

AGRIC. - Meat

1-10-80 - 31-12-80

Schoeman may investigate meat

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STAR 1/10/80

Farming Correspondent
Pretoria Bureau

The Minister of Agriculture, Mr Schoeman, may soon announce an investigation into meat prices.

The president and vice-president of the Housewives' League, Mrs Joy Hurwitz and Mrs Yvonne Forshaw, this morning had a wide-ranging discussion with the Minister.

They said afterwards that they had high hopes that the Minister would now set up an investigation into meat marketing.

They had conveyed to him the concern of housewives about escalating meat prices. They felt that the difference between the prices the producer got and those the consumer paid, was much too wide.

Mrs Hurwitz said that the growth of monopolies in the meat trade had

been brought to the Minister's attention.

Integrated companies owned land, cattle, abattoirs and retail butcheries. They could possibly manipulate the market.

Mrs Forshaw said the prices structure should be investigated right from the producer's floor price up to the consumer price.

She felt a single commission, with the right to appoint an unspecified number of expert assessors would be sufficient.

There was no question at all of alleging any irregularities but the air should be cleared and communication improved.

After receiving the Housewives' League delegation, the Minister went to further discussions with the South African Agricultural Union.

It is understood that he will issue a statement later today or tomorrow.

Meeting over meat crisis

By PAT SIDLEY
Consumer Mail

THE outgoing Minister of Agriculture, Mr Hendrik Schoeman, will meet the initiators of the red meat boycott, the Housewives' League, this morning to discuss the meat crisis.

Mrs Joy Hurwitz, president of the league, said yesterday that they would once again raise the question of an inquiry into the meat industry and ask that the support price system to be lifted.

The support price prevents meat prices at the auctions from falling rapidly.

"We want to discuss the present crisis as it relates to the small producer, the independent butcher and the consumer," Mrs Hurwitz said.

She said the league would also protest strongly about the large quantities of meat being exported while there was a shortage in South Africa.

The chairman of the National Consumer Council, Mrs Betty Hirzel, has joined the call for an investigation into the meat industry.

Earlier this week the meat officer of the South African Agricultural Union (SAAU), Mr Jan van der Walt, praised Mrs Hirzel for steering away from the consumer clamour for an investigation, although he said that if there was an investigation they would "support it in principle".

Meat workers received help from all over SA

FOUR months after the dispute in the meat industry began with the walkout of the workers from Table Bay Cold Storage on May 5, the final relief payments to the meat workers were made by the union a fortnight ago.

During this period R159 765 was paid by the union to the 800 meat workers to help support them and their families. Of this amount, a total of R100 323.54 was donated by the public from community organisations all over the Cape Flats, from schools and churches, from UCT and UWC, from fellow trade unions, from factories and from individuals.

Donations were received not only from Cape Town, but from Johannesburg, Durban, Pietermaritzburg and the towns of the Western Cape.

On behalf of the meat workers and the members of the union, we wish to make use of your columns to thank all those people who supported the workers in this way. The extent of the financial support given by all sections of the community to

the struggle of the meat workers is unprecedented in South Africa's labour history and demonstrates to all the depth and breadth of support which exists for the reasonable democratic demands made by the workers.

We further wish to take this opportunity to thank all those who supported the workers in any other ways; the people who boycotted red meat products, the representatives of organisations who attempted to mediate in the dispute, and the leading public figures and the Press who continually urged the management of the meat industry and the State to heed calls being made by the workers for democratic representation.

While the immediate aims of the meat workers

were defeated by the combined strength of the State and management, the struggle of the meat workers has shown to all that those days are over when workers would accept undemocratic racist bodies forced upon them by management or the State as instruments of control.

In this, the workers and community have demonstrated their unity.

We are confident that in demonstrating this unity and in showing to all the depth of the commitment of the workers and the people to this united demand for democratic representation, the sacrifices of the meat workers will not have been in vain.

BARNETT NTSODO
(Secretary, WP
General Workers'
Union)

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constant to obtain an absolute chronology within a margin of error...
This technique, called glotto-chronology, so promising at first, has...
not stood up to empirical tests.

Inquiry into meat industry is likely now

By PAT SIDLEY
Consumer Mail

INDICATIONS are that the Minister of Agriculture, Mr. Hendrik Schoeman, will announce an investigation into certain aspects of the meat industry this week.

After a meeting with the Housewives' League yesterday morning, the Minister discussed the possibility of an investigation with the South African Agricultural Union and will continue discussions today with the Marketing Council and the Department of Agriculture.

Mr. Schoeman said he hoped to have reached a decision "by the latest on Saturday".

The Housewives' League asked for the meeting to urge the Minister to investigate the industry.

The league's president, Mrs. Joy Hurwitz, said yesterday she was "hopeful" the Minister would announce an investigation.

She said he was "receptive" to many of the league's ideas.

"We put a detailed method to him of how we thought an investigation should run. He didn't want the marketing side of it to be drawn in, but said he

would be willing otherwise," Mrs. Hurwitz said.

Mrs. Yvonne Forshaw, the league's vice-president, said the inquiry should be headed by an independent commissioner, with "no conflicts of interest".

"He should be an expert in collecting, extracting and assessing evidence. He should be able to appoint assessors to advise and to investigate on his behalf, such as an accountant or an expert in beef production, for instance," Mrs. Forshaw said.

"He must be empowered to hear evidence in camera and to ensure the confidentiality of evidence, and be empowered to subpoena and to obtain information from possibly unwilling witnesses.

"It should be possible for interested parties to raise issues — in this case, the public. As far as possible the evidence should be in public — public bodies like the Meat Board should not give evidence in camera," Mrs. Forshaw said.

Mrs. Hurwitz said the league had "no fight against the farmer or the small retail butcher, but it's the middle area which is the difficult and sensitive area to look into".

Super beef price down slightly

Consumer Reporter

THE price of super beef continued to fall at Cape Town abattoir auctions yesterday and the price of super lamb remained below the level it reached last week.

Super beef fetched between R2,25 and R2,30 a kg yesterday compared with R2,31 to R2,34 a kg on Monday and R2,37 a kg towards the end of last week.

Super lamb fetched from R2,14 to R2,20 a kg yesterday compared with from R2,14 to R2,19 a kg on Monday and R2,29 a kg in the middle of last week.

PLENTIFUL

Supplies were plentiful and will be again today. Yesterday 5 500 sheep and lambs and 858 cattle were slaughtered for auction today.

Some butchers said there was a slight fall in demand. They thought many people had already stocked their freezers in the wave of panic buying following a forecast of yet higher prices.

An executive committee member of the Muslim Butchers Association said that his customers were now buying less meat.

"They have not been stocking up," he said, "because most of my customers cannot afford freezers. But now that prices are so high they cannot afford as much meat as they used to buy."

"They are buying one kg now when they used to buy two or three kg."

HAPPY

Sea Point butcher, Mr Chris Joubert said he was 'very happy' to hear that super beef prices had begun to fall at the auctions this week, even although it was only by a few cents a kg, because it was a step in the right direction.

But he still thought prices were unrealistically high. In his opinion, super beef should cost about R1,90 a kg. He said he had to have some of the meat out for the big cob which fresh handlers he was kilogram tackle and Armed with his mine

ON THE LINE

STENOGRAPHERS

Meat Board halts exports for a time

Fair Deal Reporter

The Meat Board has bowed to criticism for allowing meat exports during the present high price situation in South Africa and has banned further exports.

No new permits will be granted until the present situation rights itself, a Meat Board spokesman said.

"Exporters who still have commitments cannot enter new obligations until further notice."

"At this stage we are expecting to import meat for 14 to 18 percent of our needs," he said.

"It will be the first time we have imported from overseas since 1976, although we have imported negligible amounts from neighbouring states."

The South African Agricultural Union today pledged its wholehearted support for an inquiry into the meat industry.

The union said in principle it had no objections to the investigation announced by the Minister of Agriculture and Fisheries, Mr Schoeman.

If the investigation was conducted on the grounds of substantiated evidence of irregularities, the union would offer its wholehearted co-operation.

The Housewives' League has welcomed the Minister's move to set up an inquiry — but it has warned that it could be a "whitewash affair."

When the Minister's announcement was conveyed to Mrs Yvonne Forshaw, vice-president of the league, yesterday, she responded: "This is what we have been waiting for."

She said there should be provision for the hearing of certain evidence in camera and for the subpoenaing of witnesses.

It would be "no good" if the inquiry only heard voluntary evidence.

"If people are not subpoenaed to give evidence it could so easily be a whitewash affair," Mrs Forshaw said.

STHR

3/16/80

3 Meat

Schoeman bows to meat probe pleas

By PAT SIDLEY
Consumer Mail

THE Minister of Agriculture is to recommend to the Cabinet that the meat industry be investigated by a judicial commission of inquiry — because he is "tired of two years of accusations".

The Minister, Mr Hendrik Schoeman, said yesterday that he hoped to have a magistrate or judge appointed to investigate the industry from producer to consumer level.

He said accusations about the industry had been made in the Press for two years, and he felt an inquiry would clear the air and prove he "was right".

"I am satisfied that, after the inquiry, you will see that there isn't anything 'wrong'."

Mr Schoeman said no one had approached him with evidence about the meat industry — despite his offer to protect them — and he hoped some of these people could be summoned to give evidence.

The inquiry would be held "as fast as possible", he said, and he had spoken to Mr P T C "Pietie" du Plessis, the incoming Minister of Agriculture. They would work together.

Though Mr Schoeman felt certain that a commission would find nothing wrong with the R2 000-million-a-year indus-

try, he said he would "like to know if the industry has a monopoly; if it is an open trade open to newcomers; if butchers or traders can get licences; and if anybody can buy meat on an open auction at the abattoir in a controlled area."

The Housewives League, which has pressed for the inquiry, and again when it met the Minister — has welcomed the decision.

The league's vice-president, Mrs Yvonne Forshaw said last night: "We are delighted, particularly to learn that the Minister has every intention of a full investigation into the industry."

"We trust the Cabinet will accept the investigation, and feel it will be in the interests of all consumers in the country to have the matter cleared up."

"We've been trying for this for a long time. We are anxiously waiting to hear who will be appointed to head the inquiry, and what its terms will be."

Mr Schoeman agreed with the league's view that the commissioner should be independent, able to collect evidence, appoint assessors, and subpoena witnesses.

The league said earlier that it hoped evidence from reluctant individuals could be heard in camera, but that public bodies — such as the Meat Board — should give evidence in public.

Last year, calls for an investigation by farmers and consumers were met with threats from Dr Jan Lombard, general manager of the Meat Board, that unproven allegations would be met with legal action.

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W.M.

Farmers unhappy at meat inquiry

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Argus Correspondent

PRETORIA. — Farmers feel their interests are not directly involved in the investigation ordered by the Minister of Agriculture.

Mr C E Terblanche, chairman of the cattle committee of the Transvaal Agricultural Union, said in Messina that the price of cattle depended on supply and demand.

Marketing costs were already at a minimum.

The support price system did not add anything to prices, but provided stability and gave the farmer the confidence he needed to go all out and

produce meat for the needs of the consumer.

Prices would inevitably rise further in the near future as the supply of marketable cattle diminished.

For the consumer, things would become worse.

Mr H A Smit, chairman of the Thabazimbi District Agricultural Union, felt that the demand had been manipulated in the past to

keep prices down, but now there was a shortage developing, the supply and demand mechanism was functioning again.

LOWER MARGINS

He said there was much room for improvement on the retail side of the meat trade. There were too many butcheries. They should operate on lower margins with higher turnover.

Private abattoirs should be taken over by the Meat Board of the State, so as to discourage the growth of integrated meat empires. Exports were the excuse for their existence, but there was no justification for exports under present circumstances.

The State should contribute directly to the high operating costs of the lavish City Deep and Cato Ridge abattoirs, so that meat marketing costs could be reduced.

Personnel Management at this University and who are going to

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be awarded certificates today, I would like to say "Congratulations on your achievement". Your willingness to tackle the course, your perseverance and ultimate success are being duly rewarded and acknowledged today. However, the real hard work is yet to be done and the greatest challenges lie ahead because on your shoulders rests an urgent and important responsibility in uplifting others and joining forces in solving manpower problems.

I want you to consider the following challenges. First, the problem of labour turnover. In South Africa labour turnover has reached alarming proportions causing unheard of and unequalled manpower losses. This is in the interest of neither the employer

nor./....

FAIR DEAL

CHARLENE BELTRAMO of Fair Deal follows the marketing of meat from start to finish, stopping at various contentions systems along the way, in the light of a possible Government inquiry into the meat industry.

Meat marketing — an...

In February, Dr. Jan Lombard told Fair Deal that for economic reasons the auction price of high grade beef would have to top \$1.68 in the second half of this year. If maize prices rose to \$120 a ton — which they did...

Producers would want for nothing more to complete their good fortune. They are also the biggest make on the country and all previous crop a while in grain crops the world over have failed. But consumers say at the present prices have put the brakes on meat purchases.

That the size of livestock farms increased 27 percent in the five years up to 1978, and the total amount of livestock per farm increased by 28.4 percent. In that time the total income from meat animals increased 100 percent, while the number of slaughter beef rose by 3.6 percent.

At the time he said: "This would represent an increase in beef prices of 40 percent, which is an optimistic expectation." Since then, auction prices have more than doubled. It would seem that beef tipped to pass red meat.

Problems: Independent livestock farmers, particularly in the north-western Cape, have been plagued by the worst drought in 15 years (which has begun lifting). Farmers have to be satisfied with lower prices than those justified by the basic supply and demand situation.

The contribution of livestock to the gross farming income rose to 91.2 percent in 1978. In that year the gross farming income was \$166-million, last year to \$175-million. Exports of red meat amounted to more than \$98-million last year and in the first four months of this year exceeded \$25-million.

could be different for this year. In addition to the import from South Africa (contribution), the Meat Board has said 14 to 18 percent of meat consumed here will be imported from international sources.

Profits: The floor price of beef was fixed at 95c in 1977 and was not increased until July 11, 1979, when it was raised 14 percent for beef and sheep and 20 percent for pork.

There was also an increase in the physical volume of production, the Jacobs Commission said that in the five years to 1979 marketing costs rose only marginally — 4.8 percent to \$3.68 for each large beast. But they nevertheless amount to direct costs.

Butchers: Wholesalers generally buy up the meat for resale to butchers. Butchers can buy direct but only if they have a permit to do so.

Permits: It is 34 years on average before cattle are ready for marketing. At least three farmers has to apply for a permit to market his cattle if he is in one of the permit-controlled areas.

Abattoir workers off the hides of slaughtered cattle. An average 1300 cattle are slaughtered daily at Johannesburg's City Deep abattoirs alone.

Meat Board: The SA Agricultural Union has said that two general managers of the board, to sue anyone who alleges an allegation

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insider look

meat system than other groups involved in marketing of meat. The SAU thought this was because they are both farmers' organisations.

The second way of marketing in controlled areas is under the quota system. Both the Meat Board and the SAU have acknowledged this system is open to irregularities and the board listed several of these to Fair Deal.

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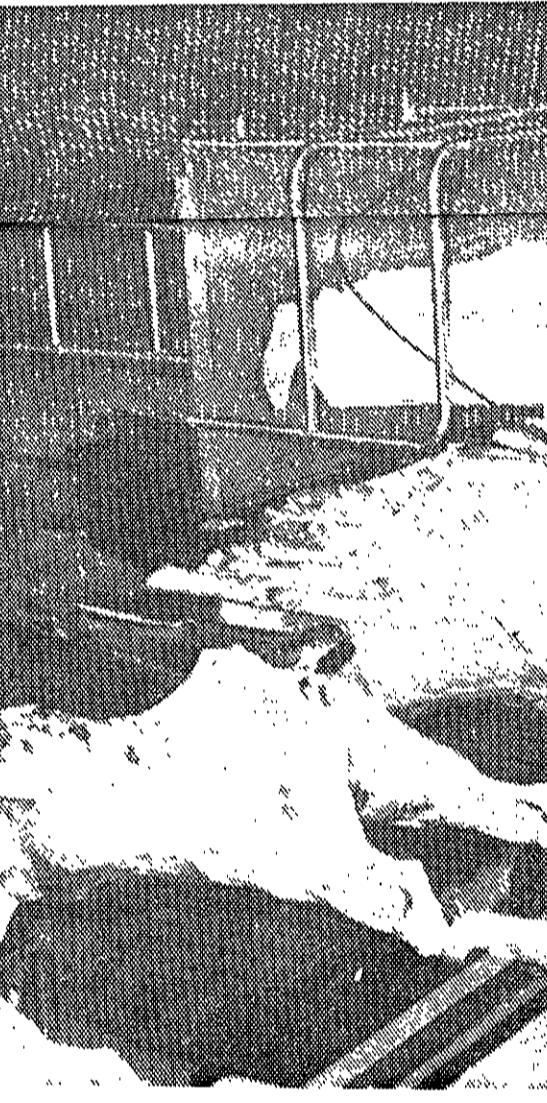
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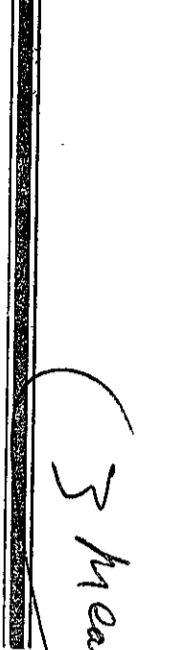
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Abattoir workers off the hides of slaughtered cattle. An average 1300 cattle are slaughtered daily at Johannesburg's City Deep abattoirs alone.



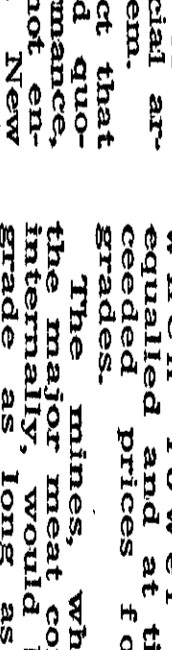
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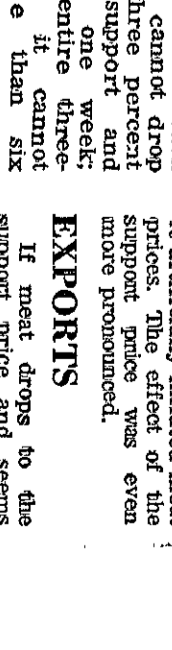
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Severe shortage of meat, chicken pushes prices up

By Charlene Beltramo,
Fair Deal Reporter

A severe shortage of red meat and chicken is pushing prices sky high.

Supply should even next month, but prices expected to go on climbing.

Consumption of poultry has leapt from 2.5 million birds a week to 2.75 million.

Farmers cannot cope with demand and thus prices have gone up.

Mr Peter Wrighton, of Protein Milling, said the shortage had been created by an enormous demand for poultry due to high red meat prices.

Prices for chicken have risen to R1.62 a kilogram this week. Last year at the same time they were around R1.20 a kilogram.

Despite normal supplies at the City Deep abattoir today, prices soared.

Lamb went over the R3 a kilogram mark — an increase of almost 300 per cent in the last year.

Super lamb was selling at the abattoir for R3.11 a

kilogram. Retail prices are about 25 percent higher.

Beef prices were fairly stable, although the gap between high and low grades is disappearing again.

Super beef was fetching R2.32 a kilogram while Grade 3 was selling for only 14c less a kilogram.

Prime beef was fetching R2.29 a kilogram, Grade 1 was selling for 3c a kilogram less, and Grade 2 for 2c below the Grade 1 price.

Mr L. Salber, of the SA Federation of Meat Traders slammed the current high price spiral.

He said prices were high because the support price system was high.

The Federation has on two occasions called for the support price to be abolished. Since then the Meat Board has extended it nationwide.

● Supermarket executives said they were "dreading" Christmas.

● Page 20/21: Meat Marketing — An inside look.

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Chicken increase: 'Fixing' charges

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Own Correspondent

JOHANNESBURG. — Chicken prices are likely to soar to R2 a kilogram by Christmas — and a leading supermarket chain has accused producers of engineering a shortage to exploit red meat price increases.

Mr Raymond Ackerman, head of Pick 'n Pay, said: "These shortages have been engineered. Producers have been exporting 300 000 birds a week. This is a terrific amount. If they were made available locally, this would make a significant difference. They don't want to do this as it would bring down the price."

Mr Ackerman said major producers had an exporting syndicate which fixed export prices — which were under R1 a kg.

He estimated that producers were making a net profit of between 50c to 60c a kilogram at present and that consumers would pay R2 a kg by Christmas — a 66 percent increase on last year this time.

"I think this is absolutely disgusting. They are pushing prices above what the market can bear. They are taking the consumer for a ride and exploiting the rise in red meat prices," Mr Ackerman said.

Producers were satisfied when they were making 15c a kg and a month ago they had denied there was a shortage, but there was, and it was worse now, said Mr Ackerman.

The demand at Pick 'n Pay for chicken had increased by about 50 percent since the meat price increases.

Mr Ackerman said a major producer has said that demand for chickens had increased between 16 percent and 20 percent in the past month.

The head of Premier Milling, Mr Tony Bloom, denied Mr Ackerman's accusations and said the industry had been hit by losses over the past five years and its present profits were not unreasonable.

"We make no excuses for making a 20 percent profit on capital employed — we are delighted," he said.

While it was true that the major producers sat together on exports, it was "nonsense" to say they were regulating the market or creating the shortage, Mr Bloom said.

"It's a cut-throat industry. At the moment we are not exporting. The shortage was created by increased demand that was not anticipated during the recession," he said.

In addition, the industry had been hit by substantial cost increases which they were unable to absorb.

Mr Bloom, who said production had increased by 10 percent, accused the supermarkets of stockpiling.

"They are the biggest holders of stocks at present — they have squirrelled away stocks and should bring them out and make them available".

Another spokesman for a supermarket chain said producers were now able to dictate prices because of the shortage.

"When chickens were plentiful, we could negotiate discounts. This is not possible with the present scarcity," he said.

Mr Harold Goldberg of Checkers said he anticipated that prices would reach R1.90 a kg by December.

NEW MEAT SHEOCK AS CHICKEN, PORK, PIGS RISE

8/15/80 ARCS

3 meat

Meat shock

(Continued from Page 1)

and there is a shortage on the home market,' he said.

In Cape Town hake is selling for between R1.59 and R1.78 a kilogram while sea frozen snoek is selling for as little as R1.42 and slated snoek for R1.62.

A spokesman for Irvin and Johnson, the main suppliers of fish, has told The Argus there are no plans to increase the price of fish at present.

Vegetables have been of low quality and high-priced for some weeks now but prices are beginning to fall as more local produce becomes available and replaces supplies from the Transvaal.

November prices are expected to be well below current levels.

Already large first-grade potatoes have fallen by up to 80c on a 15 kg pocket and half-ripe second grade tomatoes by as much as R1.50 a box.

While the drop in the price of vegetables will help to fill stomachs it will do little if anything to provide the protein needed in all diets.

HOUSEWIVES who want to give their families protein without having to pay soaring prices for red meat are faced with the devil's alternative.

Consumer Reporter

The price of chicken and pork is rising in line with red meat and the price of offal, standby of many black housewives, has increased by as much as 300 percent in the past few days.

The price of poultry feeds goes up on Friday and is certain to push up the price of eggs, while cheese, reaching to a surplus, increased in price months ago.

But fish prices, which last went up in August, are not expected to rise yet. The most popular variety — hake, or stock-fish — is cheaper than fresh chicken in some shops.

Prices passed

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But fish prices, which last went up in August, are not expected to rise yet. The most popular variety — hake, or stock-fish — is cheaper than fresh chicken in some shops.

Prices pegged

At least two supermarket chains are determined to disprove a precast that chicken prices will rise to R2 a kilogram by Christmas and are still selling stocks of frozen chickens — right when the price was lower — at the 'old' price of R1,49 a kilogram.

Pick 'n Pay pegged the price of fish chickens to its present level of R1,72 a kilogram until November 11 and Checkers, who also laid in stocks of frozen chickens when buyers foresaw an increase in demand, has pegged the price of chickens.

Responsible

In response to an allegation by the supermarkets that producers are forcing up the price of chicken to explain the rise in the cost of mutton, a Johannesburg chicken producer has suggested that, by stockpiling, supermarkets are responsible for the shortage of poultry and the resultant higher prices.

Mr John Ba, area manager of Pick 'n Pay, said chickens were still being exported and that producers were making a profit of 50c to 30c on every fresh chicken sold in this country.

It is impossible to stockpile fresh chicken.

(Continued on Page 1, col 1)

Meat trade inquiry 9/10/80

Own Correspondent

An inquiry into the meat trade will be announced today.

In Pretoria, the new Cabinet approved the proposal by the outgoing Minister of Agriculture, Mr Hendrik Schoeman, to establish such an inquiry, during its first meeting on Tuesday.

The form this inquiry will take, and its exact terms of reference, will be announced by the new Minister of Agriculture, Mr Pietie du Plessis.

An investigation had become a necessity after widespread concern about the rising consumer prices of red meat.

The president and vice president of the Housewives' League, Mrs Joy Hurwitz and Mrs Yvonne Foreshaw, had discussions with the outgoing Minister last week.

No rush for meat prices fall

Consumer Reporter

THE usual rush to lay in stocks of meat for a public holiday has not happened this week — and prices at the Cape Town abattoir auction fell slightly yesterday instead of rising.

Normally, demand for meat rises steeply before a public holiday and this, together with a short working week at the abattoir, tends to force prices up.

But this week housewives have been buying normal quantities of meat. And the abattoir has been killing more than the usual quota of animals to make sure of adequate supplies.

9/11/80 ARU
The price of super beef at the auction yesterday ranged from R2,23 to R2,29 a kg compared with R2,34 to R2,38 on Tuesday.

The price of super lamb ranged from R2,16 to R2,23 a kg yesterday compared with R2,19 to R2,34 on Tuesday.

The price of super pork, which has risen over the past two weeks to nearly the price of red meat, was again R2 a kg as on Tuesday.

The demand for meat has certainly not gone

through the roof,' said a spokesman for Blue Riband butcheries. 'It is a great relief that prices are actually coming down, even if only by a few cents a kilogram, instead of going up as we were afraid would happen.'

die geval was.

Om aan hierdie

die Voorsitter

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ii) van die

iii) van die

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en

U sal in die toekoms breër moet kyk en u sal welsynswerk in 'n wyer verband moet sien as voorheen, omdat u nou met gemeenskapswerk te doen gaan kry in 'n vorm wat nie deur die vorige streekwelsynsrade in die verlede beoefen is nie.

Al beskik 'n gemeenskap oor baie beperkte middele en al is daar 'n

20/.....

-20-

gebrek aan welsynsbronne, bestaan daar nog altyd dié heel belangrikste kommoditeit wat benut kan word, naamlik die mensemateriaal. As dit reg gestuur en gelei word, kan wondere vermag word. Dit vorm die grondslag wanneer ons van gemeenskapswerk praat.

Dit, dames en here, is die gedagte wat ek baie graag vandag hier in u midde wil lê, naamlik dat die mensepotensiaal nie gering geskat moet word nie en ten volle aangewend moet word in die prosesse van die maatskaplike werk.

Vergun my ook die geleentheid, dames en here, om ook 'n onderwerp

21/.....

Board's imposed support price raises prices further and overrides the principles of supply and demand. He says the Meat Board tried to introduce a support system several years ago, "but we hammered it out and it was dropped."

He explains that with the board's system, prices can't come down. Although the federation agrees that farmers must be given a fair deal — especially with escalating costs of production — it feels there must be a limit. "If the support price was 20c above the floor price it wouldn't be so bad," says Salber, who notes support prices have been in the region of 60c/kg above the floor price.

The Meat Board, for its part, clings to the view that the support scheme irons out price fluctuations. After being introduced "experimentally" on three markets earlier this year, the support scheme was extended to all markets last month after the board claims to have found that:

- Support prices do not influence the general market trend.
- Support prices restrict short term price fluctuations to an acceptable extent.
- Purchases by the board under the sys-

time," says a spokesman. "The meat industry is one of the best in the world. Ironically (in the face of the inquiry) the whole meat marketing system is working like a clock right now." Traders concur with the board that the meat distribution scheme in SA is "by itself an inherently good one."

The Housewives League has made the consumers' stand well-known: expose the meat industry and do away with the practices that allow monopolistic manipulation of prices to the consumers' detriment.

The board's response: "There is always a chance for manipulation and corruption in any industry — a fraud in a bank doesn't necessarily mean you have to investigate the banking industry . . ."

MEAT INDUSTRY FM 10/10/80 Taking a butcher's

③ meat
The Meat Board's manipulation of red meat prices through its support scheme is designed to "restrict inexplicable and unacceptable short term price fluctuations."

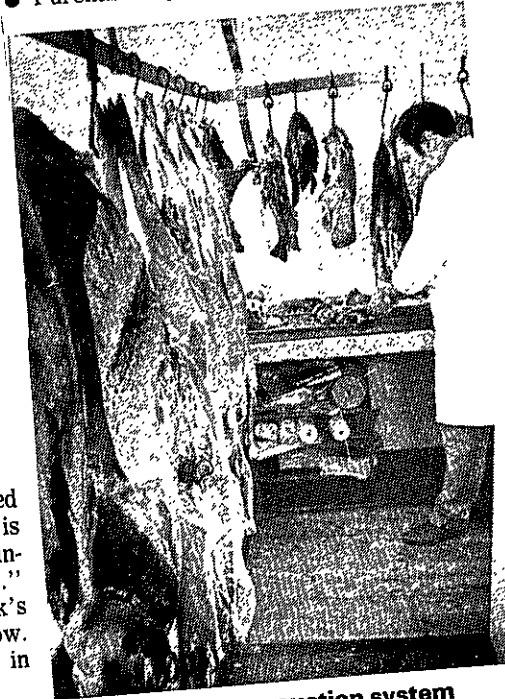
Well, it hasn't worked, as this week's further rises in the price of meat show. The price of mutton has jumped 44% in three weeks.

Lase Salber, chairman of the SA Federation of Meat Traders, says the support system is keeping prices artificially high and interfering with the operation of the market.

"From the point of view of the producer, there is no better scheme," Salber says. "But we in the trade have to carry the costs of this scheme and traders are indignant about it. SA is the only country in the world where the producer is guaranteed a minimum price."

When the federation meets next week in East London to discuss the R2 000m-a-year meat industry, this issue will be a major point of discussion.

Sabler notes that the floor price at the moment is already high, but the Meat



Butchery . . . auction system has become invalid

tem are not unacceptably large or do not interfere with general availability.

This statement, together with the board's claim that the price level of meat is determined by supply and demand, is dismissed by meat traders as "completely nonsensical."

Traders say the market system of auctioning livestock is being rendered totally invalid by the imposition of the Meat Board's protective — or over-protective — prices.

The proposed inquiry into the industry doesn't seem to worry the board. "The inquiry couldn't have come at a better

and the housewives off his back so that his successor, Pieter du Plessis, can take over the portfolio in peace? Or has he been shamed into it by some of his Cabinet colleagues and Du Plessis himself?

If the new Minister had made it clear that he favoured a commission, the old one would presumably prefer to bow to the inevitable while he was still in office. In that way he would not risk being accused of an attempted cover up should anything untoward subsequently be revealed.

Either of these explanations is possible, so it will be interesting to see how wide a brief the proposed commission is given and who is appointed to it. A narrow commission, detailed to investigate allegations of corruption within the present system of marketing, is unlikely to unearth anything more dramatic than a couple more adventurers who have fiddled the permits system.

That is virtually all that happened when a similar investigation was commissioned to look into allegations of corruption in the South West African meat industry last year.

But, if the net is cast wider, there is little doubt that a commission could find fault with the whole system. Schoeman must know that as well as anyone. Indeed, he already has a report from the National Marketing Council, which pinpoints many of the ways in which the existing system plays straight into the hands of "The Big Three".

When he received that report in 1977, he said he would accept its recommendations. Soon afterwards, however, he was persuaded to change his mind under pressure from the meat committee of the Saau. That committee is heavily packed with people associated with or sympathetic to Vleissentraal, the biggest and most influential of "The Big Three". So, for

that matter, is the entire headquarters of the Agricultural Union.

That raises another interesting point about the timing of Schoeman's announcement. It came hot on the heels of the "maize election" (see preceding article), which dramatically demonstrated how far out of touch with grassroot feeling the Pretoria HQ of the SAAU has drifted in recent years and how much the farmers have come to resent being dictated to by their large and very powerful agricultural co-operatives.

MEAT INDUSTRY FM 10/10/80 Departing gesture

③ meat
For 18 months outgoing Agriculture Minister Hendrik Schoeman has brushed aside suggestions that he should appoint a commission of inquiry to look into the meat industry. Why, then, does he suddenly change his mind only four days before relinquishing his post?

Is he merely getting the newspapers

STAR 10/10/40 3 MEAT

Meat price drop in Johannesburg

By Margaret Whibley,
Fair Deal Reporter

For the first time in months meat prices dropped in Johannesburg yesterday.

Beef almost dropped to the support price — from its peak the day before of R3,11 to R2,22, and R2,29 for super beef.

The average selling price for beef this week was R2,28 — seven cents up on last week's average.

South Africa will import meat before Christmas to compensate for the drastic shortage and to prevent prices from rocketing.

The chairman of the Durban Meat Traders' Association, Mr. P. Thompson,

announced yesterday that meat will be imported as soon as possible with a view to the Christmas season. He said there would not be enough meat available at Christmas.

The importation of meat, possibly from Australia, would be a practical step and would prevent prices from rocketing.

The Minister of Agriculture and Fisheries, Mr. du Plessis confirmed yesterday that the Cabinet had agreed to the appointment of a judicial commission of inquiry into the meat industry.

In a brief statement in Pretoria yesterday, he said the commission's instruction and composition would be announced as soon as was practically possible.

The former Minister of Agriculture, Mr. Schoeman, recommended an inquiry last week following a public outcry over spiralling meat prices.

A spokesman for the Meat Board has said Dr. Jan Lombard, general manager of the board, has refused to make any comments on anything "even vaguely contentious," to stop newspapers starting their own sideline investigations.

Meat prices under fire ^{STAR} 11/10/80 at traders' ^{3/Meat} conference

By Charlene Beltramo, Fair Deal Reporter

The price of meat dropped slightly at the end of this week but further drops will be prevented by the support price — this will be one of the key issues at a conference starting on Monday of the SA Federation of Meat Traders.

The Federation has fought the support price since it was reintroduced in March at three major centres.

On two occasions it made representations to the Minister of Agriculture — at that time Mr Hendrik Schoeman — and the Meat Board to have the support price abolished.

Mr Lase Salber, chairman of the federation, says the support price system is keeping prices artificially high and interfering with the operation of the market.

Butchers were having to carry the cost of the scheme and were strongly opposed to it. "This is the only country in the world where the producer is guaranteed a minimum price," he said.

The support price raises prices further, prevents them coming down and overrides the principles of supply and demand.

EXTENDED

The support price was extended to all the controlled areas of the country at the beginning of September.

It is calculated every three weeks by averaging out prices for the previous three weeks. Prices are not allowed to drop more than three percent below this during any one week and not more than six percent over the three-week period.

The Housewives' League, strongly opposed to the support-price system, will be at the conference.

Other topics for discussion will be shortages, supply of meat and inflated prices, exports and imports of meat, misleading advertising and problems with the offal pool.

Butchers have complained that for months they have not been able to obtain sufficient offal. Despite this several stores that buy no carcasses have no problems getting offal — a staple for the poor.

Butchers are supposed to get at least sufficient offal to match the number of carcasses they buy. They have made allegations of corruption at the Offal Pool.

Meat prices will stay up — Minister

SUK 13/10/80

3 herd

Own Correspondent

EAST LONDON — Meat prices could not return to the lower levels of earlier times, the Deputy Minister of Agriculture, Mr Hayward, said in East London today.

Mr Hayward gave an assurance, however, that recent price rises could not continue.

Officially opening the annual congress of the South African Federation of Meat Traders, he advised farmers to use the high meat prices to build up their herds.

Mr Hayward said prices were artificially low last year. Because of the drought many farmers had been forced to liquidate stocks.

This had resulted in a 28 percent over-supply of meat and a drop in prices.

Mr Hayward said there would soon be an end to the support price system which had been opposed by sections of the trade.

He denied, however, that the system kept prices artificially high. It had been introduced to put an end to the price uncertainty worrying producers.

In some instances the system had helped to keep prices down.

He said now there was to be a Cabinet inquiry into aspects of the meat industry, it was time to keep the air clean and emotions in check.

The chairman of the federation, Mr L. Salber, said in his annual report that the meat industry had become a central topic in the Press.

Statements, many of which were unfounded, had been made.

Meat dumping (3) Meat Star 31/3/82 'tip of iceberg'

The Star's Africa
News Service

WINDHOEK — Startling claims of meat smuggling and administrative incompetence regarding the importing of Irish meat into an overstocked southern African market have been made by sources involved in the Namibian meat trade.

The allegations follow this week's announcement by the general manager of the South African Meat Board, Dr Pieter Coetzee, that his organisation is investigating a R2,25 million racket in which large quantities of Irish meat were being fraudulently dumped on the South African market.

But, according to Namibian sources, southern Africa's meat problems go far deeper than Dr Coetzee's revelations.

One major Namibian meat handling concern alone has nearly 2 000

tons of Irish beef worth millions of rands "trapped" without a market in cold storage in Cape Town.

Another consignment of more than 530 tons from Ireland for the same company is to be landed at Cape Town this weekend.

At the same time that Irish meat is being imported to shore up Namibia's ailing meat processing industry, the territory's farmers have been "illegally" exporting their drought hit cattle — both on the hoof and in meat form — to South Africa.

On February 5, when it was found that the South African market could not absorb the impact of Namibian and Irish beef, the South African Meat Board ordered a stop to all imports from the territory.

Two senior S W A Meat Board officials are due in Pretoria today for talks

Abolish meat price system, say traders

EAST LONDON — The support price which butchers are required to pay for red meat at auction sales is keeping prices high and ought to be abolished, delegates attending the South African Federation of Meat Traders congress decided in East London.

The two-day congress ended at midday yesterday, and afterwards the chairman of the executive committee, Mr Lasie Salber, gave reporters an outline of the proceedings which were held mostly behind closed doors.

Mr Salber said: "The highlight of the congress was our opposition to the support scheme both in principle and in the method of application."

He said the support price was maintaining the price of red meat at high levels.

Asked if the removal of the support price — imposed in controlled areas between April and September last year — would bring down the price of meat, Mr Salber said: "No, but it will bring us back to the supply and demand system. The economic principle of supply and demand is undermined by the support price."

"The support price is unreasonably high," he added.

The support price is an added price, over and above the floor price — the minimum price guaranteed to the farmer and is

fixed by the Meat Board.

Butchers attending auction sales to buy meat for resale to the consumer are obliged to start bidding at the support price level.

Mr Salber said the floor price for super beef up to June 1 was R1.33. On June 2, it was increased to R1.43. With the addition of the Meat Board's support price, on October 1, it was impossible for the butchers to buy that same beef under R2.25 a kilogram.

Up to June 1, the floor price for lamb, super highest grade, was R1.35 a kilogram. On June 2, this price was increased to R1.73 a kilogram. The addition of the support price sent this meat soaring to R2.14 a kilogram from October 1.

⊙ In Durban resistance to high beef prices reached the point where there was little interest at the Cato Ridge abattoir for the 286 carcasses offered to meet a normal demand of 1 000. Describing the demand for beef as "dead", a spokesman for a leading wholesaler said there had been a tremendous swing to pork.

Prices have dropped slowly from a peak near R3 a kilogram, with super grade yesterday selling at between R2.40 and R2.50 a kilogram, and it is predicted prices will stabilise at around R2.20 to R2.25. — Sapa.

Food chain to defy chicken producers

Cape Times

15/10/80

3 meat

Own Correspondent

JOHANNESBURG. — A major South African supermarket will refuse to pay higher prices for chicken when it goes up countrywide next week to R2 a kilogram.

One of the country's largest producers, Rainbow, has told the supermarket chain that the price of fresh chicken will rise to R2 a kg and frozen chicken to R1,95 a kg.

At least one other producer, County Fair, will also put up its prices.

"I'll go on accepting chickens, but I won't accept that price. They can take me to court," Mr Raymond Ackerman, chairman of Pick 'n Pay said yesterday.

And another of the country's largest supermarket chains, Checkers, who had not been informed of the impending rise, said they would rather buy from suppliers "who have indicated that their prices will not reach that level".

Officials of Rainbow Chickens, a Natal-based company, were not available for comment last night. Usually they decline to speak to the press.

County Fair spokesmen were also not available last night.

A Checkers spokesman said last night that Checkers would negotiate for lower prices if the price reached R2 a kg — "and where possible we will switch our business to suppliers who are more concerned about the consumer's welfare".

'Difficult to hold prices down'

Premier Milling, another major chicken-producer, has said it will try to keep its fresh chicken prices at R1,68 a kg "as long as it can possibly hold it".

A spokesman for the company said it was "difficult to hold prices down under the pressure of demand".

Asked if this meant that the company would

push prices up to reduce demand, he said this was not so, but there were difficulties in sorting out the justifications for each organization wanting to buy chickens when they were in short supply.

He said the shortage was caused largely by demand, but said Premier Milling had lost a great number of birds in the past three months because of disease.

Exports only to 'regulars'

The spokesman said that although chickens were still being exported, Premier Milling was supplying only its regular customers "like Zaire" with small quantities.

He denied that producers made 70c or more on each kilogram of chicken, but refused to divulge the amount.

Mr Ackerman of Pick 'n Pay has said the "break-even point" for chicken producers is at R1 to R1,06 a kg.

But the Premier Milling spokesman said: "The figure is patently ridiculous." He said his company chose not to disclose its "break-even figure".

'Appalled', say housewives

The vice-president of the Housewives' League, Mrs Yvonne Forshaw, speaking from East London, where she has been involved in discussions on the high price of red meat, said she was "quite appalled and almost speechless" at the expected chicken price rise.

"This is cashing in on the market place," she said. "They are taking advantage of an imbalance in the market place. It's quick profit-taking."

She said she was pleased to hear that Mr Ackerman would refuse to pay the higher prices.

"It is very important to have some assistance at a time like this," she said.

"Production costs cannot have leapt so rapidly."

Shops not told of rise in chicken prices

15/11/80 ARGUS
~~2.40~~
3 meat

Consumer Reporter

FEARS of a steep rise in chicken prices next week have sparked off a rush to lay in stocks of frozen chickens today. At least one supermarket chain is rationing supplies to four for each customer.

But in fact, no supermarket chain in the Western Cape has yet been notified by any producer that wholesale prices will rise to R2 a kg, as reported in a morning newspaper today.

A spokesman for Pick 'n Pay said, however, that he had heard from an authoritative source that the Natal-based producers, Rainbow, intended to raise their price to supermarkets to R2 a kg for fresh and R1,95 for frozen chicken next week.

PRICES PEGGED

He said Pick 'n Pay would refuse to pay this price. The group has pegged its chicken prices at their present level of R1,72 a kg for fresh and R1,49 for frozen until November 11.

The Argus understands that the County Fair group of companies, the largest chicken producers in the Western Cape, has no immediate intention of raising prices above the present level of R1,70 a kg for fresh chicken.

A spokesman for Grand Bazaars said the firm had not yet been asked to pay more than R1,70 a kg for fresh chicken. 'We will certainly fight any attempt to put up the price,' he said.

'A price rise to R2 a kg would be a tremendous jump and I cannot see any justification for it.'

LARGE STOCKS

He pointed out that all the main supermarket chains had laid in large stocks of frozen chicken when prices first began to rise.

Frozen chicken is, in normal times, less popular than fresh. But the Grand Bazaars spokesman said: 'There has been a big swing to frozen chicken, which is being sold at an average price of R1,49 a kg, in the past few weeks because of the big price difference between it and red meat or fresh chicken.'

A spokesman for another supermarket chain said he believed there were enough alternative sources of supply in the Western Cape for the firm to refuse to buy chicken from Rainbow if its wholesale price went up as high as R2 a kg.

Meanwhile, there is no shortage of red meat at Cape Town abattoir auctions and the price of super beef is lower than at the beginning of last week.

Super beef fetched between R2,22 and R2,27 a kg at the abattoir auction yesterday compared with R2,38 at the beginning of last week.

Super lamb fetched between R2,16 and R2,25 a kg in the morning, although the price later reached R2,30 a kg.

'Imported'

chickens

may be S African

17/10/80
Argus
meats
3

ORANJERIVIER - ORANGE RIVE

57	ARMENIA
58	BOEGOEBERG
59	FGMONT
60	HENDRIK VERWOERD
61	LE ROUX P. K
62	SMARTT SYNDICATE
63	WELBEDACHT

SUBTOTAAL - SUB TOTA

Bethulie	31/8/80
Leeubos	1/9/80
Rooiberg	6/8/80
Victoria West	30/9/80

WES KAAP - WESTERN CAPE

64	BRANDVLEI
65	BUFFELSJAGT
66	CLANWILLIAM
67	DUIVENHOKS
68	EIKENHOF
69	ELANDSKLOOF
70	KORENTE - VETTE
71	KWAGGASKLOOF
72	LAKENVALLEY
73	MISVERSTAND
74	ROODE ELS BERG
75	STEENBRAS
76	THEEWATERSKLOOF
77	VOELVLEI
78	WEMMERSHOEK

SUBTOTAAL - SUB TOTA

Bulshoek	29/9/80
Calvinia	15/9/80
Ceres	1/10/80
Keerom	3/10/80
Klipberg	1/10/80
Moordkuil	1/9/80
Pietersfontein	3/10/80
Poortjeskloof	29/9/80
Stettynskloof	1/10/80

Consumer Reporter

'IMPORTED' chickens which a supermarket chain is hoping to sell over the Christmas period may originally have been exported from this country and brought back.

The difference between the low price obtainable for the chickens overseas and the much higher price in this country — one producer is now asking for R2 a kg — would make this worthwhile.

A spokesman for Checkers, which is trying to obtain Government permission to import two million chickens from Europe, hesitated when asked if these would be re-imported South African chickens and then replied: 'I would prefer not to comment on that.'

Pressed, he admitted: 'In certain circumstances we would be prepared to consider entering into such a deal.'

PERMISSION

He said he was 'reasonably confident' that the group would be able to obtain permission to import the chickens, in spite of the strict regulations which would usually prevent this, 'because of the shortage on the home market.'

Some of the chickens would be on sale in Cape Town at R1.39 a kg within six weeks, if permission to import them were obtained.

A spokesman for Checkers' main rival, Pick 'n Pay, said his group had no intention of importing chickens and he was very doubtful whether any other firm could obtain permission to do so because of the stringent regulations against this.

The Argus understands that, a few weeks ago, Pick 'n Pay looked into the possibility of importing chickens and turkeys from an American producer.

Supermarket chains have accused South African producers of creating an artificial shortage of chickens by exporting large quantities in order to force up the price on the domestic market.

One producer, Rainbow, is now asking for a wholesale price of R2 a kg, which is more than the price paid for pork at Cape Town abattoir auctions.

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	40	37	
	50	49	
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85,4	100+	89	90
5,26	100+	99	100+
116,1	99	98	96
5,71	100+	100	100+
22,2	100+	100	100+
11,3+	100	100+	100+
6,20	100+	65	73
41,1	100	79	78
1,15	51	11	11
6,45*	100+	100+	100+*
5,14	80	62	63
25,9	100-	77	77
85,2	12	17	18
115,5	80	71	70
47,1	97	82	80
579,2	57	54	54
4,41	81		84
0,270	12		32
0,216	100		67
2,00	58		24
0	23		0
0,639	99		46
0,077	2		3
0,145	39		1
6,00+	99		100+

No. R. 208, 1980

LIVESTOCK AND MEAT CONTROL SCHEME.—
AMENDMENT

Whereas the Minister of Agriculture has, in terms of section 9 (2) (c), read with section 15 (3) of the Marketing Act, 1968 (Act 59 of 1968), accepted the proposed amendment set out in the Schedule hereto, to the Livestock and Meat Control Scheme, published by Proclamation R. 200 of 1964, as amended, as has, in terms of section 12 (1) (b) of the said Act, recommended the approval of the proposed amendment;

Now, therefore, under the powers vested in me by section 14 (1) (a), read with the said section 15 (3) of the said Act, I hereby declare that the said amendment shall come into operation on the date of publication hereof.

346—A

No. R. 208, 1980

VEE- EN VLEISREELINGSKEMA.—WYSIGING

Nademaal die Minister van Landbou kragtens artikel 9 (2) (c), saamgelees met artikel 15 (3) van die Bemerkingswet, 1968 (Wet 59 van 1968), die voorgestelde wysiging in die Bylae hiervan uiteengesit van die Vee- en Vleisreelingskema, afgekondig by Proklamasie R. 200 van 1964, soos gewysig, aangeneem het en kragtens artikel 12 (1) (b) van genoemde Wet, goedkeuring van genoemde wysiging aanbeveel het;

So is dit dat ek, kragtens die bevoegdheid my verleë by artikel 14 (1) (a), saamgelees met genoemde artikel 15 (3) van genoemde Wet, hierby verklaar dat genoemde wysiging op datum van publikasie hiervan, in werking tree.

7268—1

2 No. 7268

GOVERNMENT GAZETTE, 24 OCTOBER 1980

Given under my Hand and the Seal of the Republic of South Africa at Pretoria on this Thirteenth day of October, One thousand Nine hundred and Eighty.

M. VILJOEN, State President.

By Order of the State President-in-Council:

H. SCHOEMAN.

SCHEDULE

The Livestock and Meat Control Scheme published by Proclamation R. 200 of 1964, as amended, is hereby further amended by the substitution for section 13D of the following section:

“13D DISTRIBUTION ADVISORY COMMITTEE.

(1) There is hereby established an advisory committee to be known as the Distribution Advisory Committee which shall advise the Board in regard to any matter relating to the administration of this Scheme in respect of the distribution of meat.

(2) The Committee shall consist of not more than eight members and shall be constituted in the manner determined by the Board with the approval of the Minister.

(3) The provisions of section 13 (3), (4), (5), (6) and (7) shall apply *mutatis mutandis* in respect of this committee.”

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Pretoria, op hede die Dertiende dag van Oktober Eenduisend Negehonderd-entagtig.

M. VILJOEN Staatspresident.

Op las van die Staatspresident-in-rade:

H. SCHOEMAN.

BYLAE

Die Vee- en Vleisreelingskema, afgekondig by Proklamasie R. 200 van 1964, soos gewysig, word hierby verder gewysig deur artikel 13D deur die volgende artikel te vervang:

“13D DISTRIBUSIE-ADVIESKOMITEE.

(1) Hierby word 'n adviserende komitee ingestel wat die Distributionsadvieskomitee heet, wat die Raad moet adviseer aangaande enige aangeleentheid betreffende die uitvoering van hierdie Skema ten opsigte van die distribusie van vleis.

(2) Die Komitee bestaan uit hoogstens agt lede en word saamgestel op die wyse deur die Raad, met die goedkeuring van die Minister bepaal.

(3) Die bepalinge van artikel 13 (3), (4), (5), (6) en

(7) is *mutatis mutandis* ten opsigte van hierdie komitee van toepassing.”

urday October 25 1980

GENERAL NEWS

The days of cheap meat are over—Caine

STAR
25/10/80

3 meat

Own Correspondent

Current high prices are only the beginning of the "winds of change" in South Africa's meat industry.

This was said in Pretoria yesterday by Mr D B Caine, president of the South African Federation of Livestock Auctioneers.

He told the Federation's annual congress the federation had warned that there would be a shortfall of slaughter

stock in relation to intensified demand this year.

"If more cognisance had been taken of our views the shock of the eventual extremely high escalation in consumer prices would have been minimised.

"We believe the shortfall in meat supplies, in relation to demand, available over the next year will result in a continued firm demand with prices levelling off at more or less the present levels.

"Cheap meat in this

country has become a thing of the past.

"It is my contention that the sharp escalation in prices we have experienced this year is only the beginning of the winds of change in our industry," Mr Caine said.

In his opinion producers were simply becoming more selective and wished to be less regimented in their attitude to the marketing of their produce.

There was no longer room for idealism in the meat industry where incentive and profit were really the only desired goal, he said.

"Changes in the entire meat marketing structure from the production areas to the consumer are evolving.

"If this is allowed to take its natural course with as little unnecessary control as possible under the existing control board policy and encouraged more towards the natural economic laws of supply and demand, I believe we can look forward to greater production and a better and more stabilised future in the meat industry.

"I am not proposing the elimination of control boards as such.

"But let us rather move towards a policy of encouraging the limiting of any unnecessary functions the Meat Board is carrying out — such as permit control and the duplication of statistical and clerical operations within the industry," Mr Caine said.

4-way election

Red meat prices still rising — but slowly

STAR
27/10/80

3 meat

Fair Deal Reporter

The prices for red meat are still rising around the country, but seem to be slowing down.

A Meat Board official said that at this present rate, and with the festive season looming, he could see S.A. Agricultural Union predictions of R10 a kilogram for red meat coming true.

Beef prices rose 5c and 3c a kilogram in Johannesburg and Durban respectively at auctions last

week. It dropped from 1c to 5c a kilogram on average in Cape Town, Durban and Port Elizabeth.

Port Elizabeth reflected the largest price drop — 5c a kilogram for super beef — but was still selling at the highest auction prices, R2,54/kg.

Super lamb was dearest in Pretoria (R2,86/kg), Durban (R2,85/kg) and Johannesburg (R2,79/kg).

Cape Town was selling the cheapest super lamb at R2,30/kg despite a 4c

price rise. The price at Port Elizabeth dropped 10c to R2,40/kg.

Pork prices were on a see-saw scale, but still substantially lower than mutton or beef prices.

Grade 1 pork fetched an average auction price of R1,80/kg in Johannesburg, making it the most expensive in the country and 18c a kilogram more costly than the cheapest, selling in Pretoria at R1,62/kg.

Chickens rationed as prices take off again

STAR
27/10/80
3 meat

By Charlene Beltramo,
Fair Deal Reporter
The shortage of chickens seems to be worsening, with another major producer promising a price increase and most supermarkets rationing purchases.

Premier Milling which controls Farm Fare, the largest egg and poultry producers in the country, has announced an increase of 25c a kilogram.

This will mean that supplies of its chickens to supermarkets will increase

from R1,65/kg to R1,90/kg. It is already supplying poultry to smaller stores at R1,85/kg, and this price will probably rise by 25c.

Frozen chickens are in short supply in supermarkets, and many are

rationing sales to not more than three a customer.

Mr Peter Wrighton of Premier Milling said chicken prices always went up in November before the increased demand over Christmas.

He criticised publicity about the situation. "Huge headlines create a panic buying situation, not only among shoppers but also among buyers of supermarkets."

"If supermarket buyers think there may be a short supply, they'll buy double their normal stocks, which promotes a shortage," he said.

Checkers, which is hoping to import chickens for sale at R1,39 a kilogram said it was still awaiting the results of negotiations. Mr H Greenstein of Checkers said the chain should know later this week if it would be able to import.

Prices and supply of red meat seem to have stabilised. Increases in the prices of processed meats and fresh fish are expected.

Prices for vegetables have remained fairly static, supermarket executives said, except for minor increases on a few lines in short supply, such as cauliflower.

FACE OF A MOSTLY HOSTILE WORLD.

Auctioneer warns on meat

27/10/80
ARGUS
meat

THEY ALSO EXPLORE INVESTMENT OPPORTUNITIES

Argus Correspondent

PRETORIA. — Livestock auctioneers have warned that they are not to be trifled with in the meat industry.

Addressing the annual congress of the South African Federation of Livestock Auctioneers in Pretoria, the president, Mr D B Caine, said it was unwise policy to ignore auctioneers in any formal decisions affecting the future of the meat industry.

And those who insist on this type of folly are practising short-sightedness which can, and has resulted in, decisions which have been to the disadvantage of the agricultural industry and the livestock and meat industry as a whole, Mr Caine said.

Livestock auctioneers had never been credited with the recognition they deserved for their part in promoting, developing, handling and marketing livestock.

It has become clear that many organisations, and in particular Government-orientated departments — even at ministerial level — tend to regard the federation as an organisation of irrelevant importance, he said.

REMINDED

So much so that during the past year certain important Government-orientated sections had to be reminded of our existence.

Auctioneers represented a vast organisation which served stock farmers and the livestock and meat industry in many ways.

Stock sales conducted in the country required millions of rands to finance while millions of rands were also used to finance sales of slaughter stock to wholesale and retail supermarkets and butcheries operating at the controlled abattoirs in the country's major cities.

Members of this federation also generate millions of rands which are available to assist stock breeders, farmers and stock feeders throughout the country to produce the

necessary red meat program required by the population, Mr Caine said.

Not a single cent of capital to finance this vast sphere of operations emanates from Government sources or the Land Bank.

More than 50 percent of all live and slaughter stock sold on behalf of producers in this country is handled by members of this federation.

If such a huge number of producers elects to entrust their stock market-

ing to this highly efficient private enterprise system, what right has anyone, any organisation or any Government body to say they are wrong?

Let me say with forceful, unequivocal determination that any formal decisions made at national level affecting the future of the meat industry's sphere of operations, without consultation of the expertise and experience that can be offered by the federation and its members, is unwise policy.

PAY OFF WITH

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TIONAL CHANGE AS A POSITIVE RESPONSE TO THE

WE HAVE THEREFORE EMBARKED ON A PROCESS OF

(3 Meat)

30/10/80

EMBARGO: IMMEDIATE

PRESS STATEMENT BY THE HONOURABLE P.T.C. DU PLESSIS, M.P.
MINISTER OF AGRICULTURE AND FISHERIES

APPOINTMENT OF A COMMISSION OF INQUIRY INTO
THE MEAT INDUSTRY

In pursuance of the press statement released by him on 9 October 1980, the Honourable P.T.C. du Plessis, Minister of Agriculture and Fisheries, has today in Pretoria announced the terms of reference and the members of the Commission of Inquiry into the Meat Industry, as approved by the State President.

The terms of reference of the Commission are to inquire into, report on and make recommendations regarding:

1. complaints and accusations concerning -
 - (a) the arrangements for the introduction of slaughter-stock and meat to the controlled areas of the Meat Board (permit/quota system);
 - (b) the restrictions on the entry of persons to
 - the trade in meat;
 - the trade in hides and skins and offal;
 - the meat processing industry; and
 - the handling of slaughter-stock and meat on an agency basis in the controlled areas;
 - (c) the price support measures of the Meat Board;
 - (d) vertical integration of interests in the slaughter-stock and meat industries; and
2. any other matter arising from the inquiry which in the opinion of the Commission should be brought to attention, including any possible irregularities in this connection which may come to its notice.

The/.....



Chickens from US for sale in city store

25/10/80 *APRILUS*
3 meat

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NEWS RELEASE

*BONUS BONDS

*FIRST PRIZE

The 35th month was held in P of the three

FIRST PRIZE

Winning number
Date purchased
Place: BERTSH

SECOND PRIZE

Winning number
Date purchased
Place: ERASMI

THIRD PRIZE

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TUESDAY AFTERN

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This month's draw certificates bought before September 1980. Numbers of bonds redeemed in the same period are, however, no longer eligible for participation in the prize draws.

Consumer Reporter
IMPORTED American chickens will soon be on sale in Cape Town at R1,39 a kg.

Checkers announced they had been given permission to import two million chickens from the States.

Marketing director Mr Harold Greenstein said today: 'These birds should start to become available to customers by the beginning of December, but we are also investigating the cost implications of air-freighting some initial supplies because the shortage in our stores is chronic.'

The selling price will be approximately R1,39 a kg — a massive saving to the consumer when compared with any locally negotiated prices.

ARTIFICIAL

At present, the cheapest chickens in Cape Town are at Pick 'n Pay, which is selling fresh chicken at R1,72 a kg and frozen at R1,49 a kg.

Mr Raymond Ackerman head of Pick 'n Pay, has accused South African chicken producers of causing an artificial chicken shortage by exporting birds.

Mr Ackerman said he would not import chickens because it would be ridiculous to do so while this country was exporting at less than the prices on the home market.

Instead, he has been negotiating with producers in an attempt to persuade them to divert exports to the home market.

Early today, Pick 'n Pay announced that they had secured an agreement

with two major local producers that chicken prices would not rise above R2 a kg over Christmas.

News that Checkers is importing birds may cause local producers to drop their prices. A spokesman for Pick 'n Pay agreed that this would strengthen their hands in negotiations to bring down prices.

A spokesman for Grand Bazaars said that competition from imported chickens might cause local chicken prices to fall.

Mr Greenstein said: 'families will be able to purchase the protein they require at reasonable prices. It provides competition to the meat industry and may well have an impact on restoring those prices to a reasonable level.'

'Because we realise our commitments to the long term future of SA's food industry, we are importing only the shortfall between local supply and consumer demand. We are not trying to flood the market.'

