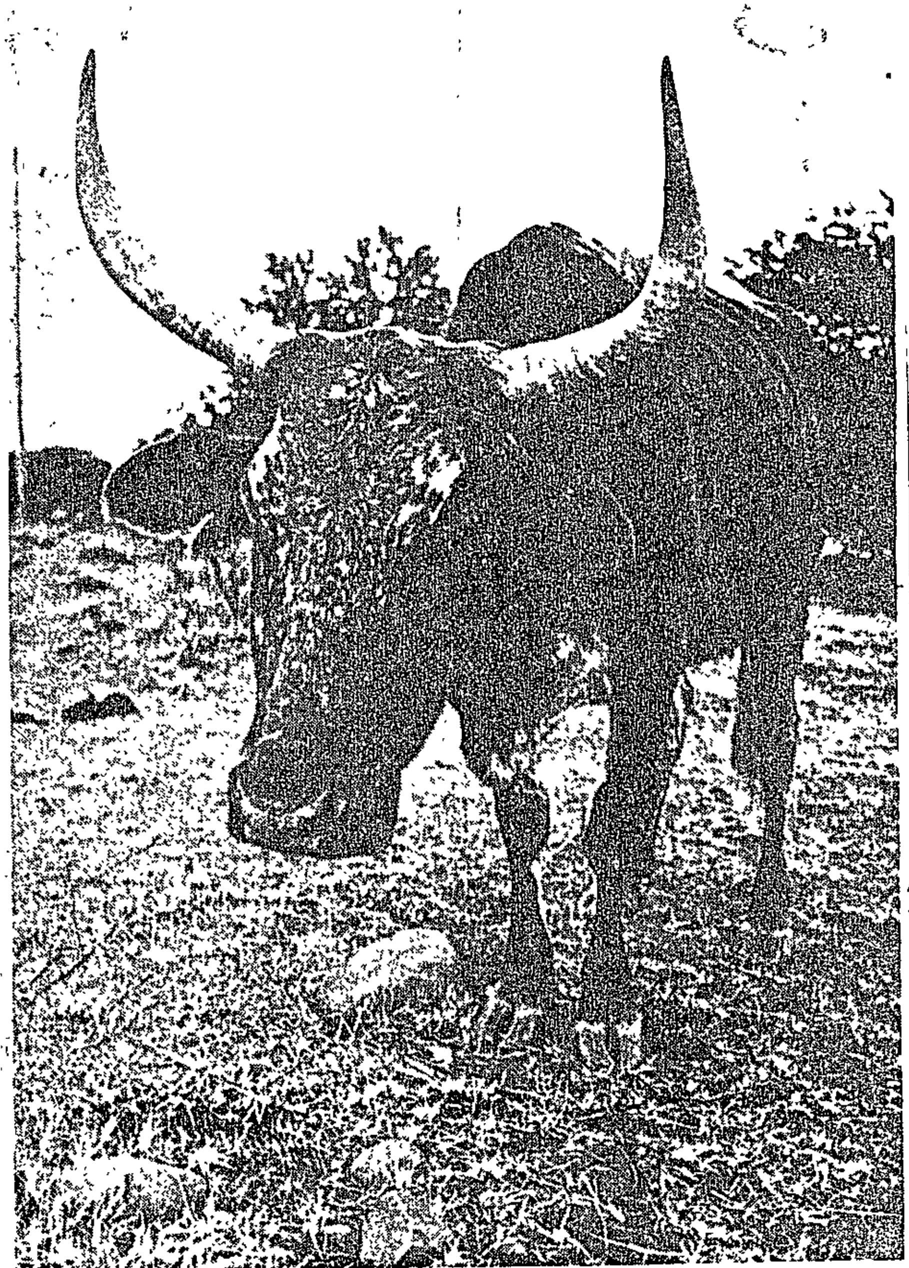
Financial ruin

The symptoms of fever and bloody diarrhoea in stock signalled financial ruin for thousands.

The disease was finally halted through the brilliant work of scientists Robert Koch, Arnold Theiler and others who perfected vaccines, one of them from an immunising agent in the bile of infected animals.

Author and civil servant William Scully has described how, while serving as civil commissioner in what was then Kaffraria, he inoculated 20 000 head of cattle and so prevented a rising by tribespeople who believed the disease was the work of the government.

The Veterinary Research Institute at Onderstepoort has continued these studies and is likely to be in the forefront of international steps to eradicate one of the most fearsome killers in Africa.



SOUTH AFRICA'S CATTLE, many of which are suffering the effects of the drought, may soon face another deadly hazard, rinderpest.

Explan general

(3) Meat

SA beef surplus is becoming bigger

RDM 4/8/03

Mail Correspondent

MARITZBURG. — South Africa's beef mountain is now higher than it was before the Meat Board's recent cut-price promotion.

The continuing surplus is caused by farmers desperately selling their herds before the animals succumb to the drought.

In May butchers and supermarkets went all out to ensure some 10 000 000kg of frozen, de-boned beef was snapped up by consumers during the two-week promotion, emptying the board's coldrooms in what was then hailed as a highly successful excercise.

But since then the board, which is obliged to buy up any surplus carcasses not sold to the trade at the abattoirs, has been filling its storerooms 50% faster than before.

The board's general manager, Dr Pieter Coetzee, said yesterday there were more than 76 000 carcasses being stored across the country — many of them high grade meat.

He said mutton was not a problem at the moment with rains in the Karoo and the shearing season combining to reduce the flow of sheep on to the market.

Reacting to rumours that the surplus was destined to switch overnight to a shortage, he said there was no evidence of this since applications for marketing permits from farmers still outnumbered available permits five to one.

Some intuition here but confuses statics and comparative statics

Beef mountain bigger than ever

(3) ~~Beef~~ Meat
Mercury
4/8/83

Pietermaritzburg Bureau

THE beef mountain is now higher than before the Meat Board introduced its controversial cut-price promotion.

The surplus is still growing as farmers are forced to sell animals before the drought kills them off, it was revealed yesterday.

In May butchers and supermarkets emptied the board's coldroom of about 10 million kg of frozen, deboned beef in what was hailed at the time as a highly successful sales operation.

But since then the board, obliged by law to buy up any surplus carcasses not taken by the trade at abattoirs, has been filling its storerooms 50 percent faster than before.

The board's general manager, Dr Pieter Coetzee, told the Mercury yesterday there were more than 76 000 carcasses being stored across the country, many of them high grade.

While it had been planned originally to hold sales promotions every few months, the board was afraid the situation could become even worse if they reintroduced a subsidy.

They were investigating other avenues in a bid to cut the surplus, including the export of canned beef in greater quantities.

Mutton

Britain, for example, had suspended imports of canned beef from the world's largest producer, Argentina, because of the Falklands war, and the price being offered for this commodity was rising in Europe, too.

Dr Coetzee said mutton was not a problem at the moment, with rains in the Karoo and the shearing season combining to reduce the flow of sheep on to the market.

He conceded, however, that the beef situation was 'quite serious', although storage facilities had not yet been taken up because additional space had become available in Cape Town.

He said there was no evidence of meat becoming scarce, with applications for marketing permits from farmers still outnumbering available permits five to one.

Statistics from the Department of Agriculture also suggested that, in spite of the clamour to sell animals, the national herd was in fact 100 000 bigger than last year.

Meat prices rise — more in pipeline

(3) Meat 2

E. Post 5/8/83

By BESSIE BOUWER

MEAT prices increased substantially in the Eastern Cape this week and further increases are in the pipeline.

Mutton prices showed the biggest hike with a 49% increase. Lamb prices increased by 25%.

The price of beef, which soared by 19% in the past two days, has, according to a spokesman for the Port Elizabeth, Uitenhage and Despatch Meat Traders' Association, "rectified itself and prices today are back to normal".

The price of pork went up by about 5% due to lack of supplies.

The spokesman said: "Drought conditions caused the demand to outstrip supplies and when this was announced it caused panic and the public tended to buy like crazy, thereby adding to the problem of supply."

White meat such as chicken and rabbit remained stable this week, but future increases are imminent.

A spokesman for a large broiler company said whole birds would cost 4c to 5c more a kilogram from next week, but the prices of chicken portions remained unchanged.

Rabbit prices have increased about 12% since the beginning of August and will be increased by a further 7% within the next week.

"People in the Eastern Cape are not really buying rabbits and as sales decreased, the price of rabbit meat was reduced until the end of last month," said a spokesman for the Rabbit Breeders Association.

Port Elizabeth butchers said the public had reacted extremely well towards the price increases this week becuase they realised the drought was the main cause.

CONSUMER COUNSEL

Big surplus of mutton, lamb

By AUDREY D'ANGELO

ARGUS 11/8/83

3 meat

But no plans to sell below cost — as done last year

THERE will be an enormous surplus of mutton and lamb this summer.

So many farmers have applied for permits to send sheep and lambs to Cape Town abattoir for slaughter between September and the end of January that emergency arrangements have been made to divert thousands of the animals to other parts of the country.

Meanwhile, the Meat Control Board has built up huge stocks of frozen beef in its stores again — I am told it now has about 70 000 carcasses — because supply exceeds demand.

May export

But there are no plans to sell any of this meat at below cost as was done earlier this year.

Instead, the board is looking into the possibility of exporting the surplus.

Its public relations officer, Mr Koos Blignaut, explained that this was because subsidising beef prices earlier this year had not caused people to get back into the habit of eating more meat, as had been hoped.

Instead, they had stocked up their freezers with the cheap meat and demand had fallen again for several weeks until they had used it up.

This had caused a further build-up of stocks in cold storage.

"Meat prices are reasonable now," he said. "Carcasses are being sold at only a little above floor prices at abattoir auctions because demand is low.

"We would not be justified in subsidising prices again from the levy paid by the farmer since this does not result in increased sales in the long-term."

I asked why the board was planning to export the surplus meat rather than keep it in store to avoid a shortage and sky-high prices in a few months' time.

We have been warned that herds are now being depleted because the drought is forcing the farmers to slaughter breeding animals, and there will eventually be a shortage.

But Mr Blignaut said: "It seems unlikely there will be any shortage before the end of the year, and there is a limit to the time meat can be kept in cold storage.

Prices down

"We hope the shortage will not come before there is an upturn in the economy, when people will be able to afford higher prices."

The Cape Town abattoir is already slaughtering sheep and lambs to full capacity, and auction prices have fallen since last week.

Super lamb fetched from R2,88 to R2,95 a kg at the auction on Tuesday, compared with between R2,92 and R3 a kg last week.

Prime B mutton fetched from R2,44 to R2,69 a kg at Tuesday's auction, , super beef from R2,43 to R2,57 a kg and super pork from R1,80 to R1,99 a kg.

SAP probe meat 'malpractices'

CAPE Times 20/8/85 (3 Meat

Political Staff

HOUSE OF ASSEMBLY. — Alleged malpractices by seven agents in the meat industry had been referred to the police for further investigation and possible prosecution, the Minister of Agriculture, Mr Greyling Wentzel, said in Parliament yesterday.

He said investigations by the Meat Board into alleged fraud in the meat industry were continuing.

Mr Wentzel said in reply to a question by Mr Phillip Myburgh (PFP Wynberg) that the investigation by the Meat Board ws expected to take a "considerable" time due to its extent.

In reply to a question by Mr Myburgh in May, Mr Wentzel confirmed that the Meat Board was investigating alleged fraud in connection with applications by farmers for marketing permits.

Unused permits

He disclosed that 900 producers and 12 agents at the Kimberley, Pretoria, Bloemfontein and Johannesburg abattoirs were involved in the probe.

The board is investigating "the utilization by unauthorized persons of unused permits which should have been returned to the board".

Monday's Business

HOUSE OF ASSEMBLY. — Monday's business:

(1) Resumption of the committee stage — Republic of South Africa Constitution Bill. — Sapa

Beef 'pricing itself out'

(3) Meat

Mercury 26/8/83

Pietermaritzburg Bureau

RED [illegible] pricing itself off the market, the general manager of the Meat Board warned farmers yesterday.

In a paper delivered at a stock-promotion day at Bredasdorp, Dr Pieter Coetzee warned farmers that the days of shrugging off the responsibility for the marketing of their animals were long gone.

'I realise that some farmers would want to murder me for saying this,' he added.

But before starting to produce, farmers should establish whether there was still a growing market for their product and if they could produce at less than the current price.

In the case of red meat, there seemed very little chance they would find these conditions.

More than half of South Africa's white farmers were meat producers.

Dr Coetzee referred to what he called the phenomenal growth of the chicken industry which had seen a financial rise of more than 1 000 percent in the past decade, against red meat which had grown by less than half as much.

Individual annual consumption of chicken had increased from 5,34 kg to 12,06 kg between 1970 and 1980, whereas red meat had dropped from 38,4 kg to 32,5 kg over the same period.

Swing away

'The swing away from red meat was even more marked among blacks in spite of a sharp increase in their income and the fact that they were traditional beef consumers.

'It must be assumed that prices have a material influence on this trend, although they are not the only factor,' Dr Coetzee said.

An encouraging sign was that, while meat prices had increased faster than other foods for many years, since the beginning of this year the trend had been reversed.

'Unfortunately white meat prices are incorporated in this figure and it must be assumed that white meat could be largely responsible for the levelling off.'

Dr Coetzee said the lower demand for beef was virtually a worldwide phenomenon.

Recent calculations suggested the annual consumption of beef and veal in South Africa would show a growth of only 2,8 percent between 1979 and 1987.

No beef price hike for farmers because of glut

3 Meat RDM 27/8/83

Pretoria Bureau

THE Government has not raised the floor price of beef because of the huge glut of slaughter cattle.

The Meat Board, it is understood, made representations earlier this year for a higher floor price — which is normally granted and comes into effect in July.

However, because of the heavy over-supply of cattle, beef prices have been at or near the current floor price for several months. Had the Government agreed to a higher floor price this would have meant in effect an administered rise in the price.

Normally the floor price is substantially below ruling market prices.

The floor price is a guaranteed price to the farmer. When it falls to or below the market price, the board buys in and stores.

A board spokesman said the board's storage space was crammed with more than 70 000 carcases.

Farmers applied for nearly a million slaughter permits between July and September, but only 200 000 could be issued, he said.

5) meat

EXPRESSCOPE LOOKS AT THE MEAT GLUT

IF YOU bought the best cuts of red meat from butchers in Johannesburg's northern suburbs last month, you paid between R1,59/kg and R4,50/kg more than consumers did in the Vaal Triangle and Johannesburg East.

These average figures have emerged from a Housewives' League bi-monthly survey of butchers in Sandton, the north-eastern suburbs (including Raedene, Bramley and Sydenham), Kensington and Vereeniging.

The survey — conducted in the latter part of August — showed that 1kg of super grade fillet steak cost R4,50 more in the north-eastern suburbs than in Vereeniging and R4,10 more than in Kensington. Prices exclude sales tax.

The same cut cost R3,19 more in Sandton than in Kensington and R2,99 more than in Vereeniging.

Super grade rump steak sold in north-eastern suburbs butcheries at R2,50/kg more than in Vereeniging and R2,10 more than in Kensington.

Sandton butcheries were selling rump steak for R1,99/kg more than Vereeniging butcheries and R1,59 more than in Kensington.

There was very little difference in the prices of meat at different supermarkets.

"My meat is not cheap, but people who live in these areas can afford to pay high prices," a Raedene butcher told the Sunday Express this week. "They are obviously getting quality.

"When I get cheap meat I pass it on to my customers," he said.

A Sandton butcher, Mr David Gouveia, who said his prices were not typical of Sandton butcheries, said the prices were on average 28% lower than in supermarkets.

The great meat crisis

Reports by STEPHANIE VENTER

SOUTH Africa's meat industry is in a crisis.

The drought has led to a mountain of meat going into storage as desperate farmers try to dispose of their livestock — and meat is being sold for the lowest floor price on the market.

But consumers have not benefited from this low price by the time the meat reaches retail outlets, middle-men — mainly wholesalers — have pushed prices up.

The floor price is about R2,28/kg (for super beef) but by the time it reaches the consumers it has increased by about 50% — and consumers are not buying.

In fact, according to figures obtained by the Housewives' League, consumers paid between 6% and 9% more last month than in January for most red meat cuts.