SERVICE

'However, if the impact of our actions is to balance supply and demand and thereby reduce the high price of chickens, we believe we will be doing both the SA consumer and the poultry industry a service.'

'As soon as we are assured of sufficient local supply, we will stop importing poultry,' he said.

All the supermarket chains report that chicken sales have soared since the price of red meat went up steeply at the beginning of September.

fund of R825 750
]. The results

unclaimed prizes on the following mentioned newspapers:

Evening Post,

ser (Kimberley),

Meat inquiry terms released

RSM 31/1/80 (3 meat)

By GERALD REILLY
Pretoria Bureau

THE Minister of Agriculture and Fisheries, Mr P T C du Plessis, has announced the terms of reference and the members of the Commission of Inquiry into the Meat Industry.

The commission is instructed to inquire into, and make recommendations on, complaints and accusations concerning:

- Arrangements for the introduction of slaughter-stock and meat to the controlled areas of the Meat Board (permit/quota system).

- The restrictions on the entry of persons to the trade in meat; the trade in hides, skins and offal; the meat processing industry; and the handling of slaughter-stock and meat on an agency basis in controlled areas.

- The price support measures of the Meat Board.

- Vertical integration of interests in the slaughter-stock and meat industries.

The commission will also in-

quire into irregularities "which may come to its notice".

The members of the commission are Mr Justice C F Eloff (chairman), Mr W J Treurnicht, chairman of the National Marketing Council, and Mr A C van Wyk, first chairman of the Commission of Inquiry into the Marketing Act.

The Minister also decided, in the interests of both producers and consumers, to appoint a committee soon to investigate:

- The supply position of red meat over the long term from domestic and other sources.

- The economics of beef production in South Africa.

- Any other related matters.

This committee would consist of an independent economist as convener, assisted by representatives of the South African Agricultural Union, the meat industry, the Meat Board, the Co-ordinating Consumers' Council and an official from Agricultural Technical Services in the Department of Agriculture and Fisheries.

Imported chickens will slash prices

By PAT SIDLEY
Consumer Mail

CHICKENS worth R2-million will be imported from the United States and sold for up to R1 a kg less than local fowls.

Checkers have been granted permission to import the birds to help relieve the present chicken shortage.

They hope to be able to sell the birds at about R1.39 a kg by December, but are looking at the possibility of airfreighting a consignment earlier.

Mr Harold Greenstein, a director of the supermarket chain, said yesterday that the R2-million worth was what Checkers had calculated as their shortfall and they expected to use their entire permit.

Over the past two months the producers' price of chickens has risen to almost R2 a kg and there are such severe shortages that many supermarkets are rationing sales of poultry to their customers.

South African producers are still exporting 300 000 birds a week.

Mr Greenstein said he hoped the imports would give the meat industry competition and help restore lower prices.

"Because we realise our longterm commitments to the longterm future of South Africa's food industry, we are importing only the shortfall be-

tween local supply and consumer demand," he said.

"We are not trying to flood the market.

"However if the impact of our actions is to balance supply and demand and thereby reduce the high price of chickens, we believe we will be doing both the consumer and the poultry industry a service.

"As soon as we're assured of sufficient local supply we'll stop importing," Mr Greenstein said.

Pick 'n Pay will not be importing chickens, according to managing director, Mr Raymond Ackerman, who has said he would try and stop anybody importing chickens.

Yesterday a spokesman for Pick 'n Pay said it would be harmful to the industry in South Africa as well as to local consumers. He said it was wrong for a country which exports, to import.

A spokesman for Premier Milling, one of the two largest chicken producers in the country, did not have anything to say.

Late yesterday O K Bazaars announced it would hold the price of chickens and turkeys down to below R2 kg over the Christmas season.

Earlier this week two major producers reportedly agreed to keep their prices down below the R2 a kg level.

STAMP 31/10/80 3 meat

Meat commission named

The Minister of Agriculture and Fisheries, Mr Du Plessis has announced the members and the terms of reference of the Commission of Inquiry into the Meat Industry.

Mr Du Plessis announced on October 9 that he would appoint such a commission.

The chairman of the commission will be Mr Justice C F Eloff and the members Mr W J Treurnicht, chairman of the National Marketing Board, and Mr A C van Wyk, first chairman of the commission of inquiry into the Marketing Act.

The terms of reference of the commission will be to investigate and make

recommendations in respect of complaints and accusations on supply arrangements of slaughter stock and meat to the Meat Control Board's controlled areas.

It will also investigate the limitation of entry of people to trade in meat, trade in hides, skins and offal; the meat processing industry and the handling of slaughter stock and meat on an agency basis within the controlled areas.

It will also report on the price supporting measures of the Meat Board; and vertical integration of interests in the slaughter stock and meat industry.

The commission would also investigate, report and make recommendations on "any other matter emanating from the investigation, which, in the opinion of the commission, has to be brought to attention," including any possible irregularities which might in this respect come to notice.

The statement said the Minister had at the same time decided that he would, in the interests of both the producers and the consumers, appoint a committee to investigate the provision of red meat in the long term, and the economy of beef production in South Africa. — Sapa.

Prices
of beef
pork fall

Consumer Reporter

PRICES for super beef and super pork fell at Cape Town abattoir auctions yesterday, but prices for super lamb rose.

Super beef fetched between R2,27 and R2,37 a kg yesterday, compared with from R2,29 to R2,39 on Tuesday.

Super pork fetched from R1,60 to R1,86 a kg yesterday compared with R1,96 on Tuesday.

Super lamb fetched from R2,32 to R2,39 a kg yesterday, compared with from R2,23 to R2,27 on Tuesday.

A Meat Control Board spokesman said supplies were plentiful for today. The abattoir slaughtered 850 cattle, 5 501 sheep and 712 pigs yesterday.

ICS shows small rise in profits

7/15/80
APR 1980
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150

SOARING meat prices in the shops are not reflected in the profits of the food giant, Imperial Cold Storage. The increase of 17 percent to R8,9-million before tax for the half-year is well below the average in the current boom.

The interim dividend is up by only a half cent to 4.5c a share, a rise of 12,5 percent and one of the smallest recorded by a major company.

A lower tax rate left the net earnings of R4,2-million, up 29 percent on R3,2-million a year ago, and equal to earnings of 17,8c (13,8c) a share.

● **Picardi Investments** is doubling its dividend to 8c from 4c after a 108 percent jump in taxed profit to R10-million for the year to June.

Demand for group products — meat canned goods, garments, hotel accommodation and white goods — was at a high level and every division achieved record earnings, says the chairman, Mr Jan Pickard.

● After its reorganisation, **Picardi Finance** ended the year with net earnings up 50 percent to R2,1-million. Its dividend is being raised 2c to 20c.

● **African Oxygen's** final dividend is 38 percent higher at 17c (12,5c) making the year's payout 29c (21,5c).

Turnover improved 16,5 percent to R179-million and taxed profit rose 37 percent to R17,7-million (R12,9-million).

● **Edgars Stores** is to build four new clothing stores in Port Elizabeth, Alwal North, Graaff-Reinet and Uitenhage under a R4,7-million lease back agreement with Sanlam.

The largest is a R1,9-million Jet Stores building on two levels in Main Road, Port Elizabeth.

● **Coki Corporation**, formerly Alexander Howden SA, is on the takeover trail with R9,1-million in cash after selling its business. Net asset value is 134,5c a share.


The business was sold under an agreement with A H O II (Bermuda), Capital Marine (Bermuda) and Mr Nathan Kirsh.

● **ERPM's** rights issue to raise R47,5-million for an expansion programme was 98,25 percent subscribed. The balance will be taken up by TC Lands, which underwrote the issue.

Tom Hood

Meat Board's role questioned

7/11/80 AR445 (3) meat



Consumer Reporter
THE Meat Control Board's regulations have resulted in inefficiency and prices higher than are necessary.

the head of a supermarket chain told livestock auctioneers at their annual conference

Mr Bob Harvey, executive chairman of Checkers, said he hoped an independent inquiry would disclose whether members of the board had more than one interest in the link between producer and consumer and what effect this had.

Mr Harvey pointed out, in a speech in Pretoria, that consumption of red meat had dropped in the past 10 years while consumption of chicken — for which there was no control board — had risen.

ONLY HALF

Mr Harvey said the number of calves produced in this country was only half what it could be, due to poor breeding stock, poor bulls and poor farm management.

Pointing out that the guaranteed producer price for super beef rose 14,5 percent in three months and the Grade 3 floor price by 32,74 percent, Mr Harvey commented: 'One wonders whether such a floor price does not encourage inefficiency.'

With little difference in price, the farmer is guaranteed a price for a poor product which does not reach the standard it should do.

'We are told that the farmer receives 52c of each rand paid for meat at the butcher and the marketing agent, abattoir and wholesaler together account for the next 24c.

'One must then ask whether it is necessary to have all these stages and whether they do not, in fact, widen the gap between consumer and producer rather than narrow it.

'Are the intermediaries efficient and operating at peak productivity?

'One is led to question the role of the Meat Board.'

Mr Harvey said that in 1971 South Africans ate 38 kg of meat each a year. In 1979 this had fallen to 34 kg.

The consumption of chicken had risen in the same period from 4,2 kg a head to 12,3 kg.

Pointing out that some companies had dual roles as producers and wholesalers Mr Harvey said he welcomed the announcement that there would be an inquiry into the meat industry.

Chains pledge cheap chicken

Cape Times 8/11/80

Sheet

By MIKE VAN NIEKERK

THE PRICE of fresh chicken will soar to more than R2 a kilogram on Monday. But several large chain stores are refusing to pass this latest increase on to consumers, and will be selling chickens at up to 50 cents below cost.

The latest increase means that the price of chicken has risen by 90 percent since March this year.

Spokesmen for a number of chain stores told the Cape Times last night chicken producers had informed them that the new wholesale prices for frozen and fresh chicken would be more than R1,90 a kilo. This worked out at an increase of 20 cents a kilo.

At the same time, a major confrontation appears to be threatening between chicken producers and a supermarket chain which plans to import chickens in an effort to hold prices down.

High-level discussions took place in Pretoria yesterday between members of the South African Poultry Association and the Minister of Agriculture, Mr. P T C du Plessis, as the Poultry Association tried to prevent a chainstore, Checkers Supermarkets, from importing frozen chickens from Europe.

The chain will be able to sell the imported chickens to South African consumers for substantially less than local chickens are costing at the new price levels.

A spokesman for Ackermans Ltd said producers were taking advantage of the higher meat prices, but his supermarket intended to keep the price at below cost.

"Irrespective of what the cost price will be, we will be charging the public below cost until further notice," he said.

'Only fair'

The general manager of Pick 'n Pay, Mr John Barry, said their prices would rise slightly above R1,49, their present price.

"We've done special transactions with the producers and managed to stockpile huge quantities of frozen chickens which will last for several months," Mr Barry said.

The chief buyer for Checkers, Mr J Mouton, said the new prices were "only fair" in a free-enterprise system but there was a shortage the producers were taking advantage of.

He said fresh chickens would now be selling at more than R2 a kilogram, but frozen chickens for nearly 50 cents less.

This was also due to stocking and the expected arrival of two million frozen chickens from Europe at the beginning of December.

In a further development yesterday, Mr Piet Ebersohn of the South African Agricultural Union sent a telex to all newspapers dissociating the union from a report in a Johannesburg newspaper that a union spokesman had been in favour of importation.

"The South African Poultry Association is an affiliate of the union and represents poultry farmers and the union endorses the SAPA's standpoint in this regard," he said.



Mr. Desmond Lurie



Mrs P Borckenhagen

No comment

Mr Ebersohn said later that representatives of SAPA were meeting the Minister of Agriculture yesterday.

Mr Desmond Lurie, managing director of County Fair (one of the largest producers of chickens) and chairman of the broiler section of SAPA, was last night traced to a Johannesburg hotel. He declined to comment on the higher prices.

"Contact me on Monday," he said.

Mrs P Borckenhagen, chairman of the Housewives League, said last night the rise could not be justified.

"The burden is getting intolerable — it is a question of squeezing the lemon to see how much juice you can get out of it."

Car men

return

Argus Correspondent

PRETORIA. — Thousands of workers at the Datsun factory in Rosslyn, were back at their jobs today.

'All is back to normal,' said Mr Loot Muller, managing director of Datsun, the giant plant was closed down for two days last week following a strike over the payout of their savings by about 4 000 black workers.

Chicken — the outlook is good

3 News

Argus

10/11/80

Consumer Reporter

CHICKEN has risen in price today in most supermarkets, but is still available at less than R2 a kg.

And the price is likely to drop when imported chickens arrive in branches of Checkers later this month or early in December, to be sold at around R1,40 a kg.

A spokesman for Checkers confirmed today that the first batch of imported chickens was on its way and, in spite of opposition from the SA Poultry Association, there was expected to be no

difficulty in bringing it into the country.

'We have all the necessary permits and clearances,' he said. 'They have not been withdrawn.'

Spokesmen for Pick'n Pay and Grand Bazaars said they expected prices of local chickens to sink if they were undercut by imported ones.

'We have already spoken to the producers about this, and made it clear that we cannot be undersold by people selling imported chickens,' said a spokesman for Grand Bazaars.

If these imported chickens materialise in the shops, we shall expect to sit down with the local producers and renegotiate prices,' said a spokesman for Pick'n Pay.

Prices for locally produced chickens are in any case expected to drop early in the new year. Most producers have increased their output to meet the higher domestic demand and a little of this is already finding its way into the shops.

'Prices should definitely have dropped by February and chickens should be cheaper at Easter than at

Christmas,' said the spokesman for Grand Bazaars.

'This is certainly not the time for a housewife to stock up. She should buy only from day to day.'

A price freeze for chickens which Pick'n Pay has maintained for two months ended on Saturday. Today the price has risen from R1,72 a kg for fresh and R1,49 a kg for frozen to R1,90 a kg for fresh and R1,65 a kg for frozen.

At Grand Bazaars the price had risen to R1,90 a kg for fresh and R1,59 a kg for frozen.

best time to build up animals for better grades in the feedlots.

Van Rensburg says these imports will be necessary for at least five more months. However, there isn't an end in sight. He believes there will be a general shortage of red meat next year, even higher grades, because of a fall off in the calving rate.

More concern

"During the drought farmers slaughtered into their capital — culling female animals. We expect this will lead to a 5%-10% drop in the calving rate this year. This is why we have already seen a rise in the liveweight price of feedlot cattle from 130c/kg to 220c/kg and why retail consumers can certainly expect even higher prices."

A 10% fall in the calving rate would mean about 200 000 less cattle available for slaughter, based on the 2m head sent to the abattoirs in the past year. The amount of red meat produced for the market was 440 889 t, which could mean imports of some 44 000 t next year. Similarly, a 5% drop would represent 22 000 t, and the real figure probably lies between the two.

Whatever happens, the whole question of imports is causing concern to the Organisation of Livestock Producers (OLP). Executive director Roy van der Westhuizen says imports should be considered only when wholesale prices reach 550c/kg for mutton and 400c/kg for beef. In August, the wholesale prices for local produce were 436,2c/kg for mutton, 295c/kg for beef and 278c/kg for pork.

He is also worried by the fact that imports are not agreed in an open system, and that the differentials between the price of imports and local produce are not going into the farmers' stabilisation fund.

"The OLP," says Van der Westhuizen, "doesn't argue that there should not be imports, particularly if there is a need to stabilise the market."

Putting sectoral interests first, however, he says he would like to see an open tender system "otherwise it's open to abuse, with the possibility of the importer pocketing the difference on each carcass. If we look at a landed price of imports of something like 300c/kg and a 400c/kg local wholesale price, there is R1 000 to be made on each ton of imported meat.

"We're also concerned that the Meat Board might get locked into long-term supply contracts which would mean we end up in another surplus situation. This is particularly important when one considers that there is a worldwide glut of red meat, some of which could easily be dumped here."

RED MEAT IMPORTS

Out for blood

SA has begun another round of meat imports — and precipitated another industry row. Some 700 t of meat destined for canners has already arrived this month and another 400 t is due to follow shortly.

This, according to Red Meat Producers' Organisation chairman Fanie van Rensburg, is to make up a shortfall in the supply of red meat to the factories. He calculates the shortage at some 1 300 t out of a total consumption by the sector of 2 000 t a month.

There are two reasons for the undersupply. One is that farmers in areas where there has been some rain are attempting to build up herds after the wholesale slaughter during the drought. The other is seasonal. There is usually a shortage of third grade meat from August to November because winter is the

Deputy Meat Board GM Frans Pieterse tells the *FM* it is policy at the moment not to comment on the import situation because of the sensitivity of the issue.

Board is blamed for high price of meat

Argus 11/11/80

3- Meat

Consumer Reporter

WHOLESALE and retail butchers in Cape Town say the continuing high level of meat prices is directly attributable to the Meat Control Board's price support system.

Supplies of meat are plentiful, but the usual steep drop in prices at abattoir auctions — which normally happens at the middle of the month when demand is lowest — has not taken place.

Prices have fluctuated by only a few cents a kilogram, and retail butchers say this is not enough to have any significant effect on the prices they pay for whole carcasses.

Before September 1 abattoir prices in Cape Town were governed only by supply and demand, except that a floor price was fixed below which they could not go, to ensure that farmers did not sell at a heavy loss.

At that level the Meat Control Board stepped in to buy the meat and sell it later, frozen, usually for manufacturing purposes.

The new price support system prevents the price of meat at abattoir auctions from dropping more than 6c a kg below the average for the previous week.

This is maintaining prices at artificially high levels, a leading wholesaler, who asked not to be named, said in an interview.

The meat price rises as usual at the end of the month when demand is high and then it is prevented by the support price from dropping very much before the end of the next month.

There is no question that meat prices are being artificially maintained. They would not be as high as they are without the support price system. There is certainly no shortage of supplies.

Retailers had protested about the support price system at their annual conference in East London last month and the wholesaler said: 'I have got the feeling that the meat board may have seen the light now and that they will do away with it.'

RISE LIKELY

Meanwhile, prices are likely to rise next month, as is usual in the Christmas period.

I think sales will definitely pick up towards Christmas, when people traditionally buy more meat, a spokesman for the

Blue Riband butchery chain said.

'People will have more money in their pockets with their Christmas bonuses. Prices would normally come down after Christmas but, of course, the support price system will prevent this from happening very quickly.'

CHEAPER CUTS

Butchers say that Cape Town housewives are buying less meat than two months ago, and are choosing cheaper cuts.

Prices for super beef at Cape Town abattoir auctions on Monday ranged from R2,23 to R2,44 a kg. Prices for super lamb ranged from R2,24 to R2,34 a kg and prices for super pork from R1,70 to R1,87 a kg.

Yesterday 843 cattle, 5 477 sheep and lambs and 578 pigs were slaughtered at the abattoir for today's auction.

Butchers accused of seeking big profits

12/11/70
ARMS

meat
3
AAR

Consumer Reporter

BUTCHERS were accused by a Meat Control Board spokesman today of wanting the price support system abolished so that they could make larger profits at the expense of the farmer.

Yesterday, wholesale and retail butchers in Cape Town told The Argus they blamed the system, under which prices at the abattoir auctions cannot fall more than 6 percent below the average for the previous week, for high meat prices.

They said consumers were buying less red meat than two months ago, and supplies were plentiful. Yet prices in the middle of the month, which normally fell steeply, were much the same as at the end of the month when demand was at its highest.

Butchers and the Housewives' League have condemned the system as inflationary and have asked for it to be removed.

A leading Cape Town wholesale butcher said yesterday it was maintaining prices at an artificially high level because it gave no time for them to fall much before the month-end surge of buying sent them up again.

'WORKING WELL'

The Meat Board spokesman claimed that the system was 'working very well' and would help to ensure a steady supply of meat from farmers who need not fear a sudden drop in prices which could cost them all their profit.

'Some farmers send animals to market only once a year,' he said, 'and a system which allows a steep fall in prices from day to day or even between the beginning of an auction and the end can cost a farmer about R2 000.'

'I think butchers who want it abolished want to buy cheaply at the middle of the month with low prices and sell with a big profit when prices go up at the end of the month.'

Current floor prices in Cape Town include: Super beef from R1.49 to R1.53 a kg, according to size; super lamb from R1.65 to R1.68 a kg and super pork R1.56 a kg.

At Cape Town abattoir auctions yesterday super beef fetched from R2.43 to R2.45 a kg; super lamb from R2.27 to R2.35 a kg and super pork from R1.70 to R1.85 a kg.

Plan for 'export' chickens to stay in SA

Staff Reporter

SUPERMARKET chief Mr Raymond Ackerman has virtually clinched a deal to stop the export of between 400 000 and 500 000 chickens from South Africa to make them available for local sale at below present prices.

The announcement came almost a month after it was reported that Checkers planned to import two million chickens from an undisclosed country.

Mr Ackerman, chairman of Pick 'n Pay, indicated this week that negotiations with three major chicken suppliers were advanced and that their response had been "positive". The chickens would be on the super-

Is it possible, in the first place, to establish an object outside one's own frame of references? of a table. Does the table exist as an object we see it? For the historical materialist of hand, but for an idealist or existentialist, Secondly, what makes this table a fact, i.e. the person who is recording it as a fact? For that it is a table. For the historical materialist era it represents the labour gone into it, its relationship between capital and labour - this gives rise to a reach, and contains an awareness not only of a ramifications in every sphere.

We can even probe a little deeper into this relationship and Man's perception of it. Where does it begin? We begin by naming the object 'table'. It has organised our perception somewhat. We have the general category of 3 - 4 legged pieces of very useful. Then, we can think about the table who made it and how, what kind of society it identifies Man-made furniture like tables and chairs. So we can see from this, listing how many tables wouldn't tell us that much about history until in which they were made, who they were made for have tables, and so on. "When do we stop asking

The next question to be asked is as follows: are these as objective facts, surely one must be objective. This is also an accusation that historical materialists are "bourgeois" historians. Surely, by choosing facts from men, the ruling classes rather than about the oppressed is presenting a one-sided view of history. This view chooses can be taken even further: what source of records for example, an historian in the year 2000 used records for the bulk of his writing about the 20th century totally different picture from someone using interviews with who lived through 1976 and 1980, and who came from the oppressed also depends on whether the people interviewed are actually possible!) or radical, or whatever. A writer writing a book about Southern Africa: does he interview the ruling class leaders, or Swapo guerillas, or both? Does he take a stance between the two views; and if he does this latter by objective? We will come back to this last point

This question of who, or what one writes about, is answered by materialists (maybe not all) as follows. Who one takes a stance one adopts depends on one's own class position. On the one hand the ruling class and the male 'heroes', one is in the ruling class itself, or serve it. On the other hand the oppressed classes in history, one usually either belongs to an oppressed class, or identifies with one, or is a member of the progressive intelligentsia. This type of betrayal of one's ideology depending on who one writes for and about, which is revealed in the choice of fact, and even the type of analysis of facts, solves the problem I was talking about at the beginning of this essay - i.e. if people are never objective, how does one know what historian to rely upon, and when to trust the historians one reads? The answer is perhaps through analysing, not necessarily overtly, the presentation, logic and selection of the type of fact of the writer.

market shelves in two or three weeks. Mr Ackerman believed that the present chicken shortage was caused by the export of chickens to Switzerland and the Middle East and by recent increases in the price of red meat. Chickens were being exported at a rate of 300 000 a week for less than R1 a kg, and the South African public was "being held hostage". His supermarket chain group had to decide whether to import chickens to bring the rocketing prices down or to "work with the suppliers to enable the release of chickens bound for overseas countries to be sold at prices lower than the present prices". The group had decided on the latter.

because importing chickens was "bad for the country". Making it clear that he was not criticising Checkers for their effort to alleviate the situation by importing chickens, Mr Ackerman said: "We are going to bring the prices down by selling South African birds and not foreign exchange. I am confident that the deal will go through and the chickens should be on the shelves within the next two or three weeks." Mr N. Leibov, senior buyer of Pick 'n Pay, said that the frozen chickens would sell for between R1,35 and R1,50 a kg. The present average price for frozen chickens is R1,60 a kg, and for fresh chickens R1,96 a kg.

● A vice-president of the Housewives League, Mrs Yvonne Foreshaw, said that as a result of meat price increases the chicken industry had "leapt in and pushed up the prices - all in the name of free enterprise, of course". She welcomed the Checkers decision to import chickens.

● The Progressive Federal Party spokesman on agricultural affairs, Mr Philip Myburgh, also welcomed the plan: "I think if there is a shortage of chicken industry would welcome efforts by the distributor and supermarket to import in order to create continuity of supply."

There is a further point/...



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VOL. 185]

PRETORIA, 14 NOVEMBER 1980

[No. 7296

PROCLAMATIONS

by the State President of the Republic of South Africa

No. R. 229, 1980

COMMISSION OF INQUIRY INTO THE SLAUGHTER-STOCK AND MEAT INDUSTRIES

Under the powers vested in me by section 1 of the Commissions Act, 1947 (Act 8 of 1947), I hereby declare that the provision of that Act shall be applicable to the Commission of Inquiry into the slaughter-stock and meat industries which I have this day appointed.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria on this Twenty-seventh day of October, One thousand Nine hundred and Eighty.

M. VILJOEN, State President.

By Order of the State President-in-Council:

P. T. C. DU PLESSIS.

Another fact of this argument is that for a long time smoking and social class (i.e. industrial exposure) have been collapsed as causes of cancer. Kill workers (by causing lung cancer)? or does exposure kill smokers (lung cancer)? Invest US⁵¹ and the UK⁵² both revealed that smoking was among the lower social classes by occupation. Manual and dirty jobs smoked the most. Miners were at the top of the smoking scale while professional managers smoked the least. Those in the lower only smoked more but also smoked stronger cigar plain cigarettes.

Smoking habits correlated highly with death for all the people in these studies. When class was statistically removed, smoking had poorly with lung cancer mortality rates.⁵² That it was the occupation of the person that for the cause of lung cancer (i.e. industrial carcinogens) than smoking.

Standardisation of measurement techniques for B.3.ii.c Another line of argument has been exposure to asbestos are inaccurately recorded allowing anything useful to be said about the in relation to cancer. It is true that the with measurement of levels of asbestos exposure the levels have had to be reconstructed exposure different instruments are used to measure the Konimeter, Thermal Precipitator, Midget Imp Membrane Filter. Their measurements are not convertible.⁵³ In the past different components were measured from those currently measured in terms of particles are not convertible in terms of fibres.^{45,55} Then there is the production processes⁵³ result in dusts of different yet another difficulty is that many of the to be visible using the light microscope.

PROKLAMASIES

van die Staatspresident van die Republiek van Suid-Afrika

No. R. 229, 1980

KOMMISSIE VAN ONDERSOEK NA DIE SLAGVEE- EN VLEISBEDRYF

Kragtens die bevoegdheid my verleen by artikel 1 van die Kommissiewet, 1947 (Wet 8 van 1947), verklaar ek hierby dat die bepalings van daardie Wet van toepassing is op die Kommissie van Onderzoek na die slagvee- en vleisbedryf wat ek vandag benoem het.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Pretoria, op hierdie Sewe-en-twintigste dag van Oktober Eenduisend Negehonderd-en-tagtig.

M. VILJOEN, Staatspresident.

Op las van die Staatspresident-in-rade:

P. T. C. DU PLESSIS.

80. 14/11/80 (3-Meat) 277

Beat the meat rise

By Sannie Smit

Bulk purchases can effect a considerable saving.

In the controlled areas meat is graded as follows in order of quality:

Beef: super roller marked purple; prime marked green; grade one brown; grade two red; grades three and four black.

Lamb and mutton: super (lamb only) marked purple; prime (mutton only) marked green; grade one brown; grade two red; grade three black.

Pork: Only porkers are rollermarked and graded: super marked purple; grade one brown; grade two red; grade three black.

Don't forget to ripen — ripening is the natural method of tenderising meat by leaving it at a temperature of 0-4 degrees C for seven-10 days in the case of beef, two-five days for lamb and five-seven days for mutton.

Some butchers ripen meat before selling it to the public.

If you are buying meat in

bulk and you are on a sound footing with your butcher, you could ask him to hang the

whole forequarter or hind-quarter in his coldroom for approximately a week before it is jointed and processed for storage in the freezer. Lamb and mutton can be ripened for three-five days whereas veal and pork require no ripening.

To ripen meat at home the following should be borne in mind:

Use large meat cuts with a good fat layer. Steaks and chops cannot be ripened since it would cause excessive drying out, whereas mince tends to spoil readily.

Wipe the meat with a cloth wrung out in vinegar to retard bacterial growth.

Place the meat uncovered on the refrigerator rack to ensure a good circulation of air around each cut. Leave the meat in the refrigerator for the correct ripening period.

Bear in mind however, that the outer surface of the meat dries out and turns a darker colour during the ripening process. Therefore cut away the outer layer and the bright red colour will be restored immediately.

Do not be annoyed with the butcher if the meat weighs less after ripening since this is a normal phenomenon. The slight mass loss and drying out is worth the trouble, however.

Buying meat in bulk requires careful planning, particularly with regard to portion sizes since it is a common tendency to use more of a commodity of which one has a plentiful supply.

Use the following portion sizes as a guide when freezing and cooking meat:

Allow 250-500 g for meat, containing a large amount of bone or fat;

160-250 g for meat containing a moderate amount of bone or fat; and

125-160 g for meat containing a small amount of bone or fat.

The correct application of the different cooking methods is of vital importance, since this contributes substantially to the tenderness and juiciness of meat.

The wrong method of grilling a beef steak will render the meat tough and inedible.

A tough product would also result if an ovenroast, especially of beef, is overcooked or cooked at too high a temperature.

Meat price soared ^{19/11/50} ^{Keans} 12 percent ^{meat} last month

Consumer Reporter

THE consumer price index shows that the average price of meat went up by 12.2 percent during the past month and by 37.8 percent over the past year.

This compares with a 5.6 percent increase in the average price of food between August and September and a 20 percent increase in the price of food in the year ending September.

The current issue of the Housewives' League newsletter says that the marketing scheme operated by the Meat Control Board has not served its purpose of ensuring a regular supply through the provision of a fair guaranteed price to the farmer.

SHORTAGE

This had resulted in a shortage and high prices.

As a consumer organisation, surely it is our

responsibility not only to resist the excessively high prices of an important basic food but to question the reasons for them,' the newsletter says.

Welcoming the setting up of a commission of inquiry into the meat industry, it adds that two aspects needing attention were the Meat Board, with its direct involvement in the industry, and the position of producers who were also agents, wholesalers and retailers.

The newsletter points out that the investigation by the commission is not 'an attempt to deprive the farmer of a fair price.'

'FAIR PROFIT'

'It is the function of the floor price — the minimum guaranteed price which is set by the Meat Board — to ensure that the cost of production plus a fair profit is paid to the farmer marketing in the controlled areas.

'The full responsibility must fall on the Meat Board and not the consumer if the floor price is not correct.

'We would point out that increased prices granted in the controlled areas in no way benefit the farmers who are unable to obtain permits to sell in them and are therefore forced to sell at a lower price in uncontrolled areas.'

'SUPPORT PRICE'

The newsletter points out that the SA Federation of Meat Traders, at their recent annual congress in East London, were 'unanimous in their opposition to the "support price" and wished it to be abolished immediately.'

The support price system, introduced in Cape Town in September, is in addition to the floor price. Its object is to prevent prices at the abattoir auctions from falling too suddenly.

Under the support price system, auction prices cannot drop more than six percent below the average price for the previous week.

Butchers claim it is inflationary because it interferes with the usual pattern of a drop in prices in the middle of the month when demand is normally low.

STAR 19/11/80 (3 meat)

Meat Board in another row

By Charlene Beltramo
Fair Deal Editor

The Meat Board is again in the middle of a furore for allotting imports of meat to a chosen few large manufacturers and for now claiming that there never has been a shortage of top grades of meat.

A spokesman for the Meat Board said the 1100 tons of imported low grade Australian meat represented only about 0,50 percent of total consumption. "It is such a small amount it could only be distributed among a few manufacturers," he said.

Because the meat is low grade it can only be used for canned meat or to fill

mine contracts. Bull Brand, a canned meat manufacturer jointly owned by Vleissentraal and Imperial Cold Storage, is the biggest supplier of canned meat to the Defence Force, and has large mine contracts.

It is almost certain that a large portion of the imported meat went to them.

The Meat Board refused to confirm a Press report that the meat was landed at a cost of R1,35 a kilogram and sold for R1,60/kg — a profit of R275 000 on the deal and at prices almost R1 less than current South African auction prices. Many independent butchers are furious because the Meat

Board won't allow them to report cheaper meat.

A Meat Board spokesman said only manufacturers who had kept the Board informed of their production capabilities and needs had been eligible for the meat.

He said the reason for the imports was that there was an eight percent shortage of low graded meat. He added that there was no shortage of super grades and denied that there ever had been.

But Meat Board officials, the former Minister of Agriculture, Mr Schoeman and senior officials of the SA Agricultural Union have said in the past that the shortage of top grades was causing the rapid

price increases.

The spokesman said the high cost of low grades had pushed up top grade prices.

At the same time, large contract buyers, such as restaurants, have reported fears of massive price increases — as much as a third more for restaurant meat — when many renew contracts either in the next few weeks or early next year.

Many have reported wholesalers deliberately delaying negotiating new contracts to take advantage of high December prices. Prices always go up at Christmas, when demand increases.

● Page 17 — Just another fowl up.

'R25 000 meat bribe'

STAK 20/11/80
A meat wholesaler paid R25 000 in bribes to a Meat Board official, a Johannesburg magistrate heard today.

The allegation was made at the trial today of Mr Cornelius Oosthuizen on charges of corruption.

Lieutenant J A Delaporte testified that after Mr Oosthuizen was arrested on January 8, he admitted he had bribed Mr Petrus Brooderyk, a Meat Board official.

Payments of about R5 a head of cattle were made to secure extra slaughter permits, he had said. Lieutenant Delaporte also said Mr Oosthuizen had ad-

mitted the payments had totalled R25 000.

The payments concerned cattle at the City Deep abattoir, as well as others, Lieutenant Delaporte said. Mr Oosthuizen had told him that sometimes he made payments at the abattoirs, and that sometimes Mr Brooderyk came to his office for them.

Lieutenant Delaporte said Mr Oosthuizen was arrested and questioned after he had been named by Mr Brooderyk, who was arrested on related corruption charges and later pleaded guilty.

Mr N Duvenhage and Mr R V Smith appeared for the defence. Mr L G Grange presided.

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Price puts many off fresh milk

Consumer Reporter

MANY people have reduced their consumption of fresh milk as a result of the last two price increases and have taken to buying powdered milk instead.

This was shown by the results of a questionnaire sent to all members in South Africa by the Housewives' League of South Africa.

The questionnaire also showed that more than half the respondents who used fresh milk were dissatisfied with the quality.

They specified 'lack of cream,' 'sediment in the bottle' and 'sourness,' an article in the current issue of the league's newsletter states.

CREAMERS

It was also discovered that some consumers were using non-dairy creamers — which might be dangerous to health because they contained a highly saturated vegetable fat — under the impression that they were powdered milk.

The article said it was a matter of concern that there are many people who are not aware of the difference between powdered milk and milk substitutes.

For people to use non-dairy creamers or blenders for convenience, taste preference or economy is one thing but to use them as milk substitutes, particularly if it is believed they are low-fat products, is an entirely different matter.

DETRIMENTAL

The article quotes from a report from the National Research Institute for Nutritional Diseases, Tygerberg, warning that non-dairy creamers should not be used for infant feeding and could be highly detrimental to the health of people with high blood pressure and high cholesterol levels who were overweight and smoked.

The league's national secretary, Mr T Frere, writes that there was an 'exceptionally high response to our milk questionnaire, showing that it is a matter about which people feel strongly.'

She says it showed that 34,2 percent of the respondents had reduced consumption of fresh milk by 42 percent, and more than 90 percent gave price as their reason for this.

'CONCERN'

Of the 65 percent who used powdered milk, either alone or in addition to fresh milk 10,2 percent started to use it at the last price increase and 16 percent at the 1979 price increase, which means a total of 25 percent started to use it since the last two price increases.

Mrs Frere comments: 'Surely, it must be a matter of concern that so many people have reduced

PAID BY THE NATIONAL RESEARCH INSTITUTE FOR NUTRITIONAL DISEASES, TYGERBERG

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Meat Board on horns of big beef dilemma

(3 meat) rom 2/11/50

THE Meat Board was "between the devil and the deep blue sea" with the present meat supply position — particularly over importation of factory meat, the board's general manager, Dr Jan Lombard, said yesterday.

"On one hand certain producers are not happy with even the limited quantities of meat that are imported," Dr Lombard said in a statement in Pretoria.

"And on the other, the board must act to alleviate the real shortage of factory meat, in the interests of the consumer and the trade in general."

The import programme was "very modest" and could only help contain meat prices — although it could not be guaranteed to do so.

On the availability of beef, Dr Lombard said it had to be accepted that although 8% more beef was available from

June to September this year than in the same period last year, the supply was still not sufficient to meet the "dramatic" increase in demand.

This in itself would not have prompted imports, but for an 8% drop in the amount of beef available for the manufacturing industry and for mine contracts, he added.

"Had there been a reasonable prospect of the production of these grades increasing in the near future, the board could have adopted a wait-and-see attitude, but the latest estimate indicates that the national herd in white ownership has already decreased by 1-million since 1978 — to 8 400 000.

"It would therefore seem more likely that production of the lower grades of beef will continue to decrease, because farmers are beginning to hold back their breeding stock."

Since the shortage of manufacturing meat was the main reason for the sharp increases in prices, it was these grades that would have to be imported for use by factories and mines.

Provision had already been made for the importation of 3 800 tons of these grades — about 1 000 tons of which would be re-exported in canned form. This represented only 0.5% of the total requirements for beef and only 2% of what was required for manufacturing purposes.

Since the board had decided to import factory meat on a limited scale, about 853 tons had been imported from Australia, Dr Lombard said.

A further consignment of 476 tons of beef of the same grades was expected in Durban soon.

This meat was frozen and imported in packaged blocks, and was not suitable for the domestic fresh meat market. — Sapa.

DD 2/11/80 3-Meat

Offal price hike set for early next year

EAST LONDON — The price of offal which was increased last month will not go up again until early in the New Year, the chairman of the East London Meat Traders' Association, Mr D. Meyer, said yesterday.

The price of offal increases every six months in line with the price of meat.

There was speculation in East London this week

that the price of offal would increase again this month, by as much as 48 per cent.

But Mr Meyer said following representations from meat traders throughout the country, the Meat Board had decided to delay the proposed increase to the New Year when it normally puts up the price of offal.

The Meat Board could not be contacted for comment. — DDR

Ek is daarvan oortuig dat die nuwe opleidingsmaat verbetering ten opsigte van die bevordering en be opleidingspoging te weeg sal bring en 'n belangrik bekamping van ons mannekragprobleme sal wees.

'n Verdere aspek wat belangrik is vir die oplossing kragprobleme is die kwessie van produktiwiteit. gesien is ons werkerskorps se produksiepeil op 'n deel van ons werkers ontvang groter besoldiging as verdien met inflasionêre gevolge.

'n Vraag wat elke werkgewer in hierdie land van ons is of sy werkers werklik ten volle benut word in r

Is daar geleentheid vir elke werker om sy potensi om sy talente ten volle te gebruik? In hierdie v personeelkeuring natuurlik van die allergrootste is vandag meer bereid om te belê in die keuring v waar die bedryfsielkundige voorheen vrugtelose pl het vir wetenskaplike personeelbestuur, word tans stelsels geïnstalleer en personeel afgestaan om o bestuursgebied tot winsgewendheid by te dra.

Waar ons deeglik bewus is daarvan dat die Blanke e getalle nie in staat is om in al ons hoëvlakmannek voorsien nie, is dit vanselfsprekend dat die teler werker sy bydrae sal moet lewer om hierdie tekort

CHICKEN PRICES CUT - NOW FOR WAR

By Audrey D'Angelo
THE opening shots in a chicken price war were fired late yesterday when two supermarket chains dramatically slashed prices of frozen chickens.
By today, a third chain had cut its price to the same level.
Checkers, which is expected to sell cheap imported chickens from

A spokesman for Grand Bazaars said his firm had reduced its frozen chicken price today from R1,62 a kg to R1,49.
Senior O.K. Bazaars executives were unavailable for comment.
Weekend Argus understands that chicken producers have not yet reduced prices, but supermarkets are drawing on frozen chicken stocks.

A Grand Bazaars spokesman said he had reduced the price because he was gearing in for the December trade when there might be a further price drop.
He said he had been selling frozen chickens at a slightly higher premium than necessary for a few weeks, but was now selling at no profit margin at all.
A Pick 'n Pay spokesman said he expected a further drop in prices in about two weeks' time as a result of this.
We are not yet receiving any export chickens, he said, but we are working on it.

22/11/80

PRGMS

24
3
2

Klaas van der Poel

League slams meat support price

By 24/1/68
Meat

EAST LONDON — The Housewives' League of South Africa said yesterday the current high meat prices were being maintained by the operation of the support price.

In a statement, the League said they expected the usual hike in meat prices to coincide with the festive season.

"If this comes about and we add these to our excessively high meat prices that already exist, most consumers will be unable to purchase this basic food."

The League said the support price was an additional support over and above the existing guaranteed price the producer was paid (the floor price).

The meat auction opens every day with the average price of the previous week with a maximum reduction of 10 per cent. This is called the support price.

"If there is any bidding at the auction, the price must go up and therefore there is very little possibility of it coming down even if we, the public, were not to purchase meat."

If there was no buying at the abattoir at support price level, the Meat Board bought the carcasses and offered them for sale the next day or for two further days. The League predicted that if the support price was not removed, the prediction that beef could reach R10 a kilogram may well come true.

The League stated that at a meeting with the new Minister of Agriculture, Mr. P. T. C. du Plessis, they asked once again that the support price be removed. He told them that as this was one of the matters to

be investigated by the Commission of Inquiry, he could do nothing.

"We feel that this argument is specious as the support price was only recently introduced and could just as easily be removed as it has been in the past."

in East London the chairman of the East London Meat Traders Association, Mr. D. Meyer, yesterday denied butchers were making excessive profits.

Mr Meyer was reacting to a report in yesterday's Daily Dispatch in which a

butcher said some butchers had it too easy for a long time.

Mr Meyer said butchers did not make excessive profits.

"There are too many butchers and too much competition for that," Mr Meyer said.

Mr H. J. K. Schultz, a butcher in Vincent, said prices quoted yesterday — R2.45 a kg for super beef and R2.34 a kg for super lamb, were the prices at the abattoir and not his retail prices. He was not prepared to disclose his retail prices.

He has national for 10 years and worked for that company consultant in several countries around the world. as the design and development of systems for manufacturing control and production optimisation. in Management Information Systems and Operations ss schools of the universities of Cape Town and member of the consultants group of the Computer and specialises in requirement definition and systems.

East London butchers having a lean time

EAST LONDON — The Chairman of the East London Meat Traders Association, Mr D. Meyer, said yesterday that butchers currently expected a definite consumer resistance to beef.

Mr Meyer attributed this to the high beef prices. He said while butchers' sales figures were up because of the higher prices, they were in fact selling less meat.

He said at the moment mutton was available at very reasonable prices and that people should take advantage of the fact.

Butchers in town had the same feelings although the degree of resistance seemed to differ from butcher to butcher.

Mr H. J. K. Schultz, a butcher in Vincent, said he was definitely selling less meat. He said his sales volume had dropped about 40 per cent and that he can't even talk about making a profit but just about surviving.



MR MEYER

He said with the high meat prices, butchers could not afford to apply their normal markup. He said while the price of mutton did come down it could not drop much because of the support price system of the Meat Board.

Mr Schultz said his butchery sold super beef for R2.45 a kg while super lamb sold for R2.34 a kg.

A spokesman for a butchery in Quigney said butchers had a tough time at the moment but felt that consumer resistance was getting less and that people were turning to beef again.

He said in the last three months he experienced a definite consumer resistance to meat. He was selling mutton for 32c a kilogram less than beef and said he had sold a lot of mutton recently. His profits were down during the past three months and although people were turning to beef again, profits were still down.

A butcher in Arcadia said he also experienced a resistance to beef in particular and said butchers were generally having a tough time.

A butcher in Cambridge said he felt a slight resistance to meat but said he selected a special team of specialists to sell his meat.

He said the fact that the meat price went up suddenly shocked people and caused the resistance. He felt the meat traders had it too easy for a long time and that some of them had excessive profits.

Prices fluctuate from butcher to butcher, he said. — DDR.

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Meat inquiry 3 (200) 12/12/80
STAM

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TABLE 8: NATIONAL
1973, ANI

	1960/1	1973	1976	1970
Agriculture	56 3	7 409	25	258 711
Services	26 2	3 839	28	278 272
All other sectors	32 7	5 157	47	460 927
G D P	115 30	14 05	100	997 910
Income from 'commuter'		881		864 525
Income from migrant workers	143 30	324		1 342 304
Less: 'foreign' payments		374		- 124 538
G N P	258 600	831 427	1 418 236	3 080 201
% GNP from commuters and migrants	55,4	69,0	68,9	71,6
GDP per capita (1970 prices)	37	42	53	68
GNP per capita (1970 prices)	75	104	133	187

Pretoria Bureau
The commission of inquiry into the meat industry will have the power to investigate every aspect of the meat debacle, according to the commission's terms of reference announced today.
These include:
● The permit and quota arrangements by which the introduction of slaughter stock into controlled areas have been regulated.
● The restrictions on the entry of persons into the meat or meat processing trade, or into handling of stock and meat or its by-products.
● Price measures of the Meat Board such as floor prices and support prices.
● Monopolistic interests in the slaughter stock and meat industries.
● Stock and meat industries.
The commission consists of Mr Justice C F Eloff, Mr A C van Wyk, and Mr W J Treurnicht.

Growth: 60/70 70/80
(real) (% p a)

GDP per capita 1,3 8,4
GNP per capita 3,3 10,3

Source:

BENSO, 1976: Tables B. 7.2 and B.7.3.

BENSO, 1979: Tables 34, 37 and 39.

Note: The per capita incomes are based on Dept. of Statistics population figures which do not allow for immigration to the homeland. They are therefore overestimates after 1970, the more so as time passes.

c) real incomes per capita in the homelands have been rising in the 1960's and 1970's, real GNP per capita having risen faster than real GDP per capita reflecting the increasing

Wide-ranging inquiry into meat industry welcomed

STATE
3 (meat)
17/12/80

Farming Correspondent

The wide-ranging powers given to the Eloff Commission of inquiry into the meat industry have been welcomed from all sides.

Both the Housewives' League and the Consumers Council have expressed their satisfaction with the commission's terms of reference.

A spokesman for the Consumers Council in Pretoria said that, whatever the findings, the commission's work would clear the atmosphere.

The mechanism of the guaranteed producer price was one point the council felt very strongly about the spokesman said.

Price stability was necessary the spokesman said, but the way the support price was determined affected the prices wholesale buyers were prepared to pay at the auctions.

Two prominent stock farmers felt that the commission's powers were not wide enough.

And, while confident about the outcome of the

investigation, they were disappointed that abattoir costs had been excluded from the probe.

The Transvaal and South African Agricultural Unions have called the City Deep and Cato Ridge abattoirs "white elephants" and blamed errors in design for their high capital costs.

While the unions had insisted that the State should carry its share of the capital burden they now had to stand aside while only consumer complaints were investigated, the farmers said.

Unexpected drop in price of red meat

By Charlene Beltramo

The price of red meat dropped again yesterday in the face of pressures which normally cause it to rise.

The drop is unusual because the Day of the Covenant has meant a short slaughtering week, which usually causes prices to go up. And there is a festive demand.

Super beef at City Deep sold for between R2,16 and R2,37 a kilogram yesterday compared with R2,43 a kilogram last Friday.

Super lamb sold for R2,56 compared with R2,71 last Friday.

A Meat Board spokesman said 31 000 sheep had been sold at City Deep last week — double the normal amount.

But this was in line with consumption patterns for this time of the year when people generally bought more mutton, poultry and processed meats such as ham, he said.

Dr Jan Lombard, general manager of the Meat Board, admitted the low chicken prices had probably had the effect of keeping red meat prices down "but not to a dramatic extent."

He said a more likely explanation for the current low prices was the previous high prices, which had led to farmers — particularly those with feed lots — dramatically to increase production.

This had led to a healthy surplus at abattoirs.

18/12/80
SFBK
3 (meat)
~~STB~~

NOTICE 917 OF 1980

DEPARTMENT OF AGRICULTURE AND
FISHERIES

APPOINTMENT OF COMMISSION OF INQUIRY
INTO THE SLAUGHTER-STOCK AND MEAT
INDUSTRIES

It is hereby notified for general information that the State President has been pleased to appoint a Commission of Inquiry into the Slaughter-stock and Meat Industries with the following terms of reference:

To inquire into, report on and make recommendations regarding—

(1) complaints and accusations made concerning—

(a) the arrangements for the introduction of slaughter-stock and meat to the controlled areas of the Meat Board (permit/quota system);

(b) the restrictions on the entry of persons to—

the trade in meat;

the trade in hides and skins and offal;

the meat processing industry;

(c) the handling of slaughter-stock and meat on an agency basis in the controlled areas;

(d) the price support measures of the Meat Board;

(e) vertical integration of interests in the slaughter-stock and meat industries; and

89733 KENNISGEWING 917 VAN 1980
17/12/80
DEPARTEMENT VAN LANDBOU EN VISSERIE

AANSTELLING VAN KOMMISSIE VAN ONDER-
SOEK NA DIE SLAGVEE- EN VLEISBEDRYF

Hiermee word vir algemene inligting bekendgemaak dat dit die Staatspresident behaag het om 'n Kommissie van Onderzoek na die Slagvee- en Vleisbedryf aan te stel met die volgende opdrag:

Om ondersoek in te stel na, verslag te doen oor en aanbevelings te maak aangaande—

(1) klagtes en beskuldigings wat geopper is oor—

(a) toevoerreelings van slagvee en vleis na die Vleisraad se beheerde gebiede (permit/kwotasistiel);

(b) die beperkings op toetrede van persone tot—

die handel in vleis;

die handel in huide en velle en afval;

die vleisverwerkingsbedryf;

(c) die hantering van slagvee en vleis op 'n agentskapsbasis in die beheerde gebiede;

(d) die prysondersteuningsmaatreëls van die Vleisraad;

(e) vertikale integrasie van belange in die slagvee- en vleisbedryf; en

Meat Board
names top
economist

Farming Correspondent
The Meat Board has appointed a top agricultural economist to beef up its executive team.

The board has picked Mr. F. R. Tomlinson, the retiring director of the SA Maize Speciality Organisation (SAMSO), as its new assistant general manager.

He will be in charge of the board's economic services, which are becoming increasingly important.

Mr. Tomlinson, one of South Africa's leading agricultural economists, joined the Maize Board in 1972, being appointed director of SAMSO in 1978. His closely reasoned maize price proposals attracted much attention.

He will assume duties at the start of the new year.

The main explanation for the discrepancy between my estimate and the CPS estimate of agricultural employment, then, is probably that I have overestimated employment in homeland agriculture. It may also be the case that the 1979 level of employment in 'white' agriculture is lower than that in 1976, continuing the trend between 1970 and 1976. This tendency for agricultural employment to contract in absolute and, a priori, in relative terms is a major 'demand-for-labour' factor against which to understand unemployment. The lack of a detailed understanding of the process remains a lacuna in any account of unemployment. It is possible, using the 1960 and 1970 Population Censuses, to analyse African unemployment by sex and region-type. The results are presented in Table 4: (see following page)

Meat industry 'disappointed'

Staff Reporter

THE Federation of Livestock Auctioneers, Marketing and Allied Organizations is unhappy with the way in which the Eloff Commission into the meat industry was appointed.

This has emerged from an editorial in the publication "Meat", a magazine for the livestock and meat industry, dairy, poultry and allied trades.

The magazine welcomed the announcement of a judicial commission into various aspects of the meat industry and a committee to investigate the long-term position of red meat and the economy of beef production.

It wished Mr Justice Eloff and his two commission members well, but said that the federation was "less than enthusiastic about the way in which the commission was appointed."

"It is customary, we believe, for the interests most closely associated with the subject to be investigated, to be consulted before the members of the commission are named."

The editorial said that it was not known whether any other organizations claiming to represent sections of the meat industry had been consulted, but the federation had not been approached for its views.

The federation had found it necessary to express disappointment in a telex to the minister of agriculture and fisheries.

*Mrbo
(meat)
C.T.*

AGRICULTURE — OTHER.

MEAT.

8/1/81 — 11/10/81

Little change in red meat price foreseen

STAR 8/1/81

3 meat

By Caroline Mehliis
Consumer Reporter

Red meat prices are expected to stabilise at their present levels this year.

A spokesman for the Meat Board predicted that super beef would sell for between R2,21 and R2,33 kg and super lamb for between R2,59 and R2,65 kg.

This is about five

percent lower than the peak meat prices last November.

Although prices should stabilise, the average 1981 meat price will be higher than the 1980 average, which was kept down by low prices in the first six months of the year.

Last year's super beef price rose 49 percent —

from R1,40 kg in January to R2,33 in November. The mutton price increased by 33 percent — from R1,83 in June to R2,65 in December. Pork prices increased by 18 percent last year.

Dr Jan Lombard, general manager of the Meat Board, said that last year's sharp meat price increases were due to a four percent decrease in total meat supply and an increase of about 39 percent in consumer spending on meat.

He predicted that consumer spending would return to its traditional level and that the demand for red meat would increase at a lower rate than last year.

Dr Lombard warned that less beef would be available because of last year's high slaughter rate which reduced the national beef herd from 9-million to 8,4-million head.

Dr Lombard said that the smaller amount of beef on the market did not mean prices would go up, but they would certainly not fall to the levels of a year ago.

A Read
or the best final year student.
General J B M Hertzog Prize

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

Miss C Tredgold
in third year.
or the best woman student
Molly Gohl Memorial Prize

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

P F Dunckley
Sixth Year

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

ARCHITECTURE

A 20% RDM 23/1/81 increase in meat prices forecast

By GERALD REILLY
Pretoria Bureau

Meat prices would rise by about 20% this year, and farmers' incomes would escalate to R880-million, compared with R704-million last year, Dr Jan Lombard, general manager of the Meat Board, said in Pretoria yesterday.

Addressing the "Agricultural Outlook Conference 1981", Dr Lombard said meat consumption was likely to drop this year, and poultry consumption to rise further.

He said lower beef production and increased consumer spending pointed to further price rises.

During 1980 consumer spending on food had increased by 23%.

However, spending on food was likely to increase by less than that this year because of an expected economic decline.

Dr Lombard said poultry could be expected to compete more keenly with red meat this year than in 1980.

This would lead to a further drop in spending on red meat.

The actual demand for red meat in current money terms was expected to rise by about 18% during 1981.

Production efficiency was in a downward phase because of low profitability between 1976 and 1979.

However, it was projected that the national herd of 8 500 000, would produce 1 700 000 head of slaughter stock.

Producers could reasonably expect an income growth of between 20% and 25%.

Too high an income, Dr Lombard said, should be avoided because of tax considerations.

The expectation for 1981 was, therefore, that 1 900 000 cattle would have to be slaughtered, and that this would happen at the expense of a further herd reduction of 200 000.

Speaking of mutton, Dr Lombard said prospects for wool prices in 1981 were not good.

This meant that sheep slaughterings would probably be increased to maintain incomes.

Demand for poultry had increased sharply last year, necessitating the importation of limited quantities of poultry meat.

Poultry meat producers had planned, and were already implementing, major expansion programmes and the resultant substantially higher production would manifest itself in 1982.

Consumption of poultry was likely to rise by 7% to 247 000 tons in 1981, Dr Lombard said.

He said meat production would drop in total by 8,6% this year, mainly because of an expected 15,4% decline in beef production.

This would be offset partly by an expected 3% rise in poultry meat production and a 7% rise in pork production.

Lower production and higher consumer spending pointed to a price rise in 1981, he said, and year-average prices were likely to be higher.

R A van Rosenveld.

third year.

For the best work in
John Perry Prize

D H Pryce Lewis

year.

For the best work in fourth
Osborn Prize

S A Read

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

D H Pryce Lewis

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

David Haddon Prize

Miss C Tredgold

in third year.

For the best woman student
Molly Gohl Memorial Prize

P A Rappoport

1st, 2nd and 3rd major courses.
satisfactorily completed

For a student who has

Helen Gardner Travel Prize

P F Dunckley

Sixth Year

For the best student in :-
of Architects' Prize

Cape Provincial Institute

FINE ART & ARCHITECTURE

Stab in the stomach for lovers of good old boerewors

BD
3-MW-000

THINGS seem to be going from butter to wots in the Republic's sausage industry, according to the latest newsletter of the Housewives' League of South Africa.

The newsletter has raised a hue and cry about what can only be described as a stab in the stomach for every good South African who has ever sent a hunk of juicy boerewors to its predestined place in the alimentary order of things.

Boerewors fanatics be warned, says the newsletter, if you don't start reading the labels on those luscious links at the butchery you might end up with a couple of metres of alleged wots which consists—horrors—mainly of soya mixtures instead of good old beef.

The newsletter points out that in terms of Section 14 of the regulations on the Foodstuffs, Cosmetics and Disinfectants Act, beef and pork

sauces must have a minimum of 75 per cent of lean meat, and mince a minimum of 60 per cent.

But, it adds, "now that meat is reaching astronomical prices everyone is searching for cheaper ways to feed their families. But watch out for cheap packs of wots at the butcher".

In terms of the Foodstuffs, Cosmetics and Disinfectants Act, there can be no bull about the meat content of sausage which is labelled "boerewors".

But "braaiwors", or "braai fry" or other such things may be all fat and soya bean.

"There is nothing wrong in this, and may well suit many people who tend towards vegetarianism. But it is quite wrong, as well as illegal, to pass them off as meat.

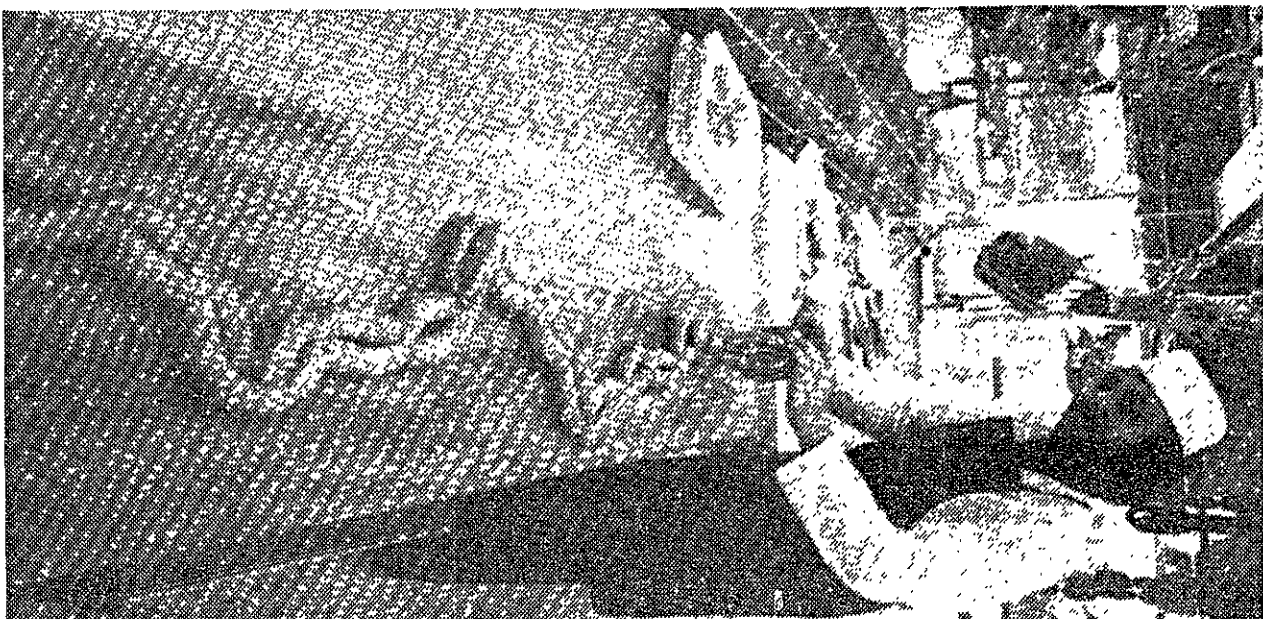
"These fancy names are usually used to evade the issue. Factories mak-

ing the soya mixtures have been co-operative about the labelling of their goods, but sometimes it is sold in bulk to the butchers, who put it into sausage casings themselves and sell it as wots.

The newsletter's advice: Blow the whistle on any cunning wormonger who is trying to dress up his soya mixture in steer's clothing.

"The health departments are well aware that this is happening and would like to hear of any cases where "sausage" or "wots" is being sold at very low prices under fancy names. Please keep a good lookout, especially if such packs carry no description of the ingredients, as this is illegal and should be reported," the newsletter concludes.