All cuts have increased in price except topside mince which has decreased in price since January by 11,14% — due to to a special price offered by some shops.

In an attempt to get permits for the slaughter of more animals, some farmers have been giving the board false information about their numbers of cattle and some have been selling their permits to more needy farmers, according to a spokesman for the Meat Board.

The board is investigating these irregularities and several have been referred to the SAP commercial branch.

About 900 producers and 12 livestock agents are said to be involved in the investigation.

Meat Board officials warned this week that the crisis will eventually lead to a serious shortage of meat and dramatic long-term price increases because farmers are now disposing of their breeding stock.

This will mean that South Africa's livestock could drop to an all-time low and farmers will be unable to meet future demand.

The drought, according to experts, has also led to serious storage problems as there is no room for extra carcasses — presently said to number 80 000.

Officials said this week that although the Meat Board had bought out millions of kilograms of meat at the floor price — a low administered price — they still could not get rid of it.

A spokesman predicted that although the meat price was at its lowest, it would rise in the near future because some farmers were slaughtering their breeding stock. Some are even liquidating their stock.

The board spokesman could not estimate how high prices would go.

The meat price would not be decreased below the floor price as happened during the surplus earlier this year.

The floor price system guarantees the farmer a minimum price but this does not always cover their production costs.

The board has not been able to keep up with the tremendous demand for slaughtering permits and has only been able to issue 250 000 permits out of the 900 000 applications in the three-month period ending in September last year.

It has cut down on issuing permits because there is nowhere to store the carcasses.

The board is presently considering exporting some of the meat. When they previously exported meat it was at a loss of about 10c/kg.

Between September and January the board received applications for the slaughter of 1,8-million head of sheep from Cape Town. The City Deep abattoir is involved in the emergency slaughter of 10 000 of these sheep a week in an attempt to alleviate the problem.

"It is a very sorry state of affairs but there is nothing we can do," the spokesman said.

Permits have to be obtained for animals to be sold in Meat Board controlled areas — where prices are usually higher. The controlled areas are the Witwatersrand, Pretoria, Cape Town, Port Elizabeth, Durban, Bloemfontein, Kimberley and East London.

Farmers paid the Meat Board about R53 per carcass for Meat Board levies, insurance against measles — a disease which would decrease the price of the carcass — abattoir commission levy, slaughtering tariffs, abattoir tariffs, transport, transit insurance, fodder, South African Agricultural Union levies and agent's fees.

Farmers who do not have permits for enough animals are selling their animals on local markets and are losing money.

"Meat is highly perishible. There is no way you can allow the animals to be slaughtered regardless," the spokesman said.

He said the surplus was larger than earlier this year when it was sold to the public at prices 30% below the floor price.

"The price incentive was not enough to promote larger purchases — (consumers) only bought enough to stock their freezers," he said.

"South Africa is traditionally a net importer of meat."

The canning of meat to help solve the storage problem has been stopped in favour of keeping the meat in a fresh form.

Farmers forced to sell to middle-men at a massive loss

MR SANDY Speedy is just one of South Africa's estimated 72 000 farmers to be badly affected by the Meat Board's emergency measures during the drought.

Mr Speedy, a northern Cape cattle farmer, was not given a permit to market enough of his cattle in the Meat Board controlled areas so he was forced to sell them on the local market to speculators.

They then made huge profits selling the meat in controlled areas.

He was issued with a permit for only 92 animals in the last tax year — compared to permits for between 120 and 210 animals in other years. The estimated loss was R50 an animal sold to speculators at between R300 and R500 each.

One speculator said he made a profit of R150 on each animal he bought from Mr Speedy and sold in a controlled area.

"Most of our cattle found their way to the controlled areas. It is not as if they do not have room for them there," he said.

Mr Speedy is a member of the South African Agricultural Union (SAAU) and a founder member of the recently-formed Organisation of Livestock Producers.

The Organisation aims for a "free market system" and to have abattoirs in the production areas.

An abattoir in the production area would cut down on transport costs, the animals' stress and weight loss, Mr Speedy said.

He said abattoir and slaughtering fees, transport and levies increased the cost of marketing an animal from Vryburg to a controlled area by between 13% and 25% of the total value of the animal. An average of about R65 is lost in marketing costs on an average animal value of R380.

"We budget for a floor price. In a free market system when the supply increases you would expect the consumer price to decrease. But the price is held up artificially," he said.

In times of drought the Meat Board buys up the meat at the floor price from a stabilising fund to which farmers contribute over the years. "So the farmer is no better off," he said.

While farmers had to accept lower prices for their animals it was unfortunate that it was not passed onto the consumer, he said. "The profits have been taken by the middle man."

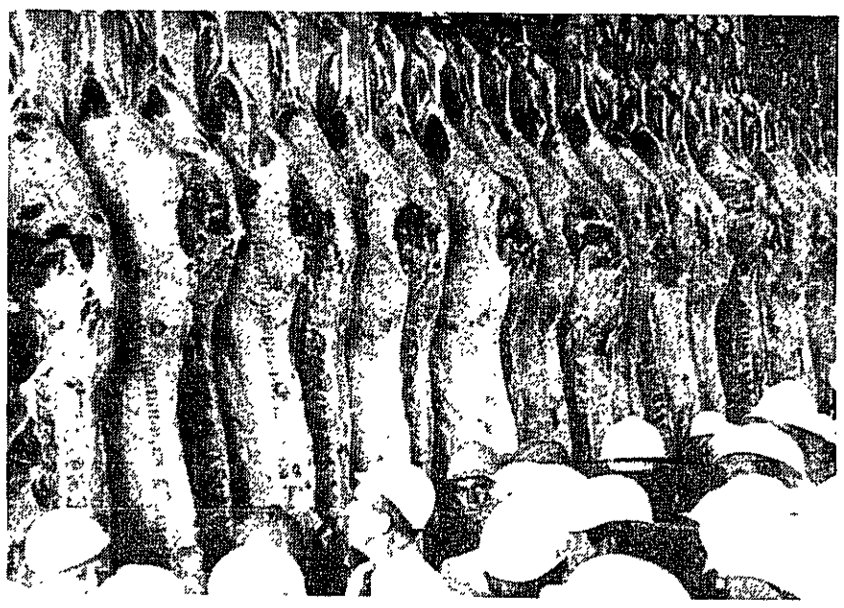
The producer pays the Meat Board a levy of ,06155 cents a kg of carcass — R12,31 on a 200kg carcass.

"The Meat Board restricts how red meat may be packed, where and when it can be sold. We do not have a big enough market for our products to be restricted to consumer access," he said.

Mr Speedy said another of the farmers' gripes was that they were paid only R26 for offal. "Butchers sell the heart, liver and tripe for a lot more than R26.

"Farmers must tell the Meat Board how many animals they want to send to controlled areas, but they are only allowed a permit for enough animals to fill two thirds of a train truck. Yet we have to pay for the whole truck."

A spokesman for the Meat Board said: "We try to make economic loads for the farmer, but it is not always possible."



● There's a meat surplus — but it's too expensive for many consumers.

Probe those prices, urge housewives

THE Housewives' League has called for an in-depth investigation into the meat industry to find out why meat prices during the present surplus are so high.

"The farmer is dissatisfied, the consumer definitely is and if middle men are making money it should be investigated," Mrs Joy Hurwitz, national president of the league, said this week.

She said consumers were not benefiting from the low floor price — R2,28/kg — of super beef and the low price at which the farmer was selling his cattle.

"The farmers have to accept the administered floor price. They are not getting the permits they need and they cannot feed their cattle."

Mrs Hurwitz suggested that meat stocks be kept until the drought broke. "We do not want to hear that there is going to be a shortage in the near future.

"If there was no control over the system, prices would be rock bottom," she said.

"We have the same situation as several months ago with the Meat Board buying meat at the floor price."

The board sold the frozen meat to the public at decreased prices and "they bought it up very quickly".

"They should introduce lower prices to cut down this enormous surplus."

Mrs Hurwitz said meat was becoming an unaffordable luxury item.

This week the permit system was described as an 'obstacle' in South Africa's 'so-called' free market and a call was made for it to be abolished.

Professor J A Groenewald, professor in agricultural economy at the University of Pretoria, said marketing permits and quotas in any industry should only be used in extreme cases.