"So remember: Read that label, or you'll be taken for a ride by a cunning butcher who soya coming.



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

ARCHITECTURE

FINE ART & ARCHITECTURE

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

Sixth Year

P F Dunckley

Helen Gardner Travel Prize

For a student who has

satisfactorily completed

1st, 2nd and 3rd major courses.

P A Rappoport

Molly Gohl Memorial Prize

For the best woman student

in third year.

Miss C Tredgold

David Haddon Prize

For the best student of

Architecture (or Quantity

Surveying) in the subject

of Professional Practice.

D H Pryce Lewis

General J B M Hertzog Prize

For the best final year student.

S A Read

Osbourn Prize

For the best work in fourth

year.

D H Pryce Lewis

John Perry Prize

For the best work in

third year.

R A van Rosenveld.

COURT
Prisoner ^{STAR} 28/1/81
accuses ^{3 MEAT}
Meat Board

A State witness at a corruption trial yesterday alleged there were irregularities at the Meat Board's head office.

Pieter Abraham Lourens Broodryk (39), a former senior Meat Board official, alleged this under cross-examination at the trial of Mr Cornelius Johannes Oosthuizen (52), a director of a Johannesburg meat agency.

Mr Oosthuizen has pleaded not guilty to corruptly paying R25 000 to Broodryk to allow his company to slaughter more cattle than entitled to under the permit system at the time.

Broodryk, presently serving a two-year jail sentence for corruption, told the court that in his opinion there had been irregularities at the Meat Board's head office at the time the illegal activities had taken place.

When asked if there had been gross negligence on the part of the Meat Board head office, he replied there had.

Asked if the board's head office had closed its eyes to illegal activities in the Meat Board, he said it had.

(Proceeding)

Kanhym profits ^{STAR} double in ^{3/2/81} 15 months ^{3 heat}

By Michael Chester,
Financial Editor

The giant Kanhym meat and farming group, in which the Gencor mining empire holds a controlling stake, today announced that its profits had nearly doubled in the 15 months to the end of 1980.

Results show that turnover soared to R350-million — and the directors forecast that it will top R850-million this year.

Income attributable to shareholders surged to R10,3-million, with earnings a share jumping at the rate of 98 percent a year.

The group drew 46 percent of its R19,5-million pretax profits from meat trading and an even higher 48 percent from farming operations.

Its coal mines contributed only 6 percent.

The profit surge came in a year when the overall inflation rate, as measured by the consumer price index, rose to 15,8 percent.

A spokesman today said the big jump in turnover and profits had occurred since the takeover of the vast Karoo Meat Exchange last year, which had made it the largest red meat producer and wholesaler in South Africa.

But, it was denied that profits had been excessive.

"After paying more than R6,5-million in tax, shareholders in the company are left with less than 3c in the rand.

"The principal reason behind the leap in profits was an even greater surge in turnover after the takeover of the Karoo Meat Exchange.

"But the profit return has in fact declined, from 11,1 percent to 5,4 percent," he said.

● Page 24: Sparkling year for Kanhym and Karoo.

STAR 3/2/81 (3meal) (ABO) (ZFF)

Sparkling year for Kanhym and Karoo

By Ann Crotty

Outstanding results have been recorded by Kanhym and its new meat subsidiary Karoo Meat Exchange for the period to December 31 last.

For Kanhym, turnover for the fifteen months prior to December 31 was R359,4-million; income before tax was R19,5-million and attributable income was R10,3-million.

Because of the restructuring of the Kanhym Group and the change of year-end to bring it into line with that of its holding company, Gencor, comparisons with the previous 12-month period are not valid.

However, on a per share comparison earnings of 159,4c a share for the fifteen months represents an increase of 98 percent on an annualised basis.

A final dividend of 10c has been declared making a total dividend for the reported period 55c a share. Again on an annualised basis this is a 47 percent improvement on the 30c paid for the year to September 1979.

Kanhym's directors expect that the farming giant's growth potential is significant and that the

group is poised for further advances in the current year. In the past six months Kanhym's total assets have increased from R36-million to R172-million. The directors forecast that turnover will more than double to more than R850-million in the current financial year.

Meat trading contributed 46 percent of pre-tax income, farming 48 percent and coal mining operations 6 percent.

The benefits of rationalisation of certain of Kanhym's and Karoo's operations although noticeable in the latter half of 1980 are only expected to be fully felt in the current year.

Karoo whose results are also not comparable to previous periods had a turnover of R294-million; pre-tax income of R7,1-million and attributable income of R3,8-million for the six months to December 31. Earnings a share were 14,3c with a final dividend of 4c.

Meat co-op pays out farmers

12/2/81 (3 meat)

a record R2 1/2m

By PAT SIDLEY
Consumer Mail

SOUTH Africa's largest meat concern, the giant co-operative Vleissentraal, has paid out a record R2 500 000 to farmers — R1-million more than last year.

In a statement released by its public relations company, KMP, Vleissentraal's chairman, M P R du Toit, who is also chairman of the Meat Board, said the country's meat producers had been "experiencing better days lately".

KMP is also the public relations company used by the Meat Board.

The statement said the co-op was paying out "savings rebate cheques to the value of approximately R2 500 000 to more than 14 000 farmers.

"These savings rebates form part of the benefits of more than R5-million which are accrued to the members of the co-op. Being a co-op, Vleissentraal annually shares its surpluses fully among its members," the statement read.

"These windfalls are paid out between 6 and 10 February."

The "windfalls" are the profits made by the co-op.

The statement said that cattle marketed on controlled markets declined by 0.9% over

last year, but those marketed through Vleissentraal showed an increase of 5.2%.

"This is indicative of meat producers' increased preference to market their livestock through their co-op," according to the statement.

"The payments are made in the true spirit of the co-operative philosophy Vleissentraal is the marketing branch of the South African meat producer and the latter is entitled to the surplus of his co-op in the same way as the owner of any other concern is entitled to his profit.

"By marketing co-operatively, the producer receives the full yield of his produce, which could only lead to a rationalisation of costs between producer and consumer.

"Another factor is the very important contribution of the savings rebates toward the defraying of farmers' marketing costs," the statement said.

Last week another of the three giant organisations which control the South African meat industry reported increased profits. Kanhvm-Karoo earned R19 500 000 over a 15-month period — 46% of which was attributable to its meat interests.

Tough beef market in 1981 says board main

CHEMICAL

Own Correspondent
PRETORIA -- The supply of beef is expected to decline still further this year, possibly by 10 percent, and lower grade supplies are expected to be particularly hard hit.

A spokesman for the Meat Board in Pretoria said the problem had arisen because of low prices during the past four years which had led to farmers liquidating their herds.

As they had left the industry they had also slaughtered their cows, making the re-establishment of the national herd more difficult.

The spokesman said the situation had been expected to improve in 1980 but the drought had forced even more farmers to liquidate their herds, so the improvement had not taken place.

A further factor in the market was the increased

buying power in the country, especially of black South Africans, which he said had pushed up demand.

Further, meat production had a long cycle and it should now take a few years to get production up again if farmers came back into the industry.

The important thing the spokesman said, was for the Meat Board to find a balance between the demand of the consumers and the supply of the industry.

If the prices were not high enough to attract farmers and keep them in the industry, then the industry would be in a state of decline.

He noted that at present meat was available in the country.

The reasons for the shortage of low grade meat were poor management factors and circumstances such as the mines, having a large quantity of this meat for their workers.

Professor George Menzies Prize Awarded on results of final

- P M Salmon
 - T J Cumming
 - D P Weeks
 - J H Rens
 - B F McClelland
- Fourth Year (Gold Medal)**
- Miss N C Davidson
- Third Year (Silver Medal)**
- Miss G C Littlewort
- Second Year (Bronze Medal)**
- of the 2nd, 3rd and final years.
- For the best student in each Corporation Medal**

RBM 14/2/81

Meat Board ~~3 meat~~ wants halt to fowl imports

By PAT SIDLEY
Consumer Mail

THE Meat Board would like to restrict the importing of American chickens because, it says, the cheap American birds have depressed the price of beef.

Dr Jan Lombard, general manager of the Meat Board, said in Bloemfontein yesterday that the US imports represented the "most serious competition to South African beef, and could, if not restricted, reduce the demand for beef seriously."

He said the Meat Board should have a say over how much chicken was imported.

Last year the price of red meat rose by more than 50%. The price of beef has fallen by between 5% and 12% for super and Grade 3 respectively since Christmas.

Earlier this week, a meat co-operative, representing 14 000 farmers announced it had paid out R1-million more to its farmers than it had the year before.

According to Dr Lombard, the import of 4 000 tons of beef recently was a small part of South Africa's consumption and unlikely to influence the price noticeably.

A spokesman for Checkers, the supermarket chain which imported a large number of the American fowls, said yesterday "The increase in chicken consumption was largely caused by the increase in meat prices. The increased meat prices are mainly responsible for the almost 30% increase in food prices.

"It is perhaps peculiar that an industry so tightly controlled as the meat industry can allow the man in the street to suffer to the extent that he has.

"Checkers' importing of chickens was a temporary measure to alleviate a serious shortage in supply in South Africa and the total amount imported constituted about one week's national consumption," the spokesman said.

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

Second Year (Bronze Medal)

Miss G C Littlewort

Third Year (Silver Medal)

Miss N C Davidson

Fourth Year (Gold Medal)

P M Salmon

T J Cumming

D P Weeks

J H Rens

B F McClelland

Professor George Menzies Prize
 Awarded on results of final
 examination

student in

Civil Engin

J H Rens

Sammy Sacks

Awarded to

best classw

Drawing.

L Menegaldo

A E & C I H

For the fi

obtaining

mark.

G L Cragg

Pretoria Bureau
 STOCK thieves have stolen
 sheep and cattle worth more
 than R10 000 from eight farms
 during the past 10 days, a
 spokesman for police headquar-
 ters said in Pretoria yesterday.
 A total of 184 head of stolen
 livestock had been reported in
 various parts of the country by
 yesterday.

The spokesman said 178
 sheep worth R7 610 and six
 head of cattle worth R2 400
 were stolen from farms in the
 Eastern Transvaal, Free State,
 eastern Border area and North-
 ern Natal.

The heaviest sheep thefts
 were reported in the Free
 State, where 120 animals, val-
 ued at R5 060, were stolen from
 Bethull, Rouxville and Boshof.

"Stock theft is one of the
 major problems facing the po-
 lice," the spokesman said.
 "These thefts are what can be
 expected, considering the vast
 terrain covered by the farms."

"The increased price of meat
 has no direct influence on stock
 theft — there have always been
 stock thieves. However, our
 specialised stock theft units are
 constantly combating the prob-
 lem, with great success."

Wave of
 stock thefts
 hits SA

RDM

18/2/81

3 cattle

meat

CHEMICAL

NEW LEANS OF SOARING RED MEAT

Notes 14/2/61

By Glynis Underhill
 A DRASTIC reduction in the number of slaughter animals available at the Cape Town abattoir is likely to send beef prices soaring for years to come.

At present 90 percent of the beef animals slaughtered at the abattoir are imported from South West Africa. The S.W.A. Meat Control Board has decided to export only carcasses and cuts to South Africa and to discontinue

the supply of livestock to the abattoir in the next two to three years. Thus Cape Town is being left with the country in general from which the meat cuts with a shortage of stock.

This will cause a substantial increase in the price of beef. Any attempt to increase the price of beef is the only alternative is the S.W.A. Meat Control Board's view.

Mr. Glynis Underhill, the Cape Town abattoir manager, said that South West Africa beef will be allowed to enter the S.W.A. market. We are sure that Government of South West Africa will not do so. It is the opinion of people in the meat trade here that we are going to have to import beef and possibly develop our own beef industry.

We have to be prepared what happens in South Africa. We are not to stop exporting to us altogether, he said.

The new board of the South West African Meat Control Board in Windhoek, Mr. Horst Neth, said yesterday that if all the S.W.A. animals normally exported live to South Africa were slaughtered in South West Africa this

could mean 1 600 additional tonnes of meat.

We have to make factories slaughter capacity to do this enough of a supply or a loss, he said.

About R3-million a year in subsidies on meat exports in 1959.

A F & C I Prize
 For the first year student
 obtaining the highest average mark.
 G L Cragg

L Me	Draw	Best	Award	Prize	J H T	Civil	student	exam	Award	Prize	B	C	D	T	P	F	M	S	This
------	------	------	-------	-------	-------	-------	---------	------	-------	-------	---	---	---	---	---	---	---	---	------

meat prices

could mean 1 600 additional job opportunities.

We have to make sure that our factories slaughter at maximum capacity. To do this they must have enough of a supply or else we run at a loss, he said.

About R3-million a year was paid by the Department of Agriculture in subsidies on meat exports in 1959 and

Mr. Kretz said he did not yet know whether this would fall away if a meat shortage.

The branch manager of the South African Meat Control Board in Cape Town, Mr. P. P. Faber, said that both the retailer and consumer price of the meat, he said.

Corporation Medals
 For the best student in each
 of the 2nd, 3rd and final years.
 Second Year (Bronze Medal)
 Miss G C Littlewort

FACULTY OF ENGINEERING

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

Second Year (Bronze Medal)

Miss G C Littlewort

Third Year (Silver Medal)

Miss N C Davidson

Fourth Year (Gold Medal)

P M Salmon

I J Cumming

D P Weeks

J H Rens

B F McClelland

Professor George Menzies Prize

Awarded on results of final

examinations to the best male

student in Land Surveying or

Civil Engineering.

J H Rens

Sammy Sacks Memorial Prize

Awarded to the student with the

best classwork in Engineering

Drawing.

L Menegaldo

A E & C I Prize

For the first year student

obtaining the highest average

mark.

L Cragg

Fears of new SA meat crisis

A R125-MILLION investment by a State-owned organisation has unleashed fears of a new meat crisis in South Africa

The First National Development Corporation in South Africa has put up most of the capital for the building of a meat factory in Gobabis in South West Africa.

The expected opening of the factory in 1982 will require an additional 300 to 400 slaughter stock a day which will increase the annual required number of cattle by all factories in South West Africa.

The only way South West Africa can meet the demand is by ending the export of live animals to South Africa, the new head of the South West Africa Meat Control Board, Mr Horst Kreft, said in Windhoek yesterday.

90 PERCENT

At present 90 percent of the beef animals slaughtered at the Cape Town abattoir is imported from South West Africa.

A drastic reduction in the number of slaughter animals available at the Cape Town abattoir is likely to send beef prices soaring for years to come.

The SWA Meat Control Board has decided to export only carcasses and cuts to South Africa and to discontinue the supply of livestock to the Republic over the next two to three years.

South West Africa is the largest supplier of livestock to the country and 68 percent of its production is exported to South Africa.

The shortage of slaughter animals in the country must cause a substantial increase in the price of beef.

Angry meat officials have said the only alternative is the slow development of our own beef industry.

"It will be a difficult transition but we cannot depend on South West Africa. What happens if they decide to stop supplying us altogether?" the director of the Cape Town abattoir, Dr A J Louw, asked.

CHEMICAL

CT 23/2/81 (186) (3 meat)

Meat industry: Twin inquiry

Own Correspondent

JOHANNESBURG. — The Commission of Inquiry into the Meat Industry will begin its hearings in public on March 10 -- but the Meat Committee appointed at the same time by the Minister of Agriculture, Mr P T du Plessis, to inquire into the supply of meat over the long term, will be held privately, and its results or recommendations may never be known.

Certain evidence at the com-

mission will be held *in camera* if the chairman, Mr Justice Eloff feels it necessary.

The committee, which is chaired by Dr A S Jacobs, deputy governor of the Reserve Bank, has called for evidence from interested parties like institutions firms and individuals to be submitted in writing to him at the Reserve Bank in Pretoria.

Dr Jacobs said at the week-

end that the committee would not have hearings, but would consider written evidence and the results would be handed to the minister, who would decide if they could become public or not.

Applications to give evidence should be made in writing and sent to Mr C D Kruger c/o the Director Transvaal Region, Department of Agriculture and Fisheries, Private Bag X180, Pretoria.

Meat prices factoring in beefing up COL

By HAROLD FRIDJON

THE average year-over-year inflation rate for this year should at least be about the same as it was in 1960, that is between 13.6% and 14%, says the National Economic Roundup. The key element in the consumer-price index appears to be the price of meat.

Last year the food-price index rocketed in the second half after accelerating only slightly in the first half. Although the rising meat price was not the only reason for the jump in the food index, it was a predominant factor.

The National Economic Roundup says the meat factor was not a phenomenon of 1961, only meat also gave the price a shove from 1970 to 1971. In those years meat put a rise in average of 25.6 a year and slumped down only in the second half of 1971.

"This caused the food-price index to rise sharply during this period and apart from the retail-price increase, was the major cause of the increase in the overall consumer-price index in those years."

It seems that demand-pull forces were responsible for the jump in meat prices. The sharp

increase in meat prices was not particularly among the lower income groups. Yet probably the main reason for the sharp rise in per capita meat consumption which went up by 10%.

This resulted in cattle numbers being down by about 10% between 1970 and 1969 in the level of 1971.

If meat prices had not risen as fast as they did in 1969, the had moved up in that year, the food prices, the increase in the overall CPI would have been 19% — a rate lower than in 1971.

Learning at the CPI for 1961

meat this year will be between zero and 20%.

"The sharp rise during the last four months means that even if the price of meat does not rise at all above the December 1960 level, the meat optimum probability, the average increase in the price of meat will be 25.6, about the same as in 1960."

On the other hand, meat probably the overall meat price increase can be as high as 80%, making at least the same contribution to the inflation rate as it did in 1960.

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 J H Rens

Jimmy Sacks Memorial Prize
 Awarded to the student with the best classwork in Engineering drawing.
 Menegaldo

E & C I Prize
 For the first year student obtaining the highest average mark.
 L Cragg

RBM 27/7/81

Rise in beef floor price is forecast

By GERALD HEILY
Pretoria Bureau

THE new higher rail rates are expected to lead to a substantial increase in the floor price of beef, according to Pretoria sources.

And yesterday the chairman of the Meat Board, Mr. R. du Toit, confirmed that the higher tariffs for the transportation of livestock could seriously impair the financial recovery of cattle farmers.

In a statement he said although the position of livestock farmers had improved in the latter half of last year, this could not be regarded as a justification for the rail tariff increase.

For the past four years livestock producers had experienced hard times and had even produced at a loss. This had resulted in many producers quitting the industry. Their financial backlog had accumulated over the years and farmers would need considerably more time to redeem their accrued debts.

In the meantime, cattle farmers were exposed to the effects of inflation like all other consumers.

As a result of the unprofitability of livestock production during the past few years, many farmers had liquidated their herds and the national herd had decreased from 9.4-million in 1979 to the present 8.4-million.

"Producers need time to regain their confidence in meat production and the increase in rail tariffs will definitely not be conducive to this."

Mr. Du Toit pointed out that the increased tariffs would

have no influence on prices in the short term. Farmers would have to absorb this cost themselves.

Meat prices were not fixed but were the result of supply and demand.

"Meat buyers will not suddenly pay more for their meat now that farmers' rail tariffs have gone up," he said.

He added that the increased rail tariffs would be taken into consideration when the floor prices were revised later in the year.

The present floor prices of beef did not even cover the farmer's production costs and were moving at levels far below market prices.

Other agricultural authorities pointed out that the prices of fruit and vegetables as well as the prices of the country's major crops would all be directly affected by the 15.8% hike in freight tariffs.

Meanwhile, other sectors of the economy have begun to count the cost of the higher tariffs.

For instance, Iscor estimates its total transport costs will rise by R28-million. The corporation uses 6.4-million tons of coal a year. The higher transport costs will strengthen Iscor's claims for a substantial price rise in July, it was learnt.

And according to Government sources the price of coal is also virtually certain to be adjusted again because of the higher transport costs.

Motor assemblers will also eventually be compelled to adjust prices to take into account higher transport costs.

Feathers fly on meat price question

KDM 4/3/81 3 meat 186
244

By PAT SIDLEY
Consumer Mail

FEATHERS flew on the chicken front during an angry debate at the Consumer Mail conference on the food price crisis, when Mrs Joy Hurwitz, president of the Housewives League, criticised the support price mechanism on the price of beef.

Addressing her comments to Mr Robin Clark, joint managing director of Kanhym — a large beef producing firm — she said on Monday she was "amazed" that beef farmers had not spoken about fertiliser and maize costs which affect the price of meat.

Mr Clark said if the floor price was high enough there would be no need for a support price. The support price had helped stop wild fluctuations in the price of meat.

The remark drew the wrath of Mrs Hurwitz, who asked: "Who gave control boards the idea that consumers don't like fluctuations — we do like fluctuations in price."

Mr Tony Bloom (chairman of Premier Group, one of the largest chicken processors in the country): I'm very interested to hear that, because that philosophy I agree with. I want to know why the Housewives

League did not apply it when the price of chickens went up last year.

Mrs Hurwitz: We'll get on to chickens in a moment. I've got a whole thing on chickens.

Mr Bloom: I wonder why that fantastic bonanza wasn't allowed to find its normal price in society. I'm delighted to hear these things. But there seems to be an inconsistency between the league's attitude to meat and to chickens.

Mrs Hurwitz: Not at all. When they imported chickens at a lower cost, you had the audacity to keep your prices up.

Mr Bloom: I'm delighted to hear this new philosophy of the Housewives League. I'm also delighted to hear they accept the findings of this new investigation by the Competition Board into the Balanced Feed Industry and the Egg Industry which have been accused of all sorts of vile monopolistic conditions and have been cleared.

Mrs Hurwitz: There have also been hysterical outbursts from the Meat Board and the SAAU. It's incredible for you in your position to put forward now — when they're discussing meat — the situation with regard to chickens, which is a disgraceful one.

RDF 4/5/31

Meat Board denies big imports rumour

Pretoria Bureau

THE general manager of the Meat Board, Dr Jan Lombard, said yesterday reports that South Africa was importing huge quantities of meat from Ireland were unfounded.

Referring to "persistent rumours" of a large contract between South Africa and Ireland for the importation of meat, Dr Lombard said the Meat Board, as the only importer of red meat, had not entered into any contract with Ireland to import meat.

"Apart from import contracts already fulfilled, the

board has entered into no contract with any overseas country for the importation of further quantities of meat," he said.

"Any contracts between South African concerns and their Irish partners have no connection with the importation of meat to South Africa and such meat is destined for markets and customers outside the Republic of South Africa.

"Meat being shipped to destinations via South African harbours could possibly create the wrong impression of being bound for South Africa," he said — Sapa

Meat Board tells of imports

3-Meat 7/3/81

Mercury Reporter

THE Meat Board might find it necessary to import more meat this year, but this will depend on production and price trends in South Africa, according to the general manager of the Meat Board, Dr Jan Lombard.

Dr Lombard said that it had already been decided to import 4 000 tons of meat, but it was possible that only 2 000 tons would be imported.

He said this would amount to less than one day's requirements.

Dr Lombard said the board did not import fresh meat, but meat of a processing quality with a very high fat content.

Last year 10 percent of

South Africa's requirements were imported. Mr Lombard said with a change in production and a reduction in herds and flocks it might be found that a higher percentage might have to be imported this year.

He said imports had been as high as 25 percent in the past.

Regarding the importation of American chickens, Dr Lombard said it had to be accepted that any addition of a product to a market would affect the market in some way.

'I am certain that the State department responsible for these imports will not allow excessive imports,' he said.

He said that already 25 percent of all meat sold

was chicken, beef 55 percent, mutton 13 percent and pork 7 percent.

Meanwhile, the Commission of Inquiry into the Slaughter-stock and Meat Industries begins on Tuesday. The hearing will be in Pretoria and will be public. Under certain circumstances evidence will be heard in camera.

The first person to give evidence will be a representative of the Meat Board, followed by individuals and representatives of bodies who wished to give evidence or who, in the opinion of the commission, must give evidence.

People who want to give evidence, but have not submitted applications, can do so until March 20.

Beaufort West
rse or cow
erms,
again seemed

For the estimates of payment in kind, grazing has been valued at the rates then current on the Beaufort West City Council common ground. Farmers' estimates of the grazing value of their land varied enormously; to some extent this

(127 workers had no cattle at all)

one had 5 cows.

one had 2 and

One worker had one cow,

Cattle:

4 had 4 donkeys.

3 had 3 donkeys and

21 had two donkeys

2 had one donkey each,

100 workers had no donkeys, (76, 92%)

Donkeys:

Meat Board members have vested interests

Pretoria Bureau

A MAJORITY of the Meat Board's 13 members were either directly or indirectly involved with one of the country's big three meat handlers—the general manager of the Meat Board, Dr Jan Lombard, told the commission of inquiry into the country's meat industry yesterday.

Giving evidence in Pretoria, Dr Lombard conceded that vested interests could benefit from Meat Board decisions.

The big three, Dr Lombard said, were Veissentraal, Imperial Cold Storage and Karroo Kanhym. They played a major role in the country's meat industry.

Eight of the 13 members of the board were directly or indirectly associated with Veissentraal.

Dr Lombard said the Meat Board did not consider it a duty to investigate the private business affairs of its members.

It was up to the individual member to recuse himself from board decisions which could benefit his interests.

He explained, however, it was accepted that organised agriculture got its representatives from those best qualified for the particular task.

It was inevitable that some would have interests in the particular sector in which they were serving.

A strong delegation from the Housewives League told the commission it would attend all hearings and give evidence.

The chairman of the commission, Mr Justice Eloff, said witnesses could be questioned during the hearings.

Dr Lombard said there was less opportunity of forming rings under the existing permit system.

The clock system used worked outstandingly.

He said it was easier for the individual buyer to take part in auctions in the smaller centres. At the bigger centres the retailer was less involved.

It was difficult for anyone but the organised wholesaler to participate in the system.

It was possible for the smaller buyer to participate in the system by group buying. However, a capital investment was involved. Vehicles, for instance, had to be equipped according to laid down regulations.

Referring to marketing costs, Dr Lombard said costs, for instance, at some stage last year amounted to R44,83 a carcass. In this particularly case the producers' net return was R294.

Costs included slaughter fees, Meat Board levy, abattoir commission levy and others.

Asked whether it was possible to consolidate and cheapen some of the marketing functions, Dr Lombard said it was not possible to eliminate any of the marketing procedures, but efficiency could be improved.

The agent's function, he said, was to get the best possible price for the producers. This was an incentive to the agent as opposed to a scheme, where, say, he got R1 a carcass.

Much of Dr Lombard's evidence concerned the mechanics of the marketing system.

Asked whether there was any limitation on the purchase of offal, Dr Lombard said the fact that only the board could buy offal was a limitation.

Other interested parties were ruled out of the buying process.

He claimed there were few disadvantages in the system and many advantages. There were also few complaints about the system. There was only a limited interest in buying offal in the semi-processed form.

One shortcoming in the system, however, was that shareholders in the offal company were themselves involved in the trade.

On the meat permit system he said it was the only viable system and would stay.

Irregularities are possible — meat chief

CT 12/3/81
 #3 meat
 3 meat board

Own Correspondent

PRETORIA. — Irregularities in the Meat Board scheme were possible, the general manager of the board, Dr Jan Lombard, conceded here yesterday in evidence before the Commission of Inquiry into the meat industry.

Where profits were involved there was always the danger of corruption and other irregularities. "If you give a man a gun there is always the possibility of murder."

The Meat Board scheme was unique, and was accepted by agriculturists and economists. The possibility of irregularities, he emphasized, was very small.

Bribery was possible but steps had been taken to rule this out as far as possible.

He could recall only one case of irregularity involving an official of the board, although he was aware of cases where

agents were involved.

Recently four agents investigated by the board had signed admissions of guilt.

Steps which the board could take against convicted agents included a final warning or a cancellation of the agent's registration.

The board official he referred to was a Mr Broderyk who was convicted in 1980 after facing charges of fraud and bribery. Mr Broderyk, who was a senior official of the board, was responsible for controlling permits on the Witwatersrand. It was found he had submitted false returns to the board.

At the time the permit system was still in a development stage, and as soon as the irregularities were discovered the matter was handed over the police.

Asked if it were not possible

that irregularities were still going on, Dr Lombard said the system was continuously under review and evaluation.

On the floor price of meat, Dr Lombard said this was fixed once a year on a basis of a recommendation to the Minister of Agriculture from the Meat Board.

There were two major aims — the floor price should cover production costs and it should contribute to price stability.

The floor price was an emergency function — to ensure the recovery of production costs in a collapsed market situation.

Asked what happened to the meat bought at the floor price by the board, Dr Lombard said this was sometimes sold to manufacturers or exporters. Any loss suffered in selling the floor price meat was borne 100 percent by the board.

SCHOOL OF ECONOMICS,
 Division of
 Beattie Building,
 Rondebosch,
 7700



UNIVERSITY OF CAPE TOWN

(WITH WHICH IS INCORPORATED THE SOUTH AFRICAN COLLEGE)

TELEPHONE 69-8531, EXT 117

In reply please quote

Slam quota system

Farming Correspondent

The Meat Board's cattle marketing rules were criticised today by farmers who testified before the Eloff Commission of Inquiry into the Meat Industry in Pretoria.

Mr H J D van der Walt of Witbank said that the present system by which the board controlled the supply of cattle to Pretoria and Johannesburg was inefficient.

Farmers applied for marketing permits without the firm intention of using them. Cancellations caused supply fluctuation and this led to meat price fluctuations.

The board should promote stability by penalising those who did not use their marketing permits.

Dr H J Venter, a farmer from Mooi River, criticised the quota system by which supply was regulated in Natal.

This system worked through the marketing agents, who decided which farmer could or could not send his stock to the abattoir.

Dr Venter said that agents had openly given preference to cattle speculators who could supply the turnover on which the agent's business depended.

CT 13/3/84
~~Scrap Meat Board's~~
~~rules, says~~ ~~beef farmer~~

Own Correspondent

PRETORIA. — All the regulations and limitations — barring the hygiene rules — used by the Meat Board to govern the handing out of butchers' licences should be scrapped, according to Mr Chris Derksen, a representative of the Afrikaner Cattle Breeders' Society.

He said this in Pretoria yesterday, giving evidence before the Commission of Inquiry into the Red Meat Industry.

Mr Derksen, who is a beef and maize farmer, described as misleading and monopolistic some of the objections to his own application for a licence.

He criticized the fact that the large firms were represented on

the board and were the people who examined the information in the application.

"It is not for the Meat Board to inquire into my finances," he said.

"How can you submit all this information to the Meat Board on which all the big boys sit, six months before you wish to open?"

He also objected to the idea that a licence would not be granted if it would affect competition in the area.

"We are not so socialist that licences have to be distributed in this manner."

Mr Derksen said his application was granted eventually and he was told by a member of the Meat Board that he was "very lucky" to have it granted.

Farmers slam permit system

3meat

S. Tribune 15/3/81

~~South Coast~~

Tribune Reporter

COMMISSION TOLD OF FALSIFIED FIGURES

THE application and allocation of the meat permit system was roundly slammed during the first week of the meat probe hearings this week.

Amid talk of falsified figures, incompetence, and deliberately misleading statements, the public sessions of the Commission of Inquiry into the Slaughter Stock and Meat Industry started this week.

It became clear that the permit system — by which most of the supply of meat is now regulated — is going to come under close scrutiny as the commission gathers momentum this week.

Chris Dercksen, a representative of the Afrikaner Cattle Breeders' Society, said cattle farmers objected to the preference given to feedlot owners in the allocation of permits in times of marketing pressure.

When slaughter stock was in short supply, farmers sold cattle to feeders at prices above their meat value. Then it paid the feedlots to fatten farm cattle and sell them as super grades.

In times of surplus,

however, feeding profitably was difficult and feedlots offered farmers prices below the meat value of their cattle. In these times farmers would prefer to sell directly to the abattoirs but were prevented from doing so by the Meat Board, which gave permits to the feeders rather than the farmers.

On the strength of past marketing the feedlots had the permits and could in times of low prices force the farmer to sell at a loss.

The feedlots had been kept in business at the expense of the farmer, said Mr Dercksen.

A Witbank farmer, Mr H. J. D. van der Walt, criticised the way the board applied the permit system.

Farmers applied for marketing permits without a firm intention to use them. Cancellations caused supply fluctuations which in turn caused price fluctuations.

The board should promote stability, Mr van der Walt, said, by penalising farmers who did not

use their permits.

A Potgietersrus farmer, Mr J. van der Woude, said that one of his permit applications had been thrown out by the board because somebody had fraudulently changed the number of cattle on his application form, which had been sent to the board through an agent.

Mr van der Woude accused the board of giving preference to feedlot owners, forcing farmers to sell their cattle at a loss on country auctions.

The general manager of the Meat Board, Dr Jan Lombard, said the permit system was initially done on an ad-hoc basis. Permits were freely issued until the market was well supplied.

He said the board had gradually gained experience in making its permit administration bribe proof, and an efficient inspectorate was developed.

Now that the marketing pressure had eased, the permit system should not be scrapped.

16/3/81
3 meat
2 Appeal
Beef producers call for
stable market system

Own Correspondent

JOHANNESBURG. — Three beef producers have called for more stability in the marketing system of beef so that they can plan ahead more effectively.

They were critical of the quota and permit systems of marketing which applied in their areas.

(The quota system is used in Natal and allows the agent a quota of animals that he may slaughter, acting on behalf of a farmer. The permit system, introduced after complaints about the quota system, gives the farmer permission to slaughter a specific number of cattle).

All three were giving evidence at the Commission of Inquiry into the red meat industry in Pretoria on Friday.

Dr H Venter, a breeder/producer and veterinary surgeon of Mooi River in Natal, said agents had cancelled his quotas a day before his cattle were due to be slaughtered and he had had to sell them in a sale. His agents, Stockowners, had then bought five of his seven batches in the sale for 45c a kg. This, he alleged, was so that it could be sold to speculators, for whom the agents were using the quota.

The speculators, he said, then put the cattle on a train for slaughtering the next day. The explanation from his agent was that they had "to give the speculators preference".

"These animals I had taken through for 2½ years. I had taken the risk for 2½ years. Just as I was to market my animals, they chopped my legs from under me and said, 'Sorry you can't'." he told the commission.

Dr Venter said the producer was dependent on the breeder and appealed for the authorities to "get their priorities right".

Mr J van der Woude, a cattle farmer from Durbanville, said the erratic granting of permits and frequent unexplained or irrational refusals for slaughtering permits had made it impossible for him to run his farm and plan for the future.

He had applied for permission to slaughter 30 head of cattle a week through his Vleissentraal agent. This had been refused. When he sought an explanation from the Meat Board, they said he had applied for 230 a week when he had only 245 head on his farm.

It was agreed that the "2" was fraudulently inserted, but he never got to the bottom of whether this was done by the agent or somebody at the Meat Board.

He resented feedlot operators like Kanhym who seemed to get all the permits to market during the surplus, when he could get rid of none.

rules, used by the Meat Board to govern the handing out of butchers' licences to be scrapped.

Citing his own application for a licence in Kroonstad, he said some of the objections were misleading and monopolistic. He criticized the fact that three large firms were represented on the board and examined the mass of "unnecessary" information in the application.

"It is not for the Meat Board to inquire into my finances," he said. "How can you submit all this information to the Meat Board on which all the big boys sit, six months before you wish to open?"

His application was granted eventually and he was told by a member of the Meat Board that he was "very lucky" to have got it

It was agreed that the "2" was fraudulently inserted, but he never got to the bottom of whether this was done by the agent or somebody at the Meat Board

He resented feedlot operators like Kanhym who seemed to get all the permits to market during the surplus, when he could get rid of none.

'Monopolistic'

A representative of the Afrikaner Cattle Breeders' Society, Mr Chris Dereksen, who is also a beef and maize farmer called for all regulations and limitations, barring the hygiene

MEAT BOARD OF MEAT 'NO ANGELS' CHARGE

NM 12/15/81

3-Meat

3-cent

Mercury Correspondent

PRETORIA—Cattle farmers yesterday attacked the Meat Board for its close ties with the giant meat co-operative, Vleissentraal.

They also criticised a lack of effective representation by the South African Agricultural Union — the official body for farmers.

The farmers were giving evidence at the commission of inquiry into the meat industry.

Mr Charles Ratley, a Senekal farmer, called for a **created for farmers** from the Agricultural Union. He said both Mr 'Flip' du Toit and Mr Fanie van Rensburg held high office in Vleissentraal and on the Meat Board. There were eight members of Vleissentraal on the Meat Board, he said.

Created for farmers

It does not take an intelligent man to work out what they can do. Those men aren't angels, he said. The Meat Board was not created for agents or large firms, but for farmers.

Mr Ratley described what happened when he had applied for permits to market 24 head of cattle.

The letter from the Meat Board informing him that the permits had been granted was dated the 18th of the month, while a letter from Vleissentraal, which noted his successful application, was dated the 17th of the same month.

How does Vleissentraal know about my permits?

Referring to the sharp increases in the price of beef last year, Mr Ratley asked how the price could rise in six weeks from 140 c a kg to 240 c a kg.

My client is the house-

How does Vleissentraal know about my permits?

Referring to the sharp increases in the price of beef last year, Mr Ratley asked how the price could rise in six weeks from 140 c a kg to 240 c a kg

My client is the housewife, and if she's dissatisfied, then I'm in trouble.

He proposed a meat board which included members with no interests in large meat firms.

Mr Dirk van Reenen, a cattle farmer and feed-lot operator from Marquard, also drew attention to the high proportion of Vleissentraal representatives on the Meat Board.

He criticised the partnership between one of the major meat firms, Imperial Cold Storage, and Vleissentraal, which together had purchased Bull Brand in 1976.

He, too, asked how prices had risen from 140 c a kg to 240 c in so short a period.

Loans

Mr van Reenen criticised the system of loans granted by co-ops, saying they were made by directors of the co-op who were in a position to grant themselves loans, too. The loans were the subject of a complaint by Mr Karel Landman, a Natal farmer.

Mr Landman said the cheap Land Bank loans were granted to the co-operative who in turn made a loan to the farmer who then had to agree to market his cattle through the co-operative.

The co-op then charged a commission for marketing the cattle which meant the farmer was paying between 19 percent and 20 percent for his loan.

If Land Bank loans were given directly to farmers, they could farm more economically, he said.

He also criticised the quota system because often he could not sell cattle needed to.

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Meat price in interest of SA

CT 17/3/81

3 meat

KIMBERLEY. — The consumer would have to realize that it was in his own and his country's interest that the producer of red meat be kept in the market on a sound basis, Mr J Cronje, director of the South African Co-ordinating Consumer Council, said in Kimberley yesterday.

Addressing a national meat congress organized by the South African Agricultural Union, he said 1980 had been a year of "many movements" in the meat industry. Drastic increases in the meat prices had been a shock to the consumer and a good thing for meat producers.

A group of women had called for a boycott of red meat, but the Consumer Council had distanced itself from what it termed "an emotional call".

Mr Cronje said consumers should remember that if they did not make it possible for farmers to continue producing meat, they would ultimately carry the costs.

At the same time it had to be remembered that if meat became too expensive, the farmer would also face grave problems. The Consumer Council remained opposed in principle to price and product control, but conceded that under conditions prevailing in South Africa it was sometimes necessary, Mr Cronje said.

The producer had a special duty to act responsibly in his decisions. "Here I think of the delivery of the best products at the most reasonable prices by using research to apply in this way the most efficient production methods," he said.

The producer also had to make known and market his product through the most efficient organization. The Meat Board provided guidance in this regard.

The consumer needed guidance in the buying and utilization of meat and needed to get an insight into the problems of the meat industry.

"The producer and consumer organizations must grab each others hands and not move away from each other," he said.

• Statutory interference in the marketing of red meat was not only justified but essential, the general manager of the Meat Board, Mr J Lombard, said

Delivering a paper at the conference, Mr Lombard said he had come to this conclusion against the background of the following elements of the broad agricultural marketing policy in South Africa:

• Production uncertainties — because of their dependence on climatic factors, farmers could not control their supply in order to bargain effectively for a price

• Production characteristics — red meat production had a long-term cycle which tended to be seasonal and made use of biological technology rather than mechanical technology.

• Demand characteristics — the demand for red meat in the short term was typically unelastic, which meant that a small surplus could cause prices to collapse while a small shortage could cause prices to rise sharply

• Nature of the product — the producer had a small choice of products and in addition his product was highly perishable.

• Bargaining power — a relatively small number of sellers competed on the market with a relatively small number of buyers.

• Low profit yield — because of social pressure and also because of the nature of production of red meat, the industry yielded lower profits than other enterprises. — Sapa

RDM 17/3/81

Farmers attack board's ties with meat industry

3 meat 3 courts boards 186

By PAT SIDLEY
Consumer Mail

CATTLE farmers have attacked the Meat Board for its close ties with the giant meat co-operative, Vleissentraal, and expressed dissatisfaction at their lack of effective representation by the South African Agricultural Union — the official representative body for farmers.

They were giving evidence at the Commission of Inquiry into the Meat Industry yesterday in Pretoria.

Mr Charles Ratley, a farmer from Senekal, called for a "meat Sampi" — a reference to the recent breakaway of maize farmers from their official representative organisation which they claimed was politically loaded.

Mr Ratley said both Mr "Flip" du Toit and Mr Fanie

van Rensburg held high office in Vleissentraal and on the Meat Board.

There were in total eight members of Vleissentraal on the Meat Board, he said.

"The Meat Board was not created for agents or large firms, but for farmers out of their needs," he said.

Mr Ratley described apparent collusion between the Meat Board and Vleissentraal when he applied for permits to market 24 head of cattle.

The letter from the Meat Board informing him that the permits had been granted was dated the 18th of the month, while a letter from Vleissentraal, which noted his successful application, was dated the 17th of the same month.

Referring to the sharp increases in the price of beef last year, Mr Ratley asked how the

price could rise in six weeks from 140c a kg to 240c a kg.

"My client is the housewife, and if she's dissatisfied, then I'm in trouble," he said.

Mr Dirk van Reenen, a cattle farmer and feedlot operator from Marquard, also drew attention to the high proportion of Vleissentraal representatives on the Meat Board.

He was critical of the partnership between one of the major meat firms, Imperial Cold Storage, and Vleissentraal. They had purchased Bull Brand together in 1976.

He, too, asked how prices had risen from 140c a kg to 240c in so short a time and said that during that time they had applied for an increase in their permits to market cattle but had received a very small and inadequate increase.

Mr Van Reenen criticised the

system of loans granted by co-ops. He said the decisions of how much would be allocated and to which farmers was made by directors of the co-op, who were in a position to grant themselves loans too.

The loans were the subject of a complaint by Mr Karel Landman, a Natal farmer.

He said the cheap Land Bank loans were granted to the co-operative which in turn made a loan to the farmer, who then had to agree to market his cattle through the co-operative.

The co-op then charged a commission for marketing the cattle, which meant the farmer was paying about 19-20% for his loan to the co-op.

Mr Johannes Burger who wound up the day's evidence, complained that agents received a double commission — first from the farmer, then from the speculator.

'Keep meat market sound'

RDH
17/3/81
3 meat
2/10

KIMBERLEY. — Consumers would have to realise that it was in their and the country's interest that red meat producers be kept in the market on a sound basis, Mr J Cronje, director of the South African Co-ordinating Consumer Council, said in Kimberley yesterday.

Addressing a national meat congress organised by the South African Agricultural Union (SAAU), he said 1980 had been a year of "many movements" in the meat industry.

Drastic increases in prices had been a shock to consumers; a group had called for a red meat boycott, but the consumer council had distanced itself from what it termed an "emotional call".

Mr Cronje said consumers should remember that if they did not make it possible for farmers to continue producing meat, the consumers would ultimately carry the costs.

It had also to be remembered that if meat became too expen-

sive, the farmer would face grave problems.

The consumer council remained opposed in principle to price and product control, but conceded that in South African conditions it was sometimes necessary, said Mr Cronje.

Producers had a duty to act responsibly in their decisions.

"I think of the delivery of the best products at the most reasonable prices, by using research to apply the most efficient production methods," he said. Producers also had to make their product known and market it through the most efficient organisation.

Consumers needed guidance in the buying and utilisation of meat.

"Producer and consumer organisations must grab each others hands and not move away from each other."

Mr J Lombard, general manager of the Meat Board, said statutory interference in the marketing of red meat was not only justified but essential.

He came to this conclusion against the background of these elements of the broad agricultural marketing policy in South Africa:

- ⊙ Production uncertainties. Because of dependence on climatic factors, farmers could not control supply in order to bargain effectively for a price.
- ⊙ Production characteristics. Red meat production had a long term cycle which tended to be seasonal, and made use of biological technology rather than mechanical technology;
- ⊙ Demand characteristics. The demand for red meat in the short term was typically unelastic, which meant a small surplus could cause prices to collapse, while a small shortage could cause prices to rise sharply.
- ⊙ Nature of the product. The producer had a small choice of products, and it was highly perishable;
- ⊙ Bargaining power. A relatively small number of sellers competed with a small number of buyers;
- ⊙ Low profit yield. Because of social pressure and the nature of red meat production, the industry yielded lower profits than other enterprises. — Sapa.

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Butcher objects to licensing decisions

By PAT SIDLEY

A BUTCHER who applied unsuccessfully to the Meat Board for another butcher's licence told the Eloff Commission of Inquiry into the Meat Industry that he believed the application might have been turned down because one of the board members was a competing butcher in the area.

Mr Djon Van der Spuy Swanepoel of Grabouw, who operates five butcheries in Grabouw and Villiersdorp, applied in February last year to operate a butchery from a supermarket in Grabouw.

He told the commission that a Mr Nothnagel had applied two months after him for a licence for a butchery not far away from the premises Mr Swanepoel wanted to use.

The two applications had

been heard simultaneously by four members of the Meat Board, five months after Mr Swanepoel had applied.

His application was unsuccessful, while Mr Nothnagel's succeeded.

Mr Swanepoel told the commission he had asked for reasons from the Meat Board, asked his representative body to find out the reasons, and written to the Minister of Agriculture requesting an explanation — all in vain.

He said a Mr Liebenberg, who was one of the board members, operated seven butcheries, and was a competitor of his.

Mr Swanepoel said he believed the community would have been served had his application been successful.

In reply to a question, Mr Swanepoel said that Mr Noth-

nagel, the successful applicant, had been a detective in the South African Police at the time he applied, and had not had a licence before. He had been a blockman before he joined the SAP.

Mr Swanepoel agreed that there should be some limit to licensing, but said he objected to the way in which the limits were applied.

Mr Swanepoel said he was not implying anybody on the Meat Board had been bribed "with R10", but he thought it was probable that a personal relationship between a board member and an applicant could be used to influence the outcome of an application.

Earlier, a Pretoria lawyer who farms in the Free State told the commission that he had been unable to get permits to market his cattle after the grazing lands on his farm had been burnt out.

He had sold the cattle, however, to a feedlot operator. Some of the cattle had stayed there six months before slaughtering, and some three months — but they had all come from his farm.

POLITICAL comment in this issue by Allister Sparks, John Ryan, Lin Munge, Bernard Wessels; newsbills by Peter Bunkell; headlines and sub-editing by Paul Holroyd; cartoons by Bob Connolly; all of 171 Main Street, Johannesburg

5. Future Directions.

Between 1970 and the end of the century projections indicate that the South African population (including all the ex-Homelands) will have almost doubled, and growth in the Black population will have contributed most of this increase⁽³⁶⁾. Maintaining the standard of health services at their present level will not be too difficult, since this only requires an increase in the supply of beds and doctors of 2,5 per cent per annum, and at this rate of expansion, expenditures on health as a percentage of GNP would probably continue to decline.

There are, however, some forces which may operate to increase the relative amount of resources allocated to health care. The first of these is the high income elasticity of demand of Blacks for health service⁽³⁷⁾, which together with rising incomes will lead to an increase in the demand for medical care in Black Urban areas, and this may lead to the development of a private sector serving these needs. Rising levels of education and the spread of medical aid benefits will add impetus to this development. Secondly, the proportion of expenditure of Whites is not likely to fall, for although the income elasticity of demand of high income groups has been found to be low, changing tastes usually serve to increase the demand for health services as incomes rise.⁽³⁸⁾

(36) J.L. Sadie *op.cit.*

(37) P.A. Black, "Income Distribution and the Composition of Final Demand in South Africa," *S.A.J.E.*, Vol. 45, No. 4, December 1975, pp. 400, 401.

(38) P.A. Black, *op.cit.* for White income elasticity of demand for medical care. Klaaran reports that in the U.S.A. the proportion of income spent on health has either risen or remained constant over time, despite low income elasticities. H.E. Klaaran *op.cit.*, pp. 25-31. Expenditure of White urban families rose from 2,9 per cent of income in 1955 to 3,0 per cent in 1975.

Thus rising incomes are likely to increase the amount of private expenditure on health care. Government has also shown concern over the racial distribution of health services and this could lead to an increased level of expenditure on Black services. Moves to eliminate wage discrimination will also add to current expenditures in the public sector, although this will not in itself increase the supply of services.

Vertical integration, he said, could lead to price maintenance, cartels or oligopolies, but said quasi-monopolistic institutions tended to be "so-called socially responsible".

He said it was well known that the "Big Three" were Vleissentraal, Imperial Cold Storage and Kanhym/Karoo. But he condemned a newspaper article from September last year which had illustrated the extent to which the three groups dominated the market. Dr Lombard said the report had been sensational, some of its deductions unfounded, and its authors

Own Correspondent

JOHANNESBURG. — The general manager of the Meat Board, Dr Jan Lombard, has told the Elloff Commission of Inquiry into the Meat Industry that the industry is dominated by three large groups, all of which are vertically integrated.

Dr Lombard defined vertical integration as ensuring growth and profit, with secondary and primary insurance against risk. It also reduces competition, gives control over raw materials and a certain amount of control over the market.

ignorant

He told the commission that in March last year the previous Minister of Agriculture had asked the Meat Board for a report on vertical integration, which they had completed.

This report was handed in to the commission but because the minister had requested that it not be made public, its content has not been made available to the press or public attending the commission's hearings.

Mr Lombard said that on the Witwatersrand, Vleissentraal had two retail outlets, three wholesalers, two factories, seven agents and two hides and skins, curers and brokers.

ICS had six retail outlets, five wholesalers, two factories, three agents, a curer and broker in the same area.

Karoo on the Witwatersrand had nine retail outlets, three wholesalers, one factory, four agents and a hide curer and broker.

Asked whether any of the large firms worked together or had undertakings in common, Dr Lombard said Bull Brand was jointly-owned by Vleissentraal and ICS.

The 'Big Three' of meat industry

doctors to the whole economy will increase annually by only 3,6 per cent between 1974 and 1985, falling far short of the annual required growth of 6 per cent. It is also unlikely that the supply of beds will grow at the rate necessary, and Homelands will probably show the slowest rate

(40) *ibid.*, p. 439. These projections do not seem to take account of the high emigration rate of doctors.

Three groups 'dominate'

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By PAT SIDLEY
Consumer Mail

THE general manager of the Meat Board, Dr Jan Lombard, has told the Eloff Commission of Inquiry into the Meat Industry that it is dominated by three large groups, all of which are "vertically integrated".

He defined "vertical integration" as ensuring growth and profit, with secondary and primary insurance against risk, reducing competition, and giving control over raw materials — with a certain amount of control over the market.

Vertical integration, he said, could lead to price maintenance, cartels or "oligopolies", but quasi-monopolistic institutions tended to be "so-called" socially responsible.

It was "well known", he said, that the three groups were Vleissentraal, Imperial Cold Storage and Kanhym/Karoo.

But he condemned a Rand Daily Mail report last year illustrating the extent to which the three groups dominated the market. He said it was sensational, some deductions unfounded, and the authors ignorant.

He said that last March the former Minister of Agriculture had asked the Meat Board for a report on vertical integration.

It was handed in to the commission, but because the Minister requested that it should not be made public, its contents had not been made available to the Press or public at the commission's hearings.

Dr Lombard handed in a

schedule showing the extent of the vertical integration in the three large meat groups throughout the industry.

He said it contained only those undertakings which had to be registered by the Meat Board.

On the Witwatersrand, Vleissentraal had two retail outlets, three wholesalers, two factories, seven agents and two hides and skins curers and brokers. In the same area, ICS had six retail outlets, five wholesalers, two factories, three agents, a curer and broker. Karoo had nine retail outlets, three wholesalers, one factory, four agents and a hide curer and broker.

Dr Lombard said Vleissentraal was not a monopoly.

He said the competition between all three firms prevented any of them becoming a monopoly.

He denied there could have been a question of manipulation by the three firms to account for the sudden price increase last year.

Questioned about abattoir agents, Dr Lombard said the three firms had the largest share of the market, though this had dropped slightly, but did not control the markets.

He was questioned on the controversial support price system and the floor price, and said the floor price was the minimum price paid to the farmer, and the support price a marketing mechanism designed to reduce price fluctuations in the short term.

Meat men

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'afraid to talk'

Housewives cite fear of victimisation

PRETORIA—Many people in the meat industry were afraid to speak out because they feared victimisation, the first vice-president of the Housewives' League, Mrs Yvonne Foreshaw, told the Eloff Commission of Inquiry into the Meat Industry here yesterday.

Mrs Foreshaw said in evidence that her organisation had received many complaints from all sectors of the meat industry. These included farmers, retail butchers, a wholesaler and

manufacturers.

All these people had shown great anxiety that their identities should not be made known, Mrs Foreshaw said.

Although some of these people would probably be prepared to give evidence before the commission, many would be unwilling because they feared victimisation.

Those unwilling included small farmers, who felt they might be penalised by not being able to market

their products.

Complaints by farmers to the Housewives' League centred on prices for hides and skins and the fact that they seemed to get nowhere with other complaints.

Farmers also complained about not being able to get quotas for their products. They also were dissatisfied with prices.

Mrs Foreshaw said the number of complaints had, however, cooled off in the past few months because

of higher meat prices and because farmers were able to get their commodities to the market place.

Retail butchers had told the Housewives' League they were anxious about getting adequate supplies from wholesalers.

Answering a question, Mrs Foreshaw said the Housewives' League could speak only for farmers and those others who had approached the organisation. The league had not gone into the country to find out how farmers felt about the meat industry.

Talks with organised agriculture had met the reaction that farmers had no problems with the meat-marketing structure. — (Sapa)

distribution of the 130 men workers is shown below.

Farms and to have no ties with, or interest in, any homeland.

contract workers; they claimed to be legally resident on the

workers lived on the farm. None of the Africans were

percent) and the remaining 108 were coloured. All the

Twenty-two of the men workers were African (about 17

vegetables once a year.

or fed the chickens and might be expected to help harvest

worked inside the house, occasionally helped with the dairy

All outdoor workers on the farms were men. Women

Section C : The workers:

even to pay wages which complete with town wages.

**MALPRACTICES IN
HIDE SALES ALLEGED**

**Skin
trade
farmers
being
flayed
— claim**

S. Tribune 22/3/81

3 meat
3 hides

By TICKS CHETTY

THE Meat Board was accused of intimidating farmers and of manipulating the market for hides and skins this week when several people gave evidence before the Eloff Commission of Inquiry into the Meat Industry.

Mr C. Radley, from Senekal in the Free State, made one of the most serious allegations so far when he told the commission that the Meat Board had a habit of intimidating farmers who were "difficult" and who complained to other authorities about the board.

The board intimidated farmers, he alleged by threatening to withhold permits required by farmers for the marketing of their cattle for six months or a year.

Mr Radley said this amounted to punishment and in a democratic state punishment was solely the function of the courts.

The same complaint was made at the meat congress held by the South African Agricultural Union in Kimberley this

said in the absence of regular auctions for hides and skins nobody could be sure that the prices paid back to cattle producers were genuine.

Three firms dominated 94 percent of the hides and skins market. They could manipulate the prices by declaring fictitious prices on the basis of fictitious stock lists and invoices.

Dr Jan Lombard, general manager of the Meat Board, said in evidence there was a possibility of malpractices existing in the marketing of hides and skins.

There was a possibility of meat producers not always getting full prices for by-products such as hides and skins.

It could be that invoices were "adjusted" and grading regulations circumvented, he said.

Housewives

It was also possible, Dr Lombard said, that integration of large meat interests with related in-

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punishment was solely the function of the courts.

The same complaint was made at the meat congress held by the South African Agricultural Union in Kimberley this week.

The powerful National Wool Growers' Association (NWGA) alleged at the inquiry that there were widespread malpractices in the control of marketing of hides and skins by the board.

Irregular

The NGWA said the marketing system of hides and skins through the board was open to irregularities and manipulation.

Speaking for the NGWA, Mr D. Agenbach

Housewives

It was also possible, Dr Lombard said, that integration of large meat interests with related interests in the hide, skin and tanning industries could lead to irregularities.

Replying to a question, Dr Lombard also admitted that hides and skins, which were the raw material for the tanning industry, could become less available to independent tanneries not related to large meat interests.

But the bargaining process for hides and skins, Dr Lombard said, was largely outside the sphere of the Meat Board and there was little the board could do about the matter.

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By PAT SIDLEY
Consumer Mail

THE Housewives League has warned that if further integration among the three largest meat concerns takes place there will be an almost complete monopoly of the market place. The three groups are the giant co-operative Vleissentraal, Imperial Cold Storage and Kanhyrn/Karoo. The warning was made by Mrs Yvonne Forsshaw, vice-president of the League, who testified before the Elloff Commission of Inquiry into the meat industry on Friday. She said the function of any meat marketing scheme was to obtain the best possible deal for both producer and consumer. "Therefore the League is strongly opposed to the development of vertical integration." The producer was placed at a disadvantage in that his agent is competing with him (the producer) by selling his own stock

League warns of meat monopoly

S. Meat

RAND DAILY MAIL, Monday, March 23, 1981

to himself (the agent). In addition to vertical integration the industry was also "horizontally integrated". Kanhyrn had recently bought Karoo and there were joint operations between Vleissentraal and ICS. "The danger exists that should further integration take place among the Big Three, there will be an almost complete monopoly of the market place." A company called the Compound Pool at the City Deep abattoir buys the meat requirements for the mine contracts held by the Big Three.

"This clearly shows collusion as the purpose of this joint buying is to eliminate competition for the lower grade meat. A further classic example is the running of the Ofal Pool at City Deep where competitors hold hands to earn joint profits and keep other legitimate competitors out of the market," she said. Mrs Forsshaw said the food index of the CPI was well ahead of the inflation rate. Meat prices rose by 57% last year. She said higher income groups could afford higher prices but they were a small proportion of the total population. Referring to the permit and quota systems she said that, with complications in the new permit system, permits could end up in

the hands of only feedlot producers and large operators. She said the system should ensure that the allocation of permits or quotas to farmers was not placed in the hands of anyone who was a buyer or seller of meat. Agencies were sometimes owned by the meat wholesale farmer most despatch his cattle to his agent who in turn may sell to a wholesaler who may well be himself." Mrs Forsshaw said the Ofal Pool was controlled by the Meat Board who delegated this control effectively to the Big Three.

- Consumers were dissatisfied with the unavailability, quality and price of ofal.
- Among the recommendations the League made were:
- The commission should investigate in depth the degree of vertical and horizontal integration with the Big Three.
 - Applications for the support price system.
 - Allocation of quotas to agents should be simplified.
 - Licensing of agents should not allow them to compete with their customers.
 - Agents should not be associated with other aspects of the meat industry and their quotas should be reduced to 5%.
 - A wholesaler should not be entitled to compete with his customer through his own retail stores.
 - The commission should report fully on the excessive increase in prices over the last 12 months.

	23 637	14 784	3 392	17 125	'Employable'
	9,3	15,9	8,3	7,9	%

AS A PERCENTAGE OF 'EMPLOYABLE' MEN

able to assume that all the other women (those income categories where the incentive to combine cash-earning job is strong; and it is not clear d be described, if they are not to be considered y active' men, less those aged 0-14 and less than t column in Table 2) are added to those officially 'probably unemployed' men is reached. Expressed as an in the area less those aged 0-14 and less than or yable' men) these figures are :

be chronic invalids.

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By PAT SIDLEY
 Consumer Mail

A JOURNALIST who is giving evidence at the Eloff Commission inquiry into the red meat industry has been allowed to name a source of information to the commission "in camera" over the telephone so as not to embarrass her source.

Mrs Charlene Beltramo was questioned last week by the commission as to her source of information for an article about butchers who were illegally selling meat obtained from uncontrolled areas in controlled areas.

She had refused to disclose her source, but was allowed to ask the source permission to give the name. The judge agreed to accept this evidence "in camera" on the telephone and in camera.

Also giving evidence in Pretoria yesterday was an auctioneer and abattoir agent, Mr J B Heckrood of Kimberley, who said his licence to act as an agent was delayed, and was jeopardised as a result of the Meat Board's composition.

He could not see how his application for a licence could succeed when representatives of the large meat firms - Vleissentraal, Karoo and Ochtise - were members of the Meat Board.