He said they were used to the disadvantage of the smaller producer and consumer.

Slaughter permits are not required in uncontrolled areas, where farmers may sell their animals without a permit. In a controlled area the farmer is guaranteed a floor price and there is a compulsory grading system.

Professor Groenewald suggested that the Meat Board lower the floor price or store frozen carcasses in case of future shortage. If the rains came again, farmers would retain their cattle and sheep for breeding, he said.

"This will cause a drastic decline in our supplies to the market and I think we are probably in for record high beef prices before the end of the year," he said.

Wentzel denies pressure on small abattoirs

Meat Mercury 15/9/83

Mercury Reporter

THE Minister of Agriculture, Mr Greyling Wentzel, yesterday denied that small abattoirs were being pressured into closing to make the two huge Government-controlled abattoirs viable.

Speaking at the annual Natal Agricultural Union congress in Durban, Mr Wentzel was replying to a motion that health standards at smaller abattoirs were unrealistically high.

A leading Natal farmer and former NRP MP, Mr Gerrie de Jongh, said there was no reason for the restrictions on small abattoirs — they were merely being 'bullied into closing to make two white elephants viable'.

'We are killing ourselves with hygiene — the small abattoirs are taking business from the big ones at Cato Ridge and City Deep, which explains why we are being forced to pay a R11,24 levy on every carcass,' said Mr de Jongh.

'And it is the consumer in the small town who must pay for those huge buildings.'

But Mr Wentzel said if health standards at small abattoirs were relaxed any further it would amount to 'slaughter under a tree'.

Mr Fanie van Rensburg, chairman of the Abattoir Commission, said Mr de Jongh had misled the congress. Both the Cato Ridge and City Deep abattoirs were making a profit. It was important to have a large central abattoir and just as important to retain small ones.

City men on meat fraud charge

(3) Meal C. Times 21/9/83

Staff Reporter

A FORMER City meat company manager, Abdurahman Allie, allegedly obtained meat worth R69 552 illegally with the help of two wholesale meat company invoice clerks, a Regional Magistrate heard yesterday.

Mr Allie, 34, of Gladiator Street, Kensington, and two former invoice clerks of National Meat Suppliers (Pty) Ltd, Mr Elias Moeti, 28, of Elsies River and Mr Lourens Cloete, no age given, of Parow, pleaded not guilty to over 200 counts of fraud.

False invoices

The State alleges that between July 28, 1980, and July 31, 1981, Mr Moeti and Mr Cloete wrote out false invoices for Mr Allie, showing lesser amounts and weights of meat then Mr Allie had actually received.

These allegedly false invoices were then sent to the general offices of National Meat Suppliers for the composition of monthly accounts.

The offences were committed while Mr Allie was the manager of Kensington (Pty) ltd, the State claims.

Spurs jacket

Mr Allie, who appeared wearing a Cape Town Spurs Football Club jacket, has denied any knowledge of the alleged fraud. Mr Moetie has denied "defrauding National Meat Suppliers as set out in the charge sheet" and Mr Cloete has said he had "nothing to do with the whole business".

The men were warned to appear again today.

Mr J S C van Graan was the magistrate. Mr Marcus Jacobs, instructed by Van Dyk and Van Rooyen, appeared for Mr Allie. Mr Niels van Rooyen appeared for Mr Moetie. Mr Cloete conducted his own defence. Mr W C Viljoen appeared for the State.

High tension crackles over the case of the infertile cows

3 Meat

SPARKS FLY AS FARMERS ACCUSE ESCOM

By LESLEY LAMBERT

SPARKS are flying between Escom and Natal farmers who say they are being severely affected by the increasing number of powerlines being erected across their land.

The issue crackled over two months ago when Escom allegedly threatened to take a Glencoe farmer to the Supreme Court after he apparently refused Escom permission to survey his land for the erection of a 400kv powerline.

Mr Victor Simpson and his sons Carl and Garth — whose adjoining farms are covered by a network of 10 powerlines and who face the possible installation of another major transmission line — this week spoke out against Escom's alleged abuse of their rights as landowners.

"We have never refused to negotiate with Escom before this, although we have had a right to. Now that Escom has invoked the law, we are going to carry our complaints through to the very end," said Mr Simpson senior

One of the angriest com-

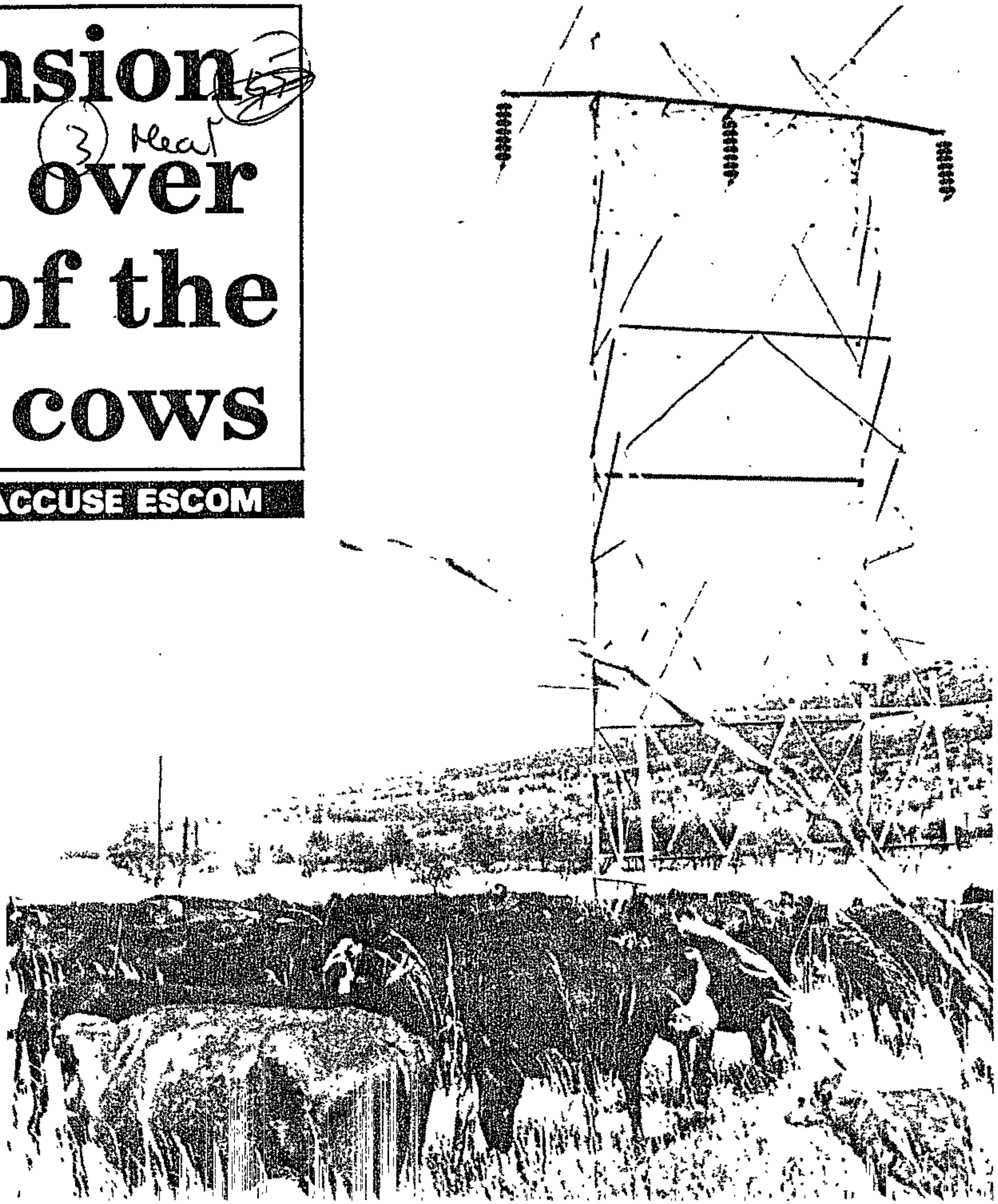
'We do pay for damage'

AN Escom spokesman said property and crops were often damaged during construction, but that Escom undertook to compensate for all damage at market related prices.

"Conflict does arise when damage is not as excessive or extensive as it's claimed to be. In these cases we settle the matter legally. We know our responsibilities and would not just leave without settling any damages," he said.

fences and locks which were securing gates.

"Escom have failed to observe our rights as landowners in terms of legisla-



whose adjoining farms are covered by a network of 10 powerlines and who face the possible installation of another major transmission line — this week spoke out against Escom's alleged abuse of their rights as landowners.

"We have never refused to negotiate with Escom before this, although we have had a right to. Now that Escom has invoked the law, we are going to carry our complaints through to the very end," said Mr Simpson senior.

One of the angriest complaints levelled against the giant electricity corporation is that the discharge from powerlines causes infertility in cattle grazing nearby.

This claim has been confirmed by a retired animal scientist and lecturer at Pretoria University, Professor Jan Bonsma.

The farmers accuse Escom of abusing its servitude rights over portions of their land, in the installation and maintenance of national and regional powerlines. They claim Escom has cut

a... damage ... ed prices.

"Conflict does arise when damage is not as excessive or extensive as it's claimed to be. In these cases we settle the matter legally. We know our responsibilities and would not just leave without settling any damages," he said.

fences and locks which were securing gates.

"Escom have failed to observe our rights as landowners in terms of legislation protecting us," said Mr Carl Simpson.

"It is also jeopardising our livelihood by increasing the number of powerlines which adversely affects the fertility of our cattle."

A spokesman at Escom's Sandton headquarters said this week legal action was being taken against the Simpsons, but Escom "would like to talk to them and resolve any differences".

But a pile of correspondence between the disgruntled farmers and Escom's regional office in Durban suggested other approaches have been tried.

The Simpsons listed a number of complaints, including the ruining of a farm road after a chain was cut to gain access to land "600m from their powerline and driving over a fence" to get to it in 1978.

● Cattle graze under Escom powerlines — they could lose their fertility, say farmers. Picture: DOUG LEE

Three years later Escom employees dug holes on the farmland and left a gate open while they were surveying, they said. In 1982 Escom employees loosened the tensioning wire on a gate causing cattle to escape.

Despite repeated demands Escom refused to settle these grievances, they said.

After the Natal Agricultural Union and Natal Landbou Unie requested that the establishing of servitudes be clarified, the senior general manager of Escom, Mr I D van der Walt, issued a statement saying farmers would be compensated for the full value of any crops damaged.

The Simpsons claim Escom did not fulfil the clause on an option under which it undertook to assess damage to crops within two months and compensate them fully. "A year lapsed before Escom's incorrect payment arrived for mealies which were damaged early in 1981," family members said.

The farmers have also claimed Escom failed to observe health regulations by not building toilets for employees.

"We have complained endlessly about workers using our farmland as a toilet. Ingestion of human faeces by our cattle causes measles. The abattoirs condemn the cattle because they are not fit for consumption in that condition," said Mr Simpson.

Farmers said Escom officials had threatened the Simpsons with Supreme Court action despite Mr van der Walt's statement that they were entitled to refuse to grant Escom servitude rights.

Mr van der Walt said that should a farmer refuse to grant servitude rights, Escom could obtain a compulsory order after a public hearing held by the Electricity Control Board, a statutory body independent of Escom.

(3) meat

Farmers call for reform of meat marketing system

A year ago a handful of farmers launched Farmers for Free Enterprise (FFE) — an organisation designed to promote free enterprise in agriculture. The FFE soon realised meat producers were the most disgruntled farming group and so decided to establish a separate organisation — the Organisation of Livestock Producers (OLP). The ideals of the OLP have captured the imagination of farmers and after only six months it has 500 members. Report by COLLEEN RYAN.

The meat industry is facing an economic crisis and farmers will find it increasingly difficult to operate under the present marketing system, says Mr Roy van der Westhuizen, executive director of the Organisation of Livestock Producers (OLP)

Mr van der Westhuizen, who is a farmer in Ficksburg, said the problems in the maize industry would prompt more producers to enter livestock farming.

"It is vital for an expanded livestock industry to operate efficiently and become competitive with external markets," he said.

If there are no changes the problems currently being experienced in the maize industry will be transferred to the meat sector, said Mr van der Westhuizen.

Farmers are hindered by Meat Board controls.

"As a first step to more freedom in the market I believe butchers' licences should be scrapped to make it easier for new retailers to enter the trade."

The distinction between controlled and uncontrolled areas for the marketing of meat should also be eliminated to allow farmers, retailers and consumers greater freedom.

A long-term goal of the OLP is to establish a futures market — a highly speculative market where farmers will be able to negotiate the selling of stock in advance.

The OLP will hold a seminar in November to discuss these issues and next year will launch an inquiry into the meat industry.

Mr van der Westhuizen believes the OLP can become as important for the meat farmers as its counterpart, Nampo, is for maize farmers.

"We would like between 2 000 and 5 000 members in our organisation so that the views of the producer can be given more prominence," he added.

'ś seems to be the minxish question little Domenic Simioni
ul roses will be on show at the Rose and Summer Flower
ıall on Saturday.

PICTURE: PAUL VELASCO

Warning on meat shortage

12/10/83

By GERALD REILLY
Pretoria Bureau

SOUTH AFRICA'S meat surplus could switch dramatically to a serious shortage "virtually overnight" if there were no good rains in the ranching areas, a spokesman for the Meat Board said yesterday.

And if the rains continued to hold off, a disastrous situation with heavy cattle mortality would be unavoidable, a spokesman for the Transvaal Agricultural Union said

He s%id that over a wide area of the Northern Transvaal no rain had fallen for nine months and more, and the position of many cattle farmers had become critical.

"Some have been forced to cull their animals down to between 10 and 20% of their herd," he said.

According to the Meat Board spokesman, cold storage space was filled to capacity with more than 95 000 carcasses

Marketing pressure had been maintained from drought-stricken areas and only one in 10 applications for slaughter permits could be granted by the board

Until the rains come, therefore, the number of slaughter animals being offered would continue to be far in excess of demand.

In spite of the big surplus, however, the board had no immediate plans to launch another beef buying incentive scheme.

The last one, in which the board sold direct to butchers at substantial discounts, failed to stimulate demand to any significant extent

The spokeman said as soon as good rains fell in the ranching areas and veld grazing revived, farmings would hold on to their stock and a shortage of beef was likely to develop

The board would then be in a position to off-load at least part of its massive surplus of close on 100 000 carcasses

Export prices were too low to make export a feasible solution to the surplus problem, the board spokesman said.

Naked stroll stops traffic

Mail Correspondent

DURBAN. — Traffic came to a standstill and a crowd gathered in Durban yesterday morning when a man in his birthday suit, wearing only a Davey Crockett hat, casually strolled down West Street.

He was later taken into custody.

According to one onlooker the man was walking along the Iland at the beach end about 7.15am.

"I was in a bus when I saw him walking. Cars were stopping for a look and people were peering out of buses. I think he'd probably just been for a swim or something," he said.

A woman said the amazed crowd cheered the man before police arrived on the scene.

In August, lunchtime shoppers gasped when they saw a man wearing only a smile, knee-high stockings and a short polo-neck jersey walking down West Street

Gold eases slightly to $399

Financial Reporter

GOLD eased slightly in London yesterday.

It was fixed at $399 in the afternoon compared with $400,50 in the morning and $401 at the second fixing on Monday.

● See Business Day

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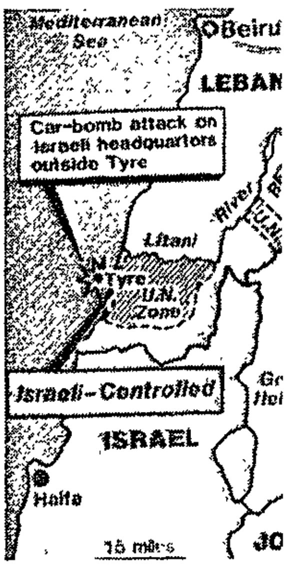
ıime ... defy the general disapprobation on adultery.

ɑret ... "I think it is very much to do with his position as a public figure. I think the public

5/11/83



Meat prices rise — bread could follow

By GERALD REILLY
Pretoria Bureau

A RASH of basic food price rises — and there are others in the pipeline — which will hit consumers hard, has followed the completion of the referendum campaign.