He had been granted a licence to operate as an agent, but then received no quotas to slaughter calves or sheep.

This was because he had to build up enough of a reputation with the board.

He complained that it was therefore "difficult to get into the game if you are new".

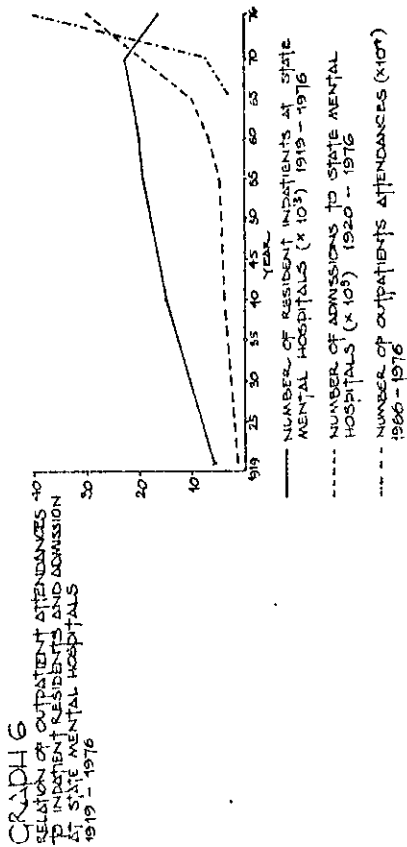
He said there had been an inquiry by the Meat Board into the permit and quota system in Kimberley in 1979.

"Carloads of documents" had been taken away to Pretoria, but nothing had come of the investigation.

established the extent of the official housing shortage:

Conversations with town clerks in three towns

The joint effect of the psychotropic drugs and the transfer of non-responders out of state hospitals has been the vastly increased admission rate. Concurrent with this has been an increased number of outpatient attendances.



Staff 1919-1976

The number of medical (7) staff manning psychiatric hospitals has developed at the same rate as the inpatient population. Thus in 1919, 19 doctors and 810 nurses took care of 5 771 patients. By 1976, 135 doctors and 6 108 nurses cared for 36 232 patients.

The total number of psychiatrists in South Africa has risen six-fold since 1940, i.e. 1940 (26) 1976 (188 including 13 who are practising overseas).

7. The medical category includes psychiatrists and medical officers, both full time and part-time. The nursing figures include trained, trainee and assistant nurses.

GRAPH 7
PERSONNEL
STAFF 1919-1976
AT STATE MENTAL HOSPITALS
(DOCTORS AND NON-DOCTORS)
(TOTAL NUMBER OF PSYCHIATRISTS REGISTERED IN SOUTH AFRICA)

Snyman: co-op markets for farmers' union

JOHANNESBURG — Vleissentraal, the giant meat co-operative, is "the marketing organisation" of the South African Agricultural Union (SAAU) — a situation which the union would like to see stay "for all future time."

This was said by Mr Basie Snyman, the deputy chairman of the National Meat Committee and general board member of the SAAU, when he gave evidence for the SAAU at the Eloff Commission of Inquiry into the red meat industry in Pretoria yesterday.

Mr Snyman said Vleissentraal was in fact the producer. The co-operative was SAAU and the co-operative was the marketing organisation of SAAU.

He said the co-operative was a non-profit organisation and not a monopoly "in the true sense of the word".

"It's not that Vleissentraal is just an agent for the farmer. It has integrated into hides and skins, wholesale agencies and exports — it's not just a co-op," he said.

Mr Snyman said Vleissentraal had moved into these markets because of requests from its members.

He denied Vleissentraal would exert influence over members of the Meat Board associated with it if the board's view differed from the co-op's.

Mr Snyman emphasised that there were no direct representatives of

Vleissentraal on the Meat Board.

He said SAAU supported both the floor price and the controversial support prices.

Mr Snyman said the support price system had not put the prices of meat up.

"These unhealthy prices are to nobody's advantage. Chicken consumption has risen and this is not to the advantage of the beef producer."

Commenting on the vertical and horizontal integration in the meat industry, he said "It is part of free enterprise. Vleissentraal, through vertical integration, has gone a long way to stabilising the industry and bringing cheap food to the country." — DDC.

part-time medical officers, deployed entirely at the private company-run licensed institutions, also inflate this figure for 1976. (See Table IV for staff:patient rates.)

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YEAR	NUMBER OF PATIENTS IN INSTITUTIONS	ADMISSIONS	OUT-PATIENT ATTENDANCE	POPULATION
1964	23 742	35 965	28 657	19,1 Millj.
1966				20,4
1970	28 124	37 133		22,4
1971				23,0
1975	25 957	24 880		25,5
1976	26 139	26 277	267 625	26,1
1964 - 1976	+ 2 397	- 9 688		+ 7 Millj.

y, March 27, 1981

Interests conflict on Meat Board'
(meat) (stand) (board)
 20M 27/3/81

Consumer Mail

THE members of the Meat Board have conflicting interests and should not represent producers, a Colesberg farmer has told the Eloff Commission of Inquiry into the red meat industry.

Mr D W Silcock said yesterday that members who were involved with agencies, or were members of organisations which had agencies, should not represent farmers.

Mr Silcock also said he had had difficulty in having his complaints dealt with through the South African Agricultural Union.

Mr Silcock was cross-examined by Mr Jan van der Walt, an official of the SAAU's meat committee, to establish whether Mr Silcock was aware of the SAAU's representative facilities.

The commission will hear further evidence on April 21.

The chairman of the commission, Mr Justice Eloff, said representations to give evidence to the commission may be made until April 10, but he stressed the evidence was to be based on the evidence already heard. He would, however, consider new evidence in special circumstances.

A memorandum containing proposed evidence, or inquiries should be sent to the commission's secretary, Mr C D Kruger at the Dirk Uys building, Hamilton Street, Pretoria.

ADMISSIONS, DISCHARGES AND OUT-PATIENT ATTENDANCE IN THE

YEAR	ADMISSION RATE	DISCHARGE RATE	REGULAR ATTENDING OUT PATIENTS
1971	91	61	-
1973	261	421	108
1975	387	375	240
1976	406	523	406

TABLE II

YEAR	PSYCHIATRIST	CLINICAL PSYCHOLOGISTS	PSYCHIATRIC NURSES	SOCIAL WORKERS IN MENTAL HEALTH FIELD	POPULATION
1964	82	40	674	37	19,1 Millj.
1970	134	92	896	50	22,4 Millj.
1975	164	191	2 079	97	25,5 Millj.
1976	167	238	2 779	99	26,1 Millj.

AVAILABLE MENTAL HEALTH PERSONNEL IN SOUTH AFRICA 1964 - 1976

TABLE III

PERSONNEL SITUATION GROOTBOEK AREA: 1976	PART-TIME PERSONNEL	
Psychiatrists	1	Medical Officers
Psychologists	2	Social Workers
Psychiatric Nurses	20	Paramedical Personnel
Student Nurses	30	Radiographers, Physiotherapists, Medical Technologists etc.
Auxiliary Nurses	50	
Occupational Therapists	1	

PERSONNEL SITUATION GROOTBOEK AREA: 1976

THE OCTOPUS IS IN 'THE DOCK'

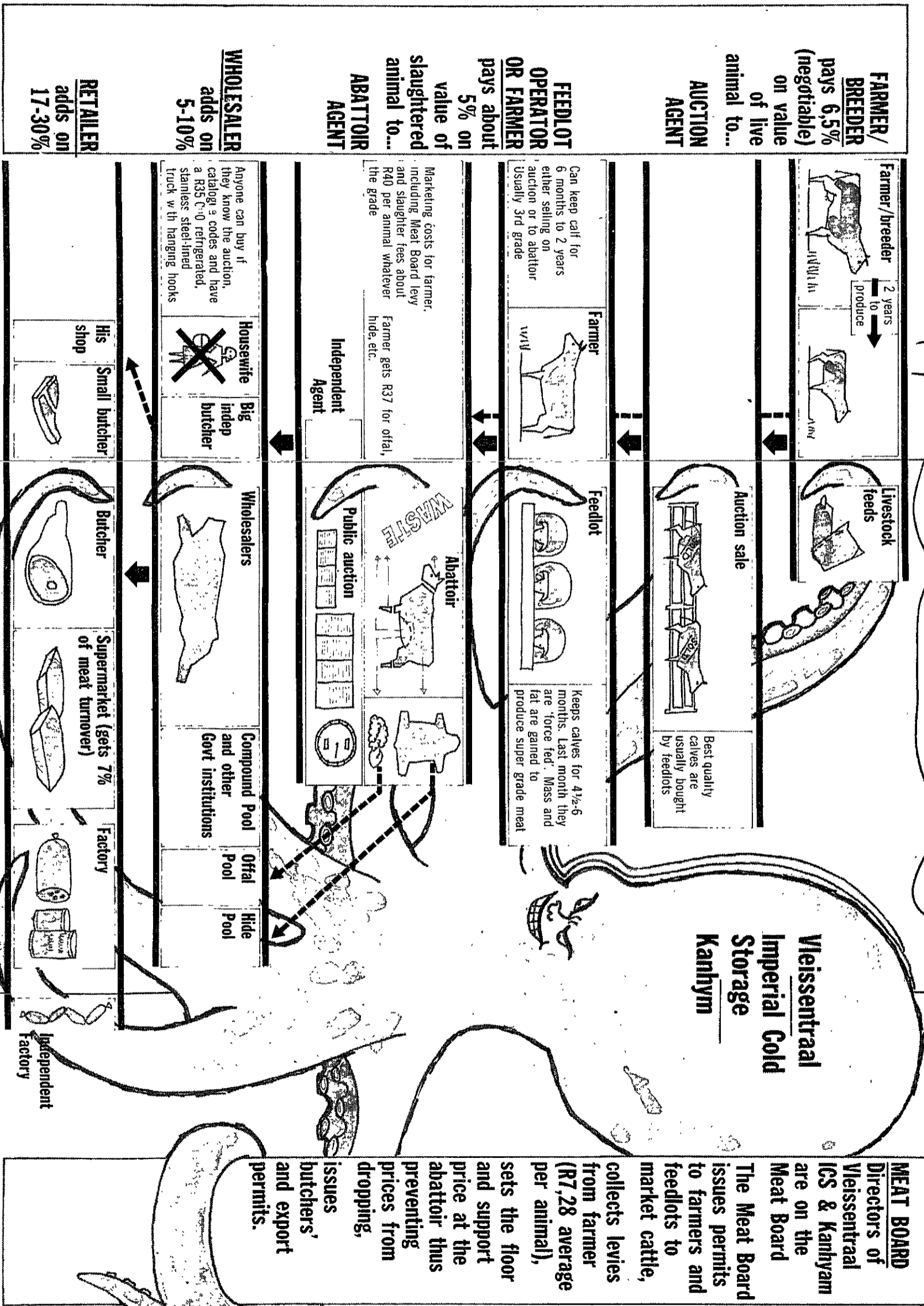
PDM 28/3/81

3 moat

3 feedlot boxes

28%

3-1/2c



IS THERE, an octopus with a stranglehold on the red meat industry?
 Five months ago, after an intensive investigation, Consumer Mail found that the R3 000-million-a-year meat industry was controlled by three large organisations whose tentacles stretched from breeding, to abattoirs, to retail outlets, to mincing contracts and curing and tanning of hides and skins.
 For more than two weeks the "Octopus Allegation" has been one of the key issues before the Meat Commission in Pretoria, which is specifically examining vertical integration within the industry.
 The "Mail's" report on the meat octopus was featured in evidence by the general manager of the Meat Board, Dr Jan Lombard, who claimed it was "sensational" and based on ignorance.
 But what has not been disputed is that three large groups with integrated interests dominate the meat industry... and are represented on the Meat Board.
 One of the main reasons for the inquiry is that the price of meat rocketed by 57% in a few months last year. This followed a lengthy period of hard times for farmers.
 Who are the Big Three of the meat industry?
 The largest is the co-operative Weissentraal. The other two are Imperial Cold Storage and Kanhyam/Karoo (owned by General Mining).
 Much of the questioning by the commission has centered on Weissentraal and its operations.
 This vast co-operative, comprising 34 member co-ops, has direct representation on the South African Agricultural Union (SAAU) and eight members of the Meat Board are associated with the co-op.
 The SAAU told the commission that it not only accepted that Weissentraal had integrated interests, but believed that vertical integration served the industry well.
 By far the most interesting evidence, with far-reaching effects and described by the Housewives League as "frightening", was that of the SAAU and their relationship with co-ops.
 The SAAU, the official organ of farmers in South

FARMER/BREEDER pays 6,5% (negotiable) on value of live animal to...
AUCTION AGENT
FEEDLOT OPERATOR OR FARMER pays about 5% on value of slaughtered animal to...
ABATTOIR AGENT
WHOLESALE adds on 5-10%
RETAILER adds on 17-30%

Higher meat prices mean bigger profits

Big companies control all facets of meat industry

MEAT BOARD
 Directors of Weissentraal ICS & Kanhyam are on the Meat Board
 The Meat Board issues permits to farmers and feedlots to market cattle, collects levies from farmer (R7.28 average per animal), sets the floor and support price at the abattoir thus preventing prices from dropping, issues butchers' and export permits.

marketing of agricultural produce. It wants Veissentraal to remain entirely in their hands with all its functions for all future time."

At a meeting late last year of the Federation of Livestock Auctioneers, which represents all those in the meat trade not associated with the co-op movement, the idea of a Sampi-like organisation to represent the meat industry was mooted.

Sampi was a breakaway maize organisation, which eventually won the day in freeing organised maize farmers from political control and giving farmers greater representation.

The cry for a "Veis Sampi" was echoed in evidence at the inquiry and repeated in references to the make-up of the Meat Board and the structure of the SAAU.

The SAAU handed in a list of the members of its Meat Committee, six of whom were members of the Meat Board.

Witnesses have mentioned, and Mr Justice Eloff questioned the fact of the Meat Board's eight representatives connected with Veissentraal, as well those connected to the big meat companies.

These companies, have been referred to throughout the proceedings as the Big Three, but a fourth and new large company — National Meats — has its managing director on the Meat Board.

The Meat Board handed in a list of the integrated interests of the Big Three which contained fewer names than the Housewives League had expected to find on it — but this was apparently because the Meat Board had only concerned itself with the enterprises requiring licences by the board which left out many ventures.

This therefore did not include tanneries or abattoirs. Vertical integration in hides and skins formed the basis of a difference of opinion when Meat Board member Mr J J Eckstein testified in support of the National Wool Growers Association which alleged the system of marketing hides and skins through the Meat Board was open to irregularities and manipulation.

Dr Jan Lombard, the Meat Board's general manager, had agreed when he testified that malpractices were possible.

He also handed in, as in-camera evidence, a report commissioned by the former Minister of Agriculture, Mr Hendrik Schoeman, on vertical integration in the hides and skins industry.

The commission has since "freed" the evidence. SAAU, however, argued that the marketing interests of Veissentraal in hides and skins should remain in the hands of the SAAU and Veissentraal, causing a Meat Board official to remark later:

"They want it (hides and skins industry) from the animal to the shoe."

The difficulties in the hides and skins section of the industry was enlarged upon by the tanning industry.

Meat prices rose 57% last year and pushed up the food inflation rate to 30%. After prolonged calls a commission of inquiry into the industry was established and has heard evidence over the last two weeks. This is the graphic the 'Mail' published last September showing the meat octopus which has featured in the commissioner's hearings. Consumer Mail's PAT SIDLEY sums up the hearings.

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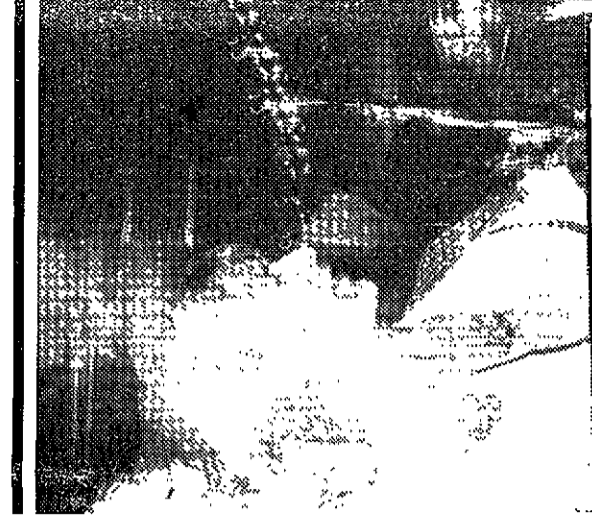
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Magisterial District	Economic Reg. No.	17	18	19	20	21	22
Gordonia	Kuruman	Kuruman	Postmasburg	Vryburg	Albany	Alexandria	Bathurst
	Kirkwood	King William's Town	Peddie	Victoria East	East London	Adelaide	Albert
	Albany North	Barkly East	Bedford	Cathcart	Elliot	Fort Beaufort	Glenn Grey
	Herschel	Indwe	Keiskammahoek	Komga	Lady Grey	Maclear	Middeldrift
	Queenstown	Sterskroon	Stuiterheim	Tarkastad	Modehouse	Bizana	Butterworth
	Engobo	Elliotdale	Falgstaff				

The deficits of the existing system of health care clearly suggest that a new health care model is needed. Any new model will have to be constructed by first clearly identifying the limitations of the present one - with its emphasis on services directed toward whites and urban areas, its stress on curative rather than preventive medicine and on high technology medicine in hospital settings. As a second step I believe that detailed consideration should be given as to how the whole practice of medicine could become integrated into a multi-disciplinary community development programme. The IS of the Health Area and the withdrawal of the and Patrons must be undertaken by doctors and nurses working in a hospital setting. What is needed to attack these problems is a multi-disciplinary approach to disease in which medicine, housing, agriculture, education and economic programmes co-operate to build up community facilities to combat such disease. South African medicine at present concentrates exclusively on treating disease in isolation from the setting and environment in

health care delivery. One need only look to the states which border on southern Africa to view a variety of attempts to remedy or create new health care systems. Turning to Botswana, Lesotho and Swaziland, a range of interesting developments in the health field are being undertaken, all of which have relevance to South Africa and which can be briefly detailed:

1) Botswana: On one occasion, Botswana was hit by a drought which had a serious effect on all of its water supply in the urban areas. In with a variety of health services which provided relief over a period of time. The government's first priority was to establish rural health services which had been virtually non-existent under the former régime. In June 1975, for example, the Courtenay Marique area, with a population of about 7,000 had about 50 doctors while the Northern Province of the Witwatersrand, with a

population of millions in similar geographic areas would give a contrast to the extremely important features of the general malnutrition of blacks in the control and design of the national system of health care.

It is also noted for a time medicine in South Africa generally has been characterized by ignoring the health of the population as the important and serious determining factor of the population is socio-economic development and not the application of medical technology. Second, it has also been argued that there is a particular social organization attached to South African medicine. These two broad features conditioning and characterizing South African medicine are interconnected and interdependent one another. Together they point to the existing model of medicine services being in need of radical revision.

What is suggested and urgently needed is a systematic analysis and evaluation of the efficacy of South Africa's existing health care delivery system. To my knowledge the last comprehensive attempt to analyse the South African health care services and the reasons for the failure was the 1967 National Health Services Commission which recommended the establishment of a health service which would be based on the needs of the people rather than on the needs of the state. The Commission also recommended that the health services be decentralized and that the state should not be the sole provider of health services. The Commission also recommended that the state should not be the sole provider of health services and that the state should not be the sole provider of health services.

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The Housewives League who gave evidence at the commission have questioned how the profits are distributed and how the farmer is paid out. They have also criticised the "minimal" amounts the farmer is paid for his offal.

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Price of offal likely to rise by 30%

COM 3/13/81

3 meat

3 meat

Consumer Mail

PRICES of offal, the food of the poor, are going up on April 7 - probably by between 30% and 40% according to retail sources. This means ox heart, which costs about R1,98 a kg now, could cost as much as R2,77 a kg this month. Ox liver, about R2,99 or more a kg at present, will cost about R4,19 a kg, making it more expensive to buy than chuck. A spokesman at the Rand Offal Pool - the company which sells all offal on the Reef - said yesterday he knew of no increase.

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3-Meat AD 1/4/81

Board?

Africa, believes in co-ops as a means of production and marketing of agricultural produce. It wants Vleissentraal to remain entirely in their hands with all its functions "for all future time".

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Their evidence was presented by Mr Chris de Bruin of the Tanners' Association and Mr E. Heunis, managing director of the largest independent tannery in the country. They claimed that the Big Three's integrated interests in the hides and skins industry prevented independent tanners from obtaining

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General manager of the Meat Board, Dr Jan Lombard — agreed malpractices were possible.

has been the occasional visitor, like Dr "Flip" du Toit, chairman of the Meat Board, and Mr Ben Kruger, head of the Abattoir Corporation, as well as a representative of Karoo (referred to as one of the Big Three through its association with Kanhyam).

There has, in fact, been a marked lack of interest, both by other firms (who will be giving evidence later) and by the public.

Perhaps the industry's lack of interest could be explained by the fact that they are probably more interested in the committee into the long-term production of red meat, announced at the same time as the inquiry. This committee, advised by, and contributed to, by people in the industry will determine the course of meat production for the future.

The commission's terms of reference are to highlight problem areas in the industry.

Also highlighted in the inquiry was the distance between the farmer and any effective union representation. Fears of the farmers to

allocated — a statement which caused Mrs Forshaw (Housewives League) to ask sharply who the board had removed permits from in order to over-allocate to these farmers?

The Meat Board who, as they put it, "stand accused" by the farmers who have testified, will be handling the allegations in detail, and answering each one when the commission continues its hearings next month.

Observers have remarked that the farmers who testified were indeed courageous.

But not only them. In one incident, a reporter of The Star, who had investigated the industry for a year, Charlene Beltramo, was asked to disclose a source of information leading to a report in which butchers had illegally travelled to uncontrolled areas to buy large quantities of meat for sale in controlled areas cheaply.

Of all the reporters who covered the industry over the years, she was the only one summoned to give evidence, which consisted largely of disclosing her sources on three stories.

Beltramo refused to divulge their names. She was allowed to appear before the commission the following Monday to testify if her sources had consented to being named in public.

A battery of press photographers was waiting outside the building early on Monday morning, waiting no doubt for a picture of the pretty blonde reporter as she was driven off to jail for her commitment to journalistic ethics — but this was not to be. The commission had telephoned her earlier, accepting the evidence in camera and, unusually, on the telephone.

The most emotional question raised, which inspired bitter arguing from Mrs Forshaw, was the support-price system. This system, as explained by Dr Lombard, was designed to eliminate fluctuations in the meat price at the market; but Mrs Forshaw was adamant that it served only to keep the price of meat artificially high.

The argument raged out of the court room and into the foyer. While farmers were complaining, and the press reporting the complaints, the SAAU Meat Committee was having its

annual conference in Kimberley, from where the SAAU stated angrily in a press release that the farmers who had complained to the commission were not speaking on behalf of the meat farmers of South Africa, who were represented at the Kimberley conference.

The SAAU repeated this, equally angrily, to the commission. Nevertheless, according to reports, at least one complaint was repeated at Kimberley; and that was that the Meat Board would withhold permits for some months as "punishment".

And while the Housewives League complained to the commission that people could no longer afford meat, the director of the Consumer Council, Mr Jan Cronje, rapped "emotional" consumers on the knuckles from Kimberley, because farmers had to be kept profitably on the land.

The farmers who testified came armed with piles of yellowed and recent newspaper cuttings to illustrate their belief that the public utterings of the Meat Board and the SAAU were at variance with their experience — and with indisputable facts such as the importing of meat when farmers could not market their cattle.

And all had similar tales to tell of the arbitrary way in which permits were granted or denied.

They complained, too, that the Meat Board sitting in Pretoria was removed from the "reality" of farming and "some woman in an office" in Pretoria decided their future.

One of the trends to emerge was the consistent complaint thatveld-farmers feel that feedlot operators get preferential treatment by the board in the way it operates its block permit system.

And although this was denied, the SAAU said the veld-farmer had reached his optimum level of production and the future lay in feedlots.

Lightening the sombre proceedings was farmer Johannes van der Wall.

He joined the oft-stated plea for stability and called for total price control in the industry. And, with an apparent disregard for the fact that he was in court, he peppered his evidence with, "Sorry, I'd like to say more, but I haven't the time, I've got to go."

Rise in offal price hits blacks

EAST LONDON — The increase in the price of offal is hitting hard the low paid group of blacks in the townships, say civic leaders and butchers here.

The price of offal has been increased by more than 40 per cent.

A spokesman for the Meat Board confirmed that the price had been increased and that prices were determined by the mass of the offal.

The manager of Imperial Cold Storage, Mr

A. Sutherland, said the increase had become operative from March 1 this year.

The price of beef offal had increased by about 40 per cent and that of mutton and pork by 12 per cent.

Although meat prices had been increased in September last year, the price of offal had not risen then.

Local butchers said the increase was ridiculous because the majority of people who consumed of-

fal were blacks.

A spokesman for an Mdantsane butchery said the minimum price for sheep offal at Mdantsane was R1,50 a kg and for ox offal R1,10 a kg.

An ox heart cost between R1,50 and R1,85 a kg.

"The sale of offal and meat is no easy job. People have no money," the butcher said.

A member of the Duncan Village Community Council and nursing

sister, Ms Mabel Mdaka, said the biggest consumers of offal were the blacks whose earnings were below the poverty datum line.

"Samp is our staple food in the township. To make it tasty one has to add gravy to it," Ms Mdaka said.

"It is not going to be easy to buy the offal in spite of the fact that meat is eaten only once a week by most families. It is useless to increase the price of offal," she added.

— DDR.

past we have heard various appeals for the right to own land to be granted to Bantu outside their homelands. We know that the Department is still battling with which resulted from overcrowding of Bantu-owned towns... The most bitter battles between Xhosa over land. Throughout our history, wars and conflicts from land disputes.¹²

Tightening up the pass laws and providing for ally to wither away were the next logical step of separate development. At the same time, the pass and influx controls after the township revolution from other motives as well. The Black Sash sign in the number of prosecutions in Johannesburg that the pass laws were being used for police, early twenty group seem to have been a police Sash. Youngsters who were no longer at school workseekers could be declared idle, removed from to work colonies, and stripped of their Section Following the increase in guerrilla activity chapter, the pass system was apparently also used against guerrillas making their way to the the penalties for workers and employers for is accompanied by repeated warnings to employ to hire unregistered Africans. The chief of the Zietsman, said housecholders should not even have proper reference books. Guerrillas caught had been found with forged passports and employers' signatures. Shortly after the Go Minister Kruger appealed to people 'not to from another area unless they have gone through strangers staying on their premises without course, also applies to farmers in the border Vaal Triangle Bantu Affairs Administrator in the area that they might be harbouring es, and urged them not to hire any Africans the labour bureau. The roadblocks in various ticularly the northern and eastern Transva were no doubt part of a police effort to prevent trators from reaching the towns, the check employment and other records serving as a o. fying Africans who were 'illegally' in the ar commissioner of police, General Prinsloo, and roadblocks were being increased follo terrorists would soon try to make their w

most important purpose behind the policy of removing from Africans their South African citizenship and permanent residence rights — indeed, the principle purpose of separate development itself — is, and always has been, to consolidate the white man's exclusive hold over the 86 per cent of the country which he unilaterally appropriated for himself by the Land Acts. Thus the debates about issues like freehold, home-ownership, citizenship, influx control, and Section 10 rights are really debates about the ownership and occupation of land. Practically every important issue in South African politics can ultimately be reduced to this one quintessential question: who has the land?

'We do not accept the principle that 17 per cent of the South African population have a moral right to hoard 87 per cent of the country for themselves,' Chief Gatsha Buthelezi has declared. 'We... reject the idea that there is any part of this land where blacks are foreigners. It must be made clear that blacks have a legitimate right to be in any part of South Africa.' Buthelezi has thus forsworn independence for Kwa-Zulu, a stand in which he has the backing not only of Inkatha, but undoubtedly also of the vast majority of Zulu-speaking South Africans. Indeed, in rejecting the idea that whites have an exclusive claim to 87 per cent of South Africa, Buthelezi is expressing a view which is almost certainly shared by the great majority of Africans in the country. Referring to Bantustan leaders who have taken independence, Buthelezi has also stated: 'Let us make it clear that when it comes to the push we will be forced to treat (this) as treachery and to regard those who are involved as traitors.' At the time the Transkei became independent, the president of the Soweto Students' Representative Council, Khotso Seatsholo, declared: 'We are opposed to the fragmentation of our mother-land into ethnic political entities... Azania belongs to us in whole. It is our land. It is our birthright. All the wealth of Azania belongs to all its citizens irrespective of ethnic group, race, or colour of the skin.'

But to Nationalist ideology, to the mind of politically organised Afrikanerdom, the idea of sharing the land of South Africa is anathema. Thus M C Botha declared in Parliament in 1976: 'There is something that worries me... I want to knock that thing on the head as soon as I can... I heard no less a person than the Hon. the Leader of the Opposition speaking of the white area of South Africa as "the common area", and "the joint area of black and white, coloured etc." That is an absolutely wrong attitude to adopt — to talk about the Bantu homelands and then describe the remaining portion of South Africa as "the common area".' A few years before, at the 1972 Sabra conference, I P van Onselen, Secretary for Bantu Administration, had put the question more starkly:

From our own history we have learned how dangerous it can be to the survival of the white nation if its land should be alienated. In the recent

Meat trial: court told of letter

EAST LONDON — An employee of the Meat Board in Port Elizabeth gave evidence in the magistrate's court here yesterday in the trial of two men and one woman for bringing ungraded meat into East London.

Mr J. Wagenaar, who deals with the application of meat control rules, told the court that the place on the Buffalo Pass Road, where the three were stopped at a roadblock, fell within the municipal area of East London and was thus a controlled meat area.

Mr Nyanezile Qwenise, 55, of Igoda, Mr Raymond Njaka, 39, of Parnford Street, Duncan Village, and Mrs Sylvia Majiki, 31, of Mooiplaas all pleaded not guilty to bringing 263 kg of ungraded meat into a controlled area without the necessary permit.

Mr Wagenaar said any person bringing more than 25 kg of meat per week into a controlled

area had to have a permit, which could be authorised only by the Meat Board.

Mr Njaka and Mrs Majiki both said they didn't know this.

Mrs Majiki said she had obtained a letter from Mr Qwenise, from whom she had bought the meat. Mr Wagenaar said only a document stamped by the Meat Board was accepted.

Mr Qwenise said that on February 20 the other two had asked him for a lift, with the meat, and as a favour he had agreed. They were stopped on the Buffalo Pass Road and the meat was found in the boot.

Later Mr Qwenise claimed the two had bought the beast from him for R150, but he had not been present when they slaughtered it. He could not explain why in an earlier statement he had not told the court the beast had been bought from him and not from the

owner of the farm, Mr Peter Butler, of Igoda.

The prosecutor, Mr W. C. Bester, said Mr Qwenise was an old farm hand and had been working for Mr Butler for seven years and so must have known he couldn't bring the meat into the city without grading stamps.

Mr Njaka claimed he bought the meat, of an already slaughtered animal, from Mrs Mjiki. He denied he and Mrs Mjiki had bought the beast together.

Mrs Mjiki claimed she and Mr Njaka had pooled their money and bought the beast from Mr Qwenise for R160, of which Mr Njaka had paid R40.

Mr Bester said it was obvious the three were trying to incriminate one another as they knew what they had done was wrong.

Judgment was postponed to April 21. — DDR

white population was growing steadily shorter.²³ The Afrikaner Broederbond was reported in February 1978 to have urged the necessity of increasing the white and at the same time reducing the black population. The white proportion of the total population

come true, the rate of 'backflow' would have to be of the order of a thousand people every day for the next 25 years.

To some extent, as we saw in Chapter 6, the number of Africans in the 'white' areas can be reduced without actually moving people but by the simple device of re-drawing boundaries so as to incorporate urban township areas into the Bantustans. Thus Durban's KwaMashu township became part of KwaZulu in 1977. But unless the Bantustan boundaries are radically re-drawn, the incorporation policy has limited applicability. Of potentially much wider use is the policy of re-locating townships of Bantustans on the Itsoeng model. In terms of this policy township Bantustans in the western Transvaal were to be phased out and their inhabitants moved to Itsoeng in Bophuthatswana, from where they would travel to work on a daily or weekly basis, the weekly commuters staying in hostels in the 'white' areas, leaving their families in Itsoeng. Mainly as a result of the re-drawing of boundaries and the re-locating of townships, the number of African commuters — the re-locating of people who live in a Bantustan but commute every day to a 'white' area — increased from 291 000 in 1970 to 636 000 in 1979. As resettlement proceeds, and as the development of rapid rail other transport brings more Bantustan areas within practicable commuting distance of existing and new industrial areas, so the number of commuters will increase.

The next phase in the implementation of separate development will thus involve, firstly, accelerating the policy of ridding the 'white' areas of Africans who are not economically active and, secondly, gradually replacing workers possessing Section 10 rights with migrants. Neither of these is necessarily incompatible with the restoration of leasehold rights to Soweto and certain other townships: as we saw in Chapter 13, occupation of a house held under lease, like occupation of any other house, depends on the occupant's having Section 10 rights, and in any event the new 99-year lease system has a built-in self-destruct mechanism in that coming generations of Africans will not have Section 10 rights by birth. Nor are removals likely to be dependent on jobs being available in the places to which people are moved. Bureaucratic harassment and

number of Africans in the Bantustans up from the 1970 figure of 9 million short of the Hartzenberg projection to only 16 million — this figure of 25 million can therefore only be realised if a remarkable backflow of blacks from white areas to the homelands were to take place. In fact, for Hartzenberg's prediction to

This is price havoc — Boraine

Augus 3/4/81 ~~186~~ (3 Meat)

Staff Reporters

INCREASES in the price of sugar and offal would have a devastating effect, particularly on poorer communities, the chairman of the Progressive Federal Party's federal executive, Dr Alex Boraine, said today.

Dr Boraine, MP for Pinelands, was reacting to announcements that sugar would go up 11 percent today and abattoir prices of offal 52 percent next week.

The sugar increase would push up prices of cakes, biscuits and soft drinks.

Maize blow

Moreover, with the Government expected to announce an increase of about 15 percent in the price of maize to the farmer before the end of the month, another ripple will push up the prices of poultry, meat and eggs.

The exorbitant increase in the price of offal, which is part of the basic diet of the very poor, is going to be a very hard blow with no acceptable substitute, Dr Boraine said.

Price increases in food-stuffs were coming at an alarming rate and would force certain groups of people to cut down on the amount of food they provided their families.

Paradox

"This is an unacceptable situation in a country which is experiencing a boom," said Dr Boraine. "Surely South Africa must be unique in that the bigger the boom, the greater the hardship."

He said the frightening increases just announced highlighted the relevance of the PFP's campaign concerning the plight of the poor and the battle by more and more people to make ends meet.



DR ALEX BORAINÉ . . . 'devastating effect'.

Food prices rose by 30 percent last year — and present trends indicate that a similar rise can be expected this year.

The price of jams and canned fruit should escape the sugar increase for several months because the canning season is almost over.

Supermarket chains and some other retailers, anticipating the sugar increase, stockpiled. They say they will not have to pass on the increase for at least a fortnight, until new stock arrives on the shelves.

The South African Sugar Association asked the Government to approve the increase because of rising production costs.

An increase in rail tariffs, which came into

effect on Wednesday, has also increased delivery charges.

A Meat Board spokesman in Pretoria said yesterday that the price of offal was being adjusted to keep pace with the price of beef.

Butchers fear that the effective increase will be as much as 80 percent after the wholesalers have increased their price.

A Durban report says eggs could break the R1 a dozen barrier in the next few weeks.

A new oil seed price is expected in the order of 15 percent which means vegetable cooking oil and margarine will jump in price and butter can be expected to follow.

(News by T O'Hagan and A d'Angelo, 122 St George's Street, Cape Town.)

Table 5 Health Expenditure Per Capita in Constant
1970 Prices 1959/60 - 1974/75 (a)

Year	GNP per Capita (b)	Health Expenditure per Capita (c)
1959/60	(R) 356	(R) 14
1969/70	596	23
1974/75	705	25
Annual Growth Rate	4,4	3,9

Notes:

- (a) Sources: Table 4 note (a) for source of GNP data. Population data from South African Statistics 1976, Table 1.6, and South African Statistics 1968, Table A-9. 1959 data was revised upwards on the basis of revised estimates from 1960.
- (b) Deflated by the national accounting deflator, calculated from South African Statistics 1976, Tables 21.4 and 21.6.
- (c) An adequate deflator for all medical services does not exist. The medical index of the old Consumer Price Index is unsuitable as it only includes expenditure of white families in major urban areas. No index for medical services in the public sector is available. The national accounting deflator was used here, and the result is more conservative than that obtained using the medical care index of the C.P.I.

Table 6 Percentages of Private and Public Consumption
Expenditure Allocated to Health Services
1959/60-1974/75

	Private Health as % of Private Consumption	Public Health as % of Public Consumption	Public Consumption as % of GNP
1959/60	2,8	18,7	11,3
1969/70	3,3	17,6	12,0
1974/75	2,8	16,8	14,4

New meat grading system defended

Pretoria Bureau

THE claim that the proposed new grading system for meat would result in higher prices was completely unfounded, the deputy director of the SA Agricultural Union, Mr Jack Raath, said yesterday.

"The proposed system only represents a more objective grading which will ensure the consumer of a more uniform quality within grades, and also be more readily understood."

It certainly could not keep animals away from the market.

Mr Raath said speculation that increased abattoir rates would result in price increases over the short or long term were also unfounded.

The costs were recovered from the producer after determining a market price and could only have an effect over the long term through the cost structure of the whole industry.

The proposals were discussed by the SAAU's national meat committee during its meeting in March and no further amendments were proposed.

Sources: for Expenditure expenditure data 21,15 and 1970, adjusted to the

DISEASES OF THE DIGESTIVE SYSTEM

DISEASES OF THE GENITO-URINARY SYSTEM

X

IX

Beef exports:
SA lost

R5-m

By Caroline Braun,
Consumer Reporter

South Africa exported 104 000 beef carcasses at a loss of R5,05-million in the 1979/80 financial year.

These figures were released in the Meat Board's latest annual report.

Because of the high price of meat locally in 1980, beef exports had to be subsidised at the rate of 50c a kg.

Losses on fresh and frozen beef were R1,75-million, on canned beef R1,5-million, and on carcasses R1,8-million.

A total of 1 500 tons of pork was exported at a loss of R750 000.

A Meat Board spokesman said losses were covered by the stabilisation fund, which was made up of contributions and levies paid by meat farmers.

He said a tiny percentage of meat was exported and this was surplus stock which could not be sold locally.

The R5-million loss was minimal when one considered the meat industry was worth R1 000-million a year for the producers alone, he said.

	W	A		M	F	M	
	M	F	M	F	M		
0-1	0,17	0,08	0,10	0,21	0,71	0,0	0,25
1-4	0,01	0,01	0,00	0,00	0,0	0,0	0,56
5-24	0,02	0,01	0,03	0,01	0,0	0,0	0,08
25-44	0,11	0,09	0,39	0,10	0,41	0,41	0,10
45-64	0,92	0,42	1,60	0,72	1,31	1,31	0,36
65+	1,80	1,16	1,61	2,44	1,91	1,91	1,10
ALL	0,31	0,21	0,33	0,16	0,33	0,33	0,14
NO.	653	430	116	56	370	370	165
							203
							130

Small (circled)

sum 54/81

25-44

45-64

65+

ALL

NO.

DD 22/4/81

SA meat 291 pc more expensive

3 meat

JOHANNESBURG — Housewives in Zimbabwe and Botswana are paying as much as 291 per cent less for red meat than their South African counterparts.

During the past year meat prices in South Africa have soared by 57 per cent forcing housewives to cut down on their meat purchases.

Neither Zimbabwe nor Botswana has a meat marketing scheme similar to South Africa, according to a newspaper survey carried out in Johannesburg, Salisbury and Gaborone.

And while the cost of maize, often used to feed cattle, is at present higher in Zimbabwe — meat prices there are considerably cheaper than South Africa, it was found.

Both Zimbabwe and Botswana have exported beef to South Africa where South Africans are finally charged up to a third more.

Offal prices in Johannesburg recently rose for the third time in six months — increasing the prices in certain instances by more than 100 per cent.

Low income groups, unable to afford the more expensive cuts, rely heavily on offal.

Offal prices in Zimbabwe were lower on average by 124 per cent.

Meanwhile, the South African Federation of Meat Traders, which represents retail butchers, has slated the use of the support price

system in the marketing of meat and has asked the Commission of Inquiry into the industry to scrap the system.

The basis of the support price seemed to be to push the price up to what the market could bear, and had the effect of keeping

Potato campaign on way

CAPE TOWN — An advertising campaign to promote potatoes will be launched all over South Africa by the Potato Board for the next six months.

The board will also conduct the campaign in the black urban areas for ten weeks. Advertising material will appear at thousands of potato sales terminals.

At the same time group discussions will be held with black consumers in Johannesburg and Durban to determine their attitude towards potatoes.

The results will serve as basis for further advertising of potatoes. — DDC.

prices artificially high.

This evidence was given by the federation's chairman, Mr Lazarus Seibar, at the commission hearing in Pretoria yesterday.

The support price is a mechanism used to stop the price of meat on the

market dropping rapidly. It is set by the Meat Board and is substantially higher than the floor price — the minimum amount that can be paid to a farmer.

Mr Selbar said the Meat Board's action and the support price were to blame for the "terrific" increase in the price of meat last year.

Red meat consumption had dropped by 30 per cent and he believed the support price plus the Meat Board's and Agricultural Union's "propaganda" about high prices, were to blame for this.

"The support price has actually caused tremendous harm to the whole industry," and it would be difficult to repair this, he said.

Mr Selbar said there were still officials stating to the media that prices would rise next year, but he predicted a glut of meat.

Soya protein was already being used and chicken consumption had increased and he had seen polony made from ostrich meat.

This would add further to the drop in meat consumption, he said.

Yesterday, the Imperial Cold Storage, one of the "Big Three" companies in the meat industry, called for a return to the quota system of marketing meat instead of the permit system used at present.

The quota system has been widely criticised, both in the past, and during the present hearings before the commission, because it can be manipulated. — DDC.

The changes proposed are...
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At a Staff Meeting on 4th February, we considered some changes to time-table arrangements for Business Science courses. The need for these arises from semesterisation and from the changes recently made in some special field curricula.

Proposed Time-table Changes

Commerce Faculty Officer.

.....

Mrs. M. Thesen,

.....

12th February, 1981.

MEMORANDUM

TO

UNIVERSITY OF CAPE TOWN

Department of Business Science.

FROM

Professor J.D. Hampton,

RBM 23/4/81

Board attacks 'Mail' meat price survey

244 3Meat 3 meat board

By SUE ROBERTSON

A COMPARISON of meat prices between Zimbabwe, Botswana and South Africa, was "ridiculous" and "unfair" because the supply and demand structure in a sophisticated economy was different from that in an undeveloped country.

This is the view of a spokesman for the Meat Board, Mr Koot Blignaut, who attacked a Consumer Mail survey and report yesterday which revealed that South Africans paid as much as 291% more for their meat than their Zimbabwean and Botswanan neighbours.

But the president of the Housewives League, Mrs Joy Hurwitz, has blamed high meat prices on the "artificial" support price at auctions.

"We want that support price abolished immediately to allow for some fluctuation in the market. The Meat Board seems to think consumers don't like fluctuations."

She added that it was "crazy" that two countries — South Africa and Zimbabwe — that were so "similar" could have such discrepancies in

meat prices.

But Mr Blignaut called the comparison "ridiculous".

"It is rather unfair to compare a country with a lagging economy with a country like South Africa where there is a high level of economy."

"Price is determined by supply and demand and, obviously, the buying power and affluency of a community," he said.

South Africans had more money and therefore could buy more meat, he said.

But Mrs Hurwitz said: "Our main concern is that in a meat producing country everyone should be able to buy meat. But in fact only a few are able to do so in relation to their income."

Mr Blignaut said the current meat shortage had also contributed to price escalations.

He said it was unfair to make the comparison between Botswanan and Zimbabwean meat which is ungraded, though not necessarily inferior, to South African meat.

"It is a non-comparable comparison," he said.

Referring to low-priced meat bought from Botswana by the Meat Board and then sold at

current high South African prices, Mr Blignaut said: "It depends on what people want to pay for the meat at an auction. It is a normal open market situation where supply and demand determine the price."

"There is nothing we can do about it."

He denied the Meat Board made any profit from these sales.

Mrs Hurwitz compared the importing of Botswanan meat to previous imports from Zimbabwe, saying that consumers never received the benefit of the lower prices.

The president of the South African Agricultural Union, Mr Jaap Wilkens, joined the Meat Board in its attack.

"The only reason for this big increase (in meat prices) is there is a bigger demand than the supply," he said.

"We are getting a bit annoyed by the Rand Daily Mail."

"They are the only ones always complaining about the price of food — but consumers use other items too. What about price of hairdressers?" he asked.

of how projects will work and what would be a good way of using local resources. They can seldom know of those cases of people are trying to establish

63

11

The myth of community.

A mistake that many people involved in development projects make, is that they assume there is a "community". During my involvement in Cape Town SAVS, for example, we presumed that people would want to contribute towards the establishment of a marketing centre for Umhlabla, a creche for one area (Ipoti) and a clinic for another (Umlambo). We assumed that the people of these localities would see themselves as a group, and thus would decide to work as a group on a project which would benefit themselves as a group. However, most, if not all, villages are not communities: the most one can say is that they are a gathering of people living near each other. In Umhlabla a large number of people are strangers who have moved in from white farms, and due to rehabilitation most of the "locations" are composed of a number of villages moved down from the mountains.

There are some villages or locations which are more integrated than others, where there have been fairly successful "community scale" projects. However I found that I could not associate this with anything other than the presence of a good headman or other co-ordinating figure in the area (vide the fact that so often when this person goes, the "progressive" quality of the area dies and the projects go to rack and ruin) 54

In all the projects I mention there is at least one person, and usually a small group, who really believes in, and supports the project. One generally finds that this small group are involved in all the projects in the area and are on all the committees. Most of these people obviously believe that with concerted effort their areas can progress along a Western path of development.

In all areas there is a large number of people (still not the majority however) who consider the ideals cited, when a new project is discussed, as good. They say they would like such a

64

SA red meat costs most

CT 23/4/81

3 meat ~~2~~

Call to change meat system

Own Correspondent

JOHANNESBURG. — South African housewives are paying as much as 291 percent more for red meat than their Zimbabwe and Botswana counterparts.

During the past year meat prices in South Africa have soared by 57 percent forcing housewives to cut down on their meat purchases.

This was revealed by survey of the prices of red meat in Johannesburg, Salisbury and Gaborone.

The survey, of 11 cuts of meat, showed prices in Johannesburg far outstripped those in both other centres.

Neither Zimbabwe nor Botswana has a meat marketing scheme similar to South Africa's.

And while the cost of maize, often used to feed cattle, is at present higher in Zimbabwe — their meat prices are considerably cheaper than South Africa's.

Both Zimbabwe and Botswana have exported beef to South Africa where South Africans are finally charged up to a third more.

Offal increase

Offal prices in Johannesburg recently rose for the third time in six months — increasing the prices in certain instances by more than 100 percent.

Low income groups, unable to afford the more expensive cuts, rely very heavily on offal.

Offal prices in Zimbabwe were lower on average by 124 percent.

Overall results of the survey showed Salisbury meat was cheapest, followed by Gaborone — with Johannesburg being the most expensive.

This is how Johannesburg compared:

CHEAP CUTS:

● Chuck: Johannesburg — 50 percent more expensive than Gaborone and 29 percent more expensive than Salisbury.

● Tripe: nearly 300 percent more expensive than Gaborone and 80 percent more expensive than Salisbury.

● Ox tail: 149 percent more expensive than Salisbury.

● Ox tongue: 53 percent more expensive than Gaborone and 148 percent more expensive than Salisbury.

● Ox liver: 115 percent more expensive than Gaborone and 120 percent more expensive than Salisbury.

● Brisket: 210 percent more expensive than Gaborone and 113 percent more expensive than Salisbury.

MORE EXPENSIVE CUTS:

● Rump: 59 percent more expensive than Gaborone and 248 percent more expensive than Salisbury.

● Lamb chops: 31 percent more expensive than Salisbury.

● Roast pork: 88 percent more expensive than Salisbury.

● Leg of pork: 70 percent more expensive than Salisbury.

● Leg of lamb: Johannesburg was 5 percent cheaper than Salisbury.

The survey established huge discrepancies exist at wholesale and abattoir level.

On Thursday last week at the City Deep abattoir in Johannesburg, super beef prices varied between R2,30 a kg and R2,49 a kg and Grade 2 varied between R2,12 and R2,29.

In Salisbury, the Cold Storage Commission was charging 84c a kg for beef — and paying farmers substantially less than that.

However, Zimbabwean farmers feel they are getting a raw deal and higher prices are anticipated within a month.

Even then the producer price would have to treble in Zimbab-

we before it would approach South African prices.

Although beef is not sold in grades the same way as it is in South Africa the prices of their top grades are compared.

Wholesale prices for lamb in Zimbabwe last week were R1,75 a kg and mutton, R1,50 a kg. Pork cost 95c a kg wholesale.

All beef sales in Zimbabwe are made through the Cold Storage Commission. A large amount of the lamb and mutton is imported, and pig meat is sold through a co-operative.

Wholesale prices

In Botswana even the wholesale prices of beef were lower than the prices of beef at the Johannesburg abattoir.

Chuck, for instance was R1,50 a kg; brisket was R0,65a kg and tripe was R0,45c a kg. The highest grade of beef, comparable to super grade in Johannesburg, would cost about 20 percent more than this.

According to a wholesale butcher in Gaborone, butchers are allowed a maximum 35 percent profit margin and they compete within this margin.

The Botswana prices in the table are calculated by adding on 35 percent to the wholesale price supplied, for the retail profit.

Although the wholesale butcher gave prices for Grade I, he said the equivalent of super would cost about 20 percent more. A further 20 percent has therefore been added to the price.

The butcher said that lamb and pork had not been available, so prices were not compared.

He said most meat was sold frozen. When "chilled" cuts were available they were only slightly more expensive — for example, chilled rump was R2,75 a kg wholesale, while frozen rump was R2,60 a kg.

Own Correspondent

JOHANNESBURG. — The South African Federation of Meat Traders, which represents retail butchers, has slammed the support price system in the marketing of meat and asked the Commission of Inquiry into the industry to scrap the system.

The basic result of the support price seemed to be to push the price up to what the market could bear, and had the effect of keeping prices artificially high.

This evidence was given by the federation's chairman, Mr Lazarus Selbar, at a commission hearing in Pretoria this week.

The support price is a mechanism used to stop the price of meat on the market dropping rapidly. It is set by the Meat Board and is substantially higher than the floor price — the minimum amount that can be paid to a farmer.

Mr Selbar said the Meat Board's action and the support price were to blame for the "terrific" increase in the price of meat last year.

To blame

Red meat consumption had dropped by 30 percent and he believed the support price plus the Meat Board's and Agricultural Union's "propaganda" about high prices, were to blame for this.

This had a very serious and harmful effect — for instance the abattoir had had to increase its prices because fewer cattle were being marketed.

Mr Selbar said there were still officials stating to the media that prices would rise next year, but he predicted a glut of meat.

Soya protein was already being used and chicken consumption had increased and he had seen polony which used ostrich meat.

Mr Selbar said his organisation was against the Meat Board or anybody else having a say in retail prices.

No objections

Mr Selbar said he told the Minister of Agriculture he had no objections to a support price scheme, but the present one did not work.

No one knew exactly how it was calculated.

"It's untenable that the price should be worked out by the Meat Board, when no one knows what it is or how it works."

"If you want to stabilize prices you cannot do it under an auction scheme."

There had to be fluctuations in any auction system.

No relation

Mr Selbar said the recent 54 percent increase in the price of offal bore no relation to the cost of production — the price had been raised to what the market would bear.

Traditionally offal prices had been linked to meat price trends.

"But this was a case where the price had nothing to do with the cost of production — only what the market would bear," he said.

Demand for offal had increased because meat prices were high, and because of this the price of offal had been put up by 54 percent.

Leading meat company calls for quota system

Own Correspondent

JOHANNESBURG. — Imperial Cold Storage, one of the "Big Three" companies in the meat industry, has called for a return to the quota system of marketing meat instead of the permit system used at present.

The quota system has been widely criticized, both in the past, and during the present hearings at the Commission of Inquiry into the meat industry, for its ability to be manipulated.

Giving evidence at the commission in Pretoria yesterday, an ICS director, Mr H V Lombard, said the permit system was unsatisfactory and agents with quotas could gauge supply and demand of beef well.

Under the quota system, agents are given the quotas or allocations of cattle they can have slaughtered. This has led to accusations that they abused their quotas by favouring farmer clients.

Under the permit system, permits are issued to farmers themselves for the cattle they wish to market.

Mr Lombard said when applications for permits were filled in three months ahead, they

were not accurate — the condition of the weather and cattle were not known.

He said under the quota system, agents knew what was available on the market and whether the market could cope.

In reply to a statement that the Meat Board was against the quota system, Mr Lombard said the Board's system of issuing block permits to agents was the same effectively as the quota system "only a nicer name".

In evidence on ICS's feedlots, Mr Lombard agreed that new producers would have a problem marketing their cattle if feedlot operators were granted all their permits for which they had planned.

He said farms should be used to breed animals, not rear them. At a young age the animals should be put onto a feedlot to be fattened for slaughtering.

In winter there was not enough grass and calves were born and raised under these conditions. They should be placed on feedlots and fed maize.

There was a consumer demand for grain-fed beef which

was superior to grass-fed beef, he said.

Questioned on vertical integration, Mr Lombard said it was an inherent part of a meat operation.

He said there was no monopoly in the meat industry as the Big Three were in fierce competition and one of the three was a co-operative with different aims.

Mr Lombard was asked to provide information on the quantity of hides ICS uses, its share in the hides market, turnover, number of hides processed and hides exported. This information, and information on the company's share in the retail, wholesale, agent and feedlot markets would be provided for the commission but treated in camera.

Earlier, the chairman of ICS, Mr William Neate, described ICS's joint ventures with Vleissentraal and W L Ocshe.

He said allegations of monopolies, middlemen creaming profits and corruption were unfounded and caused the industry harm.

He said he was not aware of any irregularities in the industry.

the underdevelopment of the society as a whole". 25
This process of differentiation was accelerated by
specific government legislation and also by the
restrictions which, while they applied to all blacks,

with the system of farming-on-the-half". 21
"Terlinson records (p. 34) that in 1933 a scheme
for the subsidised purchase of ploughs,
planters and cultivators by black farmers
introduced 'and considerable use was
it was discontinued in 1947'. Among
objected to such schemes was former
Secretary who complained in Parliament
Government went on in this way, plant
to be labourers and become farmers,
effects on white farming, where the
was already serious". 22

Elitist ^{ROOM 23/4/81} ^{3 meat} ¹⁸⁶ grip on SA meat trade

By PAT SIDLEY
Consumer Mail

SOUTH Africa's R3 000-million
a year meat industry nestles in
the beefy palm of the
Broederbond.

The most influential Broeder
in the industry is Mr S J J
"Fanie" van Rensburg - who
sits on nearly every committee,
board and statutory body con-
nected with the meat industry
- the chief executive of
Vleissentraal.

Three members of the Broe-
derbond sit on the board of
directors of one of the "Big
Three" companies in the indus-
try, Karoo Meat Exchange.

And both the former Minister
of Agriculture, the present Min-
ister and his deputy, are
Broeders.

Mr Fanie van Rensburg's po-
sition as an associate member
of the Agricultural Watchdog
Committee in the Broederbond
is equally influential.

This powerful clique "super-
vises the implementation of
Broeder policies, sees that
Broeders get effective control
of key areas, checks that they
perform their duties properly,
and advises Cabinet Ministers
on policy matters", according
to The Super-Afrikaners, a book
which exposed the workings of
the Broederbond

Mr Van Rensburg, is the senior
general manager of Vleis-
sentraal, the giant meat co-
operative, responsible for half
the turnover in the industry.

He has been described as one
of the most powerful men in
South Africa, with representa-
tion in organised agriculture,
abattoirs and indirectly on the
Offal Pool

In addition to this he is:
① Deputy chairman of the
National Meat Committee of



the South African Agricultural
Union

② Deputy chairman of the
Meat Board which controls the
industry laying down rules by
which it can operate.

③ Deputy chairman of the Co-
operative Board of the SAAU.

④ Chairman of the Abattoir
Corporation, the statutory body
which owns and runs all the
abattoirs in controlled (urban)
areas except Cape Town.

⑤ On the committee which has
been appointed to plan the long-
term production of red meat.

Co-operative farming and
marketing is central to the phi-
losophy behind the SAAU.

It believes in co-ops as the
most effective means of pro-
duction and has said co-ops are
the marketing wing of the
union.

Most representation of farm-
ers on the union is through co-
ops.

His representation in offal
pools stems from Vleis-
sentraal's shareholding in pools.

Within the Meat Board, Mr
Van Rensburg is:

① Deputy chairman of the Ex-
ecutive Committee;

② Deputy chairman of the Ab-
attoir, Offal, Hides and Skins
committee;

③ Deputy chairman of the Re-
search Advisory committee;

④ Deputy chairman of the
Hides and Skins Advisory com-
mittee, and

⑤ Member of the Abattoir and
Offal Advisory committee.

The Meat Board which con-
trols and administers produc-
tion, the SAAU and abattoirs
are all answerable to the De-
partment of Agriculture and
both the former Minister of
Agriculture, beef-farming Mr
Hendrik Schoeman and the pre-
sent Minister, Mr P T C du
Plessis, are members of the
Broederbond.

The deputy Minister of Agri-
culture, Mr Sarel Hayward is
also a Broeder.

The Broeders on Karoo's
board are: the managing direc-
tor, Mr Frans Pieterse who has
also been an alternate director
of the Rand Offal Pool, Mr S L
Muller a former Minister of
Transport and Dr Wim de Wil-
liers, the chairman of General
Mining.

councillors had as many as 3000 sheep and most had
200 sheep and 50 cattle." (This was in 1953) 28

Edward... the process of class formation
in East Africa: the pattern he describes is equally
applicable to the South African reserves. "The
indigenous organisations emerged initially on a regional
basis, which were then this group was recruited from
the land... families which had been able to afford
secondary education; this generation was then able to
move into positions in the bureaucracy, the cooperative
movement and petty trade. It then became the leadership

- 1) Lack of land
- 2) New goods to buy "which gradually became necessary
to subsistence", i.e. capitalist market.
- 3) Disadvantageous terms of peasant/trader relationship
- 4) Relative ease of access of white farmers to the
market.
- 5) There being no investment in black areas (lack of
credit and capital).

The early period when more blacks made good farmers
was a period of rapid class differentiation. "The
success of a large stratum of peasants is not only
compatible with, but it is a predictable feature of,

TABLE II

CISKEI: PERCENTAGE INCIDENCE OF 6 MONTHS - 2 YEARS

DIAGNOSIS	RURAL		URBAN	
	BL	POS	BL	POS
Kwashiorkor	9,5	1,1	2,8	0,9
Marasmus	5,3	-	3,7	0,9
Rickets	1,1	-	-	-
Pellagra	1,1	-	-	-

n = 94 (RURAL) n = 109 (URBAN)

The corruption would take the form of bribing agents or officials for permits and quotas.

"If anyone claims there is no corruption in South Africa, it's a lie."

Any system of limits or permits with great value would breed corruption, he said.

There was collusion at the moment, but not much corruption now.

He alleged that cattle were being smuggled from South West Africa into South Africa.

"I do not believe corruption would have been as rife if the farmer had believed permits were allocated fairly," he said.

Mr De Jong believed farmers in the Transvaal and Cape had opted for the permit system because they did not trust Vleissentraal, the co-operative through which they had to market.

He criticised Vleissentraal's representation on the Meat Board and said he did not believe it was possible to "wear two hats" and do the job properly.

Mr De Jong cited Mr S J J van Rensburg's "dichotomous" role on the Meat Board and as head of Vleissentraal.

"I don't believe it's possible that they would recuse themselves (from Meat Board meetings where they have interests) - they would be absent half the time," he said.

Mr De Jong suggested the Meat Board be restructured so there would be a producer board and an advisory council which would advise the Minister on pricing matters. Members would be allowed no ties with vested interests.

Earlier evidence had been heard of the transfer of a permit to market sheep from its recipient to four others.

The Meat Board was investigating the matter, from which charges might arise, and the judge told the witness, Mr P J Louw, of Ochse Livestock Agents, that he did not have to give evidence which might incriminate himself.

TABLE IV

CISKEI: PERCENTAGE OF EXPECTED WEIGHT FOR AGE

Classification of malnutrition	6-23 months		2-3 years		7-8 years	
	Rural	Urban	Rural	Urban	Rural	Urban
'severe' <60%	2%	1%	1%	0%	4%	0%
'moderate' 60-74%	1%	5%	9%	7%	30%	22%
'mild' 75-89%	26%	25%	39%	39%	48%	53%
'normal' >90%	71%	69%	51%	54%	17%	25%

*Calculated in relation to Harvard 50th percentile.

Corrupt ex-meat official: There is more rot

By PAT SIDLEY
Consumer Mail

PIETER Brooderyk, the former Meat Board official convicted for corruption, who was escorted from his prison cell to give evidence at the Eloff Commission of Inquiry into Red Meat, has claimed there were other irregularities among Meat Board officials.

And Mr Gerhard de Jong, independent Member of Parliament and cattle farmer, suggested the offal, hides and skins industries be investigated.

"It would seem there is a cartel controlling these sections. If you really went into this, it would make the information scandal look like a picnic," he said.

Mr De Jong told the commission "corruption was rife" during 1978 and 1979 among farmers who were unable to market their cattle.

Brooderyk, serving a two-year sentence, but due for parole next week, was sentenced for accepting bribes when, as a senior Meat Board official in charge of quotas at City Deep, he allowed cattle to be marketed on underutilised quotas.

Asked whether he was aware of any other corruption, he said he had sometimes received orders from superiors that were "not quite right".

For instance, he would be asked to arrange for the marketing of cattle when a farmer was pressed by drought or similar conditions.

On another occasion, four head of cattle, which were supposed to have been calves, arrived from the Free State at City Deep, for a Mr Wink - a senior Meat Board official, now on pension.

The cattle were not slaughtered but collected by Vleissentraal and taken away.

Brooderyk said he did not see the incident, but was made aware of it after a Meat Board inspection. He said the police had a statement about the incident.

Referring to his conviction, Brooderyk said he "speculated" that people in the two companies with which he had dealt, Bailey and Walker, would have known about the bribes, as one official, a Mr Oosthuizen, was the bookkeeper for the Bailey group.

Mr De Jong told the commission farmers were prepared to be corrupt.

"When his land is dry and his cattle are starving, he will do anything. He will become corrupt," Mr De Jong said.

TABLE III

CISKEI: WEIGHT AS A PERCENTAGE OF EXPECTED WEIGHT FOR AGE. *

Classification of malnutrition	6-23 months		2-3 years		7-8 years	
	Rural	Urban	Rural	Urban	Rural	Urban
Mean	96,9	92,2	92,2	80,8	80,8	80,8
S D	16,3	15,5	15,5	10,6	10,6	10,6
n	203	288	288	222	222	222

*Calculated in relation to Harvard 50th percentile

90-119%	79%	76%	70%	74%	32%	40%	55%	70%
>120%	7%	5%	2%	3%	0%	0%	3%	28%

The results obtained for serum albumin are given in Table VI. The mean albumin values varied from 4,00 g/dl for the youngest age group to 4,25 g/dl for the oldest. These are highly acceptable values for any population and from the age of 7 years there seems to be very little indication of biochemically detectable protein deficiency. In the 6-23 month old group a 12% incidence of low albumin values, according to the ICNND standards (6) were found, with 7% for the 2-3 year olds. There is, therefore, corroborative biochemical evidence for clinical and anthropometric indications of protein deficiency in the younger age groups. These results strongly suggest that in the age group 7 to 8 years, protein deficiency plays a minor role. In the young age group the mean weight for height is very close to the ideal and decreases rapidly to 87% in the 7 to 8 year old group. Since, in the latter group, there is very little indication of protein deficiency, this finding could only be due to a lack of energy intake.

By PAT SIDLEY

JOHANNESBURG. — Most of the Witwatersrand's supply of cheaper low grades of meat, including a vast proportion of offal, is supplied to the mines by two normally competing firms, who have formed a partnership to stop competition, lowering prices.

And offal, the cheapest red-meat protein available, is handled by a firm created by three companies — the Big Three in meat — who trade in offal in the controlled areas with a profit guaranteed by law to the three.

This means that some of the country's largest contracts for the supply of red meat, handled by both the Compound and Offal Pools, are protected from competition in order to maintain profit margins.

The Witwatersrand Compound Beef Pool, supplier of the mines compound contracts, is a buying partnership formed by

Karoo Meat Exchange, Rand Cold Storage and Fresh Meat Supply.

Both Rand Cold Storage and Fresh Meat are subsidiaries of Imperial Cold Storage.

Karoo and ICS, together with the co-operative, Veissentraal, are the three firms on the Rand Offal Pool.

"You can't lose in offal — I'd like to have a share in that business," was the reaction of an accountant to whom Consumer Mail showed a copy of the contract between the Meat Board and the Offal Pool, and a set of the Pool's 1979 accounts.

"This must be the only company in the country where profits are guaranteed by law," he said in astonishment.

The Pool is contracted to the

Meat Board to buy, sell and distribute the offal. All offal not claimed by carcass buyers on the market goes to the pool, where it is frozen. Offal is highly perishable.

The companies who form the Rand Offal Pool do so by dint of the size of their wholesale trade on the market and this effectively limits the shareholding to the Big Three.

The offal pool is "limited" to a 15 percent profit before tax — and if in any year the profit is not high enough to pay this figure, the shareholders take money from the Equalization Fund to supplement the shortfall.

If that is still not enough, they will be paid interest at normal bank rates, on the remainder of

the shortfall. The Equalization Fund is made up of excess profits over and above the 15 percent, to be used by shareholders when there is not enough for the 15 percent profit.

But if the amount in the Equalization Fund rises above 75 percent of what is paid to the shareholders, it goes into a Stabilization Fund, to be paid back to farmers.

But this seldom happened, one source in the trade told Consumer Mail — for the Meat Board and the Pool met twice a year to determine prices, so money need not be paid into the Stabilization Fund.

The Board could also reduce prices to the consumer, but seldom, if ever had.

of R1 477 925.

● Had R1 618 892 in its Equalization Fund — in other words, profits in excess of the 15 percent allowed to the shareholders.

The Housewives' League, quoting Meat Board figures told the commission that in March, 1981, farmers were paid R9,90 per 100 kg for offal.

This was about one-third more than in June last year.

Two of the three shareholders on the Offal Pool, have subsidiaries on the Compound Pool — the partnership which supplies the lucrative mine compound

trade with low grade red meat and offal. They are Karoo and Imperial Cold Storage.

Karoo is linked to General Mining and ICS has supplied

mines since the 1920s.

This partnership was created to stop the competitors in the trade, ICS and Karoo, from "cutting each other's throats, and reducing the prices below costs", Consumer Mail was told.

"It makes a mockery of the tenders the mines put out. It's all worked out amicably who gets which contracts," the source said. "With the interest of General Mining in Karoo, you know who will get those contracts, even when there is a tender put out," he said.

And the Housewives' League has told the commission this situation "clearly shows collusion, as the purpose of this joint buying is to eliminate competition for the lower grade meat".

There has been a considerable shortage of lower grades of beef on the market for the past six months, and both low grades of beef and offal have had to be imported.

Inside SA's cheap-meat trade

3 meat CT 28/4/81

Travelling

Total amount paid to sisters other than for Vrekerge area mobile clinic

370,00

Medicine*

For minor ailments, TB and VD

438,22

Milk for child TB patients for 3 months

500,00

6 011,84

* A small amount is also spent on non-subsidized medicine. That listed consists of items reimbursed by the State Health Department.

Telephone calls and rentals, rental/maintenance and depreciation on the eight clinic buildings in the area, gas and paraffin and purchase of

Follow-up visits or under 5 deaths, birth notifications, child health clinic and TB and VD defaulters
Contact tracing

68

59

335

Home visits other than delivery

Attendances

Minor ailments

6284

Antenatal

1060

Child health

4067

VD: WR's given

186

Monthly treatment given

688

TB attendances

2223

Corrupt ex-meat official: There is more rot

By PAT SIDLEY
Consumer Mail

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For instance, he would be asked to arrange for the marketing of cattle when a farmer was pressed by drought or similar conditions.

On another occasion, four head of cattle, which were supposed to have been calves, arrived from the Free State at City Deep, for a Mr Wink - a senior Meat Board official, now on pension.

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Mr De Jong told the commission farmers were prepared to be corrupt.

"When his land is dry and his cattle are starving, he will do anything. He will become corrupt," Mr De Jong said.

The corruption would take the form of bribing agents or

immunizations in schools.

Including 93 deliveries, or visits to delivary and 245 other home visits.

269,47

patient contact: total R2,10 - R1,65
counts immunization as separate contacts) : to State/local authority: R1,77 - R2,02

"If anyone claims there is no corruption in South Africa, it's a lie."

Any system of limits or permits with great value would breed corruption, he said.

There was collusion at the moment, but not much corruption now.

He alleged that cattle were being smuggled from South West Africa into South Africa.

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The Meat Board was investigating the matter, from which charges might arise, and the judge told the witness, Mr P J Louw, of Ochse Livestock Agents, that he did not have to give evidence which might incriminate himself

available to train as nurses), and to improve and equalise salary scales for nurses to make them economically competitive.

Are doctors and nurses our only health professionals?

The definition of a health professional can be controversial.

Butcher says abattoir sales are 'not open'

By PAT SIDLEY
Consumer Mail

A BUTCHER, who is also an agent at the Johannesburg abattoir at City Deep, has alleged that sales take place at the market by negotiation.

All sales at the market are supposed to be conducted on open auction.

The allegation was made by Mr Giacomo Dallatana when he gave evidence at the Eloff Commission of Inquiry into the Meat Industry in Pretoria yesterday.

Mr Dallatana, who owns the Parma Meat Market butchery, was unable to furnish the commission with more details on this allegation.

He also alleged that cattle for export to African countries were sold by catalogue at City Deep - but refused to give the name of the agent involved in the transaction unless he could do so in camera. The judge gave his permission for this.

Mr Dallatana complained that he was prevented from operating as an agent when his licence was granted, because quotas were allocated on past performance. As a newcomer,

he had no past transactions, and was therefore not granted a quota by the Meat Board.

Earlier, the Federation of Retail Butchers told the commission two agents, Mr Basie Hekrood and Mr W L Ochse, had been granted licences to operate in Kimberley after a Mr Chris Ferreira had been turned down.

Mr E Roelofse, the federation's vice-president, told the commission he did not know why Mr Ferreira's application had been refused.

Mr Roelofse told the commission he wanted to warn them about the dangers of single-channel marketing, such as Vleissentraal believed in.

"We've come here to warn against this ideology. It's dangerous," he said.

He asked why there should be only one co-operative in a town and why he should have to market through this co-op.

Co-operative law provides that members of co-ops should market through the co-op.

If single-channel marketing was the Government's policy, the butchers should be told, so they could remove their investments.

and speech therapists and social workers are also professional colleagues, but they shy away from medical assistants and any further dilution of the concept of the "professional man".

The alternative definition of a professional in the Oxford English Dictionary is much more all embracing. By this

they have only half the number of patients per registered nurse.

In practice of course the average number of beds per registered nurse is much greater than 33 because a great many nurses who are working are not in hospital wards. Much of the hospital nursing load is carried by nurses in training and by enrolled and assistant nurses. In the 1970 census there is a figure of 8000 nursing assistants in the country but there is no breakdown of how many are actually working nor of what training they have had.

Various influential people in this country are convinced that registered nurses should be trained as primary health care workers. We know from experience in many parts of this country, including from the Baragwanath and Red Cross experiments, that nurses can be trained to do this work extremely well. But if nurses are going to take on this work on a large scale throughout the country then we need about another 10 000 practising nurses.

There are 92 schools for training general nurses in South Africa. Many of the places in these schools are not filled. If we wish to train 10 000 nurses for primary health care work as well as the additional nurses we undoubtedly need for hospital work, then the money must be provided to expand these schools and to fill them with students. Money is required not only for nurse training but also to improve secondary education (to increase the number of matriculants

Why that offal silence?

WHY are we paying so much more for meat and offal? Are the increases justified? Who are making what profits? These are some of the questions asked in this investigation by Argus reporter Rashid Seria into the pricing of meat and offal. The investigation found that almost every

part of an animal slaughtered for meat sales, including the skin and blood, is turned into money with several 'middle-men' making a profit. There are, for instance, special firms handling the animals when they arrive at the abattoirs; doing the slaughtering; treating the

hides and skins; handling the offal; making sausage casings; buying on the auctions; and seeing to the deliveries. But to get answers has not been easy. Meat bosses and officials are not very helpful. Mr D C Joubert of the offal pool said the story of offal prices was old and put down the

phone; a Mr de Wit of National Meat Wholesalers, told his receptionist to say he wasn't interested in speaking; Mr L Salber of the Cape Wholesalers' Association agreed to speak but was 'too busy' when the time for the interview came; and a Mr Schoeman of the Cape Slaughter Company said he worked for the

Meat Board and couldn't speak. Even some butchers were not co-operative. Mr Dawood of Welcome Muslim Butchery, one of the few to buy direct from the offal pool, agreed through a third party to give all the prices and information about the pool but when we got there he said he knew nothing.

And now it's being dumped

TONS of cheap offal are being dumped apparently because of a drop in sales after the big price increases.

Last Friday, The Argus saw an eight-ton city council trailer filled with cheap offal like sheep heads and trotters outside

the offal pool's premises at the abattoirs. The trailer was removed on Saturday and, according to a spokesman of the cleansing department, the offal was dumped at an industrial waste plant at Visser's Hoek along the road to Malmesbury.

What the

'middle men' get

OFFAL is being sold to wholesalers at an average of 40 to 50 percent more than the price paid to the farmer.

Agents defend their role

This is because the price the farmer receives has remained the same in spite of the recent price increases. But, it was learnt, this is being reviewed and farmers' prices are expected to increase. On a carcass weight of about 100 kg, the farmer

receives about 10 percent more than the price paid to the farmer. The trailer was removed on Saturday and, according to a spokesman of the cleansing department, the offal was dumped at an industrial waste plant at Visser's Hoek along the road to Malmesbury.

SOARED Sources at the abattoirs said the dumping had been taking place for some time but had increased since the offal price soared. 'The pool is having difficulty selling all types of offal and not only the cheaper ones are stuck. We believe they are hiring every inch of refrigerator space to freeze the more expensive offal like liver.

All the chill rooms at the abattoirs are full and they are going outside the abattoirs and are paying much more in hire fees. 'They are forced to get

hides and skins; handling the offal; making sausage casings; buying on the auctions; and seeing to the deliveries. But to get answers has not been easy. Meat bosses and officials are not very helpful. Mr D C Joubert of the offal pool said the story of offal prices was old and put down the

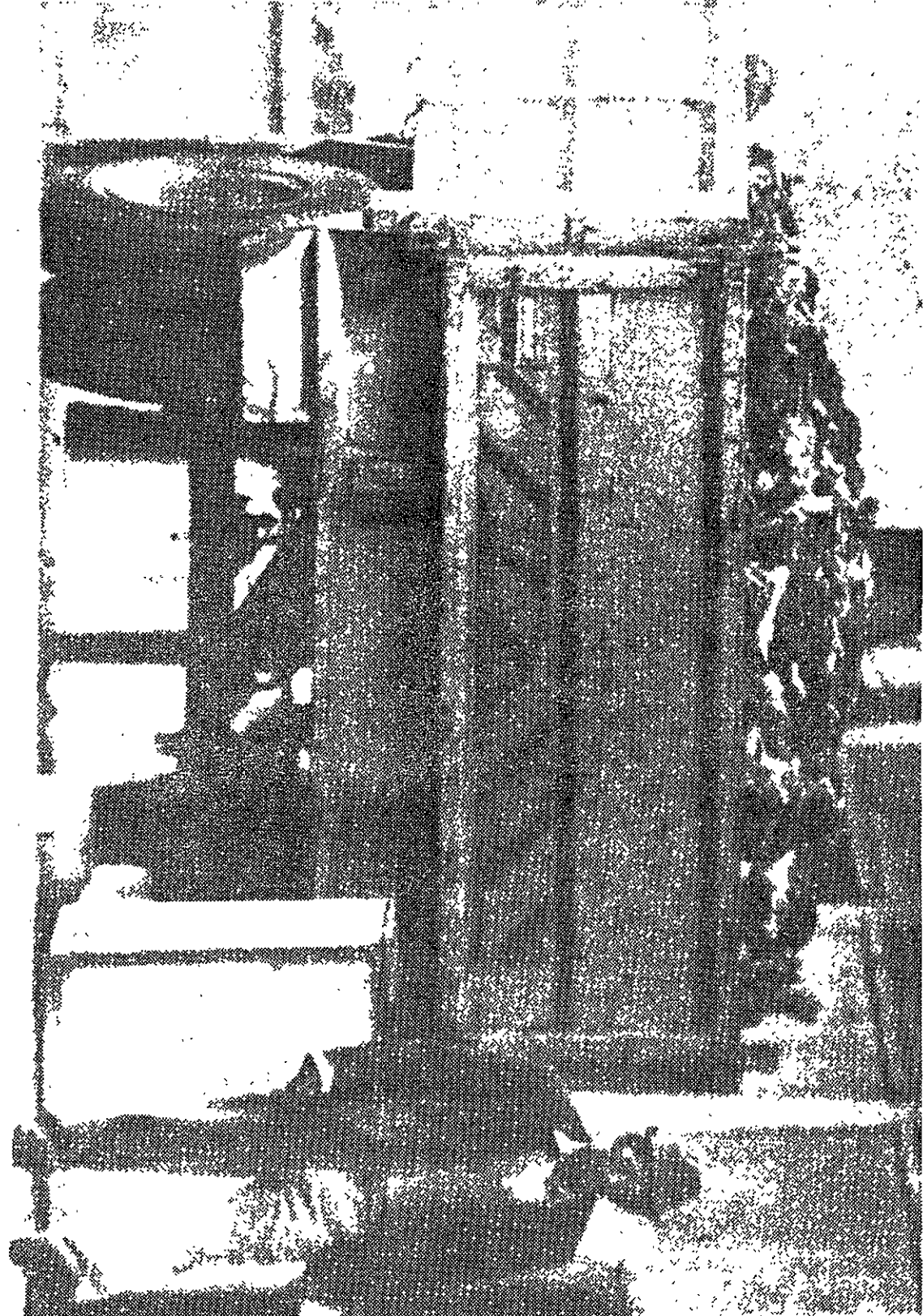
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blamed

MONOPOLISTIC practices, price fixings, unproductive abattoirs and bad planning were causing meat and offal prices to soar, Mr Philip Myburgh, the PRP spokesman on agriculture, said.

The abattoirs, he said, were in his opinion very inefficiently run. Big sums had been spent to build abattoirs like Cato Ridge. If the abattoirs were run by private enterprise, they would run two or three shifts a day to make them productive. In spite of the large investment, the abattoirs run only one shift which means they stand idle for



A TRAILER filled with cheap offal stands outside the offal pool's premises.

This causes problems because costs escalate as inflation goes up. Mr Myburgh said at most abattoirs the slaughter charges were about 81 percent of the animal price and as the slaughter costs went up the slaughterer's costs also went up. The slaughtering expenses are more or less the same for each animal. Why should he get more as the animal price goes up? Then the agent gets a further four percent, although I believe his role has become largely redundant.

Agent

Agents defend their role

SUGGESTIONS that agents could be done away with and so cause meat prices to drop by at least four percent were laughable, an agent said.

Responding to claims that they were redundant because they were no longer going to farms to canvass producers to send their stock to the abattoirs, the agent said the meat industry was no longer in the 18th century.

He said agents received the livestock and looked after the animals in the absence of the farmer. 'The stock can stand for 48 hours and we have to see that they are fed or get a vet if any are ill.

'We follow the stock all along the slaughter line to see that the farmers' interests are looked after.'

RIGHT TIME

Another agent said: 'There are about 32 000 farmers. Are you saying all of them must now leave their farms and take their stock to the abattoirs?'

'We also tell the farmer when's the right time to send his stock to get the best prices.'

An official at the abattoirs said: 'I remember long ago when the farmer brought in his stock himself. I don't know why someone now has to be paid about R13 to R15 and more just to receive the stock.'

This is because, the price the farmer receives has remained the same in spite of the recent price increases. But, it was learnt, this is being reviewed and farmers' prices are expected to increase.

On a carcass weight of about 100 kg the farmer gets R9,33 for the offal from an ox. The average price for the offal from a sheep is R10,90.

These figures are expected to increase to R16,35 and R16,51 respectively.

MARK-UP

The offal pool is charging an average price of R18,50 for the offal of one animal.

The wholesalers, in turn, add a mark-up of about 28 percent and the butchers an average of 25 percent.

The complete offal of an animal for which the farmer gets R10, could increase to R30 by the time it reaches the consumer.

STUMPED

When it comes to explaining the offal price increases meat industry experts are at a loss.

Those interviewed said they understood the reasons behind the red meat price increases, but when it came to offal they were stumped.

All the Meat Board could do was reiterate that the offal price was adjusted twice a year to keep pace with the price of red meat.

The Meat Board spokesman said the offal pool was made up of all the wholesalers who received a partnership in relation to their share of the market.

A wholesaler with two percent of the market, would get a two percent share of the pool.

hiring every inch of refrigerator space to freeze the more expensive offal like liver.

'All the chill rooms at the abattoirs are full and they are going outside the abattoirs and are paying much more in hire fees.'

'They are forced to get rid of the cheaper cuts like heads and trotters,' the sources said.

PERISHABLE

A spokesman for the Meat Board said offal was highly perishable and if there was no demand, they would have to get rid of the cheaper items which could not be frozen.

He said none of the more expensive offal like liver was being dumped.

According to council's spokesman at the abattoirs, because cheap offal like sheep heads and trotters jammed the carcass meal, making the carcass meal, it could not be turned into a by-product.

A TRAILER filled with cheap offal stands outside the offal pool's premises at the abattoirs waiting to be towed away for dumping at Visser's Hoek.

'No profiteering' at city abattoir

THE Cape Town City Council has shown surpluses of R1,2-million for the past two years on its municipal abattoir at Matieland and this year estimates a surplus of R522 330.

But the council rejects claims that this is unfair profiteering.

'It would be unfair if the council used the surpluses for other purposes. We use it to finance improvements to the abattoirs, Mr Donald Geyer, the assistant city treasurer, said.

'About R1-million has been earmarked this year for new kraals, off-loading platforms, access roads and so on.'

The council gets its money from charges levied on each animal entering the abattoir, from rentals, from meat inspections and the sale of by-products.

Last year the council received more than R4-million and this year the income is expected to increase to R4,48-million.

The council in turn spent R3,59-million last year, mostly on salaries, administrative costs, repairs and maintenance and capital charges.

We pride ourselves in having the lowest tariffs in the country and running one of the most viable abattoirs. This is because we built when costs were low said Mr Geyer.

Besides the R1-million to be spent on improvements, the council also intends building a special plant at a cost of R750 000 to treat the effluent, the waste water from washing carcasses and cleaning slaughter rooms.

According to Dr A. J. Louw, the abattoir director, they will recover the plant's capital charges from sale of protein and fat obtained from the waste.

Last year the council received R643 230 from the sale of by-products like blood and carcass meal and tallow. Foetal calf blood which was given free to the State vaccine institute will now also be sold on tender for about R10 a litre.

The vaccine institute uses the blood to make serums which saves the health services about R360 a litre or R300 000 a year in import costs.

If the abattoirs were run by private enterprise, they would run two or three shifts a day to make them productive.

'In spite of the large investment, the abattoirs run only one shift which means they stand idle for 16 hours a day, said Mr Myburgh.

'His traditional role was to go from farm to farm to canvass the farmer to send his stock to the abattoir and arrange to act on his behalf.'

Agent

'Then the agent gets a further four per cent, although I believe his role has become largely redundant.'

'Today the farmer has a permit to send in 100 or so cattle.'

Policy

'Yet there's no way the farmer can get his livestock to the abattoir if he does not go through the agent. This is Meat Board policy.'

'The agent of today no longer works on behalf of the farmer but is the servant of some company. Most of the agencies are subsidiaries of some wholesaler.'

'The wholesalers, he said, had a monopolistic control of the meat industry and were, therefore, in a position to control the meat prices.'

Bidding

'I obviously won't support anyone going to the abattoir to bid for a leg of lamb, but I don't see why the wholesaler should be the only one doing the bidding.'

'The wholesalers control the auctions because they control the agents who run the auction, they are the only ones who bid on the auctions, they control the distribution and even own a large percentage of the butcher shops.'

(News by R. Serfaty, 122 St George's Street, Cape Town.)

Meat wholesalers 'hit'

MEAT wholesalers — the only ones who in effect buy at the abattoir's auctions — claim they are now making less profit than before prices increased.

The wholesalers — there are about nine of them in Cape Town — charge between 9 to 11 cents for each kilogram of meat delivered to the butcher. In the case of an average-size corner butcher, it could amount to as much as R1 000 a month.

But some butchers are not complaining.

'I haven't got the money to buy or equip special trucks with refrigerators or to employ drivers. I think their charges are reasonable in the circumstances,' a butcher said.

Although it will be difficult to prove, we in the trade know that some wholesalers also make their money by inflating the prices they paid at the auction, he said.

'Not all butchers have the time to be at the auction to see what prices the wholesalers are paying. A small chap could place an order by phone and find he is paying between 20 and 50 cents a kilo more than the auction price.'

'But I think it's the butcher's fault if he allows himself to get caught,' said a big wholesaler, who agreed to be interviewed if his name was not mentioned. 'Since the producers' price went up, the demand for meat has dropped. We are now selling less but our charge is anything up to 24 cents a kilo.'

'Let's say I was getting R900 for 10 000 kg a day. The demand has dropped to 8 000 kg and I'm now getting only R720.'

Although our charges have remained the same, wages have gone up, the price of diesel has increased and inflation hasn't come down.

'I think our charges are too low. In the Transvaal, the wholesalers charge about eight percent which is anything up to 24 cents a kilo.'

FARMERS have been making profits of about 20 percent since prices went up last year, but the Meat Board says it will take years for farmers to recover losses experienced before the increases.

A Meat Board spokesman said farmers had been running at a loss for the past four years. From 1974 to 1979, the farmer received an average of 92c for all grades of beef. Now he was receiving not less than R1,68 a kg.

'Like all other businesses, the farmer also has to cope with inflation and spiralling costs. He also has to do something about it,' he said.

Because of the law, after the increase in prices before 1979, some were forced to sell more animals to cover their expenses.

'Others closed shop and got rid of their stock at the abattoirs. The result was a surplus in 1979 of more than 27 percent.'

The flooding of the market, he said, caused the herd population to drop from 9,4 million in 1979 to 8,4 million at present.

After the increase in prices, farmers recovered their faith and were now starting to produce again. But it took time to breed and rear animals. Farmers were now keeping back their breeding stock. In some cases it would take at least four years to put stock on the market.

The spokesman said this had caused the present shortage. The farmer needed an incentive to carry on production. For this the price had to be right.

'The agent of today no longer works on behalf of the farmer but is the servant of some company. Most of the agencies are subsidiaries of some wholesaler.'

'The wholesalers control the auctions because they control the agents who run the auction, they are the only ones who bid on the auctions, they control the distribution and even own a large percentage of the butcher shops.'

Understanding, beyond zoological expertise, is also a major consideration. One of the valued aspects of using a private doctor is that one knows the person on the other side of the consulting room door. It is difficult to build up a relationship of trust in a system where the continuity of a personal friendship is replaced by a folder passed from one technician to another. We have observed that implicit in the behaviour and attitudes of the people is a concept of a total person, all of whose components must be "right" if good health is to be sustained. The same value is shown in their assessment of their doctors. "Beta knows how to talk to you." "Delta understands you - takes his time over you - answers all your stupid questions." "I only went to Beta once - you can't talk freely with him." It is more than "bedside manner", and it is communicated by more than mere speech.

"Respect", a term often used by Ocean View people, conveys almost as much as "understanding" in this context. For Simon's Town people particularly, respect was what characterised relationships between white and brown, rich and poor. The removals to Ocean

MR S J J "Fanie" van Rensburg, senior general manager of Vleissentraal, has intimated that the managing director of a public company approached him to ask for help to get money out of South Africa. Vleissentraal - the giant meat co-operative - had refused this request which, Mr Van Rensburg alleged, came from Mr "Basie" Heunis, managing director of Silverton Tannery.

The allegation was made in the form of a question by Mr Van Rensburg to Mr Heunis at the Commission of Inquiry into red meat in Pretoria yesterday.

Mr Van Rensburg, when phrasing the question, said he had refused the help.

Judge Eloff, chairman of the commission, did not allow the question to be answered as he said it was not within the commission's terms of reference.

Mr Van Rensburg was later asked to comment on the disappointing evidence about the eight Vleissentraal members of the Meat Board.

"We're not busy all day with Meat Board matters. When you

serve on this board you serve the industry.

"There is no such thing as wearing two hats - one hat now and then another.

"If you sit on the Meat Board you look at the industry as a whole," he said.

Asked what happens if a matter before the Meat Board affects Vleissentraal, or if it was not a conflict of interests, Mr Van Rensburg said he would withdraw from the meeting if the point under discussion was financially advantageous for Vleissentraal.

Questioned further by Judge Eloff on aspects which would financially affect affiliates of Vleissentraal, Mr Van Rensburg said he placed himself above the pettiness of seeing what was in the transaction for himself and looked at what was in the interest of the industry as a whole.

"But when it comes to broad discussions on policy matters - then I think a person must know about it."

Asked whether he did not see the interests as financial because the returns went back to the farmer in the co-op, Mr Van Rensburg said: "We are the farmer."

fees. "Beta doesn't demand cash first," informants assured us. Because they are brown, greater sensitivity is demanded, if not expected, and judgements are shared.

Familiarity is clearly double-edged. On the one hand, it eases the relationship when values and problems need not be articulated because they can be taken for granted. This is particularly true among the poor who are not verbally adept when confronted by a "highly educated person" like a doctor. On the other hand, as we have observed in the matter of fees, familiarity is correlated with a demand for higher standards in the personal relationship. Thus the Muslim doctor is judged more sternly by his co-religionists than by the non-Muslims - some clearly having confidence in his personal commitment to them as Muslims, others feeling that he falls short of the ideal. Older people clearly identified with the elderly doctors who did sessions at the Day Hospital, and bitterly mourn their departure with its closing. At one level they recognise

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The hospital serving the area is False Bay Hospital, formerly located at Simon's Town but now on the outskirts of Fish Hoek near the main road to Ocean View. To the people it is "Fish Hoek Hospital" as opposed to "Simon's Town Hospital" or "The Cottage Hospital". As a general hospital it handles any case, including maternity cases, from Ocean View, but transfers some specialist problems to the bigger hospitals at Wynberg and Grootte Schuur. From our small sample of twenty families however, patients had attended Red Cross, Rondebosch and Somerset general hospitals, three maternity hospitals in Cape Town, Valkenberg Mental Hospital, the S.A. Navy sickbay (which caters for the families of serving men), Retreat Day Hospital and, until it was closed after being damaged in the 1976 disturbances, Ocean View Day Hospital.

For reasons of economy, the vast majority of patients go to the local surgeries and to the nearest hospital but every family interviewed had had experience of at least two private practitioners, and most had visited three or four different doctors in the past decade. In addition to the Day Hospital and False Bay Hospital, most families had had contact with Grootte Schuur and many with one or two others as well. From their personal experiences, often traumatic, and from the accounts given by their friends and relations, our informants were in a good position to make comparisons between doctors and between hospitals.

Cynics have remarked that doctors bury their mistakes - an erroneous insight, for the grosser errors live in the memories of their kinsfolk if not the victims themselves. In Ocean View, word travels quite quickly and reputations are well defined. It would be neither helpful nor politic to give an individual character assessment of the various practitioners - further, those best known tend to have their fans and critics evenly divided among those who have had contact with them, down to the most specific details e.g. "I like Gamma, he always has time for you." "I will never go to Gamma, he's always in a rush."

What does emerge from the comments of the people on the practitioners and the hospitals is a very clear picture of what people expect from them. Availability is probably the prime consideration. Once the decision is made to seek professional help, the patient generally considers it a matter of urgency. "I won't go to Gamma, he lives too far away." "Beta doesn't come out at night, but Gamma always comes if you call him." The cost factor deters people from calling the doctor without very good reason, and they like to feel certain that when they do call him, he will come. The most popular doctor in Fish Hoek escapes this sort of judgement entirely as she has made it clear to her patients that she does not visit the township and so they do not expect her to do so.

Most often damned for lack of availability is the False Bay Hospital, where patients reported that they had to wait for hours and where "you're lucky to find a doctor ... especially at night." A police reservist described how he had called an ambulance for a man who had been stabbed badly in the neck. By the time that the ambulance arrived the reservists had stemmed the flow of blood, but when they went to the hospital 45 minutes later the victim was still on a stretcher, unconscious and had received no attention. Another informant described how he had been burned badly on his hand and thigh by a paraffin stove. A friend drove him to the hospital at about 8 p.m. where his particulars and his fee were taken. At about midnight a doctor came to see him and he got home about 1.30 a.m. A driver who has had some experience of the available services felt that it was probably quicker to take emergencies to Wynberg than risk the delays at Fish Hoek at night.

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several other countries, and then claims that South Africa has with New Zealand 'the distinction of having the highest percentage of its population at primary and secondary schools amongst all the countries referred to,' when in fact all the Table does is divide the White population only by the number of Whites at school (*South African Statistics*, Table 5, 77).

31. United Nations, ECOSOC, *Study of Apartheid*, 154.
32. Report of the Bantu Education Department to the Johannesburg City Council. Johannesburg, weekly edn., 17 May 1969.
33. For more information on the content of African education in South Africa, see UN *The Effects of Apartheid on Education, Science, Culture and Information* (Paris, 1969).
34. *Survey of Race Relations* 1968, 254; *Cape Argus*, Cape Town, 16 April 1969.
35. *House of Assembly Debates*, 13 May 1969, col. 5834.
36. United Nations, ECOSOC, *Study of Apartheid*, 157.
37. *Financial Mail*, 18 April 1969, 169, reporting on research of Market Research Africa.
38. *Ibid.*
39. *Ibid.*
40. *Financial Mail*, 6 September, 1968, 833.
41. *Financial Mail*, 2 February 1968. Between 1960 and 1964 the total profits of manufacturing firms in South Africa rose from R236 million to R406 million, and between 1956 and the dividends declared by mining companies rose from R108 million to R237 million (*South African Statistics* 1968, M-44, L-5).
42. For instance articles in the *Financial Mail*, and in *The Times Supplement on South Africa*, 27 October 1969, and *The Economist Supplement on South Africa*, 29 June 1968.
43. S. Thion, *Le Pouvoir Blanc, ou Le Racisme Sud-Africain*, Paris, 1969, 103. That this does not mean that the system is not threatened, both internally and externally, that it is not threatened in the way it is conventionally alleged to be. For a most important contribution to the analysis of Southern Africa and the critique of the conventional see the writings of G. Arrighi (*The Political Economy of Rhodesia* (The Hague, 19 various articles).

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Meat probe told of 'insufferable' board officials

Farming Correspondent

The Meat Board took a high-and-mighty attitude towards producers, a prominent Free State farmer told the Eloff Commission of Inquiry into the Meat Industry yesterday.

Professor P W Hoek, who was an auditing and accountancy expert in Pretoria before he became a farmer in the Eastern Free State, said that the Meat Board had been unrealistic in the application of its permit system.

The board had told farmers in 1980 that it would reject permits requested more than two months ahead of the intended marketing date.

Farming had to be planned in advance and on an annual basis, he said. Feeding stock for marketing took time and

it was unrealistic to expect farmers to market cattle on a month-to-month basis.

Preference given to farmers who produced cattle only, was also wrong, Professor Hoek claimed. Cattle farming was an integral part of mixed farming.

He said that the worst aspect of the permit system was that farmers were forbidden to contact the Meat Board officials responsible for its application.

Farmers were even threatened that if they "dared" to make any representations except completing the application form, permits would be withheld for six months.

This was an insufferable attitude, Professor Hoek said. The farmer would find himself without income and his pasture overgrazed.

Mr S J J van Rensburg, senior general manager of Vleissentraal told the commission it was becoming impossible to "cure" freshly flayed cattle hides. The curing process involved salt effluents which polluted sewage systems and water resources.

Replying to criticism by the manager of a large Pretoria tannery, Mr van Rensburg said that if the Meat Board were to cut out the curing process and sell the hides fresh, farmers would have to accept any price offered them by tanneries.

Fresh hides were highly perishable and farmers would have no bargaining power.

Referring to claims that the "Big Three" of the meat trade had at times withheld hides from the market. Mr van Rensburg said this was impossible as even cured hides could not be stored for long.

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Meat man was not asked to get money out of SA

RDM 5/5/81 3 meat

Consumer Mail

MR S J J Van Rensburg, senior general manager of Vleisentraal, the giant meat co-operative, was not approached by the managing director of a public company to get money out of South Africa.

In a report on a hearing before the Commission of Inquiry into red meat, headed "Meat man's exchange control claim", which appeared in the Rand Daily Mail on April 30, Mr Van Rensburg was said to have alleged that Mr E A Heunis, managing director of Silverton Tannery, had approached him to ask for help to get money out of South Africa.

In fact, Mr Van Rensburg asked Mr Heunis to confirm that he had told Mr Van Rensburg confidentially that approaches had been made to him

(not by him) to get money out of the country, and that he had resisted those approaches.

There was no indication of who had approached Mr Heunis.

Mr Van Rensburg's actual question to Mr Heunis was: "Will Mr Heunis confirm that this goodwill towards him was in spite of the fact that he had informed me confidentially of what he had resisted - I emphasize resisted - (namely) that a proposition was made to him to get money out of the country and in spite of this we helped him."

At the hearing, the chairman of the commission, Mr Justice Eloff, stopped the question, saying he would not hear evidence on that point as it was not within the scope of the commission to hear it.

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Big beef floor price rise looms

Pretoria Bureau

A SUBSTANTIAL rise in the floor price of beef is certain next month, according to Pretoria sources.

It is understood that the Meat Board after a meeting earlier this month passed on its recommendation to the National Marketing Council

According to the South African Agricultural Union's meat expert, Mr Jan van der Walt, the floor price for super beef - about 150 cents a kg - is unrealistically low.

Farmers were demanding a floor price closer to the actual market price of about 230 or 240 cents.

He said that for the past year, and for at least two years to come, the supply of beef would fall short of demand, and prices would remain high

Mr Van der Walt claimed that an increase in the floor price of beef would not affect the consumer price

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SWA beef industry: criminal charges

STAR

26/5/81

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The Star's Africa News Service

WINDHOEK — Leading figures in the SWA/Namibian meat industry are soon expected to face a series of criminal charges involving cattle worth millions of rands.

The charges will be the outcome of an exhaustive police investigation into irregularities in the territory's beef trade.

About 3 000 charges in terms of meat control regulations are contained in nine dockets handed by an officer from the Commercial Branch Johannesburg, to the Attorney-General of SWA/Namibia, Mr Donald Brunette.

"Four of the dockets are against different meat broking firms," said Mr Brunette. "The others involve private instances. Some firms will face up to 1 200 counts, and others only a few."

The police investigation was ordered after the report last year of a commission of inquiry into alleged irregularities in SWA/Namibia's meat industry.

"We have selected some of the most serious cases of irregularities," said Mr Brunette. "The cases are being prepared now, summonses will be issued shortly."

QUESTIONING

He said the police investigation, which included the questioning of scores of farmers and other figures in the SWA/Namibian meat trade, had not revealed anything other than what had come to light in the commission's report.

"It is not a case of the police producing anything new, but they have taken specific irregularities to prove them in court," said Mr Brunette.

The Attorney-General's office was, at one stage in the police investigation, envisaging the creation of a "special court" to deal with what was believed to be widespread malpractices in the meat industry.

It is understood that SWA/Namibian cattle farmers supply the South African beef market with between 17 and 20 per cent of its needs. About 80 per cent of this is transported to the Cape and immediate area for marketing.

But drought conditions in SWA/Namibia have led to a major increase in the

flow of cattle from the territory to the South African open and controlled markets.

It is estimated that about 60 000 cattle and carcasses are sent to South Africa every month.

18/5/81
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A global meat strategy above politics called for

CAPE TOWN. — A global strategy had to be developed to co-ordinate and concentrate on a correct and harmonious meat programme to meet the needs of the future, Dr E Benevelli, director of the Italian Department of Sanitary Services, said in Cape Town yesterday.

Addressing the fourth World Meat Congress of the Permanent International Meat Office (Opic), he said such a strategy had to transcend politics and have the full support of governments.

"If mankind does not want to end up as the Scandinavian lemming and wants to save its future, then stop-and-go politics must be changed as far as meat is concerned and a task force must be formed as soon as possible.

"Such a task force must involve the experts of governments and interested organisations with the necessary power, authority and funds to carry

out the directives already arrived at in Florence in 1978 at the third World Meat Congress.

"These directives must be amplified and integrated to form a guide line, a code of conduct, which in a properly programmed plan can be proposed to the governments of developed countries so that they can be translated into political and legislative interventions.

"In other words it is necessary to establish through a global strategy, to co-ordinate and concentrate, a correct and harmonious meat programme based on the correct interaction of triangle of production, commerce and consumption."

Such a programme had to have as its objectives:

- The expansion and progressive increase of meat production to ensure wider and more regular distribution;
- The creation of a world meat bank to control the market, breeders and consumers;

- A more rational and equal commerce for the distribution of meat on a worldwide basis;
- An international fund to fight contagious diseases in livestock;
- Political collaboration and universal harmony to lay down regulations for meat classification, veterinary and sanitary legislation and the sanitary control of imports.

At present individual countries each had their own set of regulations which, if passed on at international level, would make the exporting of meat from one country to another almost impossible.

"How can an economic operator untangle himself from such a web of different and disputed laws?" he asked.

"While some directives are justified on the plane of just animal health and public welfare, others appear instrumental and surreptitious and even strange and humorous."

3-Meat

18/5/81
J.Degenaar

A director of a meat agency was jailed for two years for corruptly paying a senior Meat Board official R18 000 to allow his company to slaughter more cattle than entitled to under the permit system.

Cornelius Johannes Oosthuizen (53) a director and manager of E Woodhouse (Pty) pleaded not guilty in the Johannesburg Regional Court yesterday to charges of cor-

ruption but did not testify or call witnesses. He appeared before Mr T J la Grange.

The Meat Board official whom he bribed, Pieter Abraham Lourens Broodryk (39), presently serving a two-year jail sentence for corruption, was

a vital State witness in the trial.

Broodryk testified that he was approached by Oosthuizen in 1977 who told him that he had a client who wanted to market more cattle but had already exceeded his quota. He offered to pay

Broodryk R100 if he allowed 30 extra cattle to be slaughtered.

He did so and was paid then and on several occasions thereafter. Broodryk also admitted receiving bribes from other agents.

Oosthuizen denied the allegations but his version was rejected.

S TAR 27/5/81 (3 Ment-)

Meat agency director jailed

Congress told of importance of free trade

CAPE TOWN. — The fourth world meat congress had shown that it was possible for people to overcome the barriers of language and culture and to work together for the good of all people, the president of the Permanent International Meat Office (Opic), Dr Elio Ragno, said yesterday.

In his closing address to the five-day conference in Cape Town, which was attended by representatives from all over the world, he said much had been achieved in the deliberations.

The agreements reached should now be implemented to ensure the future needs of the world, he said.

"We live in different worlds with different communities and it is not always easy to reach agreement.

"However, we all have a common interest — to produce enough meat to serve the needs of a growing world population," Dr Ragno said.

"We must strive to do this by working together, whatever our ideologies may be.

"Our motto to everyone must be, total freedom in trading."

The congress was officially closed by the congress president, Mr Doyle Conner, commissioner for the American state of Florida, who said that individual farmers, organisations or even countries could no longer operate on their own if the growing world demand for meat was to be met.

"It is through meeting like this and discussions here that some of the problems can be

brought home to everyone concerned. We need an international organisation like Opic to strive across boundaries of countries to serve the needs of people throughout the world.

"A congress like this promotes a better understanding between nations and the people of different nations and I hope it will be to the advantage of all.

"I am sure that Opic's fourth world congress here in Cape Town has served to create such a better understanding so that we can all live together in peace and prosperity in the future."

The president of the South African Federation of Livestock Auctioneers, Mr Dennis Caine, said in his closing summary that 90% of countries involved in the meat industry had been represented in Cape Town during the past week.

"It has been a gratifying experience for those of us involved in the livestock, farming and meat industry in South Africa because a congress of this unique international stature and importance, with participating representatives from about 57 countries, has simply never been held here before," Mr Caine said.

"It has been a pleasant and rewarding experience for those of us who were fortunate to attend.

"It is pleasing to note that the Opic policy of free trade and the free movement of meat nationally and internationally, was clearly supported by speakers throughout the congress." — Sapa.

SA man gets high post on world body

CAPE TOWN. — Mr Danie Scholtz, chief executive of the South African Federation of Livestock Auctioneers, has been elected a vice-president of the International Permanent Meat Office (Opic).

This was announced at the World Meat Congress in Cape Town.

The current president of Opic, Dr Elio Ragno, of Italy, was re-elected for another two-year term.

Three vice-presidents have been elected. They are Mr Scholtz, Mr Ted Saunders, general manager of the American Livestock Marketing Association, and Mr Pedro Maria de Ocampo, director of the Department of Agriculture in the Argentine.

The secretary-general of

Opic, Mr Jose Paramo, of Spain, was re-elected.

It was announced the fifth world congress would be held in America in May 1983.

Mr Scholtz said he was sure South Africa's position would be greatly strengthened in the world meat industry by this recognition and appointment.

"Through Opic we will get the contact with the rest of the food and agricultural world that we need, including those behind the Iron Curtain," he said.

"I now foresee that we will get direct contact with the FAO and the many other organisations across the globe supporting Opic."

Mr Scholtz was appointed the Africa representative of Opic two years ago. — Sapa.

Meat men's resolutions

CAPE TOWN. — The fourth International Meat Congress decided unanimously in Cape Town yesterday that it was urgent for developing countries to collaborate in all plans involving increased meat and livestock production.

Other resolutions adopted included:

- That disposal and dumping of all meats at below cost of production and distribution, destroyed confidence in the trade.
- That in the long-term interest of livestock breeders, producers, meat processors, marketers and the consumer public it was essential that trade barriers between nations be cut.
- That the true nature and objectives of sanitary regulations not be deviated from for use as a means to restrict or obstruct international trade. — Sapa.

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- 18 Van der Horst, Women as an Economic Force in Southern Africa.

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- REPRINTS/HERDRUKKE
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- 18 Van der Horst, Women as an Economic Force in Southern Africa.

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ORDER FORM

ORDER FORM

3-Meat

1/6/81

By PAT SIDLEY
Consumer Mail

IF ANYTHING has come out of the week-long international meat congress, which has just ended in Cape Town, then it is the gloomy prediction for consumers that lean times are ahead for the red-meat eaters of this world.

If they cannot pay enough to ensure the profit margins of the producers of the non-communist world, they just won't eat meat. And it was also painfully apparent that consumers who organise themselves, are regarded as counter-productive to the industry, only the unquestioning consumer who actually shells out the cash for the red meat counts.

South African consumers are, by now, used to the refrain that the days of cheap meat are over, but it came as something of a shock to hear the world's cattlemen and meat processors repeating the message.

In fact the important resolution to come out of the congress was that there would be no "disposal and dumping" of meat because of cost. Or in other words, if a country, or company produces a surplus of beef, pork or mutton, it will not be sold cheap, if it is sold at all.

This was the congress of the International Permanent Meat Office Opic, to which only free-market oriented enterprisers in

Meat men sing same song

non-communist countries belong — some 40-odd organisations in less than 25 countries.

The meat message to emerge, couched in lofty ideals, was clear: meat is a powerful weapon, along with food generally, and must be marshalled into a powerful lobbying force internationally — and a fighting one at that.

The president of Opic, Dr. Elio Ragnu, described red meat as "strategic arms."

And the congress has decided to aim at creating a world meat "task force" encompassing an "agricultural global strategy," a world meat bank and an international meat fund to help developing countries.

The stated aim of this would be to "control markets, breeders and consumers."

Throughout the congress great emphasis was placed on hunger and malnutrition in developing countries. This was placed

the right (e.g. N.A.J.) representing a higher cost. A choice is therefore indicated where the lower cost line intersects the "possibility frontier", AB, — it was case at point A. With non-linear "possibility frontiers" the choice may involve

in a sinister context by the secretary-general, Dr. Jose Paramo, who said "Food has become an instrument of power, and this is a very important phenomenon — we have to try and help in the field of nutrition."

Emphasis was placed on the relationship between increasing incomes and increased meat consumption — the undisputed fact, according to many speakers being that as incomes rise, so does red meat consumption.

This emphasis seemed, with the desire to develop the markets and production capability in the Third World, to foster the idea that a powerful commercially-motivated group of meatwhingers wished to exert both commercial and political control through red meat in developing economies.

However, those "developing countries" that addressed the congress — Malawi and Botswana — illustrated a different set of priorities.

Techniques involving the use of more than two types of resources can be expressed as linear equations and the same process of choice using the ratio of prices carried out by computer. The process is known as linear programming, since the relations between inputs and services rendered is assumed to be linear: i.e. a doubling of inputs leads to a doubling of outputs.

More strikingly contrasted by its president and secretary-general in this beef industry, only the unquestioning consumer who actually shells out the cash for the red meat counts. South African consumers are, by now, used to the refrain that the days of cheap meat are over, but it came as something of a shock to hear the world's cattlemen and meat processors repeating the message. In fact the important resolution to come out of the congress was that there would be no "disposal and dumping" of meat because of cost. Or in other words, if a country, or company produces a surplus of beef, pork or mutton, it will not be sold cheap, if it is sold at all. This was the congress of the International Permanent Meat Office Opic, to which only free-market oriented enterprisers in

RAND DAILY MAIL, Monday, June 1, 1981.

Don 1/4/81
E SOUS

More strikingly contrasting was the fact that the Opic officials — its president and secretary-general — did not know there was malnutrition in this beef-producing country, were not willing to accept it and had this point of view reinforced by SA officials who claimed there was no malnutrition in South Africa.

It was strange that an international red meat congress took place in South Africa at all. We are not a beef exporting country — a well-known fact — nor are we entirely oriented towards free enterprise, as is Opic.

The drive for free enterprise and good profits was continually accompanied by lofty ideals and seemingly impracticable ideas. "Missionaries of meat" with "a clear magnetic north" — the human race "who want to feed the starving millions in the rest of the world, was the view Opic puts out of itself and its aims.

This concern rang hollow when it was noticed that many, if not most, Third World countries place their alliances with Communist Bloc countries — none of which belong to Opic.

The only moment of outspoken controversy was over the presence of the Housewives League. The League's president and vice-president, Mrs. Joy Hurwitz and Mrs. Yvonne Forshaw respectively, were the only consumer representatives present. Their presence was greeted with a deep-running and voiced hostility from the farming community.

Although the congress in Cape Town provided a heaven-sent opportunity for international communication, some South African cans vital to the meat industry were not present — including Mr. J. J. "Fame" van Rensburg, deputy chairman of the Meat Board, and Mr. Jan Lombard, general manager of the Meat Board. Both were overseas.

The congress could not be described as an unmitigated success either. Of the 2,000 delegates originally expected, it was hoped eventually that 1,500 would register. But in fact only 420 registered, with a further 100 attending. Excuses ranged from the distances involved in travel, to the political.

The power of Opic should not be underestimated, however. On many occasions, to the Press and to delegates, parallels were drawn between the meat, oil and gold industries as bartering media and weapons of international strategic power.

1939 and 1962 mortality data was only published according to an intermediate list.

A geographical analysis of deaths has been published since 1938^{4,5}. Details are provided for race, magisterial district, urban and rural areas, place of residence and place of death. There is no information about sex, age or cause of death.

Methods:

In this paper deaths are analysed at approximately 10 yearly intervals corresponding to the census years. These years have been selected in order to reduce errors in estimating the age specific composition of the populations. The first complete year for which all death certificates were examined by a medical assessor attached to the office of census and statistics was 1929, and this year has therefore been chosen as the starting point for the present study.

The Asian population has been excluded from this investigation because of the small number of deaths involved and also because of inconsistencies in the published data^{8, 9}.

Age specific population figures for Blacks in the principal urban areas are not available and consequently the majority of the calculations cannot be

performed for this group. Furthermore, where the denominator for a rate can be obtained, as for infant mortality, migration in and about of the urban areas can make the rate obtained meaningless. An example of this is Johannesburg which in 1929 had a de facto infant mortality rate of 1820/1 000:

The following indices were calculated for Whites and Coloureds:

- (i) Infant Mortality rates (IMR)
- (ii) Standardized Mortality rates (SMR)

This procedure eliminates the differences in the age structure of the two

Star 18/6/81

Farmers could be paid more for beef

~~3 Meat~~ 3 Meat

By Caroline Braun, Consumer Reporter

Meat Board officials are meeting the Minister of Agriculture in Pretoria today to discuss raising floor prices of beef.

The Meat Board and producers think the present floor price — the minimum price guaranteed to farmers for their meat — is unrealistic.

Floor price for super beef is R1,52 a kg, while the meat has been averaging R2,30 a kg at the daily auctions.

It is believed the Meat Board will ask the Minister to raise the floor price to about R2 a kg.

"The new price should be a realistic and justified one which gives the farmer a fair price for his product and allows the consumer to buy at a fair price," said the Housewives' League president Mrs Joy Hurwitz.

"What we ask is that the support price for meat be abolished," she said.

The support price fixed weekly, was introduced by the Meat Board to counteract short-term fluctuations. It is based on the average price of the previous week's sales.

are summarised in Table I.

The age and cause specific mortality rates for the years 1941, 1951 and 1960

had previously been calculated by Preston et al⁸ and this data has been used in the present study.

(iv) Proportional Mortality.

Angry exchange at meat congress

By PAT SIDLEY

THE Housewives' League became the focus of an angry exchange with a group of farmers at the World Meat Congress in Cape Town yesterday.

The farmers oppose the league's efforts on behalf of consumers, believing them to be acting against the farmers' interests.

Part of the background to the altercation was a question asked by the league at the congress earlier in the week, on the support price system which they maintain artificially inflates the price of meat and then artificially keeps the price high.

Anger in the league recently reached a high point over the appointment of a commission of inquiry — for which the league was largely responsible — into possible meat industry malpractices. Angry farmers at the con-

gress claimed the support price system had "saved their lives." They said the floor price was too low and price fluctuation ruined attempts to plan.

A spokesman for the league, Mrs Yvonne Forshaw, tried to explain that the league had the farmers' interests at heart, as well as the consumer — but they opposed the "middlemen".

Just before the farmers "attacked" Mrs Forshaw and the league's president, Mrs Joy Hurwitz, the Secretary of Agriculture for Bophuthatswana, Mr C M K Seape, had told the 600 delegates he felt great "sympathy" for the "lone woman" of the league who seemed to be the only person present who stood up for the consumer.

• More reports, picture, page 2

229 pc more ^(3 meat) cattle slaughtered than 35 years ago but total herd the same'

Agricultural Reporter

SOUTH AFRICA'S has the same number of slaughter cattle now as it did 35 years ago, a spokesman for the Meat Board said yesterday.

The spokesman, Mr K Blignaut, said the total beef population owned by white farmers 35 years ago

totalled 8 500 000. In the same year only 700 000 were slaughtered.

In 1980 figures showed the beef herd was still 8 500 000 while slaughterings had increased to 2 300 000 — about 229 percent more than in 1945.

This figure indicates that farmers have done their part and increased

productivity and efficiency over the 35-year period.

'This is a definite achievement if it's considered that fewer farmers on less ground supplied a population which has grown from 11,5 million in 1945 to almost 27 million in 1981.'

Mr Blignaut said the purchasing power of all South Africans, including blacks,

had increased enormously over the years and this had been accompanied by a growing demand for red meat.

He said that the Meat Board found that in 1945 high grades of meat had represented only 8,5 percent of slaughterings while last year the figure had reached 31,3 percent.

12-18 (Continued)

EXHIBIT A

Solution to Requirement 1 of Problem 12-18.

Meat Board: offal
 21. Mr. P. A. MYBURGH asked the
 Minister of Agriculture and Fisheries:

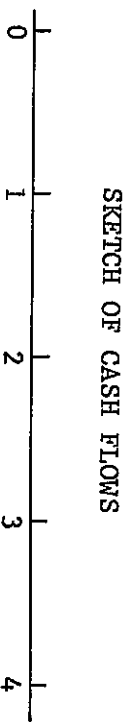
- (1) (a) At what stage and (b) for what reasons did the sale of offal come under the control of the Meat Board;
- (2) whether there was an adjustment in the price of offal when the Meat Board took over control; if so, what was the price (a) before and (b) after the take-over?

†The DEPUTY MINISTER OF AGRICULTURE AND FISHERIES:

- (1) (a) 1 September 1950.

End of Year

	Present-Value Discount Factor, @ 18%	Total Present Value
(b) The Directorate of Meat Supplies was instituted as a war measure to ensure the even distribution of meat. At the dissolution of the Directorate its functions were transferred to the Meat Board.		\$ (71,285)
(2) No.		5,000
(a) and (b) Fall away.		(44,000)
		\$ (110,285)
		\$ (121,050)
		1,342
		\$ (119,708)
		\$ 9,423



Year	Cash Flow
0	\$ 5,000 (\$44,000)
1	(\$26,500)
2	(\$26,500)
3	(\$26,500)
4	(\$26,500)
Total	\$ 2,600

*From Table 4, Appendix B at the end of this book.

3 meat

International congress on meat
 5/8/81 CH 4
 *5. Mr. P. A. MYBURGH asked the Minister of Agriculture and Fisheries:

Whether the Meat Board was in any way involved in the international congress on meat held at the Good Hope Centre in Cape Town in May of this year; if so, what was (a) the nature of its involvement and (b) the total cost?

†The MINISTER OF AGRICULTURE AND FISHERIES:

Yes.

- (a) (i) Representation in the Organizing Committee;
- (ii) printing of the programme and notices;
- (iii) arrangements for catering during the Congress; and
- (iv) a delegation of members of the Board and Management attended the Congress and the Chairman read a paper.

(b) R4 730 in respect of attendance of the Congress. The costs of the programme and notices as well as the catering expenses are being recovered from the Interenational Permanent Meat Bureau.

ly produced.
 : the variance in
 nces for the month of
 the period and all indirect
 (at standard mix, yield and cost)

contributions fro
 2. In respect of Kan
 1. In respect of the
 July 0001.
 YOU ARE REQUIRED
 costs are fixed.
 There were no stocks
 and sold at R55 each.
 During July 0001, 130 units of Yesican were produced

Yesican	100 units	@ R50	5 000
Noicant	120 units	@ R30	3 600

The budgeted output of the company per month and the selling prices of each unit is:

Brain	104 kg	@ R10,00	1 040
Brawn	900 kg	@ R 1,20	1 080
Sense	100 kg	@ R 5,00	500
			<u>2 620</u>

In respect of July 0001 the production and sales of the Noicant department was 90 units of Noicant. Sales were at standard price. Purchases for this department were as follows:

Brain	1 kg	@ R9 -	9
Brawn	10 kg	@ R1 -	10
Sense	1 kg	@ R5 -	5
			<u>24</u>
Yesican	3 kg	@ R9 -	27
	1 kg	@ R1 -	1
	3 kg	@ R5 -	15
			<u>43</u>

Kanudoit (Pty) Ltd manufacture two products "Noicant" and "Yesican". The standard content of each are:

*22. Mr. J. W. E. WILEY—Reply standing over.

A major component of the firm's established business because

*23. Mr. P. A. MYBURGH asked the Minister of Agriculture and Fisheries:

As a result, the Development Development business. An analysis of his staff turnover moving Coloplast explained of high available close had also dramatic

Whether the floor price of offal has increased during 1981; if so, (a) when, (b) by how much and (c) by whom is such price determined?

The Industry that Mr Mendelsohn from Cape Town Industrial Development Exhibit 4).

†The MINISTER OF AGRICULTURE AND FISHERIES (Reply laid upon Table with leave of House):

The Xhosa suggested that William's Town, S).

There is no floor price for offal but a fixed producer's price. The prices were increased in 1981.

Abraham Mendelsohn concentrate on tender business because was unhappy uncertain for

- (a) 25 May 1981.
- (b) Price increases which are also related to the auction prices at the different centres were as follows:

Centre	Cattle	Sheep
Cape Town	75%	59%
Witwatersrand	83%	78%
Pretoria	20%	28%
Durban	39%	41%
Port Elizabeth	70%	28%
East London	59%	19%
Bloemfontein	32%	34%
Kimberley	41%	47%

He also considered his factory. If he decided to move where was he to go? This particular decision was discussed with a discussion with a rec indicated that AUGUST 1981 could offer

(c) The producer's price is fixed by the Meat Board with the approval of the Minister of Agriculture and Fisheries.

least as attractive for tender preference for South African Government business could fall away but, then, Lesotho offered some attractive features for exporters: Firstly, there was the Associate Membership of the European Common Market. A second important consideration was the fact that a 'Made in Lesotho' label could be used for exporting. In Van Graan's opinion, this could be very useful for the export of consumer goods to the USA and other politically sensitive countries.