Price control on sugar has been lifted — which will almost certainly lead to a higher price — the floor price of beef has been raised and the price of milk is to be increased soon by 2c/l.

And, according to the general manager of the Wheat Board, Mr Denis van Aarde, a rise in the price of bread, possibly from the beginning of next year, is likely.

Mr Van Aarde said in Pretoria yesterday that the bread subsidy was now running at R20-million a month, or R240-million a year, and the authorities would be reluctant to raise it further.

Informed sources said the bread subsidy might even be reduced to make possible an increase in the subsidy paid on maize meal.

If this happened the bread price rise could be even greater.

When he announced the lifting of control on sugar the Minister of Industries and Commerce, Dr Dawie de Villiers, warned that if there were abuses the Government would not hesitate to act.

The general manager of National Consolidated Dairies, Dr M Hermann, said a milk price rise of 2c/l would be imposed at a date still to be determined

He said demands earlier this year by distibutors for a 13,5% increase were justified. They had, however, agreed to take only 10%.

"The other 3,5% is represented by the coming rise of 2c/l," he said.

Meanwhile, the chairman of the Dairy Board, Mr Jan van Vuuren, said this week the board had decided not to raise the producers' price of fresh milk.

This meant the price of butter and cheese would not be increased This was in spite of the fact that dairy farmers were producing at a loss.

Meanwhile, the Housewives' League has said that when milk was de-controlled in June distributors took a 2,56c/l increase. Now, five months later, there was to be another 2c hike "and the promise of yet another 2,6c".

The leagues' president, Mrs Joy Hurwitz, said dairies had amalgamated to such an extent that in most areas there was only one. "We are moving from control to cartel," she said.

She said the league would urge the Minister of Agriculture to reimpose price control.

Yesterday the Minister of Agriculture announced a rise in the floor price of beef by 7% — from 205,5c/kg to 219,9c; that of mutton by 10,58% from 214,7c/kg to 238c, and that of pork by 3,3% from 155,1c/kg to 160,5c

The SA Agricultural Union's meat expert, Mr Jan van der Walt, said farmers would welcome the floor price increase The price had not been raised since July last year

A spokesman for the Meat Board said because of the drought beef farmers' costs had spiralled.

Turning to mutton, he said there was so great a gap between the floor price and auction prices that the 10,85% increase was "purely academic", and the increase in the floor price of pork was insignificant.

'Lucky day' ends in the cooler

Mail Correspondent

CAPE TOWN. — A man who thought it was his "lucky day" when he was sold 20 frozen chickens for R20, was yesterday jailed for 12 months for being in possession of stolen property.

Mogamat Lakay, 37, of Jordaan Street, Mannenberg, had pleaded guilty in the Wynberg Magistrate's Court to having had the chickens in his possession on October 18 while he had a reasonable suspicion that they could have been stolen.

He had pleaded not guilty to a main charge of theft.

Lakay, a laundry deliverer at the time, said someone had approached him at Smuts Hall at the University of Cape Town and offered him the 20 frozen chickens for R20. "I thought it was my lucky day but the cook came down and found the chickens in the truck," he said.

Pleading in mitigation, Lakay said he was married and had four children He had also not recovered his R20.

Passing sentence, the magistrate, Mr N Jones, said Lakay had had previous convictions and had been convicted for stealing a bottle of whisky and a torch.

CAPE TIMES 8/11/83

Floor price of red meat rises

3 M ...

Staff Reporter

THE FLOOR price of red meat has increased — but the increases should have "no direct impact" on consumer prices, according to the general manager of the Meat Board, Dr P H Coetzee.

In a statement, he said the Minister of Agriculture, Mr Greyling Wentzel, had given the board approval to effect slight adjustments in the floor prices of beef, mutton, pork and goat meat.

Beef has been adjusted by seven percent on average, from R2.05 a kilogram to R2.20 a kilogram.

Mutton has been adjusted by 10,85 percent on average, from R2.15 a kilogram to R2.38, and pork by 3,3 percent on average, from R1.55 a kilogram to R1.61.

The increase in the floor price of goat meat was not disclosed.

Dr Coetzee said that although floor prices had no direct impact on consumer prices, producers wished to prevent increased floor prices from being used as a smokescreen for increasing consumer prices.

However, the Meat Board trusted that "the consumer will appreciate that producers need a little encouragement at this stage, in order to continue supplying expensive feed supplement to their animals, so that the devastating effect of the drought will not be reflected on the consumer's table".

EVENING POST, FRIDAY, NOVEMBER 11, 1983

Big red meat price rises not expected

3 Meat 11/110/83

By CLAIRE PICKARD-CAMBRIDGE

CONSUMERS need not fear the possibility of big red meat price increases in the wake of the drought, according to Dr James Starke, chairman of the East Cape Agricultural Union Meat Committee.

Speaking at the annual Meat Congress of the East Cape Agricultural Union in Grahamstown yesterday, Dr Starke said the reduction in local livestock numbers had not been sufficient to create a particularly short supply.

However, the drought and general economic downturn had left livestock farmers with scars that would take a long time to heal.

He said the floor price of meat, below which it could not be sold, was "lower in Port Elizabeth than anywhere else in the country".

Red meat was 3c or 4c cheaper a kilogram in Port Elizabeth than in other centres, while marketing costs were just as expensive.

He said the East Cape Agricultural Union had recently managed to get a representative on to the Meat Board who would attempt to bring the local floor price into line with other centres.

It had been "quite a battle" to get an Eastern Cape representative on the Meat Board, but this application had finally been granted by the Minister of Agriculture, Mr Hendrik Schoeman.

He conceded that red meat was expensive, but disagreed with farmers who claimed it had been "priced out of the market".

Prospects for the red meat industry were fairly favourable again, although the East Cape Agricultural Union had decided not to raise red meat prices in February and March.

Mutton and lamb prices in Port Elizabeth had shot up in July and August, but then declined to the early 1983 levels again.

This was a result of the overloading of the Port Elizabeth market with mutton and lamb after increased supplies from the Western Cape over the past two months, he said.

But the over-supply of red meat by producers earlier this year had "eased considerably" and meat prices would probably stabilise over the next few months.

Board slammed over its marketing system

Post Reporter

WIDESPREAD dissatisfaction with the meat marketing system in South Africa was expressed at the East Cape Agricultural Union at a meat congress in Grahamstown yesterday.

Members accused the Meat Board of "interfering unnecessarily with market forces and playing havoc with the meat industry".

There was a heated debate when Mr Andrew van Lingen, of the Willows Farmers' Association, introduced a motion requesting the South African Agricultural Union to launch an independent investigation into the whole meat marketing system.

The motion, noting there was "widespread dissatisfaction with the meat marketing system", was accepted by most of the members.

Mr Van Lingen said farmers were forced to let State-controlled bodies market their products and claimed that the board's policy was similar to that of "Communist countries".

He said the board was unbending and had introduced a serious degree of inflexibility into agriculture.

It "generated an image of a vast empire", adopting a practice of raising prices when there was an over-supply and making itself the "laughing stock of the country".

There was ample evidence that the greatest financial benefit had been accrued by middlemen and a new marketing policy was long overdue.

Mr Briers Bekker, of the Schoombee Farmers' Association, supported the motion.

Meat (3) RDM 8/11/83

One-stop shopping is good business for chains

Consumer Mail

ONE-STOP shopping is weaning consumers away from individual shops and making them increasingly dependent on the giant chains.

Independent butchers are managing to survive, but find it more and more of a battle.

It is not only the convenience of being able to drop everything from pantihose to sausages in one trolley that attracts shoppers.

They have forgotten, or have never learned, how to order meat. They browse around and eventually pick up a packet of chops that looks just right. Chump or loin? It's no longer important.

There is also the suspicion that an individual butcher must be more expensive than one belonging to a chainstore.

Consumer Mail did a survey of 12 supermarkets and butchers to see if this is so.

CONSUMER MAIL

Four representative cuts of beef, leg of pork and leg of lamb were taken. Smaller cuts of pork and lamb were not chosen as there is not complete uniformity in the names of popular cuts.

All butchers except Swanepoel stock super beef and lamb.