Abraham Mendelsohn was confused. He was uncertain whether to stay in uniform manufacture or whether he should concentrate on

eka Ltd, were now faced further loss of rebate offered.

ive of the Industrial wrote to the Xhosa of relocating his was the increase in authorities started he employees complained about better jobs Monday absenteeism

representative suggested to Darling (56 km) ed a factory in an ing built there (see

the other hand, za, near King Wil- ate jobs (see Exhibit

er he should concentrate on expand his fashion sports. Basically, he it was too fickle and

necessary to move his had held a ent Corpora- n Graan had Government, that were at ment Corpo- naturally, the

Board's quota

Star 28/8/57

system keeps

meat prices high

Own Correspondent

DURBAN — In a drastic move to prevent a collapse of the beef market the Meat Control Board has cut supplies to the abattoirs by introducing a quota system while buying in hundreds of carcasses to keep prices high.

This situation is so critical that the quotas have been cut by 200 head of cattle a day at Natal's Cato Ridge for the next week to 640 in a bid to dispose of the beef held by the board in cold storage.

The situation is blamed on consumer resistance, and while abattoir prices have dropped 25 percent in the past few weeks, little or any of this has been passed on to the housewife.

Before the new Cato Ridge abattoir was built, about 10 years ago, Dur-

ban demand alone was 850 head of cattle while Pietermaritzburg's demand was between 150 and 200, and earlier this year the new abattoir was slaughtering about 1 000 a day.

SOURCE

"Farmers were receiving around R2.60 a kg for carcasses only a few weeks ago and this has dropped to between R2 and R2.12 at the best — a drop of 25 percent — which is a loss of about R100 to the farmer on a 250-kg carcass. Farmers just cannot afford this type of loss," a well-informed source said.

A spokesman for the Housewives' League, Mrs Marcia Watkins, said the consumer resistance to beef was not being done consciously but simply because they could not afford the high prices.

Further, not only did they have to draw the fire engine to and
 fro from fires in Cape Town, but also present themselves, with
 their machines, for inspection at
 of every month for a two hour ins
 neglect of their machines were pu
 or imprisonment. As seen, they w
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 ceived was a mere pittance - in 1
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3 meat
 28/8/81
 Christians being very wary of a Muslim revolt. 48
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 received at the hands of the
 constant persecution while the
 left alone. Harassment, arbitrary arrests, the entering and

FRIDAY, 23 AUGUST 1981 210

70. Mr. P. A. MYBURGH asked the
 Minister of Agriculture and Fisheries:
 On what basis does his Department
 establish the floor price of (a) beef, (b)
 mutton and (c) pork?

The MINISTER OF AGRICULTURE
 AND FISHERIES:
 The floor prices of beef, mutton and
 pork are not determined by the Depart-
 ment but by the Meat Board with the
 approval of the Minister in terms of
 Section 56 of the Marketing Act, 1968
 (Act No. 59 of 1968). The following are
 the major factors which are taken into
 account:

- (i) The relationship between supply and demand;
- (ii) the marketing possibilities locally and/or abroad of the kind of meat concerned;
- (iii) increases in the production costs of meat and the possible reaction of the supply when prices are not adjusted, as well as possible consumer reaction to price increases;
- (iv) the general level of prices of agricultural products relative to other prices and the relationship between agricultural prices *inter se*;
- (v) the relationship between domestic and world prices; and
- (vi) the general economic policy of the Government.

71. Mr. P. A. MYBURGH asked the
 Minister of Agriculture and Fisheries:
 (1) Whether recommendations in regard
 to the floor price of (a) beef, (b)
 mutton and (c) pork are made to his
 Department by the Meat Board; if
 so, (1) to what extent are such recom-
 mendations taken into account by his

Department in determining the floor
 price of each of these products and
 (ii) what documentary evidence is
 submitted by the Meat Board to
 substantiate its recommendations;

(2) whether such evidence is made avail-
 able to the public; if not, why not; of
 so, in what form?

The MINISTER OF AGRICULTURE
 AND FISHERIES:
 (1) The price decisions taken by the
 Meat Board in terms of the powers
 vested in it by section 56 of the
 Marketing Act, 1968 (Act No. 59 of
 1968), are submitted to the National
 Marketing Council as prescribed by
 section 32 of the said Act. The
 Marketing Council must submit, its
 report and recommendations thereon
 to the Minister as prescribed by the
 said section 32.

(2) No, but the views of the Board are
 conveyed in the price reports of the
 National Marketing Council which
 are tabled in Parliament in terms of
 the provisions of section 81 of the
 said Act.

RED MEAT ³ meat Out of joint FM 2/10/81

The red meat industry is losing customer support. Prices, which have risen 48% on average over the past 12 months, are forcing consumers to look at other sources of protein, and at protein substitutes.

A survey by the SA Consumer Council among white consumers shows that 42% have switched to chicken, fish, eggs and cheese as well as protein substitutes in response to the sharply escalating red meat prices. For meat producers, wholesalers and retailers it's a disturbing trend.

Says Professor Leon Weyers, the council chairman: "If nearly half the consumers surveyed are showing an inclination to switch to other sources of protein, then the red meat industry is in trouble." He argues that as the bulk of red meat sales are conducted by public auction, prices are determined by supply and demand.

Demand is down because of the high meat prices and farmers are not sending as many cattle for slaughtering. The way Weyers sees it, there is no chance of getting prices down under current conditions. What the industry needs to do, he says, is educate consumers into buying better value-for-money lower grades and cheaper cuts to discourage them from turning to other protein sources.

Weyers says it was disappointing to note

that only 4% of consumers were opting for lower grade meat. And even less — 1% — were buying cheaper cuts to escape inflationary pressures. "People are resorting to buying less as an easier option to buying more wisely," he says.

He blames consumer ignorance on reluctance to explore other means of getting better value for money. To counteract this, he believes the industry should embark on a massive public relations campaign to educate the public in the correct way to buy meat.

A new red meat grading system has been introduced by the Meat Board. The system is simpler but, says Weyers, it will probably take consumers time to adjust.

Researchers see nothing untoward in the current state of the meat market. The indus-



**Red meat ... harder
to sell**

try, they say, is a cyclical one. Because farmers are not getting an adequate return on investment, they lobby strongly for price increases. Prices shoot up rapidly, then stabilise and remain at high levels for three to five years. Thereafter the price gap narrows between meat and other foodstuffs, and the whole process is repeated.

The difficulty, says Weyers, is that meat, like all other biological agricultural production, cannot be increased overnight. It takes several years for farmers to build up their herds and increase slaughtering volumes. Therefore, the industry is susceptible to demand-pull inflation.

Weyers' survey showed other revealing trends in the meat industry. For example, 89% of the consumers surveyed purchased meat direct from a retailer, which could mean either a butcher or in-house supermarket freezers. Interestingly, only 33% said the service they got from retailers was "very good," 37% said it was "good," and a relatively high proportion, 26%, described it

as "fair."

"These are not very flattering figures," says Weyers. "It shows that retailers can do a lot more to improve their sales techniques and offer a lot more information and guidance to consumers when they are purchasing meat."

When asked which aspect of the trade was making too much profit at consumers' expense, 66% said wholesalers took the biggest rake-off, 50% blamed the retailers for excessive profit-taking and 10% laid the blame at the farmers' door.

"The survey showed that, by and large, consumers believe the trade and not the farmer is profiteering at their expense. If the trade is innocent, it shows the need for a public relations exercise to put the matter into perspective."

In response to the million dollar question — "How did the increased price of red meat affect you?" — 42% said they had changed to other protein sources, 1% said they bought cheaper cuts, 4% said they bought smaller portions and lower grades of meat, 37% said they bought less meat and 16% said prices had not influenced their buying patterns.

Given that prices remained constant, buying patterns in order of preference were beef, mutton, pork and chicken. Says Weyers: "It shows that, intrinsically, South Africans are still a meat-eating nation. But they are becoming more prepared to relinquish their preferences to get better value for money."

Beef price starts to fall in city

Angus 5/10/81
3 meat

Consumer Reporter
THE price of beef has begun to fall at Cape Town abattoir auctions after rising last week because of the increased demand at the end of the month.

But lamb and pork prices are still high.

Super beef fetched from R2,37 to R2,38 a kg at today's auction compared with R2,41 on Friday and R2,46 at the beginning of last week.

Super lamb fetched from R2,77 to R2,96 a kg today compared with from R2,80 to R2,96 on a Friday and R2,84 at the beginning of last week.

Super pork fetched from R2,04 to R2,30 a kg today. It was R2,30 a kg on Friday and R2,24 early last week.

A Meat Board spokesman said supplies were plentiful. Today 700 pigs, 5 200 sheep and lambs and 750 cattle were slaughtered for tomorrow's auction.

Meat industry: 'Abuse claims unsubstantiated'

CT 8/10/71 (3 meat) 186/232

Political Staff

HOUSE OF ASSEMBLY. — The commission of inquiry into the meat industry says that claims of "abuse" and "malpractices" in the industry could not be substantiated and that there is no need to change the present system of meat marketing.

The report, tabled in Parliament, said that although there was a close inter-relationship between the "big three" in the industry — Imperial Cold Storage, Karoo and Vleissentraal — and concern about their growing interest in the industry, they did not have a monopoly between them.

The commission also found no justification for changing the present system of representation on the Meat Board which has 13 members, six of them affiliated to Vleissentraal.

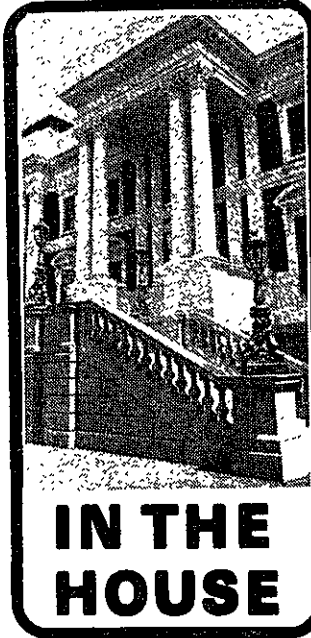
Complaints

The commission said there had been complaints about the number of people connected with Vleissentraal on the board.

"At present the chairman of the Meat Board is also the chairman of Vleissentraal, the senior general manager of Vleissentraal is a member and four of the other members are either members of the board of directors of Vleissentraal or members of the boards of directors or organizations affiliated to Vleissentraal," the report said.

The general manager of the board had said that this resulted from the fact that leaders and knowledgeable people among producers were usually appointed directors of agricultural co-operatives.

According to the senior general manager of Vleissentraal, this situation need not give rise to any problems since the members of the



IN THE HOUSE

Meat Board were expected to act responsibly and without bias.

The commission has also published a list of joint enterprises and arrangements between the "big three".

Cutting costs

"ICS has a 60 percent and Karoo 40 percent interest in a company set up to amalgamate two uneconomic units at Bethal and cutting unit costs.

"ICS and Vleissentraal both have 50 percent interests in wholesale activities in Bloemfontein because turnover figures did not justify separate undertakings.

"ICS and Vleissentraal have 50 percent interests each in Bull Brand, Krugersdorp, including an abattoir and meat-processing factory to share the high costs of building a new abattoir.

"All of Karoo's hides/skins of its associated livestock agency in Kimberley, in

which it holds a 50 percent interest, are sold to Vleissentraal at purchase price.

"All of Vleissentraal's hides/skins of its associated livestock agency in Bloemfontein are sold to Karoo at cost price.

"Karoo sells all the hides/skins derived from its associated livestock agency in Pretoria to an ICS subsidiary which in turn sells equal numbers to Karoo on the Witwatersrand.

"Karoo and W L Ochse and Co, in which the ICS group has an interest, co-operate in Bloemfontein.

"Karoo and W L Ochse co-operate in Cape Town.

"Vleissentraal and Natal Livestock Agencies, in which Karoo has an interest, co-operate at Cato Ridge."

Witnesses of the "big three" agreed that vertical integration was a rational development since their organizations were involved in the meat industry on a large scale, that this entailed no disadvantage, and that from an efficiency point of view there were great benefits for producer and consumer.

They said also that the big three were in "vigorous competition" with each other.

The commission said there had been complaints from some producers that they were penalized for telephoning the Meat Board about permits or were given too heavy a penalty for minor infringements of their permits.

"There are signs of an unhealthy situation where several producers have a sense of fear towards the Meat Board and disquiet at not being allowed to complain or speak out," the report said.

"In the commission's opinion this is a matter that the Meat Board would do well to look into."

League is disillusioned

Mrs Yvonne Forshaw, vice-president of the Housewives' League, said she was "sadly disillusioned but not altogether surprised" by the commission's report.

"During the proceedings, the chairman, Mr Justice Eloff, told the former Opposition spokesman on consumer affairs, Mr Rupert Lorimer, that the commission did not have the funds to make an in-depth investigation into the industry.

"The judge said the commission

would have to rely solely on evidence put before it. There were insufficient funds to go out to talk to meat farmers and butchers who may have felt too intimidated to speak before the commission," Mrs Forshaw said.

"The Housewives' League feels the commission was not able to probe the meat industry fully. Its findings, therefore, based mainly on evidence by Meat Board and prominent meat industry spokesmen, do not surprise us," she said.

Meat industry control is in hands of 3, inquiry finds

Star 8/10/81

3 meat 186 332

Own Correspondent

CAPE TOWN — A commission of inquiry into the meat industry has revealed a virtual control of the marketing of meat by three interests.

The Commission, under the chairmanship of Mr Justice Eloff, has found no irregularities in the meat industry, but has recommended a number of changes that should be undertaken by the Meat Board.

Apart from having virtual control of meat marketing, the Meat Board's chairman and five other members of its 13-member board are associated with

one of these three interests — Vleissentraal.

The other two big meat interests are Imperial Cold Storage and Supply Company Ltd and the Karoo Meat Exchange Ltd.

BIGGEST

ICS has the biggest share of the meat market and controls 30 per cent of the wholesale meat industry, 10.3 per cent of the retail section, 17 per cent of processed meats and 23 per cent of hides and skins.

Vleissentraal controls 13.1 per cent of the wholesale industry, 2.4 per cent of the retail section, about 10 per cent of processed

meats and 40 per cent of hides and skins and also controls about 50 per cent of livestock turnover.

The report also revealed that ICS and Vleissentraal were involved in joint concerns.

Karoo Meat Exchange was substantially smaller than the other two. It had a 4.2 per cent interest in the retail section, 5 per cent in the wholesale industry and 4 per cent in meat-product factories.

The commission was "unable to find convincing evidence that the Meat Board's control militates against sound competition and price formation."

But it had reservations about the Meat Board policy of not granting registration to owners of supermarkets.

The commission suspected "this policy may be to the detriment of sound competition and price formation."

DOUBTS

The commission found there was no evidence to show that the Meat Board's decisions "directly promote the interests of Vleissentraal."

It doubted that any legal alterations governing the appointment of producers to the Meat Board would "improve the existing set-up in any way."

The commission recommended that the Meat Board take over control of the marketing of skins and hides after documenting a series of complaints from tanners and skin exporters about a tight control held on the marketing of skins by Vleissentraal, ICS and Karoo Meat Exchange.

The commission could find no fault with the controversial set-up for the application of floor prices of meat and made no "critical" comments about the price-support system.

DISQUIET

But there was criticism of the Meat Board's dealing with producers over the permit system.

It could not find any evidence of irregularities, but said there were signs of an "unhealthy" situation where several producers have a sense of fear and disquiet at not being allowed to complain or talk out.

The situation had arisen because of the penalty system used to enforce permit conditions for slaughter stock.

The commission recommended that the Meat Board look into the situation while also stating the opinion that the board was insufficiently flexible in the issue of permits.

Board 'takes note' of recommendation

The acting general manager of the Meat Board, Mr E C Heystek, said today he had taken note of the commission's recommendation that the board should improve its producer relations.

It had been "unfortunate" some producers felt they had been threatened when they inquired about permits. The matter had already been taken up and the situation put right.

The chairman of the Consumer Council, Professor Leon Weyers, said he accepted the finding that there was meaningful competition between the big-three meat combines — Vleissentraal, Kanyam and the Imperial Cold Storage.

But from the consumer's side there should be continuous vigilance. A monopolistic situation could arise in the future against which consumers should be on guard.

Sources close to the South African Agricultural Union said farmers were satisfied with the reports. Meat Board measures to promote price stability and an equitable access to the market had been upheld by the commission.

Meat industry mix-up

NM 10/10/81 (3-Meat)

THE public may draw comfort from the fact that the commission of inquiry into the meat industry has dismissed claims of abuse and malpractices in the industry. However, there may be less enthusiasm about the commission's finding that there is no justification for changing the present system of representation on the Meat Board — six of whose 13 members are connected with Vleissentraal.

The fact that the commission has found nothing untoward about this association should not in our view be taken to mean that it is desirable. According to the commission's report 'the chairman of the Meat

Board is also the chairman of Vleissentraal, the senior general manager of Vleissentraal is a member, and four of the other members are either members of the board of directors of Vleissentraal or members of the boards of directors of organisations affiliated to Vleissentraal.'

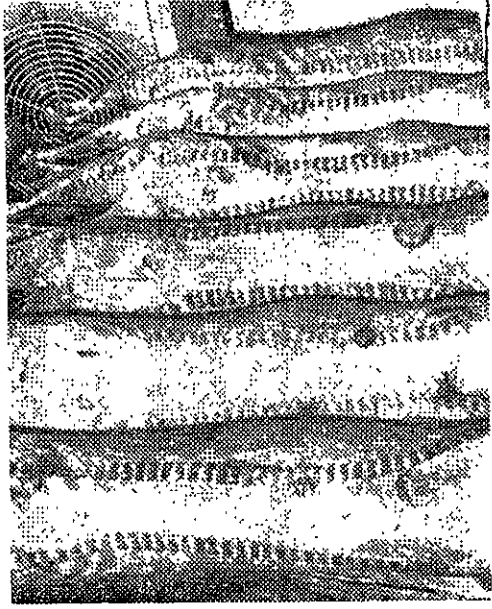
This may seem all quite natural in the meat industry. But consumers, whose confidence in the Meat Board has frequently been shaken by unnerving fluctuations in the price of meat, may find the cross-pollination of representation unfortunate to say the least. Surely there is some better arrangement.

Namibian drought will hit meat supplies to SA — and prices will rise

BEHIND DRY

STribune
11/10/81
3 meat

Farmers have already slaughtered many cattle because of the shortage of grazing — and the position will get worse if it doesn't rain soon. Prices will definitely go up.



MEAT-EATERS will have to dig even deeper into their pockets soon — despite the recent beef-price dip — as a result of the extended drought in Namibia.

Sources in the meat industry told the Sunday Tribune that the Namibian drought — which has now entered its second year — will have a ripple effect on South African meat prices for the next three years.

This was confirmed by SWA Meat Board chairman Mr Horst Kretz, who said prices would "almost certainly rise." The exact effect the drought will have on South African prices is hard to predict. A 30 percent drop in consumption has created a more

BY CHRIS VICK

balanced system of supply and demand, which will virtually eliminate any sudden leap in meat prices.

One thing is certain, however. The supply of meat to South Africa will be cut by at least ten percent because of the drought — and the effects will be felt for at least 18 months after the first rains.

Farmers in the area have already slaughtered more cattle than necessary because of the shortage of grazing, which will make re-stocking much more difficult when the drought ends. The position will get even worse, even if it does rain, as there is

little breeding stock to carry farmers through.

"Even if it does rain soon, farmers won't be able to stock up easily," Mr Kretz said. "They are keeping their heifers back but it isn't easy."

The shortage of stock has had little effect on Namibian beefeaters, as only 10 percent of production is consumed locally. South Africans, however, eat more than 200,000 head of Namibian cattle — and all that meat is likely to start drying up soon.

"The stocking-up period will be a difficult one for both farmers and consumers," a meat industry source told me. "Farmers will be unable to sell stock for slaughter, as they will have to build up their stock as much as possible, feeding them and prices

will definitely go up."

The stocking-up period could take anything from 18 months to three years after the end of the drought.

But another source said there were two ways to prevent a meat shortage and keep prices down.

One way is to boost chicken production — something that has already been done in other countries suffering from meat shortages. The other way is unique to Namibia. Instead of slaughtering young karakul lambs for their pelts, the source said, they should be reared as normal sheep and their meat sold as mutton.

In this way, karakul farmers could get around the low prices of pelts on the overseas markets, and cash in on meat shortages.

AGRICULTURE — MEAT
1982

JAN. ——— DEC.

Wanted this year... 40 000 tons of beef

PRETORIA—The country still was dependent largely on imports to satisfy its total consumer needs for beef, the Meat Board said here yesterday.

In a paper at the Agrocon '82 conference, the board said it estimated that 40 000 tons of beef would have to be imported this year.

Exports had declined from 12 357 tons in 1980 to about 130 tons in 1981, while 150 tons were expected to be exported in 1982, mainly to supply existing markets.

Sheep numbers had shown a gradual decline — from 32 million in 1978 to about 31.3 million in 1981 and an expected 31 million in 1982. Pigs were increasing — from 937 000 in 1980 to about 978 000 in 1981 and 1 000 000 in 1982.

Pork remains low in the meat popularity stakes with the South African consumer, however, and concerted efforts will be made this year to enhance its image in the consumer's eyes, the paper said.

"The gap in availability of red meat will be filled mainly by chicken whose market share showed rapid growth in the past two years — from 29.7 percent in 1980 to 32.6 percent in 1981, with the prospect of it rising to 36.2 percent in 1982.

Where broilers used to be the prerogative of white households, the black consumer has emerged lately as an important consumer of chicken.

Soyabbeans

"The most important potential substitute for meat is soyabbeans, processed in the form of textured vegetable protein (TVP), which is a highly concentrated form of protein.

"Statistics are not readily available, but an estimated 6 000 tons of soyabbeans go into human food in the Republic annually, although not all of it in the form of TVP, of course.

"In the Republic, this industry is at an early stage of development, mainly because consumers prefer the taste of genuine meat, but it could constitute a threat later on.

"In countries such as the U.S.A., this food industry has assumed great proportions and it already plays an important role as a meat surrogate in labour rations in large commercial undertakings such as the mines," the Meat Board said. — (Sapa)

Price of meat from SWA may escalate



3 Meat

Pretoria Bureau

Meat prices could rise because of high rail charges for cattle from SWA/Namibia.

According to the manager of the South West Africa Meat Board, Mr H. W. Kreft, the territory is to process its own cattle instead of exporting to South Africa.

A large new meat packing plant is being built in Gobabis. Smaller ones already exist in Windhoek, Okahandja and Ovati.

The aim is to process up to 300 000 out of South West Africa's

average annual production of 400 000 cattle.

Mr Kreft said total marketing costs for an ox sent to Cape Town from Outje were about R100, most of which was for railage. This represented about a third of the realised value of the animal.

It made the export of cattle to South Africa uneconomic.

Mr Kreft said the territory should send the meat it exported to South Africa in the form of chilled or frozen de-boned cuts.

Windfall for ^③ meat farmers

RPM 9/2/82

MORE than 12 000 meat producers throughout South Africa will soon have every reason to smile when savings rebate cheques valued at almost R3 500 000 are paid out to them by Vleissentraal — the country's central meat co-operative.

This annual windfall to meat producers is made possible by the co-operative's savings on agency activities, according to a statement issued in Pretoria yesterday.

The chairman of Vleissentraal, Mr P R du Toit, said in the statement that Vleissentraal was still "the most important marketing arm of the South African meat producers".

By co-operative marketing the producer eventually received the "full yield of his product" and the rebates made "an extremely important contribution towards curbing the marketing costs of the farmer".

Mr Du Toit said this year Vleissentraal was able to increase the total amount paid out in rebates by more than R1-million, despite the drop of 20 percent in the slaughtering of cattle in controlled areas last year.

Vleissentraal's turnover last year exceeded R1 000-million.

The co-operative has always believed that the South African meat producer should not only have the authority over his product until it reached the slaughtering floors, but that he should also have a say in the processing and further marketing of his product and by-product. — Sapa.

Rise in poultry output^{10/2/82} worries red meat chief^{meat}

Mail Correspondent

CAPE TOWN — The production of fable birds had more than doubled over the last 10 years and now represented 32,6% of total meat consumption

This was announced at the National Meat Congress held in Cape Town yesterday by Mr S J J van Rensburg, chairman of Vleissentraal and the National Meat Committee.

"Over the short period of a mere 10 years, (poultry) production increased from 160 000 tons, representing 21% of total meat consumption, to 322 000 tons, repre-

senting 32,6% of total meat consumption," said Mr Van Rensburg.

He added that predictions indicated that poultry production would rise to 355 000 tons in 1982, representing 36% of the forecast total meat consumption

Mr Van Rensburg told the congress he quoted the poultry statistics in order to create an awareness among delegates of the competition facing the red meat industry.

The meat industry had been unable to meet its anticipated growth rate of 4% over the last year and it was

now apparent that this aim would be out of reach for several years.

"This downward trend will last for about two years in my opinion, and of necessity will have a direct influence on the buyer of our products

"My feeling is that the consumer will experience difficulty during this period in paying any increased price for food and this will particularly affect our products.

"The result is that the vice of price pressures will again be felt heavily by us," Mr Van Rensburg said

Meat
(3) ~~Dairy products/meat/wheat~~ Dairy products/meat/wheat 1/3/80
Harmond Q. Col. 350
265. Mr. D. J. N. MALCOMESS asked
the Minister of Agriculture and Fisheries:

What was the value of the (a) dairy products, (b) meat and (c) wheat imported by the Republic during the latest specified period of 12 months for which figures are available?

The MINISTER OF AGRICULTURE
AND FISHERIES:

- (a) R 7 966 744
- (b) R10 977 940
- (c) R 788 768

Note

- 1 The latest figures available are in respect of the 1980 calendar year.
- 2 Figures are in respect of the customs union, which also includes Botswana, Lesotho and Swaziland.
3. Figures include processed products.

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60 years

Cheers, to 60 years of marriage. Mr and Mrs Arthur Fogwill of Anzak, Brakpan, toasted their diamond wedding anniversary at the weekend.

The couple met in Louis Trichardt in 1921, married the following year and have spent the past 59 years in Brakpan. They have three children, nine grandchildren and 13 great grandchildren.



The Fogwills of Bra

South Africans eat less meat

By Caroline Braun
Consumer Reporter

Beef and mutton consumption last year fell to the lowest levels in three years. It is expected to drop even further this year.

In 1979 South Africans consumed 515 000 tons of beef. This dropped to 499 000 tons in 1980 and 431 000 tons in 1981. The estimated beef consumption in 1982 is 412 000 tons.

Mutton consumption fell from 117 000 tons in 1979 to 114 000 tons in 1980 and 111 000 tons in 1981. This year's estimated consumption is 109 000 tons.

A Meat Board spokesman said the main reason for the drop in beef and mutton consumption was that supplies had decreased.

Supplies are down, prices are up, and wool is paying

"Beef supplies from Namibia, one of our most important sources, have dropped dramatically, especially since the beginning of 1980. We expect very little beef from this area this year," he said.

Mutton supplies have dropped because the wool price has been favourable during the last few years and

farmers have built up their flocks for wool rather than sending their sheep to market.

Consumer resistance to meat prices, which rose sharply in 1979 and 1980, has also contributed to the drop in consumption.

Pork consumption, on the other hand, increased last year and is expected to rise further this year.

In 1979 pork consumption was 70 000 tons. It fell to 68 000 tons in 1980, increased to 71 000 tons in 1981 and is expected to reach 72 000 tons this year.

The meat Board spokesman said pork would play a bigger role this year because its availability could be adapted to consumer demand far more easily than beef and mutton.

Another delay in death trial

Own Correspondent
LOS ANGELES — After spending a year in a Santa Barbara jail, Dennis Roy d Miller, the suspect charged with the murder of South African sculptor Giovanni Schoeman and two others, is still waiting for his trial to begin.

A month ago Miller came within half an hour of the start of his trial, but a decision by the state's highest court, the California Supreme Court, sent him back to his cell.

Yesterday, after a second ruling by the Supreme Court, it was learned that the murder

trial — which carries the death sentence for Miller if he is found guilty — would be postponed again.

However, the news from the Supreme Court was welcomed by the suspect's attorney whose numerous petitions to the courts — for orders to gag Press

coverage and for a change of the trial venue — have been the chief cause of the delays.

The Supreme Court has ruled that defence attorney Robert Sanger's petition to change the venue of the trial be heard again by the Appeal Court.

The Appeal Court and a Santa Barbara Superior Court judge had denied three previous petitions by Mr Sanger to change the trial venue.

In his petition Mr Sanger argued that the selection of a fair and impartial jury in Santa Barbara was made impossible by the amount of publicity the murders and subsequent legal proceedings had generated in the local media.

Mr Sanger was not

Bodyguard for the forest elephants

Help is at hand for the less than 70 Kaolind desert elephants surviving in northern Namibia. An anti-poaching unit will begin patrolling the area next month.

These elephants have become the target of poachers, and more than 20 have been killed in recent months.

The Endangered Wildlife Trust (EWT) has raised funds to employ two rangers who will begin patrolling the 55 000 sq km home range of the animals from April 1.

A four-wheel drive vehicle and a full set of equipment is also being provided.

A conservation programme will be initiated for the local people

By Lice c many schools A t eastern children were found Schools every a burg cases of A School in a n s nothing situation "We t problem

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The S

③ Meat RDM 20/3/82

R2,25m meat racket uncovered

By NORMAN PATTERTON

THE Meat Board has uncovered a R2 250 000 racket in which large quantities of inferior meat, exported at a loss from Ireland, was fraudulently dumped on the South African market.

The general manager of the Meat Board, Dr Pieter Coetzee, confirmed last night that "several cases of alleged unlawful importation of meat, and fraud, are being investigated".

More than 1 500 tons of meat could be involved. The Rand Daily Mail learnt that one of the country's biggest companies was allegedly involved.

The meat, imported from Ireland, was supposed to have been re-exported to South Africa's neighbouring states but was sold on the South African market.

No permit had been issued to import it to the the South African market.

Dr Coetzee said South Africa was obliged to convey meat through the country to and from its

neighbouring states like Zimbabwe, Botswana, Swaziland and Lesotho, in terms of customs and excise agreements.

During 1980 it was common for certain companies to store meat coming from the United Kingdom, New Zealand and Australia in South Africa pending its exportation abroad or to South Africa's neighbouring states.

The investigation had already reached an advanced stage and people involved would appear in court soon, Dr Coetzee said.

(3) Meat Steu 30/3/82
Meat pirates' charged

People are expected to appear in court soon charged with offences arising from allegedly illegal meat imports worth R2,25 million from Europe, Britain, New Zealand and Australia.

The general manager of the Meat Board, Dr Pieter Coetzee has announced that investigations into a number of cases of alleged fraud and illegal imports were at an advanced stage.

He said as much as 1500 tons of meat

could be involved.

The board investigations concern meat from overseas sent to South African dispatch points and destined for neighbouring territories such as Zimbabwe, Botswana, Swaziland, Lesotho and Namibia.

Most of the meat came from Ireland.

Dr Coetzee said meat intended for neighbouring states and for which no import permits had been issued had allegedly been put on the South African market under false

pretences.

The low-grade Irish meat illegally dumped on the South African market presents no health threat and will have an insignificant effect on the meat market, a spokesman for the Department of Agriculture said.

No meat unfit for human consumption entered the country, even in cases where the meat was only stored in South African harbours for export to neighbouring states, the spokesman added.

Meat dumping (3) Meat Star 31/3/82 'tip of iceberg'

The Star's Africa
News Service

WINDHOEK — Startling claims of meat smuggling and administrative incompetence regarding the importing of Irish meat into an overstocked southern African market have been made by sources involved in the Namibian meat trade.

The allegations follow this week's announcement by the general manager of the South African Meat Board, Dr Pieter Coetzee, that his organisation is investigating a R2,25 million racket in which large quantities of Irish meat were being fraudulently dumped on the South African market.

But, according to Namibian sources, southern Africa's meat problems go far deeper than Dr Coetzee's revelations.

One major Namibian meat handling concern alone has nearly 2 000

tons of Irish beef worth millions of rands "trapped" without a market in cold storage in Cape Town.

Another consignment of more than 530 tons from Ireland for the same company is to be landed at Cape Town this weekend.

At the same time that Irish meat is being imported to shore up Namibia's ailing meat processing industry, the territory's farmers have been "illegally" exporting their drought hit cattle — both on the hoof and in meat form — to South Africa.

On February 5, when it was found that the South African market could not absorb the impact of Namibian and Irish beef, the South African Meat Board ordered a stop to all imports from the territory.

Two senior S W A Meat Board officials are due in Pretoria today for talks

Officials warned about big meat deal a year ago

③ Meat
E. Post
3/3/82

By BRIAN POTTINGER
Political Correspondent

CAPE TOWN — The existence of a massive Irish-South African meat deal — the subject of a Meat Board inquiry — was brought to the attention of the board and Minister of Agriculture more than a year ago.

At the time, Mr P T du Plessis, Minister of Agriculture, top departmental officials and Mr Koos Blignaut, public relations officer for the Meat Board, denied knowledge of the contract.

In February last year, the Irish Times carried a report saying an Irish firm had clinched a contract with a South African firm for the sale of 1 200 tons of meat a month for 12 months. According to the report, 900 tons of the meat had already been exported to South Africa.

When approached for comment on the report, Mr Du Plessis said he had no knowledge of the contract and dismissed the claim as sounding rather like an "Irish story".

Senior departmental officials who were with him at the time also denied knowledge of the contract and expressed doubt that such a massive contract could be signed without their knowledge.

At the same time Mr Blignaut said he had no knowledge of the contract.

In a statement yesterday, Dr Piet Coetzee, managing director of the Meat Board, confirmed that a Meat Board investigation was underway into allegedly fraudulent importation of meat to South Africa without a permit.

The deal involved 1 500 tons at a value of R2,25 mil-

lion — most of it reportedly coming from Ireland and intended for re-export to SWA/Namibia and other neighbouring states.

Some of the meat apparently entered the South African domestic market irregularly without the necessary permits.

Mr Blignaut said today it was still not possible to say whether the firms mentioned in the February report, were the same as those involved in the investigation "but you can make your own deductions".

He said the Meat Board had said at the time of the report they had no knowledge of such a contract and the same position prevailed now as the investigation continued. Mr Blignaut said the investigation had been underway for some considerable time.

③ Meat

Meat probe continuing

By PAT SIDLEY

THE Irish meat at the centre of the multi-million rand meat racket was part of a contract signed in Ireland over a year ago and worth then about R32-million.

The Meat Board denied the story last year after it was published in the Irish Times and said it had imported no meat from Ireland.

It said: "Meat shipped via South African harbours could create the wrong impression of being bound for South Africa."

The Board now admits some of the meat has found its way illegally into South Africa.

One of the country's biggest meat companies is believed to be involved.

Spokesmen for two of South Africa's three largest meat companies were not available for comment yesterday. At the third, Imperial Cold Storage, a director, Mr H V Lombard, said his company was not involved.

A Meat Board spokesman said yesterday investigations were continuing but no charges had yet been laid.

③ Meat 2011
Action
2/4/82
on meat
racket

By JOUBERT MALHERBE

THE Meat Board has requested the Attorneys-General in the various provinces to institute legal proceedings in connection with the irregular meat import racket exposed earlier this week.

A statement by the Meat Board chairman, Mr P. R. Du Toit, said seven allegations of meat imports without the necessary permits, three of fraud and one of meat trading without the necessary registration were being investigated.

The fraud allegations relate to the obtaining of import permits, the statement said.

Mr Du Toit said the racket had been uncovered in January and board officials had already acted to prevent the meat from being distributed.

Thus the recent drop in the price of low-grade meat could not be attributed to the irregular meat imports, he said.

The drop in the price was due to the oppressive drought in many parts of the country which was forcing farmers to send their cattle to the abattoirs at a faster rate than usual, he said.

Plusplan hours.

'Guarantee meat prices' — farmers

PRETORIA — The South African Agricultural Union called yesterday for minimum guaranteed price levels to be set annually to protect meat producers against "continuous production cost rises".

It said a recommendation by the Jacobs Committee that State financing of abattoirs be investigated should also receive urgent consideration.

The union welcomed the decision by the abattoir commission to improve the quality of meat through

electrical stimulation in controlled areas

Officials also said yesterday that cattle rustlers were "getting off too lightly" and the matter would be taken up with the authorities.

"Farmers are still perturbed at the light penalties imposed on cattle thieves, as well as the practice of freeing them on parole," the union said.

The matter would be taken up soon with the Police, Justice and Prisons Departments

TV did not fuel the UK riots

LONDON — Television coverage of last year's urban riots in Britain failed to highlight the root causes but it did not fuel the violence, the British Film Institute said yesterday.

They said there was no evidence that TV created a "copycat effect".

Less than 10% of teenagers watched prime-time newscasts on the riots and most rioters heard about the disturbances through the "youth grapevine". — Sapa-AP

News briefs

Seafood ban continues

DURBAN — There is no end in sight to the seafood ban in Durban after samples taken last week were found to be contaminated with cholera. But a ban on gathering oysters has been lifted in the Umhlanga area. Durban's acting Medical Officer of Health, Dr M Richter, said tests on seafood samples caught off the city's beaches still showed unfavourable results.

Ex-racing driver dies

WETZLAR — Former Austrian Grand Prix driver Harald Ertl was killed in a plane crash near Wetzlar, West Germany, yesterday, police said. Mr Ertl, 33, and three other people died when their six-seater private plane crashed on a flight from Mannheim to the island of Sylt.

New Soviet gas supplies

MOSCOW — The Soviet Union has begun developing fresh gas deposits in the Ukraine, from where supplies will be pumped to Western Europe along a new East-West pipeline. Tass news agency said work had begun on gas fields south-west of Kharkov, and exploitation of the estimated reserves of 150 billion cubic metres should begin in 1983.

Hinckley sent for trial

WASHINGTON — John Hinckley has been ordered to stand trial on April 27 on charges that he tried to assassinate President Reagan. The trial date was set by US District Judge Barrington Parker after hearing a request from Hinckley's lawyer for more time to prepare his case.

Conditions for peace

KUWAIT — Iran and Iraq have reiterated conditions for ending their 19-month-old war, but Iran claims that Iraq has, in effect, accepted one of its conditions. But Iranian Foreign Minister Mr Ali Akbar Velayat said yesterday Iraq's call for an Islamic committee to determine responsibility for the war was originally an Iranian demand.

R90m to save children

ROME — Italy announced it would contribute the equivalent of about R90 million to a United Nations project to help save a million children in some of the poorest countries from starvation. The project has been launched by the UN Children's Fund.

Wartime marshal dies

MOSCOW — The Soviet Union announced the death of Marshal Pavel Rotmistrov, a leading Second World War tank commander. He was 80. He joined the Red Army in 1919 and rose to become Chief Marshal of Armoured



Mr G P KNOWLES
... honorary post

PE will regain British consul

Post Reporter

THE British Consulate in Port Elizabeth re-opens for business on April 21 when the newly-appointed Honorary British Consul, Mr Geoffrey Parker Knowles, takes up his post.

The consulate, in the Allied Building in Main Street, was closed temporarily after the death of the former consul, Mr Bill Lockhead, OBE, almost a year ago.

Mr Knowles is a well-known Port Elizabeth businessman. He came to South Africa in 1959 to establish Stroud Riley (Pty) Ltd, a subsidiary of the English Stroud Riley Drummond Group, and has been in Port Elizabeth ever since.

He was born in Read, Lancashire, but his wife, Shirley, hails from Yorkshire.

Mrs Doreen Munsey, formerly of British Airways, has been named as Mr Knowles' consular

Anger over policy on abattoirs

3 Meat
2. to be
Star
17/11/82

By Hannes Ferguson

Stock farmers and country butchers are up in arms against the Government's "socialist" policy of centralising country abattoirs.

The Deputy Minister of Agriculture, Mr Sarel Hayward, confirmed in Cape Town yesterday that old abattoirs would have until December 1984 to comply with the very strict hygienic standards set by the large urban abattoirs.

Municipalities operating abattoirs which did not conform to minimum requirements would face the withdrawal of their abattoir licences.

A spokesman for the SA Agricultural Union commented that hygienic standards were necessary, but in the case of country abattoirs unrealistic demands were sometimes made.

This could lead to uneconomic expenditure for which the farmer had to pay.

COMMITTEE

The deputy chief meat hygiene officer of the Department of Agriculture, Dr Jan Coetzee, said that the Abattoir Commission had to provide the South African consumer with clean, healthy and wholesome meat.

A committee consisting of the chief meat hygiene officer, Dr J P van der Merwe, and the chairman of the Abattoir Commission, Mr H J L du Toit, had been set up to determine which country

abattoirs would have to close.

Country butchers objected to the regional "meat palaces" to be built at exorbitant cost. These would increase slaughtering fees from as low as R2,50 a head of cattle to as high as R40, for which the consumer had to pay.

The R14 slaughtering fee at the Johannesburg and Durban abattoirs was already excessive, butchers said.

TRADE'S TASK

It was the trade's task, not the government's, to supply the consumer with healthy, clean and wholesome meat, butchers claimed. Reasonable inspection was always welcome.

The chairman of the Abattoir Commission, Mr H J L du Toit, said that to improve the turnover of expensive, newly-built country abattoirs, a levy would be placed on meat sold in butcher shops that had been slaughtered in other towns with lower abattoir fees.

Inspectors would check to see that no one brought in meat from older abattoirs in neighbouring towns.

A spokesman for the Federation of Country Meat Traders said in Cape Town that the committee implementing the government's country abattoir policy consisted of two civil servants without a stock farmer or butcher as member.

This was "officialdom made almighty" in a "socialist" set-up, the spokesman said.

Meat price resistance crumbles

③ Meat
com
19/4/82

Financial Reporter

THE meat industry should soon stabilise and Karoo Meat Exchange is likely to benefit by continuing to improve earnings, says the chairman, Dr W J de Villiers, in the annual report.

from 1,01:1 a year before to 1,24:1.

Earnings on shareholders' funds were 19,1% (9,6% in the 1980 six months) and pre-tax profit less interest to total assets was 14% (1980 half, 6,8%).

Interest-bearing debt to ordinary shareholders' funds was 1,48:1 (1,32:1) and total liabilities to shareholders' funds was 2,48:1 (2,17:1).

Karoo was delisted last month after the takeover by Kanhym Investments.

Dr De Villiers says that consumer resistance to initial abnormally high rises in meat prices has receded and he expects consumption to stabilise.

"Over the longer term, we can expect short periods of sharp price increases followed by long periods of static prices during which we can consolidate."

Indeed, consolidation is one of the company's four strategies outlined by Dr De Villiers for the coming year. The others are:

- Maximising the rationalisation advantages which will result from the merger with Kanhym.

- Adapting marketing strategies, and having as a significant priority the marketing of quality fresh meat under a trade mark.

- Giving further attention to training of manpower.

"Several hundred thousand rands" have been set aside to market beef supplied by the group's feedlots under a trade mark.

Dr De Villiers says: "I am convinced ... that the future of the industry as a whole will stabilise, and that everyone can look forward to a stable and successful red-meat industry."

"(The) group enters the new year with confidence and optimism, and it is believed that improved results will be achieved."

Of the year under review, Dr De Villiers says the company again fared remarkably well, posting earnings a share of 32,3c compared with 14,3c in the half-year to December 1980 when the year-end was changed.

The company has the competitive advantage of being able to obtain quality fresh meat from the Kanhym feedlots where specialised methods of selection and feeding are applied.

At balance-sheet date, the current ratio had improved

AG awaits meat probe ^{(3) Meat}
 RDM
 4/5/82
 Mail Reporter

THE Transvaal Attorney-General has not yet considered allegations that R2 250 000 in Irish meat was allegedly dumped on the South African market last year.

A spokesman for the AG, said yesterday the case had not yet been referred to him.

A month ago, the Meat Board chairman, Mr P R du Toit, requested all the Attorney-Generals to institute legal proceedings after it was discovered meat had allegedly being dumped fraudulently on the local market.

(Witwatersrand)
 Industrial Council for the Retail Meat Trade

Industrial Council:

Registration: Yes

Founded: 1928

Area of Operation: Transvaal

Officials: Secretary: G.S. Kok

Address: 39-40 Shakespeare House
 114 Commissioner Street
 Johannesburg
 2001

Telephone: (011) 838 6155

Year	Membership			
	African	Asian	Coloured	White
1980				1 114
1979				998
1978				1 020
1977				792
1976				1 019
1975				1 229
1974				1 250
1973				1 239
1972				..
1971				..
1970				..
				Total

TRANSVAAL RETAIL MEAT TRADE EMPLOYEES UNION

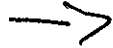
Handwritten: *Meat* *Q. 61.875-876* *Beef* *21/5/82*
③ ↑

*9. Mr. R. W. HARDINGHAM asked the Minister of Agriculture and Fisheries:

Whether beef imported into the Republic during the latest specified period of three years for which figures are available, has had any effect on the local market; if so, what effect?

†The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM (for the Minister of Agriculture and Fisheries):

No.



1 MAY 1982

876

Beef

*10. Mr. R. W. HARDINGHAM asked the Minister of Agriculture and Fisheries:

- (1) For what purpose was beef imported into the Republic over the latest specified period of three years for which figures are available;
- (2) whether the imported beef was used solely for the purpose for which it was intended; if not, why not?

The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM (for the Minister of Agriculture and Fisheries):

- (1) Processing purposes. (2) Yes.

Beef

*11. Mr. R. W. HARDINGHAM asked the Minister of Agriculture and Fisheries:

Whether further importations of beef into the Republic are envisaged for the 1982-'83 financial year; if so, (a) what quantity, (b) from where and (c) for what purposes?

†The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM (for the Minister of Agriculture and Fisheries):

No.

(a), (b) and (c) fall away.

③ *Mat* *Hansard* Q.601.869 -
Beef
21/5/82 870
683. Mr. R. W. HARDINGHAM asked
the Minister of Agriculture and Fisheries:

- (a) What quantity of beef was imported into the Republic in each of the latest specified three years for which figures are available, (b) through which ports was the beef imported, (c) what was the country of origin in each case and (d) at what average price was the beef landed in the Republic in each such year?

The MINISTER OF AGRICULTURE
AND FISHERIES:

- (a) 1979—None.
1980—1 460 tons.
1981—399 tons.
- (b) Table Bay and Durban.
- (c) Australia in both instances.
-

1 MAY 1982

870

- (d) The weighted average c.i.f. price in both years was 166c/kg (processing grade).

3 Beef Meat Beef 28/5/82
 Hansard Q. Col. 943-944
 706. Mr. R. W. HARDINGHAM asked
 the Minister of Agriculture and Fisheries:

What was the (a) quantity and (b) value
 of the (i) beef and (ii) canned beef export-
 ed from the Republic in the years 1980
 and 1981, respectively?

The MINISTER OF AGRICULTURE
 AND FISHERIES:

	(a)(i)	(b)(i)*
1980	12 357 000 kg	R18 696 141
1981	119 800 kg	R 225 054

	(a)(ii)	(b)(ii)
	Not available	R23 825 114
	Not available	R17 674 462

* Calculations at average market prices.

Supplementary reply to Question 402 on
 Friday, 2 April 1982, put by Mr. E. K.
 Moorcroft (col. 562):

Mountain of meat piles up as board deliberates

3 weeks
250 000
500 000

By GERALD REILLY
Pretoria Bureau

A MEAT mountain is piling up on the veld and in feedlot pens while the Meat Board deliberates on the re-launching of its consumer subsidy scheme.

And cold stores throughout the country are packed with 27 000 beef carcasses, 25 000 sheep carcasses and nearly 4 000 pig carcasses. This represents about a week's supply in the controlled areas.

A board spokesman estimates that in the feedlot pens there are 250 000 animals waiting to be sent to markets. The board is being inundated with applications for permits which under the existing over-supply conditions cannot all be issued.

Meanwhile the special Meat Board committee — on it are represented producers, wholesalers and retailers — will meet early on Friday morning to decide in what form to reintroduce the R6-million subsidy scheme to make meat cheaper for consumers.

Informed sources in Pretoria say the scheme will probably be reintroduced from the beginning of next week. The reintroduction of the subsidy, it is hoped, will

stimulate demand to an extent which would relieve the "tremendous" marketing pressure and reduce the huge on-the-hoof surplus.

However, a board spokesman said it was not the intention to offload the piled-up frozen beef, mutton and pork. "We can export it, or sell it to the mines, but as far as possible it will be kept away from the consumer."

The subsidy scheme collapsed last week when it was claimed the wholesale trade was pushing the sale of lamb, sending auction prices rocketing to record levels. The object of the subsidy scheme, the board stated, was to stimulate the sale of beef.

This, because of the action of the wholesalers, had not happened. Because of the distortions which developed at the market, the scheme was discontinued last Thursday.

The general manager of the Meat Board, Dr P H Coetzee, appealed to housewives last week not to get caught up in panic buying.

Consumers should buy in normal quantities if they were to get the benefit of the scheme, he said. The board has stressed that to get the full benefit of the subsidy scheme consumers must shop around, and not buy at the first retail outlet.

Meat Board to 'save the bacon' of small pork farmers

③ Meat
E. Post
5/6/82

By WAYNE ASHER

FEARS of a glut of pork on South African markets, said to be caused by cor- porative ventures into pig farming, have caused the Meat Board to take mea- sures largely aimed at "saving the bacon" of the smaller established pig farmers.

At the end of last month, the Meat Board announced that measures had to be taken to control the mar- keting of pigs throughout South Africa, because the market was being over- supplied.

A system of permits, renewable monthly, was to have taken effect from July 2, but this was postponed this week while talks were held between the Meat Board and marketing agents in Pretoria.

But Mr Trevor Sheard, the East Cape's representa- tive for pig meat on the Meat Committee of the South African Agricultural Union, said the postponement may have been largely due to pres- sure from large corpora- tions.

He said the situation was "quite frightening".

"Large conglomerates are now looking to the red meat industry for invest- ment purposes, as an alter- native to the gold and coal industries, as people can do without gold, but have to eat.

"They started with the poultry industry and now that they have that sewn up, they're starting on the red meat industry, particu- larly pork.

"At present there are

about 10 000 sows in South Africa, producing approxi- mately 900 000 pigs a year. It takes an over-supply of about 5% to flood the mar- ket and bring the prices down.

"This is what is starting to happen now. Honestly, it makes one question capital- ism."

He said groups such as Anglo-American, which had for example a large piggery, Steenwyk, near Welkom, contributed to the surplus but they were not at fault because they had put a lot into the industry and had been in farming for some time.

However, there were other companies now com- ing into the red meat indus- try bringing money from their other operations and putting the small scale farmer out of business.

In an interview this week, the general manager of the Kanhym piggery, Dr Theuns Prinsloo, said they presently kept between 1 300 and 1 400 sows, but their long-term goal was 4 000 sows which they hoped to reach in about 1986.

He said they hoped to ful- fill about 12% of their sister company, Enterprise's, re- quirements by then.

"I do not think our con- tribution will endanger ei- ther the industry or the small farmer."

He said he thought the reason for the permit sys- tem was because of a lack of slaughtering facilities.

However, the general manager of the Meat Board, Dr Pieter Coetzee,

said this was not the case.

"We have the slaughter- ing facilities. It is just that we do not have an outlet if there is an oversupply. Ex- port might be the answer, but pork is already being dumped on the world mar- ket."

He did not say where the pressure had come from to introduce the postpone- ment but said it was not just the large corporations who were contributing to the glut.

"Many private farmers I know have doubled their sow-unit in the last year, and this has also contri- buted to the oversupply of pork."

However, Dr Coetzee said the permit system was originally designed to pro- tect the smaller, estab- lished pig farmers against the bigger farmers and cor- porations.

Locally, one of the three owners of Coastal Lifestock at Coega, the biggest pig- gery near Port Elizabeth, Mr Tony Mote, said he could not see the benefits of a permit system.

"I'm totally against it. It's bad for the consumer. The more pigs we can produce, the cheaper pork will be and the consumer will benefit."

He said they presently had about 450 sows with just under 4 000 pigs at Coastal Lifestock.

"The smaller farmers such as those keeping about 20 sows cannot compete with large-scale pig farm- ing and cannot produce meat as cheaply as we can," he said.

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'Serious crisis' in pig industry after overproduction

③ Meat Mercury
7/6/82

Agricultural Correspondent

THERE is a serious crisis in the pig industry as a result of overproduction, a spokesman for the Meat Board said this weekend.

The oversupply situation had reached the point where it was becoming difficult to handle the number of pigs being delivered at abattoirs, the spokesman said.

The oversupply was the result of the establishment of new units and large scale extension to existing units.

The Meat Board has decided to adopt drastic measures in the form of a country-wide permit system, as well as the compulsory registration of all pig producers. The permit control system will come into operation on July 2.

Applications

According to the spokesman, producers intending to market direct at any abattoir in the controlled or outside areas, or through any other channel, would have to

apply for the necessary permits from the Meat Board.

Permits could also be obtained from abattoir agents. All permits would be issued on a monthly basis and applications for marketing for July would have to reach the Meat Board by June 11.

The Meat Board issued a warning to producers not to launch into production expansion without very careful consideration.

Sources in the industry said the oversupply situation had resulted from the good prices paid for pigs at the beginning of last year.

Encouraged by this, many farmers had enlarged their units, while others had decided it was viable to enter the field.

Spokesmen for the major producers would not comment yesterday because they were waiting for the outcome of high level talks being held between the Meat Board, the Government and producers in Pretoria today.



UNIVERSITY EXAMINATION

do this, we would introduce a quota system. Besides limiting excessive production, it would protect farmers from the big concerns who keep on extending and producing more. It would also avoid the present prob-

RY CANDIDATE MUST enter in column (1) the number of each question covered (in the order in which it has answered); leave columns (2) and (3) blank.

MEAT ⁽³⁾ Mead
Pork in a pickle
FM 11/6/82

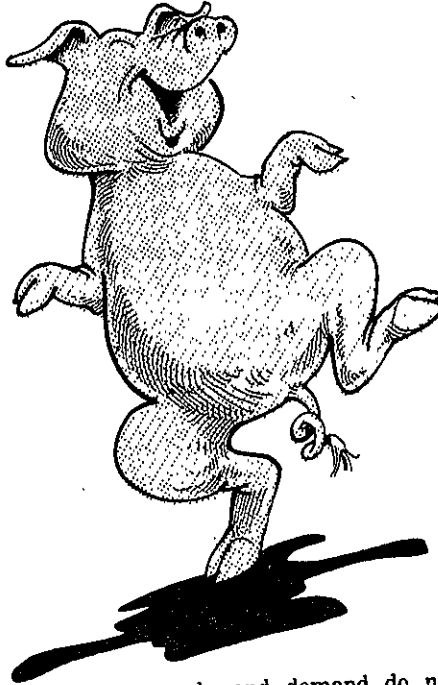
Pig farmers could be next in line for the Meat Board (MB) permit system. And some small farmers fear they could be pushed out of business as a result.

For the past two weeks, pig producers and agents have been meeting with the MB to negotiate ways to stabilise production, which has fluctuated from a shortage two years ago to the present surplus of about 90 000 carcasses.

To gauge market size and production needs, the board temporarily introduced a permit system, from July 2. This was withdrawn after producers objected.

After consultations between the board and an ad hoc committee of farmers and agents, producers were then urged to register with the MB. If permits to slaughter are later introduced, farmers who have registered will receive precedence. However, the final decision on permits will be made on July 3.

The MB's Gert van der Walt says: "The permits would only control production. To



lems where supply and demand do not correlate."

One of SA's largest pig farmers, Gerhard Braak, says: "I see the possible permits

Internal	External
(2)	(3)
65	
14%	
Examiners' Initials	

Subject.....
(to be copied from)

Paper No.....
(to be copied from)

more as an allocation. Farmers will still be able to sell their product by contract, on auction or to factories. But those who produce more than the quota will have to pay a higher levy to the stabilisation fund. The permits will not curtail farmers' marketing."

Other producers are less confident. Says Danie Scholtz, chief executive of the SA Federation of Livestock Auctioneers:

"Pigs are not like sheep and cattle. Production is factory-bound and occurs mainly in the non-controlled areas. If permits are introduced, the same will happen as did with other meats -- the big will get bigger and the small men will fall out. Pig farmers rely on a free market system."

"And it seems likely that the MB will start restricting our growth to 5%, which will clash with many standing contracts that call for up to 12.5% growth. Instead of limiting us the Board should concentrate on promoting meat."

NOTE CAREFULLY

1. Enter at the top of the block of question you answer.
2. Blue or black answers. The table. Red or green underlining, eraser which pencil marks.
3. Names must be written in blue ink (e.g. graph paper) additional to examination book(s) are used.
4. Do not write in the left hand margin.

WARNING

Books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.

Candidates are not to communicate with other candidates or with any person except the invigilator.

A part of an answer book is to be torn out.

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



UNIVERSITY OF CAPE TOWN
EXAMINATION ANSWER BOOK

EVERY CANDIDATE MUST enter in column (1) the number of each question answered (in the order in which it has been answered); leave columns (2) and (3) blank.

All answers

Number
Number

Death blow feared for meat farmers

3 meat
22/6/87 D. Dispatch

Surname

First Name

Date

Degree/Level you are reading

Subject (to be completed)

Paper No. (to be completed)

EAST LONDON — Meat farmers will face severe economic hardships which could spell "doom for many", the chairman of the Cape Eastern Meat Co-operative, Mr H. J. D. Matthews, says in the company's annual report.

Mr Matthews said there could be no doubt the downswing in the economy would have far reaching effects on farming in the Eastern Cape.

"The age of cheap money is over — and probably permanently so," he said.

"Land prices rocketed in the period under review and, in view of the prevailing high interest rates and the apparent stabilisation in stock prices, are now far in excess of economic reality.

"All this means that many farmers will face severe economic hardship and financial consolidation for many will be an impossibility in the short term.

"This, coupled with a very poor year from a climatic point of view, could well spell doom for many."

Mr Matthews called on

members to support the co-operative more than ever before.

"Only by such support can livestock producers survive what is undoubtedly an economic crisis and proceed along the path to ultimate prosperity."

Mr Matthews said that the consolidation of Ciskei involved about 60 000 hectares which represented "some of the finest sweetveld grazing the Republic had to offer."

He called on the Ciskei Government to recognise the importance of the land "as an outstanding stock producing area and apply the necessary policies to maintain it as such."

Mr Matthews also expressed regret at the fact that BKB, the main wool co-operative, and Vleisentraal, to which Cape Eastern Meat is affiliated, could not find "common ground in protracted discussions over a lengthy period.

"Co-operative competition will therefore be a fact of life we will have to live with and can only serve to be wasteful of human and financial resources." — DR

NOTE CARE!

1. Enter at the top of the block question your
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.

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	Internal	External
(1)	(2)	(3)
4 cont		
Examiners' Initials		

Books, notes, pieces of paper or other material may be brought into the examination room if 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

ICS ^{Meat} to spend R80m, urges ^{ROOM 23/6/82} Govt to change milk policies

By STEVE ELLIS

IMPERIAL Cold Storage is to inject R80-million into major new projects during the next five years.

The chairman, Mr William Neate, says in the annual report that the company has made arrangements with bankers to provide financial credits to fund the programme.

The increase in capital expenditure influenced the board's decision to raise dividend only 11% in the year to February — despite a 43,7% lift in attributable earnings to R17 056 000

ICS also wants to conserve funds to combat the effects of the economic downturn.

In the past year, the group's capex totalled R40-million — R19-million of it in new projects.

"The company has embarked on an extensive programme of renewal and development in order that its facilities and services are properly equipped to ... enable (the) company to remain competitive."

Mr Neate says the heavy capital outlays should improve earnings in the future, and that the improvement in recent results reflect the benefits of the programme

The interest bill rose 33,7% to R7 238 000 but the cover fell from 5,66 times in 1981, to 5,45. And an improved cash flow now allows the company to be able to mop up total interest-bearing debt in 2,05 years compared with 2,46 years in 1981.

Mr Neate is confident about the company's prospects this year, but warns that profit margins may be adversely affected by increased interest and operating costs.

"The effect of the increase in the rate of company taxation should also be taken into account."

Of the year under review, he says the red meat division operated more profitably than in the previous year when losses were suffered on fixed price institutional contracts

However, all is still not well in the industry

The season began favourably but a drought later forced producers to market increased numbers of cattle, particularly lower grade animals.