Swanepoel, the Hypermarket and Killarney had lower grades of pork.

Prices between branches of a supermarket chain seldom vary, except for a Special Offer. The same applies to branches of a big wholesaler like SA Meat Supply.

Prices at independent butchers vary markedly according to the demands of their different clientele.

Supermarket butchers belong to the giant wholesalers — Checkers and OK butchers are Renown (ICS), or are jointly owned by the supermarket and wholesaler, Blue Ribbon being owned by Pick 'n Pay.

The average price for the six independent shops was R27,44, while the supermarket chains with their greater buying power averaged R30,03.

In spite of competitive prices, the independent butchers are struggling to keep their customers. They have several disadvantages. They have account customers, they do not buy enough to qualify for bulk discounts, they have limited capital to draw on.

Most important, they don't have funds, expertise or time to carry out efficient advertising campaigns.

Meat prices always rise over the Christmas season, and the coming increase in the floor price (about 7%) will eventually sift through to the consumer.

MEAT PRICE SURVEY

	Beef				Pork	Lamb	Total
	Rump	Topside	Chuck	Brisket	Leg	Leg	
Bez Valley Meat Market	6,00	4,80	3,00	3,00	3,50	3,80	24,10
Swanepoel's Meat Market, Westdene*	5,75	4,50	2,99	2,89	4,25	4,75	25,13*
Park North Butchery, Parktown North	7,20*	4,20*	3,20*	2,80*	3,90*	4,98	26,28
Braeside Butchery, Parkhurst	7,40	5,50	3,22	3,11	4,00	4,95	28,18
Hyperama, Sandton	7,58	5,98	3,88	3,58	3,38	4,88	29,28
Pick 'n Pay, Rosebank	7,58	6,18	3,68	3,58	3,48	4,98	29,68
Hypermarket, Gardens	7,48	6,18	3,78	3,63	3,48	5,18	29,73
Woolworths, Rosebank	7,79	5,69	3,79	2,89	4,45	5,15	29,76
Rosebank Meat	7,29	5,89	3,59	3,59	3,99	5,49	29,84
O.K. Randburg	7,58	6,62	3,98	3,79	3,48	4,98	30,42
Checkers, Hyde Park	7,58	6,62	3,98	3,78	4,38	4,98	31,32
Pick 'n Pay, Rosebank	7,58	6,62	3,98				
Kensington Meat Centre	7,47	6,29	3,66	3,66	6,11	4,89	32,08

* Beef: Grade A1, Pork: Grade 2

Prices taken: 4 November 1983

NRP will contest many Tvl seats

Chief Reporter

THE New Republic Party is likely to contest a number of constituencies in the Transvaal should the Prime Minister call a general election next year, the party's Transvaal leader, Mr Alex Anderson, said yesterday.

In a statement, Mr Anderson said a number of constituencies showed substantial support for the concept of evolutionary change by virtue of the number of voters who supported the yes cause in the referendum.

"These voters are, at the same time, strongly opposed to the National Party. They are unimpressed and demotivated by the persistent and unimaginative boycott mentality of the Progressive Federal Party.

"These reform-minded South Africans now find that their political aspirations cannot be readily accommodated in the PFP," Mr Anderson said.

He said this was particularly so since the PFP campaigned in opposition to the moderate views of the yes voter.

"The strong yes vote in the referendum is confirmation of the fact that inexorable reform is under way.

"With the progress of that reform in 1984, must come the removal of hurtful and discriminatory laws that have long plagued the structure of South African society."

MATTER OF FACT

TO CORRECT specific errors of fact, write to the Editor at P O Box 1138, Johannesburg, or telephone the Editor's secretary at 710-9111 between 9am and 5pm on weekdays.

If you have broader complaints about the Rand Daily Mail these can be taken up with the Mail Ombudsman, James McClurg, c/o the Editor's secretary.

POLITICAL comment in this issue by Benjamin Pogrund, newsbills by Michael Stent, headlines and sub-editing by Paul Holroyd, cartoons by David Anderson; all of 171 Main Street, Johannesburg

(Tvl) 2637

Campaign to fight disease

ACCRA. — Health authorities have launched a major campaign to eradicate an outbreak of yellow fever in various parts of northern Ghana, the Ghana News Agency reported yesterday.

A Ghana Air Force plane had flown several boxes of yellow fever vaccine, donated by the United Nations Children's Fund, to the affected areas in the northern, upper east and upper west regions where a vast immunisation campaign was under way, it said. — Sapa-Reuter.

(3) meat

Star 21/4/83

Electrified meat tops tender stakes

Farming Correspondent

Electrically tenderised meat has come on to the South African market through the Kanhym-Karoo meat combine owned by General Mining.

The combine has introduced standardised and guaranteed pre-packed meat under the brand name "Triple Tender".

The combine's joint managing director, Mr Robin Clark, said that after slaughtering, electrical stimulation was used to relax the meat muscles.

The effectiveness of the relaxing technique was determined by measuring the acidity of muscle tissue.

Carcasses which did not show enough muscle relaxation were culled from the scheme.

Mr Clark said the technology was not new, but his firm had introduced a system of monitoring the effectiveness of every step.

The first "tender" in the brand name referred to the baby-beef category of all the meat. The animals were bought from farmers at an early age, then force-fed at Kanhym-Karoo's big feedlots near Middelburg, to produce high-grade carcasses.

The second "tender" referred to the selection done at the group's Balfour abattoir. Any unnecessary movement or excitement in slaughtering was avoided.

The third "tender" referred to the carefully regulated maturing action done at the abattoir.

Mr Clark said the promotion of the meat would cost a lot, but it would be balanced by savings realised by increasing the turnover of the limited number of outlets in the scheme.

He hoped the branded meat could initially be sold at more or less the going price, but a premium would be charged at a later date. Approved outlets would not sell any other meat.

A marketing expert said that one-stop shopping in supermarkets was well-suited to selling branded meat.

However as they would claim their cut of the profits, it would push up the price to consumers.

A Vleissentraal meat combine spokesman said his farmer-owned group was also using electrical muscle relaxation technology and induced maturing at its Krugersdorp abattoir.

The Abattoir Corporation was also considering introducing it at the public abattoirs at City Deep and Cato Ridge.

He said pre-packaged branded meat could only be aimed at the upper bracket of customers.

Vleisentraal might also introduce its own supermarket sold-brand, but its main effort would remain directed at improving the existing butcher shop system.

He said meat had to remain a mass product, based on mass consumption at reasonable prices.

Meat trade laws outdated — MOH

(3) Meat E. Post

Post Reporter 25/11/83

THE Medical Officer of Health for Port Elizabeth, Dr J N Sher, said today that the acquittal of two meat traders in the Port Elizabeth Magistrate's Court this week on charges of selling sausage containing pancreas, fat, spleen tissue and skeletal muscle indicated that there was a weakness in the legislation.

Dr Sher said the legislation was old and did not necessarily apply today.

This was not local authority legislation but fell under central health laws. His department would contact the State Health Department, asking it to look into the matter and investigate if the legislation needed revision.

He said an account of the court proceedings against the traders who were acquitted would be enclosed.

In his ruling the magistrate, Mr S van der Watt, found that the legislation was very broad and did not state clearly that sausage should not contain any of the matter in question.

Admissions of guilt concerning the content of sausages were paid earlier by three butcheries in Port Elizabeth.

Dr Sher said the case in Port Elizabeth was interesting as it was the first time the law had been defined. In other similar cases — including some in Johannesburg — meat traders had paid admissions of guilt.

PE butchers expect meat prices to rise

(3) Meat
E. Post 9/12/83

Post Reporter

PRICES of meat in Port Elizabeth are expected to go up by between 15% and 25% before Christmas.

This is the opinion of butchers.

The Meat Board, however, does not foresee a price rise.

Mr Gordon Heydenrych, owner of a Sydenham butchery, said: "According to past history, prices are normally expected to rise before Christmas, although this year we are not expecting huge rises.

"Some years ago prices often went up by as much as 50%.

"When buying goes up, demand goes up, so it is obvious prices will also rise. Mutton was sold out last weekend and on Monday prices in butcheries went up by as much as 20c a kilogram and have not come down yet. I wouldn't be surprised if meat prices go up by as much as 25%."