Mr Neate says: "In fixing the floor prices for the coming year, the minister will doubtless have regard to these factors and the effects of the recent maize increase, so that producers may continue to be encouraged to increase their herds to safeguard supplies for the future"

The company's poultry operation, like the industry generally, benefited from consumer resistance to higher red meat prices

But its turkey growing venture has had to be thoroughly reassessed "In the light of the high capitalisation involved ... we have decided to discontinue this operation and convert the facilities to the production of additional broilers."

Concern is also raised about the Government's control over milk pricing

The chairman says that the operating margin on fresh milk processed and delivered to dairies is inadequate to cover costs, and to yield a fair return on investment

"It all points to anomalies in basic pricing structures and we are strongly of the opinion that the time has come for the Minister to review the necessity of the rigid controls which are exercised over this industry"

The commissioning of ICS's ultra high temperature milk treatment plant in Cape Town is now scheduled for August.

Cape Times 21/885
**Red meat
deal off** *3/22/88*

Staff Reporter

THE Meat Board confirmed yesterday that it had negotiated the sale of South Africa's surplus meat supply to the USSR, but the sale was cancelled after the death of the Russian president, Mr Konstantin Chernenko.

Sapa reports that a spokesman said the board was unable to sell its surplus in any of the traditional markets, such as the European Community countries, which were also overstocked with meat.

The board negotiated with Russia and the surplus, which now totals some 37 000 tons, would have been exported at a profit. The deal was cancelled after the death of Mr Chernenko in March.

"We had already arranged to export, but the new head of state did not want to go ahead," the spokesman said.

The Board announced yesterday that it would make the surplus meat available to local consumers at discount prices.

2.8
251
206

Price of red meat to go up

CAPL Times 1/7/82 3 Meat 7/11

PRETORIA. — The floor price of red meat is to go up by an average of eight percent on July 5, and the price of milk will rise by an average of six cents a litre — 12,8 percent — tomorrow.

The biggest price increase, of 13,6 percent, is for mutton, from 189c/kg to 214,7c/kg, the Meat Board announced yesterday.

Beef will go up in price from 192,1c/kg to 205,5c/kg, representing a 6,9 percent increase, while the average floor price for pork will go up by 3,7 percent, from 150,3c/kg to 155,9c/kg.

The increases were approved by the Minister of Agriculture and Fisheries, Mr Pietie du Plessis.

The increases are below the current inflation

rate, which presently stands at 16,5 percent.

● Of the 12,8 percent increase in the price of milk, dairy farmers will receive 3,85c a litre or slightly less than for industrial milk.

The price of cheese will also increase by 15 percent and that of butter by 16,4 percent. Choice grade butter will cost 184c for 500g, first grade cheddar cheese 424c a kg and first grade gouda cheese 429c a kg.

According to the vice-chairman of the Dairy Board, Dr J H Grey, large quantities of butter and milk powder had to be imported, making higher prices necessary as an incentive to produce more milk. — Sapa and Own Correspondent

Meat price rise not to reach public

③ Meat 5/17/82

The eight percent average increase in the floor price of red meat should not effect retail prices, a spokesman for the Meat Board said today.

The new floor price, which will take effect from Monday, is the guaranteed bottom price to farmers.

The biggest price increase is for mutton, from 189c a kg to 214.7c — an increase of 13.6 percent.

Beef prices will go up by 6.9 percent from 192.1c a kg to 205.5c. The average floor price for pork will increase by 3.7 percent, from 150.3c a kg to 155.9c.

The increases were approved by the Minister of Agriculture and Fisheries, Mr Pietie du Plessis.

The Meat Board spokesman said consumers would not pay more for red meat as the increase merely assisted farmers by raising minimum prices.

"The market price of meat at the abattoir is lower now than it was 18 months ago," he said.

"But the retail price of meat has not come down substantially, so butchers should be able to absorb any increase."

He said farmers were not satisfied with the latest increase, which falls below the current inflation rate of 16.5 percent.

The chairman of the South African Agricultural Union's national cattle and meat committee, Mr Fanie van Rensburg, said the increase was less than the 15 percent requested by the union but still acceptable.

While mutton producers were said to be satisfied with their increase, pork producers are disappointed, says the national pig development committee chairman, Mr Gerhard Braak.

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Farmers will need permits to sell pigs

Meat
3
6/7/82

By Caroline Braun

A permit system for marketing pigs will be introduced on September 1.

All producers with more than 20 pigs will have to register with the Meat Board and detail the number that will be ready for marketing that year.

The board will then allocate an annual production quota to each farmer. They will market their animals at any abattoir they choose.

Those who want to market more pigs than their quota allows will have to get permission from the Meat Board and pay a levy for each.

The permit system will be implemented to control pork production. This year pork, especially the baconer grade, has been oversupplied and the Meat

Board has been forced to buy in a large number of carcasses.

Originally pig farmers were against the permit system as it did not allow them the marketing flexibility essential in pork production. Pigs have to be sent to the abattoir as soon as they reach the correct weight or become too fat to fit certain grades and categories.

By allocating production on an annual rather than a monthly basis, the Meat Board has allowed farmers the flexibility to market their pigs at the correct times throughout the year.

Mr S J P Erasmus, president of the South African Federation of Livestock Auctioneers, said most of the country's 13 000 pig farmers were satisfied with the new system.

Ex-Meat Board man back in the flesh

③ Meat ROOM 7/7/82

By MAURITZ MOOLMAN

DR JAN LOMBARD, former general manager of the Meat Board, has returned to the job he is best at — managing meat.

He accepted a position as assistant chief manager of the large meat co-operative Vleissentraal in Pretoria after eight months with Vetsak, an agricultural machinery distribution company.

Vleissentraal chief Mr S J van Rensburg said yesterday Dr Lombard started with the company on July 1 because "as a zoologist and animal-lover Dr Lombard is doing

what he does best".

He left the Meat Board at the end of August last year shortly after giving evidence to the Eloff commission in defence of the board against allegations of irregularities in the industry.

When his resignation from the Meat Board became public knowledge Dr Lombard said it had nothing to do with the Eloff inquiry and stemmed purely from personal considerations.

He reiterated this yesterday and added that he had the best of relations with the Meat Board.

MEAT INDUSTRY

Pork sliced ³ meat

Fm 9/1/82

The threat of a permit system for pig farmers has become reality. To keep slaughtering at a lower level, the Meat Board (MB) has pegged production at 1981 levels. Farmers can overstep the mark, but will have to pay a forfeit.

The decision comes after long discussions between interested parties in a bid to level out the unprecedented rise in pork output.

Says the MB's Dr Pieter Coetzee: "It became obvious that if we did not take steps to put some order in the market, there would have been chaos."

The MB has made its assessment of the market after accumulating statistics from the 4 700 farmers who were registered with the board last month. Sow count was found to be closer to 176 000 than the expected 100 000. From these figures, the MB estimated that, if each sow gave birth to 14 piglets (a conservative estimate), about 2,46m pigs would have to be marketed by next year, a far cry from the 1,4m slaughtered in 1981.

The MB says the public would not be able to consume the 1m additional carcasses and, because of a worldwide pork glut, it dismissed the possibility of exports.

Coetzee says the surplus has been created by injudicious expansion of output and by new farmers who have increased the number of sows.

The statistics came as a surprise to producers. Says Andre Mouton, director of W L Ochse Livestock: "In fact, we have experienced a slackening in pig deliveries recently. Although this could be due to the cold weather, there seems to be some discrepancy between the statistics and what's happening. We will just have to wait and see."

Farmers agree that they needed more order in their affairs. Yet some farmers feel that, by limiting output, the MB is going too far.

Says Mouton: "We have been granted more flexibility than usual in our permits because pigs have to be slaughtered at a certain weight. The system allows marketers to level out farmers' shortages and surpluses from one week to the next."

Permits will be granted to farmers who have produced in the past 12 months. They will pay the same levy and their permits will specify an output equal to their production in 1981.

Farmers who exceed the permit allowance will have to pay higher levies to the stabilisation fund and will have to apply for additional permits.

Pork glut may bring down cost

(3) Meat Star
10/7/82

Farming Correspondent
Pork prices are plunging because of a glut — which is good news for housewives, but threatens to throw the pig farming industry into chaos.

Mr Jan van der Walt, a spokesman for the SA Agricultural Union, said in Pretoria yesterday that over expansion of the pig industry had increased the number of breeding

sows from about 100 000 last year to more than 170 000.

This happened partly because a number of milling companies had entered the pig industry with production units of up to 5 000 sows each.

They saw pig production as a way to expand feed sales, by selling to their own farms at discount.

Dr Pieter Coetsee, general manager of the Meat Board, said the 170 000 sows would soon be producing at least 2,4 million pigs a year.

The market at present could take only 1,4 million. As there is no export market, there would be an over-supply of about a million animals.

The board is trying to curb marketing by fixing quotas and allocating permits to individual producers on the basis of past production.

Curtailling production suddenly might throw a pig farm into disarray, said Mr Coetsee.

The market should therefore be made to absorb more pigs.

The board has asked butchers to lower the retail prices of pork cuts so that turnover can pick up. Per capita consumption of pork in South Africa is still low.

HIGH PROFITS

Producer prices of pigs have traditionally been lower than for sheep or cattle. Last July super pork fetched 218c/kg on the Witwatersrand, super lamb 286c/kg and super beef 235c. This May, pork dropped to 197c — against lamb at 289c and beef at 234c.

Farmers complain that retail butchers mostly maintain pork prices at about the same level as lamb — thus making high profit on pork.

By passing on the lower pork price to housewives butchers stood to lose little because their pork sales would increase — and ease the glut.

Large ^{(3) Meat} companies 'causing ^{Mercury} ^{13/7/82} pig surplus'

**Agricultural
Correspondent**

SOUTH Africa was facing a surplus of more than 1 000 000 pigs, largely because of over-production and the entry of large companies into the industry.

This is the view of the chairman of the Transvaal Pig Development Association, Mr S Saffer, who warned yesterday that unless something was done to discipline producers, the time would come when the industry would be controlled by four or five large meat-processing corporations. 'We could go the same way as the broiler industry,' he said.

Speaking from Johannesburg, Mr Saffer said many pig producers had expanded irresponsibly over the past couple of years because of favourable prices.

'They ignored warnings from the Pig Development Association and, in fact, they just became too greedy,' he said.

According to Mr Saffer, some of the large meat-processing firms had encouraged farmers to over-produce by guaranteeing prices for long periods and even lending money to producers to increase production.

However, in the meantime, these large companies were quietly expanding their own enterprises, he claimed.

According to Mr Saffer, about 20 percent of South Africa's 1 400 000 pigs are produced by 70 percent of the farmers who have less than 150 breeding sows.

'It's these people who are going to be forced out unless something is done,' he said.

The general manager of the Meat Board, Dr P H Coetzee, said producers responsible for the present state of the pig industry would have to help alleviate the situation.

From September 1, producers who had supplied markets over the past 12 months would pay the normal levy. However, anyone who wanted to increase their supply would have to obtain additional permits and face a higher levy charge.

According to Mr Coetzee, there was a glut on the world market, which meant that no meat could be exported.

A Meat Board spokesman said yesterday consumers should take advantage of the lower prices and demand that butcheries give them a fair price.

Border to enjoy cheap Reef pork?

Meat
D. Pigotech
19/7/82



MR MEYER

EAST LONDON — Local consumers will get every benefit of the plunging pork price on the Reef and in other major centres of the country.

This promise came yesterday from the chairman of the East London Meat Traders' Association, Mr Dennis Meyer.

While the price of pork on the Reef is going down steadily due to over-supply, the pork price has increased here in recent weeks and the market has been under-supplied.

"The over-supply in the big centres is rather embarrassing to the local meat trade. But if pork is available cheaper elsewhere, we will certainly get it from there," Mr Meyer said.

"We are not going to be left with the expensive stuff if we can get it cheaper elsewhere. Local consumers will get every benefit of this."

Mr Meyer, however, stressed that the East London Meat Traders' Association's first loyalty was to local pork producers, and added that traders would not flood the market with pork obtained elsewhere "to the detriment" of local producers.

He added that one of the reasons for the slight under-supply locally was the fact that the region had relatively few producers.

Approached for comment yesterday the manager of a receiving and handling agency, Mr Basil Muir, said he did not expect the impending glut of pork on the Reef to have much effect on the local market. "If the over-supply there continues long enough we could get a spill-over," he said.

Mrs Joy Hurwitz, national president of the Housewives' League, confirmed that pork was in over-supply on the Reef. "The price should be coming down all the time and consumers should see that they are getting it at retail level," she said.

The Meat Board recently announced a new system of "permit pig marketing" which, it said, was intended to ensure orderly marketing of pigs throughout the country.

The permit system, which is expected to come into effect in September, was introduced as a result of an unprecedented increase in the pig population

and to avert disruption of the market, according to the board.

In terms of the permit system producers who have supplied pigs to the market during the past twelve months will be allowed to continue to do so at the normal levy. Any producers wishing to market more pigs than during the past twelve months, however, will be expected to pay higher levies into the stabilisation fund.

An East London pig producer, Mr Terry Squires, said yesterday that the new permit system was "possibly the only thing which could save the market under the present circumstances".

"This is one way of trying to protect the small man. The profit margin on pig farming is very small. For the small producers it is their sole means of livelihood and it would seem unfair to allow very large operations to come into the market indiscriminately," he said.

Mr Warren Pearson, a past president of the Eastern Cape Pig Producers' Association who

farms near Adelaide, said he was "for and against" the permit system.

"It is one way of controlling the big companies which have come into the market. But I am against anything which changes the free market system.

"Competition is best in the free market system. If people want to be fed they will have to look after the farmer. When the big companies take over they will see what they pay for food," he said.

A spokesman for the Eastern Cape Pig Producers' Association said the association was "not at all in favour" of permit marketing. "We feel that the Eastern Cape is not over-supplied and we don't need these measures," she said.

Mr Koos Blignaut, public relations officer for the Meat Board, said the permit system had not been introduced to in-

hibit the free market system. "It is also not an artificial measure to keep prices high," he added.

"We are expecting problems. Pork is at floor price on the Reef now, and we have to protect the producer against a total collapse of the market," he said. — DDR.

Pork industry ^{meat} ^{ROM} aimed for a big guns take-over

By MAURITZ MOOLMAN 20/1/62

THE pork industry is now the best example of a monopoly in the making.

Producers fear they will be forced out of the industry because big companies have started producing pork on a large scale.

At the same time South Africa is experiencing a glut from which it is not expected to recover soon. It has caused the price of pork to drop to levels way below production costs. (However pork has remained relatively expensive because of profit-taking by retailers).

But how did this come about?

One of the first requirements for a monopoly is that the market should be controlled or controllable. Secondly conditions must exist — or be created — for the bankruptcy of small producers. Thirdly there must be companies with the financial resources and ability to fill the vacuum left by the small producer.

All three conditions exist in the industry.

Marketing and processing of pork is controlled by four companies. They are:

- Vleissentraal. The company is the largest supplier of meat in the country and has strong ties with the Meat Board.
- Estcourt Bacon, a large co-operative.
- Kanhym Karroo which owns approximately 10 000 sows. It is now erecting a R12-

million abattoir to slaughter its pigs.

- Rand Cold Storage with approximately 2 500 sows.

Some companies have in the past few years assisted and encouraged pig farmers to increase production while at the same time buying or starting their own feed lots.

Farmers who made use of their assistance were given contracts at a good price but the contracts expired when company-owned feed lots started to produce.

Small producers are now increasingly being turned away by these companies because South Africa has a surplus of more than a million pigs. They have to sell at prices which could force them out of business.

The Meat Board recently decided to introduce a "production allowance" system for pig producers in an attempt to contain over-production.

A farmer will be able to sell a certified number of pigs but if he chooses to sell more than his quota and causes a price imbalance in the process, he will have to pay for the losses.

The monopolists are waiting on the sidelines while small producers go out of business. Producers are unable to repay the debts incurred by expanding in the past year while their production capacity and profits are limited by production allowances.

cans charged rand racket

to part with cheques or cash to companies within the Grove International group responsible for publication of the directory.

According to the charge, they plotted to cheat by pretending that:

- The directory was taking over from Thompson's Yellow Pages,
- The company was associated with or working for the Post Office or British Telecom.
- The directory would be published in the near future and republished frequently;
- The directory would be distributed by the Post Office, and
- Well-known companies advertised on the directory's cover had paid for and consented to publication of the adverts

Also alleged is the forging of signatures on copy agreements

The other accused, all present or former employees of Grove's companies, are Trevor Lazell, 34, Martin Pittaway, 25, Kenneth Maddison, 42, and Philip Allen, 29.

Pittaway was granted bail until August 23 on a R2 000 surety and the other three were allowed unconditional bail to the same date

Wheat Board reviews prices

Pretoria Bureau

A SUBSTANTIAL increase in the price of wheat is expected to be one of the major recommendations to emerge from this week's Wheat Board meeting in Pretoria

The board's recommendation, which will be submitted to the National Marketing Council, will be one of three factors certain to lead to a big bread price increase from October 1.

The others are the increased margins expected to be granted to millers and bakers, and the announcement earlier this year by the Minister of Finance, Mr Owen Horwood, that the bread subsidy is to be drastically cut.

The subsidy on white bread is to be slashed from 12% to 5% and for brown and wholewheat bread from 34% to 20%.

The cost price of a brown loaf excluding GST is estimated at 41,3c with a subsidy of 13,3c; the cost of a white loaf is 45,3c with a subsidy of 5,3c.

Early indications are that the price of a white loaf will rise above 50c.

This, economists claim, will further load living costs of the poorer section of the population, already weighed down by earlier increases in the prices of maize and of fresh milk, butter and cheese.

Climb with care warning

POLICE in Pretoria have warned of the dangers of mountain climbing, especially on the cliffs around Pretoria. The Acting Northern Transvaal CID chief, Colonel Nic Els, said people climbing the Magaliesberg should be accompanied by experienced mountaineers. Col Els said many accidents had occurred there, most of them during school holidays.

Meeting to combat crime

A CRIME wave is sweeping the Glen Hazel area of Johannesburg. City Councillor, Mr Monty Sklaar, has organised a meeting to discuss the matter at the Glen Hazel Primary School at 8pm tonight. Senior police officers will be available to answer questions

Breast cancer lecture

THE Business and Professional Women's Club will meet at 8pm to hear Dr Hendre Falkson give a lecture on breast cancer. The meeting will be held in the Liberty Life Training Centre, Smit Street, Braamfontein. All are welcome to attend.

Careers and counselling

A "Careers and Counselling Conference", conducted by two American professors, will be held at Wits University on August 9 and 10. Prof Jack Loughery and Prof Theresa Ripley from the University of Oregon will be the main speakers. The workshop is open to people counselling in the commercial and educational fields. For further details, telephone the Secretary of the Division of Specialised Education at Wits, 716-2208 or 716-2241.

Collect for the aged

THE Women's Civic Benevolent Society, which runs the Gerald Fitzpatrick House for women pensioners, needs collectors for a street collection tomorrow. Please telephone Mrs Barnes at 41-2903

NPRL, CSIR, PO Box 350 1100

Moore's art on show

TWO bronze sculptures and another 28 black and white etchings Moore made of an elephant skinned to him in 1968 by Julian and Jan are on display at the J. J. Gallery

Fans for enthusiasts

ITALIAN, French, English and other fans of the 18th and 19th centuries for the first time at the J. J. Gallery. Ten fans from the A. J. van der Merwe collection are also on display

Key for Two on

"KEY for Two", a stage production by Dennis Ramsden starring J. J. Garner and Gordon Mulholland at the Pretoria State Theatre from August. Booking by Computicket 011-234-1111

New members' night

THE Springs Toastmistress's Club will hold a new members' night tonight at the home of Mrs F. J. Austral Road, at 7.45pm to 10.00pm. New members are invited.

Brighten the holidays

A CHILDREN'S holiday programme will be held daily from 9am to noon in the Church. Children can join in singing, games, a workshop, songs, a show and films.

METRO MAIL IS YOUR friend. Send in your penpals in your area. Pass on a local or community letter across to the News Editor's Daily Mail, P O Box 1138, J. J. Or Phone her on 710-9111. Pretoria, the number is 011-234-1111. East Rand, 56-2534.

as head

... from all priestly by the Vatican in 1976. ... opposition to the re-election of the second Vatican Council, left for Rome yesterday to meet Vatican officials. ... possibly the Pope's successor will be elected in September. — Sapa

Air crash: 3 buried

Mail Reporter

FUNERAL services for three victims of last week's mid-air collision near Pretoria in which 13 people died, were held in Pretoria yesterday.

More than 1 000 people attended the funeral of Col J A Coetzer in the Nederduits Gereformeerde Kerk in Voortrekkerhoogte.

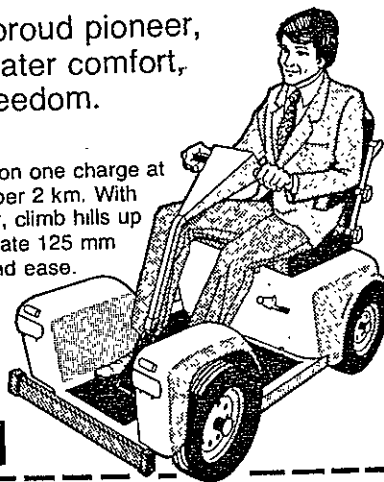
The funeral service for Sgt A Niemand, the air hostess on the SAAF Merlin, was held in the Nederduits Hervormde Kerk in Lyttelton.

Mr Charles Marais, the pilot of the civilian Piper Navajo in which five people died, was also buried yesterday.

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QUEENSTOWN — Production at the Frontier Meat Products factory here came to a virtual standstill yesterday when an estimated 120 workers went on a wild-cat strike, demanding considerable wage increases and better working conditions.

There is believed to have been dissatisfaction among workers for some time, and indica-

tions on Wednesday were that a strike was imminent.

The factory manager, Mr S Pohlman, confirmed the work stoppage but said that workers had not indicated what their grievances were

"They are just sitting outside and we're waiting to see what their story is. They haven't come across to me yet," Mr Pohlman told our Queenstown correspondent.

Workers interviewed wanted wages increased to R60 a week consider-

ably more than most claim they are now being paid.

The strikers said they would only return to work once their wage demands had been met, and two workers — who they claimed were fired after they approached management for wage

increases — were re-employed

The strikers also complained of bad working conditions.

According to some of the workers, the company's management called the members of a liason committee in shortly after lunch yesterday and indicated they would have to negotiate a pay increase — DDR

~~126~~ (3) Meat ~~157~~ ~~138~~ P. Dispatch
Meat factory strike
23/7/82

Heat

Battle of the sows hits independent piggeries

By GORDON EBBEY

SOUTH Africa's independent pig farmers could be forced out of business by a network of powerful combines that threaten to monopolise the industry.

And this could mean more expensive pork for hard-pressed consumers.

Experts believe that, although there may be no increase at first, prices are bound to rise once the pork and bacon business is monopolised.

Pig farmers say the milling and meat agencies — which are supposed to serve the independents' interests by providing feed and by purchasing car-

cases — are, in fact, competing with them.

According to the Transvaal Pig Development Association, which represents pig farmers, one small farmer goes out of business for every 1 000 pigs marketed by the big companies.

The big companies have a total of at least 7 000 sows, which means 70 independent farmers could be squeezed out. Informed sources in the Meat Board admit privately the industry will prob-

ably be controlled by four or five huge corporations in the next few years.

Prominent pig farmer Mr Andre Grevelink said: "I don't mind being pushed out of the market if I farm uneconomically, but this is unfair."

Farmers face huge feed costs at one end and a low return on slaughtered pigs on the other.

The large groups dominating the pig industry, according to a Sunday Express investigation, include:

● The Anglo American stable, which has a 2 000-sow unit at its Zoetvelder Farms, near Welkom, and other units in the Cape.

● The Genkor group has a 2 000 sow unit near Middelburg, due for expansion to 5 000 sows providing 98 000 piglets a year by 1986.

● Imperial Cold Storage has plans for a 2 000 sow unit in the Bapfontein district. Rand Cold Storage is owned by ICS, in which Tiger Oats has an almost 20% share.

● A 1 000 sow unit is being built near Muldersdrift.

● Anglo American, Tiger Oats and ICS have a tripartite share in Concorde Piggeries.

Farmers claim certain meat processing factories only handle meat if the growth meal has been bought from a linked milling company. For instance, RCS only handle carcasses from

HIGHER PORK PRICES WARNING



'I don't mind being pushed out of the market if I farm uneconomically — but this is unfair' — pig farmer Andre Grevelink

best available meat at all markets, he said.

Farmers who buy Nola or Revel Feeds have the backing of the giant Genkor group — with Karoo acting as agents and meat being processed under the Kanhym and Enterprise labels, farmers said.

Prima is a subsidiary of meat agents W L Ochoe.

Then there are the Weissentraal and Eskort co-operatives. Shareholding farmers may market through these co-ops if they are members, but may still only market a certain number of pigs a week.

Eskort-processed meats are marketed under the Eskort label.

Weissentraal markets processed meats under the Spekenham and Bull Brand labels. It has licences for abattoirs in Charnidor, Vereeniging and the Cape.

But for farmers making a loss there is no light at the end of the tunnel.

The Meat Board admits the average farmer loses 15% on every pig marketed.

Farmers are caught between high feed costs and a 14%-18% rakeoff on turnover to have their pigs slaughtered and marketed.

PRETORIA—Penalties for cattle rustling are to be 'drastically increased' by the Minister of Justice, Mr Kobie Coetsee, next year.

He told the Transvaal National Party congress that the new penalties would be a greater deterrent to stock thieves than the law was at present.

His announcement in reply to a congress resolution will come as good news for border farmers, particularly in Natal where cattle rustling has been a major problem for many years.

Mr Coetsee said too that the possibility of protecting wildlife in law or through provincial ordinances was also being investigated.

He said that new stock theft legislation would be introduced in Parliament next year bringing penalties more in line with the value of cattle stolen.

'We are dealing with a crime which has become far more sophisticated in recent years,' said Mr Coetsee. Rustlers were now using lorries and also included white people.

'We are dealing with a new situation,' he said. He hoped to create a greater deterrent by drastically increasing the penalties.

Uniformity

All attorneys general had been asked to go into the matter and he hoped that in future there would be uniformity in the penalties asked for by public prosecutors in the various provinces.

Our Pietermaritzburg Bureau reports that the news of increased penalties was enthusiastically received by the secretary of the Natal Agricultural Union, Mr Alwyn Bischoff, who said the subject had been top of the speaking agenda among farmers for decades.

He said stock thieves had perfected techniques in recent years which made every farmer vulnerable.

Another point was that their vehicles were 'never' confiscated as with other criminals such as drug-smugglers, Mr Bischoff said.

A senior police spokesman at Divisional Headquarters in the capital also welcomed the prospect of revised penalties saying police had always felt that sentences should be more severe to act as a deterrent to stock thieves.

Coetsee plans to increase penalties for cattle rustling

Ormande Pollok
Political Correspondent

3 Heat
Necessity
16/9/82

Butchers deny ^{(3) Meat} keeping up ^{22/9/82 Mercury} prices

Pietermaritzburg Bureau

SUPERMARKET butchers yesterday hotly denied claims that they were not passing on savings resulting from a glut of beef and mutton.

Red-meat producers had protested that they were getting up to R60 less on a R400 beef carcass and up to R15 less on a R50 sheep than they had been in February.

But the butchers were still charging the same, which kept demand down and made the glut worse.

The farmers also claimed they were being stranded with animals ready for slaughter because they were unable to get the necessary quotas from the Meat Board to enable them to send their stock to the abattoirs.

This meant they either had to hold on to the animals for up to a month until the quotas were approved — by which time the animals were often past their prime and attracted lower prices — or sell them on the country markets and face the possibility of substantial losses.

Rejected

The Mercury also learned that the board had built up a large stockpile of both beef and mutton carcasses, and retailers have slated them for not putting this 'meat mountain' on the market at competitive prices.

Mr Bill Delpont, abattoir division manager of Stockowners' Co-op, confirmed there was a 'terrific backlog' of quota applications among their member farmers, but rejected claims that only half their applications to the board were being approved.

Assistant manager of the board in Natal, Mr Pete Ferns, said he could not give the total number of carcasses presently in storage, but said of the 11 860 beef carcasses sold during a three week period recently, 746 had been stockpiled by the board.

Markup

The corresponding figures for sheep were 1 425 out of a total of 72 423.

He confirmed that the surplus of red meat had affected the whole country.

Mr Ron Clauson, manager of the Blue Ribbon Meat Corp, which supplies Pick 'n Pay, said yesterday that if the board were prepared to release these carcasses to the big retailers, he would be 'delighted' to sell them at a guaranteed mark-up of only 10 percent.

'I know that they have 3 000 carcasses in Durban alone, and it's a tragedy that they don't put them back on the market and give us the opportunity to offer it to the public.'

Mr Clauson also reacted angrily to the producers' claims that retailers had kept their prices high in the face of falling prices at the abattoirs.

He pointed to two specials during the past week where super lamb and topside beef had been offered at or below cost.

Collusion

Mr Robert Papendorf, of Federated Meat Industries, which supplies Checkers, said retail prices had fallen in tandem with market prices.

He said retailers, particularly supermarkets, had to price their meats competitively to attract customers, and dismissed any suggestion that their could be collusion between the various stores.

However, the public was eating less red meat and more chicken than in the past, and small variations in beef and mutton prices were not likely to have a large or an immediate effect on sales of animals.

nothing

'Not us' say supermarkets, wholesalers . . .

Who is taking the best cut of beef?

*Heat
Mercury
20/1/82*

Pietermaritzburg Bureau

THE head of the Meat Control Board, Dr P H Coetzee, yesterday appealed to butchers and supermarkets to pass the lowest meat prices in 18 months on to consumers.

His plea follows the publication of a detailed study by the Pretoria-based Animal and Dairy Science Research Institute showing that in June consumers were paying double the abattoir prices for high-grade beef in the Transvaal.

The report also claimed that buyers were getting a better deal from their corner butcher than they were from the supermarkets, and that the gap was growing.

The institute's findings have been met with howls of protest by supermarkets and meat wholesalers, who say if they made any less they would go broke.

Dr Coetzee said the meat surplus could be attributed to the drought, which had forced farmers to use their crops for stockfeed. The oversupply had brought prices at the

auctions down to the floor prices, which were the same as the market prices of a year or 18 months ago.

However an independent survey had corroborated the board's own findings that the gap between the producers' and the retailers' prices was growing.

He also appealed to housewives to be more selective and to go to the dealers who gave them the best combination of price and quality.

However, Mr Brian Beavon, regional general manager of Spar stores in Natal, said his mark-up on wholesale prices averaged about 25 percent across his outlets, and more than 20 percent went on overheads.

His figures matched those given by Mr Tony Robinson of Game Fresh Produce and Mr Raymond Ackerman of Pic 'n Pay.

All the stores said they bought only the highest grade of beef and that their wastage on fat, bone and other cast-offs could exceed 25 percent of each carcass.

Wholesaler Ivan Schneiderman of Wholesale Meats — who supply many outlets including Checkers — confirmed estimates by the supermarkets that the wholesalers were taking about 6 percent of the market price.

Out of this they had to pay loading tariffs as well as 'crippling' transport and wage expenses.

The Mercury was unable, however, to account for the difference between the institute's claims of 100 percent mark-ups and the retail trade's figures which nearly always came to 31 percent.

It did discover, however, that the farmers were nevertheless expected to pay out more than 12 percent for a wide range of commissions, tariffs and levies at the abattoir.

Figures supplied by a sheep-farmer indicate the situation in the mutton market is the same.

These costs include transport, slaughtering and feeding charges, as well as abattoir charges, insurance levies, special levies and measles levies by the Meat Control Board, insurance premiums, agent's commission and abattoir commission levies.

The manager of the abattoir at Cato Ridge, Mr L T Baumgardt, said it was a non-profit organisation and the auctions were conducted by the Meat Board.

Board: pass on low meat prices

3 Meat D-Dispatch 3/10/82

EAST LONDON — Auction prices of beef and pork, and to a lesser extent mutton, had sunk to the lowest levels in many months, the general manager of the Meat Board, Dr P.H. Coetzee, said in a statement.

Dr Coetzee said this when he expressed concern at the widening gap between the price the meat farmer received for his product and that paid by the consumer at the retail level.

He said the drop in price had occurred as a result of the protracted drought in large parts of the meat-producing areas and the current depressed economic conditions.

Under present circumstances, where meat was fetching "exceptionally low prices" at the nine controlled areas — East London is one of them — one would expect the benefit to be passed on to the consumer, he added.

"Unfortunately figures obtained by the board as well as independent surveys by other concerns show this to have seldom been the case," Dr Coetzee said.

An independent survey carried out by the Animal and Dairy Science Research Institute in Pretoria and on the Witwatersrand showed that the average auction prices realised at abattoirs had already reached the same level as September last year in June this year.

As against this the margin between the auction price and the ultimate retail price had increased substantially. He said this trend was reflected by the board's own figures.

He appealed to retail dealers and supermarkets to pass the benefit



DR COETZEE

to the consumer.

He added that the housewife should also make her meat purchases more selectively and buy only from the dealer who provided the best service in terms of quality and price.

It was economical to buy meat in bulk since this cut costs for the dealer.

On the present "over-supply of meat" Dr Coetzee said that apart from the drought and the economic recession there was a large supply of feeder cattle that had been fed on failed grain harvests.

Such cattle did not realise the high prices expected of them because the demand for them was smaller.

He said the larger supply could also be attributed to the fact that grain farmers and feedlotter had started buying feeder cattle in March when the drought in grazing areas had compelled farmers to sell their stock.

The supply of pork had increased because pig

farmers had expanded during the past year owing to tax problems and the better prices realised earlier.

Dr Coetzee said the demand for red meat had dropped and this had contributed to the lowering of auction prices. The drop in demand had arisen from a decline in the real income of households.

Reacting to this the SA Co-ordinating Consumer Council said that if reports that producer prices for meat were on the wane then it appealed to the trade to pass the advantages on to the consumer.

"To maintain prices at high levels only increases the inflationary rate," the council declared.

It said much responsibility rested with the Federation of S A Country Retail Butchers and the Federation of Meat Traders to see to it that any price decreases were passed on to the consumer.

"If the free market system be the accepted system then we expect a downward adjustment in retail prices will be made just as effectively as when price increases are announced."

But meat wholesalers in East London denied there was any marked drop in meat prices.

"Prices drop today and go up tomorrow," said one.

Another said the price had dropped slightly, adding that meat prices had been steady and had not risen as prices on other items. Additional meat had been sold at a lower price and the housewife was still spending the same amount, he added. — DDR

Traders blame price system

EAST LONDON — Reacting to a statement by the general manager of the Meat Board, Dr P.H. Coetzee, the chairman of the East London Meat Traders' Association, Mr Dennis Meyer, said the Meat Board needed to "listen carefully" to consumers before altering marketing strategies.

"The full price of super beef in March 1980 was R1,14 per kilogram prior to the introduction of the support price. The floor price now for super beef is R2,20 per kilogram," he said.

"The effect of the support price system was to push the price of meat to unrealistic artificial

levels, forcing consumers to look for alternatives.

"With reducing turnovers and increasing overhead costs, it was only natural for retailers to recover their costs, widening the gap between the producer and the consumer.

"With the support price playing no role in 1982, and good supplies on the beef market, the benefit is most certainly being passed onto the consumer.

"The consumer is now buying more meat. More meat is being consumed in East London in 1982 than in 1981. These figures can be checked

with the local Meat Board authorities.

"Competition is healthy, and advertisements in the local press by East London meat traders demonstrate the awareness that meat is the best buy. It must also be realised that the floor price of meat rose in July this year.

"While Dr Coetzee blames the drought for the over-supply of meat and infers that meat traders have too high margins, there can be no doubt that the artificial support price, while stabilising the price to the producer in the short term, chased away the consumer in the long term." — DDR

Meat traders ^{③ Meat} hit out at ^{Mercury} 'uninformed' ^{7/10/82} comment by board

Pietermaritzburg
Bureau

MEAT traders yesterday hit out at what they called 'uninformed and inaccurate allegations' by the Meat Board implying that retailers were profiteering.

The board said last week that prices for beef carcasses at the abattoirs were at their lowest level in 18 months, but that butcheries and supermarkets had maintained the high prices which had reigned months ago.

The low market prices resulted mainly from a nationwide surplus of all red meat caused by the drought and a fall-off in consumption, the board said.

Dismay

Chairman of the Durban and District Meat Traders' Association Dudley Thompson complained yesterday that the statement by the board had come at a most unfortunate time just as the consumption of meat was beginning to improve.

Mr Thompson, who is also a member of the executive of the South African Meat Traders Association and of the Meat Board's own distribution advisory committee, was one of a delegation which met Dr P.H. Coetzee, the new board chairman, in Pretoria on Monday to discuss the issue.

'We are dismayed at these uninformed and inaccurate allegations,' he said.

He pointed to meat advertisements in newspapers as evidence of fierce competition between

traders, who, he claimed, used every means possible, including cutting prices, to remain competitive.

'I would be prepared to show my books to anyone who is not a competitor to prove that I actually make a loss during the quiet months,' said Mr Thompson, who runs a chain of six butcheries.

Figures given yesterday by traders and farmers indicated that for butchers to make a gross profit of 25 percent the consumer would have to pay 125 percent more than the producer's net takings.

Sapa reported that Dr Coetzee said in Pretoria yesterday it was planned to pass on to the consumer the benefits of reduced producer prices for beef, mutton and pork.

The trade had made suggestions that would be put to a board meeting today.

GENERAL NEWS

Stas 14/10/82
**R6-m subsidy will
drop meat prices**
(3) near

Own Correspondent

The Meat Board has announced a R6 million subsidy to bring down the retail prices of red meat.

Dr P H Coetzee, general manager of the board said the scheme had been approved in principle.

He said the money would be supplied from a stabilisation fund to which meat farmers contributed through the years.

Dr Coetzee described the step as "the producer's contribution to carry the lower auction prices they receive over to the consumer."

Full particulars about the way the subsidy would be used to benefit the consumer would be announced soon.

"The step is being seen by the Meat Board as a contribution the farmers want to make to benefit the consumer and to stimulate the use of meat," Dr Coetzee said.

His announcement was made after top-level discussions on means to reduce retail meat prices.

Dr Coetzee attributes the low prices realised at abattoirs to an oversupply of meat as a result of the continuing drought which compelled farmers to send more cattle to the markets.

'We're not to blame for meat prices, say retailers

Pietermaritzburg Bureau

MEAT retailers are being unfairly blamed for high meat prices, and the public generally does not appreciate the difficulties faced by farmers.

This was the message presented to members of the Press at a conference called by the Nottingham Road Farmers' Association this week to give meat producers and retailers an opportunity to 'give the full story'.

One of the facts which emerged was that for a butcher to make a 25 percent profit, before expenses, on a kilogram of beef, he had to charge his customers 125 percent more than the farmer got for producing the meat.

Another was that suppliers of essential materials to farmers — such as seed, stock-feed and fertiliser — could and did hike their prices dramatically, without a word appearing in the media, while any change in the price of, for example, meat, milk and eggs, inevitably made front-page news.

To explain the apparent paradox of a 25 percent gross profit more than doubling the farmer's price of beef, Pietermaritzburg butcher Mr Barry Redman used a typical 200-kg super-grade carcass as an illustration.

The abattoir price at R2,25 a kg would be R450, or R470 after transporting it to the butchery.

To achieve a 25 percent gross profit, it would be necessary to mark up the price of the carcass by a third, bringing it to R626.

Tariffs

From this, approximately a third of the carcass — bone and fat — must be cut away and sold for about R36, bringing the sum to be realised from the remaining 133 kg, down to R590, or R4,44 a kg.

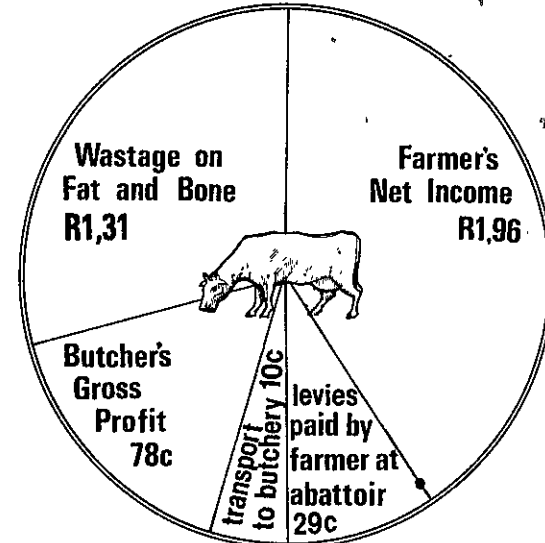
Meanwhile, the farmer does not pocket the full abattoir price of R450, because he must pay 12,7 percent out in abattoir, agents' Meat Board and insurers' tariffs and levies.

This brings his net income down to R1,96 a kg — making the over-the-counter price 126 percent higher.

Mr Redman said butchers were not getting rich on a gross profit of 25 percent in what was already an overtraded industry, and while they had to compete with the supermarkets.

For their part, the farmers said they were producing meat at cost, because the prices they were getting were remaining low, while their costs were soaring.

In a dramatic illustration, the chairman of the association, Mr J H W Johnston, produced a can of cabbage seed, for which he had just paid R140. Last season he paid R75.



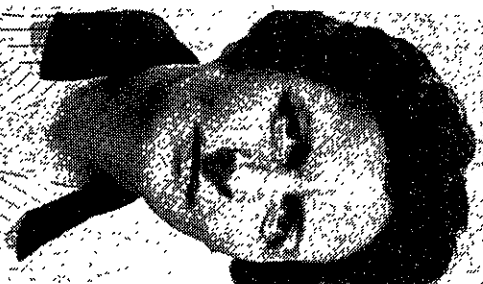
WHO gets what. This diagram shows the breakdown of the price of R4,44 paid by the consumer for a kilogram of super-grade, boneless beef.

Another farmer, Mr Jeremy Turner, said the cost of pig feed had risen 17,4 percent since May this year, and this was indicative of the trends for other stock feeds as well.

Control

The farmers present agreed that the feed industry was controlled by three companies — two of which were inter-related — while the butchers claimed that one company — Imperial Cold Storage — had a 50 percent shareholding in most supermarket meat outlets.

It was agreed that there should be closer liaison in future between 'the small guys' — the farmers and butchers — to present their case to the public.



MRS. BLUMENTHAL — prices too high

Call for inquiry into pork sales

EAST LONDON — An inquiry into the way pork is sold to the public should be undertaken by competent businessmen in no way connected with the Meat Board or meat retailers, a local pork producer, Mrs. S. Blumenthal, said yesterday.

Mrs. Blumenthal, who is organising a local branch of a new national interest group — Farmers for Free Enterprise — said she felt the retail price for pork was much too high. She said she was only

able to discuss pork because as a pork producer it was the only meat she was qualified to discuss.

The chairman of the East London Meat Traders' Association, Mr. Dennis Meyer, said he could not comment on Mrs. Blumenthal's statements as she had not discussed the matter with retailers.

However, he said that generally meat prices in the city were low, and that now was the time consumers should be buying a good quality foodstuff at a reasonable price.

"I reckon we have given consumers here a very fair deal," he said. "Compared with other foods, meat is a better buy and people should buy, and I think the average consumer is discerning enough to realise that the cost of meat compared with its food value makes it a sound buy."

Mr. Meyer said there were about 65 meat retail outlets in the city — and I would say that there is plenty of competition all right."

Mrs. Blumenthal said that pork prices could be much lower and that producers, retailers and consumers would be better off if there were increased sales at a lower price.

"I feel that the matter should be investigated and other ways of retailing pork should be looked into by competent businessmen not in any way related to the Meat Board or retailers.

DAILY DISPATCH

"I reckon he pays about R90 for a carcass and sells for about R140 to R150 — a conservative estimate — and he must be very inefficient if it costs him the best part of R50 to market his ware."

Mrs. Blumenthal said that a pork carcass was not "worked" into sausages, bacon etc., like baconers or sausage pigs.

"All cuts are sold as such — just cuts. Housewives and other buyers should wake up." — DDR

"Even if his costs are double, he still appears to be making an inordinately profit.

"There are a few cuts (head and trotters) which he has to sell cheaply, but they can only account for say 20 per cent of the carcass. All parts are saleable, and there is no wastage.

"The butcher charges nearly 200c/kg more than he bought it at. He has costs of transport, refrigeration and attention by specialised staff over a period of a few days — but surely it can't be much more per kilo than the costs above at the abattoir, in other words, 35.81c/kg.

"The butcher buys this carcass at 180 cents a kilogram. Out of this I pay costs of transport, railage, slaughter, dressing, health inspection, refrigeration, grading, auction and agents' fees — about 35.81c/kg in my example.

high price then this would come out in the retailers' evidence to an inquiry."

She said that as a producer it took her about nine months to produce a pork carcass of about 50 kg.

"If I have missed some obvious reason for the petition, all right."

Mrs. Blumenthal said that pork prices could be much lower and that producers, retailers and consumers would be better off if there were increased sales at a lower price.

2 meal
Red meat
can. 15/10/82
subsidy
could be
a 'waste'

Mail Correspondent

MARITZBURG. — The country-wide red meat surplus could turn into a serious shortage overnight, if the drought is broken and farmers start holding on to their livestock.

And the R6-million subsidy for cutting prices to South African consumers could be money down the drain.

This possibility was raised by the president of the Natal Agricultural Union, Mr Donald Sinclair, when asked to comment on the Meat Board's subsidy on red meat announced this week.

Mr Sinclair said a great many farmers were selling their breeding stock to make ends meet, after the failure of their crops.

"One wonders whether, in a year or so, we might not be very short (of livestock)," he said.

A Nottingham Road farmer said the first good rains could persuade many bank managers to maintain farmers' overdrafts, and the farmers could then hold on to their breeding stock to provide for the next season.

This would have an immediate effect at the auctions, with butchers and wholesalers unable to fulfil their orders, which may have been substantially increased by the board's subsidy.

This would drive up prices once again.

Meanwhile Mr Mike Tarr, MP and secretary of the Progressive Federal Party's agricultural group, said the board's subsidy demonstrated that its product was a luxury, and that it was being priced out of the market.

He said the board's claim that it was introducing the subsidy to pass on the benefit of low market prices to consumers was "garbage".

"The real reason is that they are worried because consumers are turning to other products, like chicken or even beans, and the board is trying to claw back a bit of their market."

KOM 16/10/82

Meat head says consumer tops

3 Meat

Mail Reporter

THE consumer was king and had to be treated as such, said Mr Frans Pieterse, managing director of the Karoo Meat Exchange, in an address to the South African Association of Livestock Auctioneers in Johannesburg yesterday.

Mr Pieterse said the time had come for the meat industry to do some soul-searching and "to be brought back to reality".

"And this holds good for all in the industry from the highest authority in all bodies to the lowest service level in the industry".

He warned the red meat industry to forget tradition and accept the challenges of the future with enthusiasm if it wished to retain its share of the market.

"We in the meat industry must be prepared

to do for the industry what Raymond Ackerman did for the bread consumer.

"We must not deliver more of our product to the consumer, but rather create a better image for the consumer and offer more value for money," he added.

A 1980 Consumer Council survey showed the rapid meat price increases had made no difference to 16% of consumers, while 41% spent the same rand value as before on cheaper cuts or those with less mass.

Mr Pieterse said the tragedy was "that 43% switched over to alternatives to meat, such as soya, chicken and other foodstuffs".

Appealing for consumer loyalty, he said it had to be earned with attractive packaging and a variety of meat cuts, continuity and palatability, better value and better quality.

R6-m

5245 16/10/82

move to cut meat prices

(3) meat

By Colleen Ryan, Consumer Reporter

Meat prices may soon be getting the chop.

The cut is expected after the Meat Board holds talks with retailers next week on bringing a R6 million subsidy into effect.

The subsidy, financed by the Meat Board's stabilisation fund, will operate at the retail level.

"Producers have made this gesture in the hope that meat sales will increase," said Mr Koos Blignaut, a spokesman for the Meat Board.

He said farmers needed to increase red meat sales because the drought had created a surplus of carcasses.

"The scheme can succeed only if meat retailers co-operate," he said.

The Meat Board has drafted a plan for distribution of the subsidy and details will be discussed with meat traders next week.

Voucher plan

Sources in the meat industry said the subsidy would be distributed by retailers through a voucher or coupon system.

Retailers have responded cautiously to the proposed subsidy.

The secretary of the Master Butchers Association, Mr Tim Davidson, said he welcomed any move that would increase sales of meat.

A spokesman for Checkers, Mr A. James, said the best way to reduce meat prices would be to lower floor prices at auction level.

Retail prices would certainly drop if this were done, he said.

● The floor price — the lowest price that meat can be sold for by farmers — was increased in July by an average eight percent.

Staff laid off at

Mercury 16/10/82

Cato Ridge abattoir

Labour Reporter

EIGHT white workers at the Cato Ridge abattoir have been laid off in a 'rationalisation of staff', the abattoir's manager, Mr L T Baumgardt, said yesterday

Mr Baumgardt said the lay-offs, which represented an 'infinitesimal percentage of the abattoir's full staff complement,

would not be followed by further retrenchments.

The abattoir, built at a cost of R47 million, was running at 60 to 70 per cent capacity, he said.

The abattoir had been granted limited export status but would not be applying for full European Economic Community export status because the EEC's requirements did not justify 'the cost rise'

120m 19/10/62

R6-million subsidy on meat price

③ Pretoria Bureau

AN AMOUNT of nearly R6-million from the Meat Board's stabilisation fund is to be used to lower the price of meat.

The Minister of Agriculture, Mr. Greyling Wentzel, announced this when he opened the annual conference of the Federation of SA Meat Traders in Bloemfontein yesterday.

The Meat Board is awaiting feedback from the red meat retail trade before making a final decision on how to implement the subsidy.

SA is experiencing a large red meat surplus and the Meat Board has said it hoped the subsidy would cut prices to the consumer.

Mr. Wentzel called for the co-operation of delegates and said since January trade turnover had risen sharply and a decrease in the cost per kilogram of meat could be expected.

However, price studies had shown the exact opposite and both bulk sales and cut meat price margins had increased considerably.

He stressed it was clear there was a need for an ethical code among butchers and said it would be a happy day when all 6,000 butchers voluntarily subjected themselves to such a code.

Where's the beef?

FM 6/12/91

Just two months ago government seemed ready to free the tightly controlled meat industry. With consumers angry at soaring prices, and producers lost in a maze of restrictions, deregulation was in the wind.

"The industry has now matured sufficiently to allow for freer competition and the increased availability of meat supplies at all markets," said Agriculture Deputy Director-General Chris Blignaut (*Business & Technology* October 25).

But the wind has now turned against deregulation. Government is apparently capitulating to bureaucrats, wholesalers, abattoirs and other vested interests in the R7bn-a-year meat trade. The Committee of Enquiry into the Deregulation of the Meat Industry was appointed by government five years ago and

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6/12/91

(3) Meat

finally submitted its report in August, using language that sounds deregulatory but can easily lead to stricter controls (the report has not yet been made public but a copy was obtained by the *FM*).

Instead of tossing out the report and pushing for radical reform, Agriculture Minister Kraai van Niekerk issued a joint statement last month with Meat Board chairman Fanie van Rensburg saying: "The Minister accepted the report's recommendations and requested the board to implement them as soon as possible after consultation with the industry."

The committee was instructed to focus on abolishing the distinction between the controlled urban markets and the uncontrolled rural markets, which has forced up prices in urban areas and hurt the economy in rural areas for decades. But, while the report does talk about "the freer movement of meat" and "the disappearance of the controlled and uncontrolled areas," the preconditions it recommends are severe. For example, the report recommends that meat allowed to be marketed anywhere in the country must meet tough health and grading standards that now apply only in urban areas to satisfy EC requirements for imports. As a result, rural abattoirs would be hit with more regulation through the backdoor.

Says Blue Ribbon Meat MD Gareth Ackerman: "It looks like more of the existing levels of control, with very little freeing of the market. The industry should rather be allowed to control itself; we must get rid of government regulation. The existing meat scheme seems to be aimed at protecting the inefficient producer, while the efficient farmer is not allowed to negotiate a better price for his product directly with the trade."

The joint statement also says "the functions of surplus-meat removal, the guarantee of a minimum floor price to producers, the maintenance of an efficient price-forming mechanism, and the control of fair market access of slaughter stock still will be continued by the board."

But Blignaut says this would be an interim measure because abattoir owners will eventually assume most of these functions.

Ackerman says the trade should also be allowed freer imports. "We can now land good quality beef from Ireland at about R4/kg, compared with current auction prices of about R6/kg. This will help to bring down retail meat prices."

Independent Organisation of Livestock Producers' Nils Dittmer agrees that "the effect of the newly recommended system will be the abolition of the uncontrolled areas and the extension of the board's control over these areas; this way, greater control also can be exerted over meat imports."

Dittmer says livestock farmers have never been allowed the opportunity to vote on the meat system. In fact, they are forced to belong to the Red Meat Producers' Organisation, with compulsory levies deducted at all slaughterings.

Blignaut says all producers are free to

recommend an alternative to the meat scheme. "And, if they can get majority support, the scheme can be changed." ■

ms 19/10/82
Rain may
push up
the price
of meat

Staff Reporters

The recent good rains threaten to push meat prices up again as cattle farmers hold back supplies to build up their herds in the wake of the drought.

The drought caused the current red meat surplus as cattle farmers culled their herds to cope with the grazing shortage.

Last week the Meat Board announced a R6 million subsidy would be provided from its stabilisation fund to reduce the retail price of meat to the housewife.

The aim was to increase the demand for meat to eliminate the glut.

But with reports of rain in the cattle producing areas of the Northern Transvaal farmers are now expected to hold back supplies of cattle in the next few weeks in expectation of an improvement in grazing conditions.

This would cure the current oversupply of carcasses — a position which has depressed prices farmers have received.

But this trend could increase the price of red meat to the consumer.

The Minister of Agriculture, Mr Greyling Wentzel, this week warned the meat trade that the future of the red meat industry would be endangered if price benefits after the current meat glut were not passed on to the consumer.

Mr Wentzel said that in urban areas, butchers had increased price margins considerably for bulk sales and meat cuts despite the increase in turnover.

Mr Tony Swan, senior lecturer in cost accounting at the University of the Witwatersrand, said today that to keep down cost levels in the meat trade it was essential for the Meat Board to impose a uniform system of costing for butchers.

SOUTH AFRICA'S beef production slumped

Mercury
20/10/82 Mercury Reporter
3 meat

SOUTH AFRICA'S beef production had slumped in spite of a rapidly rising population that needed increased supplies each year.

Grazing takes dive

Mercury Reporter

REDUCED grazing and the retrogressive nature of vegetation were among the gravest problems facing agriculture today, Dr Aubrey Venter, Deputy Director of the Department of Agriculture of the Eastern Cape, said yesterday.

Speaking at the Beef and Game Symposium at Mkuze, Dr Venter said much of the South African veld was in 50 percent or less of optimum condition.

'In spite of this the veld still carries between 50 to 100 percent more livestock than it should, even if it were in a good condition.

'Either we reduce our stock or we will have to leave our farms because it won't be economic to run them,' he said.

Quoting from a CSIR report on a grasslands project at a beef and game symposium in Mkuze yesterday, Dr Frans du Toit, of the Department of Agriculture, said beef production had peaked at 500 000 tons in 1980 but slumped to only 443 000 tons this year.

'Yet the projections are that to feed an expected population of 47 million by the year 2000 we will require 810 000 tons of beef.

'The most favourable aspect is that the national beef herd has remained stable at or about 8 800 000 head for the past seven years,' Dr du Toit said.

He said there could be little doubt that the more arid sweetveld would have to play an important role in providing the additional red meat required in the years ahead.

Trouble

He added, however, that sweetveld was today one of the most abused veld types in South Africa.

'Ecologically the sweetveld is in serious trouble and incorrect land use has drastically altered the vegetation over vast areas.

'On the central plateau more than 67 000 km² of sweetveld have been converted into eroded Karoo,' Dr du Toit said.

He said the challenge facing the game farmer was to prove that game farming was not synonymous with veld degradation.

He said that in future the Department of Agriculture would play a smaller role. This meant that farmers would have to take the initiative far more and would possibly even have to fund research.

'They are going to have to play a community role in disseminating knowledge and educating their fellow farmers.

'I believe that as the thinking public becomes increasingly aware of the degradation of natural resources, there will be tremendous pressure on the individual landowner to apply conservation in its most comprehensive sense,' Dr du Toit said.

Butcher wants to build his own abattoir

21/10/82

Pietermaritzburg Bureau
A SOUTH Coast butcher is planning to build his own abattoir to save on the high costs involved in transporting carcasses from the Cato Ridge abattoir.

Mr Vic Bard, who operates the Surf Bay Butchery in Margate, has applied to the Abattoir Commission for a licence to build an abattoir at Izotsha on the South Coast.

'I have the support of East Griqualand farmers who will sell their cattle directly to me if my abattoir is approved,' he said, adding: 'There are enormous costs involved in transporting meat from Cato Ridge and if the farmers can deliver to my doorstep these costs will be avoided.'

Mr Bard said the costs included transportation items such as fuel, refrigerated vehicles and overtime for drivers who had to do the 400-km return trip from Margate to Cato Ridge.

Standards

He said there were loading costs at the abattoir and the standards applied were so stringent that large amounts of money had to be spent to comply with them.

'For example I have just bought a new refrigerated truck because my old one was not suitable according to their standards. The new truck cost me R70 000. Then I had to buy a steam cleaning machine for R4 000 so that I could comply with their standards of cleanliness. You could scrub your truck until it shines, but until you have used a steam cleaning machine you will not pass their test.'

'I have looked at abattoirs in the Free State similar to the one I plan to build and they seem to work very well. I think I can do the same here,' he said.

Mr Bard's application will be considered by the Abattoir Commission after a period of 30 days has elapsed in which time any objections to the application may be lodged.

Meat prices drop by 50c in price war

Rom 25/10/82 3 meat

Mail Reporter

MEAT prices will drop today by 40 to 50 cents a kilo as supermarket chains plunge into a price war following the Meat Board's announcement of a R6-million subsidy on current prices.

On Saturday the Meat Board announced they would provide a short term R6-million subsidy, or a 20c drop per kg of red meat, but supermarkets who have entered the price war are offering at least double that, with one offering a 50c reduction on every kg of red meat.

A second is offering a minimum 40c reduction while a third supermarket chain will also cut meat prices by 40c/kg and will subsidise the "uncontrolled areas" — where subsidies have not yet been fixed — to the same extent.

The Board's statement said the decrease was the result on an oversupply of meat, especially beef, and the resultant drop in auction prices.

The oversupply, in turn, was the result of farmers having to sell their stock because of the severe drought prevailing in stock-producing areas, the statement said.

"In the past, the Board exported surplus meat and used the funds to recover export losses.

"Instead of doing so again, the Board has decided rather to pass on the benefit to the South African consumer," the statement said.

Mrs Joy Hurwitz, President of the Housewife's League, said she hoped consumers would take advantage of the price war but add-

ed this was "just a bonsela".

She added that the only effective way to combat the spiralling price of meat would be to reduce the Meat Board's floor price.

Mrs Hurwitz said when the surplus evened out consumers would be back where they started.

Professor J. L. Weyers, chairman of the Consumer Council, said yesterday the subsidy was part of a brief campaign to stimulate meat sales, to "deal with immediate problems" of overmarketing.

He said the floor price of meat would remain the same and when the subsidy ran out, the market would return to normal.

The national fresh food merchandise executive for Checkers stores, Mr David Katz, said yesterday his group would pass on the Meat Board's 20c subsidy and an additional 30c — a total of 50c/kg — while the subsidy lasted.

He said a rough calculation showed 3 000 tons of meat would be subsidised and he did not expect the cheaper meat offer to last for longer than three weeks.

Mr Ralph Horwitz, a director of OK Bazaars and general manager of the food division said his firm "would pass on every single cent and another 20 cents minimum to the consumer".

The meat director for Pick'n Pay, Mr Guy Hawthorn said his firm has also pledged to subsidise meat by an additional 20c/kg until the R6-million subsidy runs out.

They have also pledged a total subsidy on meat in "uncontrolled areas", he added.

Big cuts in price of meat

Cape Times 25/10/82
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Own Correspondent

MEAT PRICES will drop throughout the country today by 40 to 50 cents a kilo as supermarket chains plunge into a price war after the Meat Board's announcement of a R6-million subsidy on present prices.

On Saturday the Meat Board announced that they would provide a short-term R6-million subsidy — equivalent to a drop of 20c a kg of red meat. But supermarkets who have entered the price war are offering at least double the subsidy, with one offering a 50c reduction on every kg.

A second is offering a minimum 40c reduction, while a third supermar-

ket chain will cut meat prices by a straight 40c a kilo, and will subsidize the "uncontrolled areas", where subsidies have not yet been fixed, to the same extent.