Mr Heydenrych said meat shortages were highly unlikely because Cape Town was sending its surplus meat supplies to Port Elizabeth instead of to Johannesburg, as had been done in the past.

A Cape Road butcher, Mr Fred Bosch, said he was expecting a general price increase of about 10% to 15%.

He said prices normally increased at this time of the year and those who wanted meat would just have to pay for it.

Mr Alec Kolesky, owner of a butchery in Main Street, said he was holding thumbs that prices would not be going up, but felt that if the flow of meat from the Meat Board was not good, prices could very well go up.

He was confident that meat would be plentiful over the festive season.

A Gelvandale butcher, Mr Charles Butler, was not expecting a rise in the price of meat, but added that if there was an increase he would increase the price of his meat.

The manager of the Meat Board in Port Elizabeth, Mr Kalbyn Slabbert, said he did not know if there would be rise in the price of meat over the next few weeks, but admitted that there might be a "flash in the pan" increase a few days before Christmas.

Planned meat price increase criticised

ARGUS 14/12/83 3 Meat

Argus Correspondent

KIMBERLEY. — Mr. George van Heerden, chairman of the Kimberley Meat Traders' Association, has strongly criticised a planned 3c-a-kilogram increase in the price of all meat purchased from abattoirs controlled by the South African Abattoir Corporation (SAAC).

Mr van Heerden, who was interviewed after information about the planned increase had been received anonymously, said an official announcement of the new levy would be made on December 23. The levy was provided for in a 1976 Bill, but had never been enforced.

He said the apparent reason for the move was to reduce farmers' slaughter fees by 3c a kilogram, or to curtail them if it was not possible.

He said the move had been necessitated by the vast amount the SAAC had to pay back on the loans taken to build and improve abattoirs round the country.

"The huge amount had been spent when the SAAC insisted on improving local standards to match those of the European Economic Community," he said.

"The meat trade complained about it at the time and we were told not to worry as we would not by paying for it.

"But clearly now they have found it impossible to write off the vast amount of money necessary, and now the trade — and ultimately the consumer — are being asked to pay for it."

Mr van Heerden also questioned whether the new tariff would apply only to abattoirs controlled by the SAAC, or those controlled by the three largest meat companies as well.

He pointed out that this could develop into a monopoly situation.

If these abattoirs were able to slaughter 3c a kilogram cheaper than those controlled by the SAAC, they would operate at maximum "throughput" — at the expense of centres like Kimberley.

SAAC abattoirs would find that with higher costs and lower "throughput" they would be earning only as much as they had been earning before. Because this did not cover capital costs, they would be obliged to raise prices yet again.

Mr van Heerden also complained that the meat traders were not consulted about the new developments by the SAAC and the other controlling organisations.

(3) Meat

Beef price rises cause concern

Pietermaritzburg Bureau 16/12/83

BEEF prices are edging up, in spite of huge stocks of surplus meat in Meat Board coldrooms, as consumers queue to stock up for Christmas.

A board spokesman said yesterday the upward trend was cause for concern, particularly as their frozen stockpile of beef stood at around 100 000 carcasses.

The prices of super beef at the Cato Ridge abattoir yesterday topped R2,66 a kg, compared to R2,35 at the same time last year, although a Meat Board promotion at the time held prices down.

Recent rains had encouraged farmers to start building up their depleted herds and a recent 7 percent increase in floor prices at the abattoirs had helped push the price up.

The spokesman said the wholesale price of lamb was considered to be more in line with demand at R3,40 kg for super A, against R3,20 last year.

Nearly 30 000 sheep had been slaughtered last week alone to meet the increased demand.

There was no immediate plan to sell off the board's stocks of frozen beef.

The chairman of the Durban and District Meat Traders Association, Mr Dudley Thompson, said he was concerned by a recent decision of the Abattoir Corporation to impose a 3c-a-kg levy on traders at the auctions.

RAND DAILY MAIL, Tuesday, December 13, 1983

(27) (86) 244

All in a stew over big canned food pri

PAT SIDLEY reports

HE CANNING industry as priced itself out of each of the bulk of South frica's consumers — and as done so deliberately.

By far the largest canner, e beleaguered co-operative angeberg, has announced hat it has had to raise prices nce again — after two controversial rises this year. angeberg holds at least 60% f the canned fruit and vegeable market.

It hoped with increased prices, production cutbacks and rationalisation within its very large group to improve ts profitability, according to ts general manager, Dr J A Mouton. And losing consumers was a function of this.

But the strategy has yet to prove itself. Production is down, consumption is down and Langeberg is likely to have at least as bad a year financially when it reports its 1983 results as it did in 1982, when it lost R7 700 000.

During the past couple of years five canners have stopped canning fruit, 5 000 jobs of about 14 000 have been lost, and a major canner — Piccan, whose biggest label was All Gold — had to be taken over by Langeberg to save it from bankruptcy and a further loss of jobs.

The canning industry is worth about R400-million to R600-million annually, and if Langeberg was to face closure it would mean the loss of a major portion of that sum to the Western Cape as well as the loss of tens of thousands of jobs.

That is possibly why the general secretary of the Food and Canning Workers' Union, Mr Jan Theron, is not complaining about the recent price rise. But he is not approving of it either, and questions its wisdom.

He notes that most of his workers — many earn R46 a week and would face lay-offs if further canners closed down — cannot afford canned food. He believes this bodes ill for the industry in the long term.

About 87% of South Africa's canning produce is exported — and the export market has dropped back drastically. The proportion of exports to local sales has not changed much over the past three years, but the local market has shrunk too — partly because of price increases.

In 1982, about 1 500 000 cartons of canned fruit were sold in South Africa. (A carton is 24,41kg of canned food). In the same year, 10 300 000 cartons were exported. This gave sales of 13% local and 87% exported, according to the SA Fruit and Vegetable Canners Association.

In 1980, total production was 15 300 000 cartons and just three years later, in 1982, production was 9 800 000 cartons. (Not all that is produced in a year is exported and sold that year).

The local market is dominated by Langeberg, but while other canners are going through hard times, none face problems of the magnitude of Langeberg.

Other "major" canners are Gants, Ceres Fruit Juices and Canners and Northern Canners. Gants is the largest. None of these are co-operatives. At least 10% of the market is taken up by many even smaller canners — some of which have not survived the recession.

Though the automatic accusation of consumer watchdogs and supermarkets is that Langeberg is an inefficient, unwieldy monopoly, Dr Mounton says this is largely because, as a co-operative, it faces structural financial difficulties that other private companies do not.

Langeberg depends on the Land Bank for its financing and, as a co-operative, is unable to shop around for more beneficial rates when it borrows money.

Though the Land Bank used to supply loans at interest rates well below the market, the rate is now only half a percent below commercial rates. Interest rates have been sky high for two years now, and Langeberg has not been able to shop around as private companies have for other arrangements to finance itself.

Keeping stock on hand also costs money in interest rates, hence the cutback in production to sell as much existing stock as possible.

Langeberg had hoped for benefits of the Piccan takeover to be more apparent — but the soaring interest rates wiped out any hope of that for the time being.

Meanwhile, Langeberg has grown into the crippled giant it is today.

Canners involved in exporting cite among the reasons for export cutbacks:

- SA's higher inflation rate, than overseas buying countries;
- High interest rates here and abroad;
- The recession abroad; and
- Heavy subsidies for European Common Market countries producing canned fruit and exporting it within the EEC.

Local canners are also subsidised for exports. As well as the normal range of export benefits SA exporters are allowed, canners have interest on loans subsidised for export purposes to the tune of about R1 200 000. But this is a drop in the ocean of a R400-million industry.

However small the drop, it causes embarrassment. The spokesman for the Fruit and Vegetable Canners Association refused to confirm, deny or comment upon the subsidy.

Canned vegetables are hardly exported at all. About 4-million cartons are produced annually and about 96% of that is sold here. The market for these has remained largely static and shown minima the drought h ports and pric

Locally cons sisting canned riety of reason being the pri each increase, enon is exagg to the gloomy current rece change of tast to fresh foods.

The Canni Union is unlike ticularly str about the pric workers cann product, but i unprofitable more jobs.

Canned goo foods. They a in poverty dat ments, nor in t of Health's d minimum hea