Mrs Joy Hurwitz, president of the Housewife's League, said the League had waged a limited boycott on red meat for more than a year and the only way to combat the spiralling price of meat would

be to reduce the Meat Board's floor price.

Mrs Hurwitz said the present campaign would not affect the floor price. When the surplus evened out, consumers would be back where they started.

'Overmarketing'

Professor J L Weyers, chairman of the Consumer Council, said yesterday that the subsidy was part of a brief campaign to stimulate meat sales to "deal with immediate problems of overmarketing."

Welcoming the subsidy, Professor Weyers said some of the reasons for the present overmarketing of meat related to drought which had led to overgrazing.

The national fresh food merchandise executive for Checkers stores said yesterday that his group would pass on the Meat Board's 20c subsidy and an additional 30c — a total of 50c a kilo — while the subsidy lasted.

Examiners' Initials	
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Pick 'n Pay, Mr Guy Hawthorn said: "This is the healthiest thing that could have happened to the meat market".

Pick 'n Pay, like the other major supermarkets has also pledged to subsidize meat — by an additional 20c a kg — until the R6-million subsidy runs out. They have also pledged a subsidy on meat in "uncontrolled areas".

Mr Hawthorn said he would like to see the campaign last for the whole month of November and added the campaign did not mean a "price war but healthy competition".

Mr Manuel Sachar, chairman of Grand Bazaars, said his company would follow the lead of other major supermarket chains and cut its prices by 40c or more, "for a week or more".

Meat Traders

The chairman of the Cape Retail Meat Traders' Association, Mr D C Joubert, said he had not discussed the issue with his members and was waiting to see what happened today.

"But I do know that we will be immediately carrying over the 20c announced by the Meat Board to the consumer."

"What supermarkets do is none of our business. All I know is that our reductions will not be more than 20c. If members of the association want to increase that amount, it will be for them to decide."

1. Enter at the top of each page and in the left hand margin of the block on this cover the number of the question you are answering.
2. Blue or black ink must be used for all answers. The use of a ball point pen is not acceptable. Red or green ink may be used for underlining, emphasis or for diagrams. Pencil which pencil may also be used.
3. Names must be printed on each separate sheet of paper (e.g. graph paper) where sheets additional to the examination book(s) are used.
4. Do not write in the left hand margin.

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books, notes, pieces of paper, etc. may be brought into the examination room. Candidates are not to communicate with each other.

'Price activity'

Mr Ralph Horwitz, a director of OK Bazaars and general manager of the food division — whose company has entered the price war with a minimum 40c a kg reduction — said the subsidy would not lead to a price war but to "a lot of price activity".

His firm "would pass on every single cent and another 20 cents minimum to the consumer".

The meat director for

Any dishonesty will render the candidate liable to disqualification
University

Rush for meat sends abattoir prices soaring

ARGUS
26/10/82
3 meat
2400

Consumer Reporter

INCREASED demand for meat has sent wholesale prices soaring to an extent that has cancelled out the Meat Control Board's subsidy of 20c a kg. Butchers are paying 40c a kg more for super beef today than they were on Friday.

It has led to a wildly confused situation because the big chains are continuing with their price war — at least one has slashed prices by 60c a kg below last Friday's level — and some of the more affluent family butchers are selling at a loss in order to retain their customers.

Other butchers have put their prices up because they are paying more, in spite of the subsidy.

Mr D C Joubert, chairman of the Cape Retail Butchers Federation, has appealed to the Meat Board to "saturate the market" with meat in order to keep prices down and to ensure an adequate supply of top quality animals.

Lower floor price

He has also suggested that instead of paying the 20c subsidy to retailers the Board should use it to lower the floor price at abattoir auctions, to ensure a reasonable wholesale price.

Mr Joubert said the wholesale price of the best quality super beef, which was R2,32 a kg on Friday, had risen to R2,77 a kg today.

Cape Town wholesale prices for meat were now on average 40c a kg above those in Johannesburg.

Mr Joubert said family butchers who were keeping their prices down because of the low prices still offered by the supermarket chains, were incurring huge losses.

A spokesman for Blue Riband, the butchery section of Pick'n Pay, said: "The meat we are selling now was bought last week, when auction prices were lower. We are selling it at 60c a kg below last week's retail prices.

"Going crazy"

"But the meat we are buying today is costing us a lot more. This is to be expected because the auction prices are governed by supply and demand and people are going crazy buying meat.

"We estimate that our sales are up by 60 percent"

He said the chain was paying a 60c a kg subsidy on all the meat it was selling at Brackenfell hypermarket and other stores outside the controlled area, where the Meat Board's subsidy did not apply.

An independent family butcher, Mr Aubrey Faber of Wynberg, said he had not yet received any official notification from the Meat Control Board how the subsidy was to be paid.

Meanwhile, the prices he was paying cancelled out the effect of any subsidy he would receive, while cus-

(Turn to Page 5)



(Contd from Page 1)
ARGUS 27/10/82

director of operations for OK Bazaars in the Eastern and Western Cape, said his chain would continue to subsidise meat "by a minimum of 20c a kilogram" in addition to the board's subsidy.

Chain

Mr Don Smith, area director of merchandising for Checkers, said his chain would continue to add a subsidy of 30c a kilogram to the subsidy, giving a total reduction of 50c a kilogram.

But wholesale prices continued to stay above normal it was

Lamb

unlikely the group would increase the subsidy.

A spokesman for the board said Cape Town abattoir was slaughtering above its normal capacity to meet the increased demand.

Average prices at the abattoir auctions early today were R2,99 a kilogram for super lamb, from R2,12 to R2,35 a kilogram for super pork and R2,61 a kilogram for super beef.

Later in the morning super beef rose to R2,77 a kilogram because of a shortage of good quality animals.

Prices

chopped

THE sign says it all, and Mr Nick Donnelly, a butcher at a Rondebosch supermarket, has good reason to grin. A meat price war is on in Cape Town and juicy cuts are the cheapest for years. At least one supermarket has added 40c a kg of its own to the Meat Board subsidy of 20c, to bring its prices down by 60c a kg. Others may also drop their prices; but some are charging more because the wholesale price has risen. (See Shopping Around, Page 16).

Meat price

ARGUS

26/10/82

(Cont. from Page 1)

3 meat

244

245

customers were insisting that he should cut them by 20c a kg.

Mr E Kasker, general manager of Eskay Butcheries, one of the few small firms which buys directly at the abattoir auctions, criticised the Meat Board for introducing the subsidy scheme at the end of the month.

"Prices are always lower in the middle of the month and go up at the end when demand rises," he pointed out.

"It was obvious that to introduce the subsidy scheme at the month end, increasing demand by more than the usual amount, would result in much higher prices at the abattoir auctions.

"This has lost the customer the benefit of the subsidy and has placed butchers in a very embarrassing position. We are paying more for meat but customers expect it to come down and suspect us of pocketing the Meat Board subsidy."

His chain, which normally works on a small profit margin, was selling meat today at 10c a kg less than last week in spite of the rise in auction prices.

It has added a subsidy of its own to the Meat Board's 20c a kg.

Extra cattle and sheep were slaughtered at Cape Town abattoir today to meet the increased demand.

A Meat Board spokesman said that 5 300 sheep and lambs had been slaughtered — 300 more than usual — and 800 cattle instead of the usual 760.

D. Disparat 26/05/82

Full meat price ³meat benefits tomorrow

EAST LONDON — The full benefits of the 20c a kilogram meat subsidy by the Meat Board would be felt in the city by tomorrow, the chairman of the Meat Traders' Association Mr Denis Meyer, said yesterday.

Mr Meyer said that some butchers still had meat bought before the subsidy came into effect yesterday, but that by tomorrow, "we will be in full swing."

He said a great amount of interest had been shown by consumers in the meat subsidy.

"From what I have heard there have been lots of inquiries on the price of meat and this thing is definitely going to take off."

Mr Meyer said the meat subsidy was a brilliant promotion idea by the Meat Board, and said it heralded a "new wind" in meat marketing in the country.

"We have a new Minister of Agriculture in Mr Greyling Wentzel and a new Meat Board general manager in Mr Pieter Coetzee and together they have brought a fresh new wind to the meat industry.

"For the first time the whole meat industry — the producer, the Meat Board, the Minister and the retailer — have got together to promote meat and the consumer stands to win," he said.

"The subsidy emphasises how cheap meat really is and will make people realise that meat really is a good buy."

Mr Meyer said there would most likely be hitches, but that all members of his association were fully aware of what was happening.

"No-one knew when the subsidy was going to come into effect and a lot of butchers were not geared to start implementing immediately because they already had stock in their cabinets."

A large consumer response and a bit of retail confusion greeted the drop in meat prices yesterday.

Two supermarket chains with meat retail outlets yesterday added their own subsidy, bringing the price down lower.

Pick 'n Pay at Vincent said they were adding

40c to the 20c Meat Board subsidy, bringing their prices down by 60c a kilogram, while Checkers announced that all red meat would be 50c a kilogram less.

However, butchers in the city said they had not received any notification from the Meat Board on how the subsidy would work.

One butcher said he had not decreased his prices yesterday because he was still stocked with meat bought before the subsidy came into effect and did not know how the subsidy would work.

According to the average meat prices announced after every auction by the Meat Board for the East London abattoir, mutton has increased significantly.

Grade B2 mutton was 208,8c a kg last Monday and yesterday the price was 246c a kg, an increase of 48,6 cents. Top C increased by 40,2c since last Monday while Prime B increased by 34,5c.

Other auction prices for red meat, however, have remained fairly static.

AUCTION PRICES OF LAMB SOARS

Consumer Reporter

THE auction price of lamb at Cape Town abattoir soared to nearly R3 a kilogram today — well above the R2.51 a kilogram it fetched last week.

But some butchers are still selling meat more cheaply than last week, in spite of the rise in wholesale prices, and shoppers are taking

the opportunity to stock up.

At least one supermarket chain is selling meat at 60c a kilogram less than the prices charged last week and has pledged to continue doing so as long as the Meat Board's subsidy, announced last week, lasts.

Busier

Butchers who have cut their prices say they are busier than

they have been for years and are selling the meat almost as soon as it is delivered.

Meanwhile the general manager of the Meat Control Board, Dr P H Coetzee, has threatened to withdraw the R6-million subsidy, which will be paid to the butchers on the basis of the amount of meat they sell, unless auction prices come down. He has asked the

public to "buy normally" so that this will happen.

The board has been criticised by butchers and wholesalers for the way the subsidy is paid, and for failing to ensure extra supplies to meet the increased demand.

Floor price

Mr D C Joubert, chairman of the Cape Retail Butchers Federation said it would have

been better for the board to reduce the floor price at abattoir auctions by 20c for the period of the subsidy than to pay it to the retailer.

This would have kept the auction prices down, provided supplies were adequate.

Mr Joubert said most retail butchers had reduced their prices by more than the 20c sub-

sidy and he was sure that most of them would make no profit at all unless auction prices came down soon.

Reduced

A spokesman for Blue Riband, the butchery department of Pick'n Pay, said: "We have not changed our counter prices since December last year, and we have reduced them by 60c a kilogram

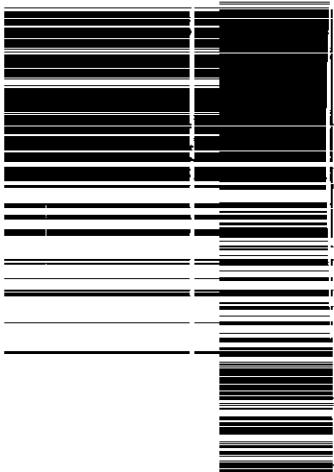
for as long as the 20c a kilogram subsidy lasts.

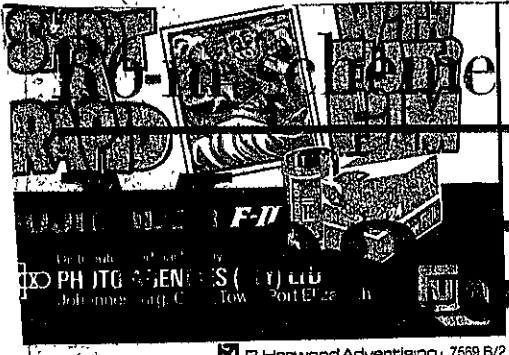
"So it is quite wrong for Dr Coetzee to suggest that higher wholesale prices mean the consumer is not getting any benefit from the subsidy."

He said that bulk sales, however, would be affected by the higher wholesale prices.

Mr Aubrey Coppin, (Turn to Page 3)

NR 645 27/10/82 3 meat 248





Meat hits snags

Board

threat to end subsidy

3 meat
Sts: 27/10/82

R. Herwood Advertising 7659 B/2

Staff Reporters

The general manager of the Meat Board, Dr P H Coetzee, today threatened to withdraw the R6 million subsidy to butchers if auction prices continue to rise.

Dr Coetzee was reacting to criticism of the Meat Board by some butchers who say the subsidy is a waste of time if the auction price of meat continues to go up.

"It seems to me that auction prices must return to last week's level very soon. The price of beef has not been so bad but a problem has cropped up in lamb because so many supermarkets are running month-end specials," said Dr Coetzee.

The auction price increases were confirmed by a spokesman for the City Deep abattoir today. He said super beef was selling at R2,21 to R2,44 a kilogram, compared with last week's price of R2,23 to R2,28.

Super lamb today was an average R2,89 a kilogram — 30c up on last week's average. Yesterday the auction price for lamb was over R3 a kilogram.

"Once we get rid of this rush for lamb things will return to normal.

"Meanwhile I would appeal to housewives not to rush in and buy. We want this subsidy to last for a few weeks and that is only possible if people buy in normal quantities.

"If things get out of hand with prices we will withdraw the subsidy," Dr Coetzee said.

He appealed to wholesalers and retailers not to overreact to the subsidy.

Efforts

In Kimberley the acting chairman of the Meat Board, Mr S J van Rensburg, said the board would not tolerate efforts by the meat traders to push up auction prices.

Mr van Rensburg said the board was determined to see its scheme succeed and pledged to bring more meat onto the market in an effort to stabilise prices.

He said the subsidy was expected to be exhausted in about a month but that the board would review the position. He said the stabilisation fund stood at more than R40 million.

Denied

Butchers denied they were responsible for the increases in auction prices.

"Independent butchers buy only 40 percent of meat at daily auctions and wholesalers buy the remaining 60 percent," said Mr Tim Davidson, secretary for the Witwatersrand Master Butchers Association.

Housewives, through the Consumer Council and Housewives' League, have complained that some meat prices have not changed.

Some consumers say meat prices are even higher than normal at some butchers.

Under the Meat Board subsidy meat prices are expected to fall by an average of 20 cents a kilogram. When the promotion

Cheap meat scheme hits snags

5 Nov 27/10/82

3/10/82

▶▶ From page 1

was launched supermarkets promised further discounts of from 20c to 40c a kilogramme.

Some supermarkets have done a roaring trade in cut-price meat. A survey of meat prices at one supermarket chain showed

that Super A beef prices have fallen an average 50c a kilogram. Rump steak that sold for R6,99 a kilogram last week is now selling at R6,49 a kilogram.

But the scheme is still floundering. Some independent butchers say they will not lower their prices until the Meat Board has explained in detail how

the subsidy works.

Other complaints include retailers refusing to apply the discount to bulk orders.

Country butchers have also criticised the Meat Board for its handling of the subsidy.

The South African Federation of Country Butchers is to ask the Minister of Agriculture

to investigate butchers' grievances and Meat Board subsidies.

In a statement yesterday the federation said about 6 000 butchers in country areas contributed to the Meat Board's levy fund from which the subsidy was being paid, but were not benefiting from it.

De... the change is although the industrial

Meat subsidy 'is causing confusion'

By DAVID CAPEL

SOME butchers are still refusing to lower their meat prices even though the Master Butchers' Association has sent forms on the R6-million subsidy from the Meat Board to all its 800 members urging them to do so.

A spokesman for the association said yesterday there were still "one or two" retail butchers who had not lowered their prices, saying they did not know the details of the subsidy.

But he said there was no chance that any butcher could not have received the details as the association had sent forms to its members through the Industrial Council for the Meat Trade, as well as to wholesalers. Non-members had also received forms.

According to a butcher in Pretoria, the subsidy was misleading the public. The butcher, who did not want to be named, said he had paid more for most

meats, particularly lamb, this week. "I paid R2,66 last week for my first grade lamb and today I'm paying R3,05. The 20c subsidy will bring the price down slightly for the consumer, but it went up only last week," he said.

One butcher told the Rand Daily Mail the Meat Board had "done things in a hurry", causing confusion. Others said they knew nothing of the subsidy, but most have lowered prices significantly.

In a statement yesterday the Houswives' League said there was an over-supply of meat, especially beef, and auction prices had consequently dropped.

"This is a short-term campaign to stimulate meat sales to deal with the immediate problems of over-supply.

"When the subsidy funds run out in about two weeks time prices will return to normal and will most certainly rise and the support price will keep prices at an artificial level."

The Meat Board's subsidy has boomeranged in the Cape resulting in an

18c/kg rise in the market price of super lamb since last week.

Increased demand for meat has sent wholesale prices soaring - more than cancelling the subsidy.

It has led to a wildly confused situation because the big chains are continuing their price war and some of the more affluent family butchers are selling at a loss to keep their customers.

And butchers were paying 40c/kg more for super beef yesterday than they were on Friday.

The chairman of the Meat Retail Association of Cape Town, Mr D C Joubert, said the subsidy had increased the demand for meat dramatically and as the board had not been able to feed the Cape market with top quality meats, the effect of the subsidy had been lost.

"I paid 40c a kilo more for my meat yesterday than last week - where is the Meat Board's 20c and where is my 20c? The consumer is therefore back to square one," he said.

cannot any member of council can vote such a membership. The fact that since the ^{passing} introduction of Weibahn report no Black Trade Union ^{have become registered} seems to support the view that the Weibahn Report has not caused a substantial lowering of the industrial bar in this regard. Another ~~also~~ the Blacks still lack the bargaining power. ~~more the~~

Another important point about the report is the fact that it stipulates that ~~existing~~ existing closed shop agreement should remain in ~~force~~ effect but no new ones should be agreed upon. This means that employers will be forced to employ ~~whites~~ members of previously registered Trade Unions in skilled jobs.

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19/10/82 ect must report

Butchers will honour subsidy

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Consumer Reporter

ALTHOUGH the Meat Control Board has withdrawn its subsidy scheme, supermarket chains and some family butchers are still subsidising prices and will do so until Saturday.

This means that prices vary widely and it is well worth shopping around for the best value.

Sea Point butcher Mr D C Joubert said he and many others in the trade felt "honour bound" to keep prices down because customers had been promised cheaper meat this week.

He said the big increase in turnover helped to make up for profits lost as a result of this.

But some of the small-

er butchers could not afford to subsidise prices because of the steep rise in prices at Cape Town abattoir auctions.

Most butchery chains and some smaller butchers added subsidies of their own, varying from 10 c to 40 c, to the Meat Board's subsidy of 20 c a kg which came into effect on Monday.

But auction prices soared all over the country as a result of this, because of the increase in demand.

The Meat Board announced last night that the subsidy would be withdrawn because the increased auction prices cancelled out its beneficial effect.

Retail and wholesale

butchers have criticised the board for not foreseeing a huge surge in demand when prices dropped, and making more good quality meat available to meet it.

They have also suggested that the scheme would have worked better if the board had subsidised auction prices rather than at the retail level.

Meanwhile, a leading wholesaler said he had received many telephone calls from people "beside themselves with rage" accusing the wholesalers of profiteering.

"It is nothing to do with us," he said. "It is the auction prices which have risen because of the increased demand."

By Colleen Ryan and
Hannes Ferguson

The market price of lamb rocketed at the City Deep abattoir today after the withdrawal of the Meat Board's R6 million subsidy.

Auction prices also soared at the Pretoria abattoir.

At the opening of the auction in City Deep today, bids were reaching R3,48 a kilogram for super lamb compared with yesterday's price of R3,10.

Last week the highest price of super lamb was, on average, R2,60.

The opening price of super lamb at the Pretoria abattoir today was R2,80 a kilogram. Within an hour it had shot up to R3,48.

Yesterday the general manager of the Meat Board, Dr P H Coetzee, announced a withdrawal of the subsidy effort to prevent further rises in auction prices.

APPEAL

Earlier he appealed to traders not to "over react" to the subsidy because increased demand had caused big rises in the auction price of lamb and small beef carcasses.

J. J. van Rensburg, acting chairman

(3) meat Lamb price leaps after Board acts

of the Meat Board, said in Kimberley today that the subsidy was withdrawn because wholesalers had threatened to push up market prices by 45 percent above last week's levels.

The sudden withdrawal of the subsidy has angered retailers.

"There is nothing but confusion," a Pretoria butcher said today. "We do not know what to expect from the market."

Two supermarket chains have promised to maintain lower prices for the next few days.

ANNOYED

"We are forced to maintain our low prices," said Mr Ernie Smit, Checkers meat manager.

"Packers worked last night to price meat at the subsidised prices

and there is no time to change now.

"We are confused and annoyed that the Meat Board can make a statement to the SABC that they are removing the subsidy without first consulting retailers."

The Pick 'n Pay group has also guaranteed to maintain their prices even if market prices increase.

Beef prices are expected to remain relatively stable, because so far auction prices have not changed dramatically.

The head of the department of economics at the University of South Africa, Professor J A Döckel, said the Meat Board had grossly underestimated demand.

He said the only way to reduce prices was to gradually increase supply at the market.

Meat Board scraps subsidy

3 Meat
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CAPE TOWN 28/10/82

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THE R6-million red meat subsidy has been withdrawn, the general manager of the Meat Board, Dr P H Coetzee, announced last night.

In a statement, Dr Coetzee said he had made the decision in the wake of a big demand that had "destroyed the whole object of the subsidy".

He said he had held discussions with representatives of the meat trade yesterday to try and find ways of stopping the rise in prices, but the talks had been unsuccessful.

"The trade could not put forward any suggestions or solutions, claiming that the demand is

there and they will have to bid for the meat," Dr Coetzee said.

He added that he would now "go back to the drawing board" to try to find a way of stabilizing meat prices.

However, meat would continue to be sold at subsidized prices at Checkers and Pick 'n Pay outlets till Saturday.

The general manager (administration) of Pick 'n Pay's Blue Ribbon meat corporation, Mr Dennis

Cope, said last night he was "sad" to hear of the subsidy's withdrawal.

"We will, however, continue to reduce the price of red meat by 60c a kilogram until Saturday."

Checkers' public affairs manager, Miss Peta Lomborg, described the subsidy's withdrawal as "confusing". She said Checkers would also continue to discount red meat till the weekend.

● Cape Town butchers yesterday predicted that red meat prices would rocket during the festive season, when they expected a shortage of quality meat.

One butcher said that by the end of the year retailers and the consumer would be "paying through their necks" for meat.

Abattoir

Yesterday prices rose steeply at the Cape Town abattoir and this was attributed to the promotional effect of the Meat Board's subsidy on red meat.

Fears have been expressed that the present rise in price could encourage farmers to market their stock early this year, leading to shortages during the festive season.

Auction prices at the Cape Town abattoir yesterday ranged from 290 to 299c/kg for super lamb and 268c/kg for super beef, in comparison with last Wednesday's figures of 234 to 244c/kg for super beef and 242 to 258c/kg for super lamb.

● Chicken prices lower this year, page 3

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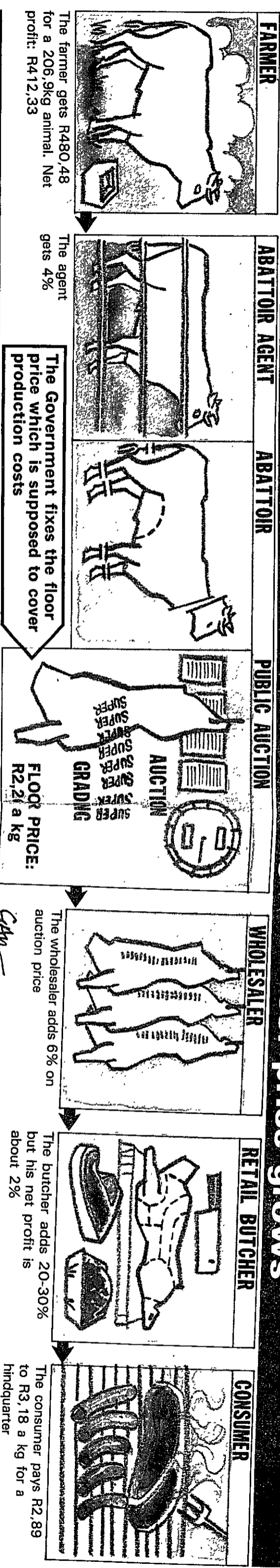
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3. Blue or black ink must be used for written. The use of a ball point pen is acceptable green ink may be used only for underlining or for diagrams, for which pencil be used.

4. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.

Any dishonesty will render the candidate liable to disqualification from the University

FROM PASTURE TO PLATE — How the super grade beef price grows



ISSUES PERMITS TO MARKET CATTLE — COLLECTS LEVIES

BUYS IF THE AUCTION PRICEREACHES THE FLOOR PRICE. STORES AND SELLS WHEN THE PRICE IS HIGHER

ISSUES BUTCHER'S AND EXPORT PERMITS THE MEAT BOARD

By GERALD REILLY of the Mail's Pretoria Bureau

Beef price — a slice by slice account

THE pile-up of escalating costs in the marketing chain between the beef farmer and the butcher shop is a major reason for the relatively high meat prices in South Africa, according to agricultural experts.

And when the meat finally ends up on the chopping block in the corner butcher shop, the butcher's profit is no greater than 2% net, according to the South African Agricultural Union's meat expert, Mr Jan van der Walt.

But before it gets there a variety of people have had a big bite at the marketing costs.

Mr Van der Walt said yesterday the SAAU claims the floor price of meat fails to cover all costs associated with beef production.

However, when the last floor price was fixed at 226 cents a kg, the Department of Agriculture was satisfied this adequately covered the multitude of costs in the industry.

A "very" efficient farmer, the SAAU claims further, is able to produce at the floor price, and come out at the end with a profit.

In the areas where the Meat Board exercises control over the flow of animals to the market, the average farmer is about 350km from the nearest abattoir. Two-thirds of all meat supplied is marketed in the controlled areas.

The agent is an important link in the chain of supply. His fees work out on average at about 4% of the gross price obtained by the farmer.

His responsibilities include being present when animals are unloaded and seeing to it that they are not damaged or bruised in the process. He must see the animals are watered and fed during the 24 hours prior to slaughter.

He accompanies the inspectors when they grade the animal, and attempts to get the best possible deal for the farmer. He is there to argue the farmer's case on the merits of the animal.

The average cost of transporting an animal to market is R14,11.

The producers' other costs include a Meat Board levy per head of R7,65. Meat Board insurance, mainly against measles, R3,70, an abattoir commission levy of 15 cents, a slaughter fee of R3,80 and R16,91 for the use of the abattoir facilities.

Other charges include a feeding fee of 24 cents, agent's commission of R19,22, transport insurance of R2,31 and a special levy by the SA Agricultural Union of 6 cents.

The total average charge — this was during the second quarter of the

year — is R68,15.

These were the costs prevailing during the second quarter of the year. Some, including abattoir costs, have been increased substantially since then.

The producers' return amounts on average to R426,21 for the carcass plus R34,20 for the offal and R20,07 for the hide — a gross return of R480,48, and a net return of R412,33.

The calculations are based on an animal weighing 206,9kg.

Prices at the auctions are determined entirely on supply and demand, just as they are at any auction. However, when because of market conditions — usually an oversupply — prices plunge to the floor price, the Meat Board buys in and stores.

Except for a few large retail buyers, the main operators at the auctions are the big wholesale meat dealers.

Conditions of sale rule out the small consumer buyers. The minimum buy is one beef carcass, or a batch of 12 to 14 sheep.

From his cold stores the wholesaler supplies the varied needs of butchers. For this service they charge about 6% of the gross value

of the meat supplied — if he paid 200 cents a kg for instance, he charges 212 cents.

The butcher's costs are many, according to the SA Agricultural Union. The carcass has to be butchered and he has to gauge demand for the various cuts of meat.

If it was all fillet or rump steak, according to Mr Van der Walt, it would be easy. But only 1% of the carcass is fillet, and 4% rump.

So many cuts are sold below the average price per kg of the carcass, and some such as fillet and rump at a higher price. Some parts he cannot sell, like the intestinal fat. This has to be dumped.

The heap of bones he cannot sell, except at give-away prices, mostly to the black trade as a basis for soup, for which he gets 10 to 15 cents a kg.

The butcher's gross margin lies somewhere between 20% and 30% of what he paid the wholesaler.

From the margin he has to pay his staff — blockmen, cashiers, counter staff, cold storage costs, rent and all other costs associated with running a business.

Mr Van der Walt claims that surveys carried out by the SAAU have reliably shown that when his gross

margin is stripped of all costs, the butcher comes away with one or two percent net profit.

However a "good" butcher relies on large turnover for his profits — and the large turnover comes from providing an efficient service to clients.

The retail butcher is in precisely the same position as any other businessman, the SAAU claims. There is a big risk attached to his operation, but management skills and service to customers counter the risk and pay off, sometimes handsomely.

Mr Van der Walt claims too, it is a fallacy that meat can be bought cheaper at a supermarket than at the corner butcher shop. Average supermarket prices monitored by the

SAAU indicate supermarket meat is more costly.

However, meat sales benefit because of the "one-stop" shopping possible at the big supermarkets.

It also paid to shop around for meat, but most South African housewives were either too lazy or too busy to do this. A recent survey in Pretoria showed the price of a super

hindquarter varied between 289c a kg to 318c a kg.

Mr Van Der Walt claims the average South African housewife is not a very good housekeeper. Their main purchases are steak and chops — the most costly of the cuts.

But there are other cheaper cuts which are rejected because they require more time and more expertise to prepare than steaks and chops.

Meat bills in many households, he claims, could be slashed if housewives troubled to learn about the other cuts, and how to prepare them.

- 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.
- Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
- Do not write in the left hand margin.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University

Sheep farmers to get R10m in aid

3 Meat
2000
CAPE TOWN 28/10/82

Own Correspondent

the loan.

PRETORIA. — The government yesterday announced increased aid to Cape sheep farmers.

The aid will cost the State more than R10-million, according to a joint statement by the Minister of Finance, Mr Owen Horwood and the Minister of Agriculture, Mr Greyling Wentzel.

The announcement was immediately welcomed by Mr Gert Bosch, Secretary of the Western Cape Agricultural Union.

Mr Bosch said the recent increase in the maize price had caused an increased overhead costs for sheep farmers in the Western Cape.

According to the announcement, the emergency feed-aid to sheep farmers has increased from R4 to R5 a month for an ewe. The State will subsidize 70 percent of

The increased aid will go to farmers in the following magisterial districts:

Kenhardt, Pofadder, Williston and some areas in the districts of Calvinia, Carnarvon, Gordonia and Namaqualand.

The statement also said karakul farmers were in suffering financially because of the steep decrease in the average floor price of pelts.

From November 1 this year to October 31 next year, the State will give financial assistance to farmers whose average floor price for a pelt throughout the year was lower than R15.

This aid will cost the State R3,5-million and the announcement said the government hoped the aid would encourage karakul farmers to retain their flocks.

ESSA

Meat subsidy 'may' be on again

Star
29/10/82
3 meat

By Colleen Ryan
and Hannes Ferguson
The Meat Board may re-introduce its R6 million subsidy despite the chaos the scheme initially caused.

The Meat Board's general manager, Dr P H Coetzee, said the board would consider re-introducing the subsidy if the industry guaranteed auction prices would remain stable.

He denied the scheme was a failure and said the scheme would continue once temporary supply and demand problems had been overcome.

This board's acting chairman Mr S J van Rensburg said today the board might make some adjustments to the subsidy scheme.

He said there had been poor communication between the board and the trade. He was confident the full co-

operation of wholesalers and retailers could be obtained.

Earlier Mr van Rensburg accused wholesalers of bad faith in the implementation of the subsidy.

He said wholesalers had threatened to push up the auction price of meat to 45 percent above normal levels.

The executive director of a large wholesaler, Imperial Cold Storage, Mr H V Lombard, denied wholesalers had manipulated auction prices.

"Prices are fixed by supply and demand," he said.

The subsidy, together with further reductions offered by retailers, meant demand outstripped supply.

He said demand was particularly great for lamb.

There was still a
To Page 3, Col 11

October 29 1982

3

Star 29/10/82
Meat subsidy on again?

▶ from page 1

strong demand for super lamb this morning at the City Deep abattoir. Bids for super lamb were reaching R3,38 a kg, compared with yesterday's price of R3,48.

Auction prices are still a great deal higher than last week's average super lamb price of R2,60. A board spokesman Mr Koo's Bignaut, said demand was still strong for lamb because some supermarket chains were offering discount prices. He said auction prices usually increased at the end of the month.

Meat war to go on next week

ARGUS 29/10/82

3 Meat
240/240

Consumer Reporter

THE meat price war, which most people expected to end tomorrow, will continue for at least another week.

Pick 'n Pay announced today that it would continue to subsidise the price of meat sold across the counter by 40c a kg, and would sell bulk meat at cost price plus a mark-up of 10 percent.

Other chains are almost certain to match this and some family butchers may also keep their prices down.

Cape Town shops which reduced their meat prices have been crowded today with people who thought today and tomorrow their last chance to stock up. Prices at the abattoir auctions soared even higher because of the increased demand.

The Meat Control Board withdrew its subsidy of 20c a kg, introduced on Monday to stimulate meat sales, on Wednesday because wholesale prices had risen too much as a result of the increased demand.

But the supermarket chains continued to subsidi-

dise meat, by as much as 60c a kg, for the rest of the week and some family butchers also slashed their prices by between 10c and 50c a kg.

Pick 'n Pay's announcement may not have taken other chains by surprise. An executive of OK Bazaars said this morning that he did not know whether it would end its subsidy for meat on Saturday or continue it next week.

"Business has been very hectic," he said. "I do not know where people are finding the money to buy all this meat."

RDM 29/10/92

Anger, chaos in meat industry as board pledges to 'try again'

Mall Reporters

THE Meat Board will re-introduce its now controversial R6-million subsidy if the industry can give it an undertaking that prices will not shoot up again, a spokesman said in Pretoria yesterday.

And as the industry reeled under the board's announcement to suspend the subsidy, the Houswives League called for the intervention of the Minister of Agriculture to clear up the "shambles".

Meanwhile meat prices rocketed at the abattoir in Johannesburg and consumer spokesmen and retailers lashed the board.

Some sectors of the industry reported chaos situations while big chain stores said the demand for meat yesterday was the strongest in history.

Pick 'n Pay butcheries in the Transvaal will offer a 60c/kg discount until Saturday, and a 40c/kg discount until November 6. Checkers will keep prices down by 50c/kg "for the next day or two". Spar will hold down prices until all

subsidised meat is sold.

Butchers expressed confusion and anger over the suspension of the subsidy, and accused the Meat Board of going back on its word.

The manager of the Olympia Meat Market in Linmeyer said he had reduced his prices by 20c/kg and had spent R1 000 on pamphlets which have already been sent to customers. He felt obliged to supply customers who had ordered meat at the low prices.

In Pretoria, the SA Agricultural Union's meat expert, Mr Jan van der Walt, said demand and prices rose at the end of every month. The rise in price of the relatively small supply of mutton and lamb to the major markets during the first three days of the subsidy was grabbed to discredit the scheme, he said.

The general manager of the Meat Board, Dr P H Coetzee, last night strongly denied the scheme was a failure and said it intended to continue the scheme once "temporary demand and supply

problems" had been overcome.

He said the problems were caused by "exceptional demand for certain types of meat". This was due mainly to certain large groups running special promotions on lamb and light beef carcasses, resulting in insufficient supplies.

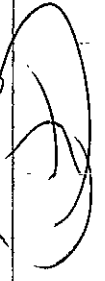
The Minister of Agriculture, Mr Greyling Wentzel, said: "Because the trade did not couple all types and cuts of red meat to the scheme but concentrated particularly on lamb, the resulting rise in lamb prices neutralised the effect of the subsidy for the consumer."

Mr Harry Schwarz, chief Opposition spokesman on consumer affairs, said the meat "debacle" was a classic example of how the consumer always suffered in a distorted market.

Mr Mike Tarr, MP, secretary of the PFP's agriculture group, called for an impartial inquiry into the meat industry, and said events pointed to a lack of understanding by the Meat Board of the whole marketing system.

and many other industries were just develop-
ing and during this period it was important
that labour was cheaply available i.e. because
of cheap labour which was caused by the
immigrant labour from the south Africa
was able to enter into a rapid period of econ-
omic growth.
In the next 20 to 30 years however, I feel that
the industrial labour force has been
economic growth as I feel it has not allowed
the more suitable person for a particular job
i.e. Bealho have been predicted from similar jobs
of one adopted the argument that industrial
colour bar has been functional to economic
growth in this period from one would
again argue that the industrial labour
bar has provided industry with a ready
supply of cheap labour and that this
supply has allowed the economy to

the



Meat subsidy under review

By DAVID CAPEL

AS AUCTION prices either stayed sky-high or continued to rocket, the Meat Board said yesterday it would take at least another week for it to decide whether or not to reintroduce its controversial R6-million subsidy.

And this would only be done if the board could obtain assurances from the trade that prices would not increase further.

The board's general manager, Dr P H Coetzee, told the Rand Daily Mail prices at auctions were "sky high" yesterday. He said the supply to markets all over the country had been increased as a result of the unprecedented demand.

Dr Coetzee added: "I have asked the trade for certain information before making a decision on the reintroduction of the subsidy. I expect this will not happen for at least another week".

Asked if he thought prices would come down soon, Dr Coetzee said this was not in the hands of the Meat Board. It depended entirely on the trade itself.

Meanwhile a survey of butchers and other retailers showed prices to be stable — though they were expected to go up at many butcheries on Monday.

Pick 'n Pay is continuing the board's subsidy of 20c/kg as well as its own subsidy of 40c/kg until the end of today. The chain will keep its own subsidy in force until November 6.

Checkers will be ending the subsidy today, but a spokesman was unable to say what would happen with prices next week.

"Our prices will reflect the auction prices," he said.

Mr Tim Davidson, secretary of the Master Butchers Association, said a "fantastic amount" of meat had been sold on the Reef in spite of the withdrawal of the subsidy.

Olympia Meat Market said prices would stay the same until early next week. They were selling lamb for R2,99/kg and beef for R2,79. Other prices for lamb went as high as R3,86, while one butcher said it was too expensive to buy.

A Meat Board buying spree was behind ³subsidy scheme

BY JEAN LE MAY Political Reporter

A BUYING spree by the Meat Board — it bought an estimated 100 000 beef carcasses in 16 weeks to help drought-hit farmers — lies behind the consumer subsidy scheme which collapsed in disaster this week.

The board bought 13% of all the meat sold on auction since July, to help beef producers hit by drought, and also maize farmers who had lost their crops and turned to speculating in cattle. This was disclosed to

Sunday Express by the board's general manager, Dr Pieter Coetzee, who said it was not possible to determine the quantity of carcasses purchased by the board.

However, it is believed that no fewer than 100 000 carcasses were bought in the 16-week period.

Dr Coetzee said the board could no longer afford to continue buying meat

which it had done to protect farmers by guaranteeing them a floor (minimum) price.

As a result a surplus developed — in the form of thousands of head of cattle still on the veld.

A scheme by which consumers in the main urban areas were to be subsidised by the board to the tune of 20c/kg was devised to get rid of the surplus. But it was

withdrawn after only three days when some of the meat soared in price because of demand.

The board said there had been 'over-promotion' of lamb and the more expensive grades of beef. But it claimed that some retail butchers were not passing the subsidy on to consumers.

Dr Coetzee said part of the glut problem was that the board did not have enough

cold storage space, but he denied that its present stock of 40 000 carcasses — less than a week's supply — was drawn on to satisfy the unexpected demand while the subsidy was in force.

"Most of the meat we have bought since July has already been disposed of to canners," he said.

"This week we increased meat supplies by 31%, all drawn from the surplus

stock offered to us by farmers."

The board had been obliged to buy in the meat under the floor price/support price agreement, he said.

On July 5, the floor prices were increased by 6,9% for beef, 13,6% for mutton and 3,7% for pork. If the price of meat at auctions falls below the floor price, the board buys up the meat to ensure

that producers get this minimum.

An "additional, support price means that if the price falls at auctions by more than 8% compared with that realised the previous week, the board must buy in that great as well.

Supermarkets angered by board's about-face

TOP supermarket men have slammed the Meat Board for protecting farmers at the cost of the consumer.

"There's no control board for supermarkets — if there were we'd have a 25% markup on groceries instead of the present 11% and the price of food would go through the roof," said Mr Peter Auld, a meat marketing expert for a supermarket chain.

Mr Sid Matius, director of the Spar group, said: "This action is typical of most control boards which have inefficient retailer and consumer representation."

Mr Raymond Ackerman, chairman of Pick 'n Pay, said "bungling by the Meat Board" would cost his group about R500 000. "We've been led up the garden path.

The Meat Board has succumbed to the pleas of retailers who say they can't compete with the supermarkets.

"The Meat Board came to us saying of and we went all out to support them. So we agreed not only to support them, but we went further. We added another 40c to their subsidy of 20c a kg, making a total of 60c, and spent R50 000 on advertising.

"Sales went up 200% and of course we had to buy to support the meat promotion. "You can't advertise cheaper meat and then not have it in the shops when the customers come in. "We said we'd hold the cheaper prices for two weeks and we are going to stick to that to maintain credibility

with our customers.

"The Meat Board's withdrawal of their subsidy after three days was terribly unfair. It has left us holding the baby and we stand to lose R500 000."

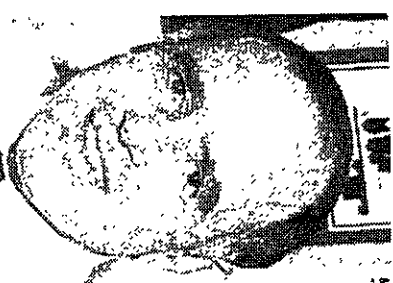
Mr Allan Fabig, a director of OK Bazaars, said the meat subsidy disaster showed the Meat Board "did not have the faintest concept of free marketing".

"If we didn't have a Meat Board with its floor price and its support price we wouldn't have a ridiculous situation like this when a surplus arose," he said. "In a free market the price drops and that takes care of the surplus."

"Control boards in this country ensure the opposite happens — whenever there's a surplus, prices go up."



Mr Allan Fabig, 'ridiculous situation'



Mr Raymond Ackerman ... to lose R500 000

Mountain of meat piles up as board deliberates

3 weeks
250 000
500 000

By GERALD REILLY
Pretoria Bureau

A MEAT mountain is piling up on the veld and in feedlot pens while the Meat Board deliberates on the re-launching of its consumer subsidy scheme.

And cold stores throughout the country are packed with 27 000 beef carcasses, 25 000 sheep carcasses and nearly 4 000 pig carcasses. This represents about a week's supply in the controlled areas.

A board spokesman estimates that in the feedlot pens there are 250 000 animals waiting to be sent to markets. The board is being inundated with applications for permits which under the existing over-supply conditions cannot all be issued.

Meanwhile the special Meat Board committee — on it are represented producers, wholesalers and retailers — will meet early on Friday morning to decide in what form to reintroduce the R6-million subsidy scheme to make meat cheaper for consumers.

Informed sources in Pretoria say the scheme will probably be reintroduced from the beginning of next week. The reintroduction of the subsidy, it is hoped, will

stimulate demand to an extent which would relieve the "tremendous" marketing pressure and reduce the huge on-the-hoof surplus.

However, a board spokesman said it was not the intention to offload the piled-up frozen beef, mutton and pork. "We can export it, or sell it to the mines, but as far as possible it will be kept away from the consumer."

The subsidy scheme collapsed last week when it was claimed the wholesale trade was pushing the sale of lamb, sending auction prices rocketing to record levels. The object of the subsidy scheme, the board stated, was to stimulate the sale of beef.

This, because of the action of the wholesalers, had not happened. Because of the distortions which developed at the market, the scheme was discontinued last Thursday.

The general manager of the Meat Board, Dr P H Coetzee, appealed to housewives last week not to get caught up in panic buying.

Consumers should buy in normal quantities if they were to get the benefit of the scheme, he said. The board has stressed that to get the full benefit of the subsidy scheme consumers must shop around, and not buy at the first retail outlet.

Cheaper meat

E. Post 1/11/82

(3) meat

Scheme ends

Post Reporter
THE meat subsidy in Port Elizabeth has officially been withdrawn after a confused week which local butchers have described as "chaotic" and "a total fiasco".

The manager of the Meat Board office in Port Elizabeth, Mr K Slabbert, said it was a temporary withdrawal but could not say when the subsidy would be reintroduced.

He assured butchers that they had nothing to worry about as the Meat Board would pay the subsidy on all meat bought and sold last week.

Meanwhile, Port Elizabeth butchers accused the Meat Board of "bungling the whole thing" and claim the subsidy scheme was a failure.

"They mismanaged the entire plan. The demand was for light carcasses, so it was the heavy ones that the Meat Board got stuck with," said one butcher.

"They should have brought the floor price of the heavy carcasses down to encourage butchers to buy them and pass them on to the consumer. Their grading system is cock-eyed."

An Evening Post survey showed that butchers felt

Butchers say subsidy turned into a fiasco

the subsidy had been badly timed.

One said: "It was ridiculous to introduce a subsidy towards the end of the month when all butchers are busy anyway. The answer would have been to introduce the subsidy in the middle of the month."

Butchers said the situation became chaotic when they could not buy enough meat to meet the demand and supply their customers.

One butcher said that when he ran out of stocks his customers accused him of keeping stocks to sell them at a later date when the subsidy was over.

"It's a good thing that the subsidy was withdrawn because the way abattoir prices rose on Thursday, Friday and Saturday last week, the consumer would have ended up paying more than normal for meat."

Abattoir prices for super and A1 grade beef rose by about 40c a kilogram and lamb by about 20c, and butchers who were offering

the subsidy to customers were "losing out" he said.

Most butchers felt that the Meat Board should have given them about a week in which to buy stock because they could not buy enough meat for the consumers' demand when the scheme was sprung on them.

Another butcher felt there had been too much bulk buying, and that there was not enough beef available.

"Perhaps the board should have dropped all support prices and had a free auction with no minimum floor price.

"In that way they would have flooded the market with meat which was what they intended to do anyway. This might have kept the prices on the more popular lighter meat "down," he said.

He added that in theory the idea of a subsidy was good and it did stimulate meat sales. "But in practice the whole thing turned into a nightmare for butchers."

New meat subsidy by weekend?

The Meat Board is to reintroduce a meat subsidy scheme — possibly by the weekend.

A 20 cents a kilogram subsidy plan was withdrawn last week after only three days because its sudden implementation led to confusion in the trade, with prices rocketing in some cases.

The Star's farming correspondent, Hannes Ferguson, writes that informed sources believe producers, wholesalers and butchers have agreed in behind-the-scenes negotiations to support a renewed effort to increase meat consumption by lowering prices.

Ways were being discussed to increase the supply of beef and mutton sufficiently to satisfy a sudden increase in consumer demand in response to price promotion.

It is believed that payment of a subsidy to butchers will be conditional on their passing it on to consumers and not making special offers for selected cuts or types of meat.

Mr H V Lombard, head of the meat division of Imperial Cold Storage, has denied that

wholesalers intentionally pushed up auction prices when the subsidy was introduced.

He said the Meat Board had brought too much frozen meat, which housewives did not like, on to the market.

HEAVY DEMAND

Dr P H Coetzee, general manager of the Meat Board, said there was no question of the board using the campaign to offload frozen meat stocks. Frozen meat had been brought on to the market because demand had shot up too fast.

The board's promotion committee will meet on Thursday to decide how the subsidy scheme could be improved.

Mr Eddie Bielowitz, chairman of the SA Federation of Meat Traders, said mutton prices had been the main problem.

Auction prices of lamb carcasses were being forced from 245 cents a kilogram to as much as 345 cents. But prices would soon drop to their presubsidy level however.

Farmers reject permit system

Daily Dispatch November 1982
GRAHAMSTOWN — chairman of the meat committee of the ECAU was cautious in his comment. He said: "Like Natal, the Eastern Cape has always preferred the quota system. We favour a freer marketing system."

A rush of telegrams protesting against the move is expected to reach the East Coast Agricultural Union offices in Queenstown where they will be processed and forwarded to Pretoria.

Farmers and agents recalled that the permit system was used in the Eastern Cape some years ago but did not work. All said they were quite happy with the status quo and could see no reason for change.

Butchers are unlikely to be affected, it is thought, because as an agent explained: "If the Meat Board assesses South Africa's needs at 10 000 head of cattle a day, permits for that number will be issued. But the means is cumbersome and certainly disadvantages the smaller farmer."

Farmers also resented the fact that the decision was taken behind closed doors.

Said one: "We appreciate the decision was only taken in principle and must still be ratified by the Minister of Agriculture. But if the news had not been leaked, it might have become a fait accompli before we knew anything about it."

Asked for comment, Mr E. G. Futter, chairman of the Port Elizabeth, and Despatch Meat Traders' Association said: "This is the first I've heard. I can't comment at this stage."

He said he had received notice of an urgent meeting of the South African Federation of Meat Traders in Johannesburg next Monday. "I've not received an agenda but the mooted change-over could well be discussed," he said.

Dr James Starke,

Mr John Matthews, former president of the EACU and chairman of Eastern Cape Meat Co-operative, echoed his sentiments. He said: "I'm perfectly happy with the way things are going under the quota system. It has worked very well. What surprises me is that the Meat Board previously asked for recommendations from farmers' associations and acted on these recommendations. — DDC."

New meat subsidy

By Frederick Cleary

Emerging bruised and shaken from last month's subsidy fiasco, the Meat Board is to launch a second scheme — this time after thorough consultation with the industry.

The new scheme may be announced by Friday or early next week.

The first R6 million subsidy venture at the end of last month backfired, the general consensus being that it was a good idea, but ill-considered and poorly implemented.

There was such a stampede to buy meat, particularly lamb, with a subsidy of 20 cents a kilogram, that the market became chaotic, as prices zoomed in some areas and were slashed in others, particularly by some supermarket chains.

The venture became so confusing that the embarrassed Meat Board withdrew the subsidy after only three days.

What went wrong? How could such a well-meaning scheme, in which so much money had been made available to bring cheaper meat to the consumer, fail in its objective?

Mr S J van Rensburg, acting chairman of the Meat Board, admitted there had been poor communication between the board and the trade. But he also accused wholesalers of bad faith in the way they put the subsidy into effect.

His admission of poor communication was supported by one of the key men in the industry, Mr Frans Pieterse, managing

Fiasco leads to re-think in industry

director of the Karoo Meat Exchange, one of the "Big Three" producers in the country.

The other two are Vleissentraal and Imperial Cold Storage.

"We were given no warning of the subsidy plan," said Mr Pieterse.

"We in the trade did have preliminary discussions with the board some weeks ago. Nothing was decided, but ideas were tossed around.

"The next thing we knew the board announced its plan at one of the busiest weekends of the month. In my company we spent the whole weekend trying to work out how it affected us and how best we could implement it.

"The board's attitude seemed to be: 'We are giving a 20c a kilogram subsidy and we hope you will give something.'

"They really introduced the scheme and hoped for the best. This led to a lack of commitment from the trade."

Mr Pieterse believes the subsidy method was wrong. Instead of offering to subsidise butchers by 20c a kilogram, the board should have subsidised

the auction floor price by the same rate and the trade could then have passed on the lower price to the customer, he said.

The meat subsidy controversy struck the nerve of the nation because South Africa is a huge meat-eating country — or was before prices went crazy.

Rows over meat price are not new. Newspaper libraries are full of clipping files reflecting unrest in the industry for decades.

Only a year ago a commission of inquiry under the chairmanship of Mr Justice Eloff announced findings which drew no dramatic conclusions, censured no one and offered a few minor recommendations.

It had no quarrel with the "Big Three" producers, who are invariably accused of being "fat cats" who cream off much of alleged big profits and allegedly conspire to fix auction floor prices.

Mr Pieterse denied that prices were fixed and that there were big profits to be made.

"Prices are determined solely by the law of supply and demand. We are all com-



Dr Pieter Coetzee, general manager of the Meat Board.

petitors, although I feel there should be more liaison between us so we can foresee market trends," he said.

Independent consumer market watcher Mr Leon Louw, executive director of the Free Market Foundation, agreed.

"There is no evidence that the Big Three conspire to fix floor prices," he said. "It is an easy thing to say, but it would be in their own interest to break any monopoly."

Mr Pieterse said the profit margin was so low, the trade was struggling to keep in the black.

"Our mark-up is small and we have to turn over a lot of meat before making any money. People believe the trade is taking them for a ride, but this is simply not so. Profit figures reflect this.

"Last year net company profits were in the one to 1.8 percent range. This year the profit margin will be even lower."

necessary? The trade and informed observers believe it is in a country where the supply of meat can, through climatic conditions, be erratic.

Is the Meat Board The board is a statutory body, responsible to the Department of Agriculture where the man directly in charge, deputy director-general Mr Willem Treurnicht, is described as a "falcon-eyed economist with a razor-sharp mind."

The majority of board members — eight — are producers, as in the case of other agricultural control boards, a situation which has drawn criticism.

Mr Sid Matus, executive director of a retail chain, has argued that there should be more retail and consumer representation.

Mr Leon Louw believes the majority of the board should comprise what he called "intelligent independents with no self-interest," thus allaying suspicions about board decisions. It was unhealthy for vested interests to have control, he said.

"It is about time control boards took up their real function and became marketing boards, working with market prices," Mr Louw added.

There is a lot in difference. Keynes is more interested in the demand for money where it concern interest earning assets, where as Friedman looks upon the demand for money where a person's skills and abilities are important, which Keynes doesn't do.

planned

"By subsidising meat, the Meat Board is trying to stop the price mechanism of supply and demand and in so doing they cause more disruption than stabilisation."

Mr Pieterse said that overall the meat industry needed to gear itself up to restore its bad image.

"We need to face up to reality and get some excitement back into the industry. We need to get down to marketing meat. All we have done in the last 30 years is do away with the stripped apron."

"We must drop our negative take-it-or-leave-it attitude,

modernise our thinking and give the customer more value for money."

To cut costs, he would like to see the industry use central packaging units, where meat was prepared for sale in centralised depots by established butchers, saving labour duplication. The Meat Board is considering the idea.

The red meat industry had to face up to the reality of the threat of the white meat trade which had lower production costs, Mr Pieterse said.

"We must convince the housewife that she can get more value out of a piece of meat than from a chicken."

"It is up to us in the industry to accept the challenge and get out of our big sleep."

City meat prices sliding

Consumer Reporter

MEAT prices are continuing to fall at Cape Town abattoir auctions because demand has slackened off after last week's buying spree.

But prices vary widely in city shops.

Pick 'n Pay which is still selling meat at 40c a kg below its normal prices this week has cheaper lamb than the other chains.

But at OK Bazaars, Grand Bazaars and Checkers beef is cheaper and it might be possible to find lower prices at some smaller butcheries.

The following is a price comparison of super grade cuts at various shops, except the Maitland branch of Grand Bazaars where the prices apply to both super and prime.

Price guide

It is intended only as a guide and not as a recommendation to buy. An exact comparison of quality is not possible because there are different grades of super.

Prices and quality might vary at different branches of the same supermarket chain.

Pick 'n Pay: Topside, R4,48 a kg; rump steak, R6,98 a kg; leg of lamb, R3,78 a kg and braai chops, R3,58 a kg.

OK Bazaars, Adderley Street: Topside, R3,98 a kg; rump steak, R6,28 a kg; leg of lamb, R4,80 a kg and braai chops, R4,80 a kg.

Grand Bazaars, Maitland: Topside, R4,48 a kg; rump steak, R6,68 a kg; leg of lamb, R4,28 a kg and braai chops, R4,48 a kg.

Checkers, Gardens: The butchery manager was not certain of his beef prices at the time of going to press but said topside would be between R3,96 and R4,20 a kg and rump steak between R6,80 and R7,00. Leg of lamb would be R3,88 a kg and braai chops, R4,34.

Woolworth's, Adderley Street: Topside, R6,09 a kg; rump steak, R8,35 a kg; leg of lamb, R4,75 a kg and braai chops, R5,69 a kg.

In comparison, a small family butcher at Hout Bay is charging R4,98 a kg for topside, R7,68 for rump steak, R4,55 for leg of lamb and R5,20 for braai chops.

Eskay Butcheries' counter prices for prime grade this weekend are: topside, R3,95 a kg; rump steak, R5,75; leg of lamb, R3,89 and braai chops, R3,39.

R6m meat subsidy back again in 1983

By GERALD REILLY
Pretoria Bureau

THE Meat Boards' R6-million red meat subsidy scheme is to be re-introduced — but only after New Year, the general manager of the board, Dr Pieter Coetzee, said in Pretoria yesterday.

But the Housewives League and the manager of a large chain store have attacked the decision, saying the run-up to Christmas is the time for consumers to benefit from the subsidy.

Before the scheme collapsed 10 days ago, the board had spent between R600 000 and R800 000 on the subsidy — but mainly for the benefit of the affluent consumer, the Housewives League claims.

Dr Coetzee said the balance of the R6-million would be available when the scheme was relaunched.

The decision was taken at a meeting in Pretoria yesterday of board members and representatives of the wholesale and retail meat trade. The timing of the scheme's re-introduction had the full support of the trade, Dr Coetzee said.

He said it was decided that the appropriate time to re-

start the scheme was after Christmas, when there would be a real need among consumers for cheaper meat.

But, the OK Bazaars' general manager for food, Mr Ralph Horwitz, said the board's decision was a bad one.

"If there is money to be spent, which there is, and if there is a surplus of meat, which there is, then the consumer should benefit in this period — the run-up to Christmas," he said.

Mr Horwitz said a subsidy from OK's meat suppliers would not last longer than another week. And Mr Robert Cohen of Pick 'n Pay said his organisation would continue to pay its own 40c a kg subsidy on all red meat sales until next Saturday. The subsidy, he claimed, had doubled red meat sales at Pick 'n Pay.

The president of the Housewives League, Mrs Joy Hurwitz, said one of the problems in last week's "subsidy fiasco" was the fact that the more affluent buyers were buying in bulk and storing the meat.

The average consumer did not benefit, she claimed.

If the board wanted to get rid of the enormous supply of

red meat, the support price should be abolished, she said.

Consumer resistance to the excessively high prices was the main reason for the over-supply position which had developed.

Mrs Hurwitz said if there were to be benefits for the consumer in the re-introduced scheme, it would be better if they were introduced between now and the Christmas period.

"Give the consumer a Christmas present," she said.

Meanwhile, the board expects a plentiful supply of beef and other red meat for the Christmas and New Year season.

But a board spokesman said in spite of the availability of large meat supplies, the usual increase in prices over Christmas and New Year could be expected.

Dr Coetzee denied that during the subsidy period the board had tried to offload frozen beef on the market — a move which some sources claim resulted in consumer resistance.

However, a limited amount of frozen lamb was made available at the request of meat traders, he said.

FM 5/11/82
MEAT SUBSIDY 3 meat

Done to a turn

~~Meat Board~~
If Meat Board GM Pieter Coetzee was a crypto-Friedmanite who had deliberately set out to prove by example that subsidies



Pig carcasses ... awaiting a suspended subsidy

same time, the board was refusing slaughter permits because of "over-supply"

One can see, however that the board has a problem. There are 27 000 beef carcasses, 25 000 sheep and 4 000 pigs in cold storage. In addition, 250 000 animals are waiting to be sent to market.

The board's answer to the situation was the subsidy — hastily introduced, then withdrawn in panic. Its new answer is apparently a redesigned subsidy. But, says Coetzee, consumers should not get caught up in "panic buying". They should buy in normal quantities and should shop around.

There are grounds for scepticism. Given the Meat Board's record, who is to guarantee there will be any meat at all next week?

distort the market, he could not have succeeded better. As it is, the board has succeeded in making a laughing stock of itself — which is as it should be.

The best that can be hoped for is that the whole subsidy mess will prompt someone to take a careful look at the system of distributing and marketing meat in SA. If the whispers within the industry are to be believed, an investigation is overdue.

As it is, nearly everyone concerned with the failed (and now to be redesigned) R6m subsidy is blaming nearly everyone else for the fiasco.

Perish the thought that wholesalers deliberately pushed up lamb auction prices in order to profit from the subsidy. So, at least, say the wholesalers. In fact, an Imperial Cold Storage spokesman blames the Meat Board for trying to offload stockpiled frozen meat — thus setting up consumer resistance.

Not guilty, says Coetzee. Frozen stocks had only been released because demand had shot up too fast — hardly surprising when a subsidy is introduced.

In any case, says another board spokesman, it was not the intention to offload frozen beef, mutton and pork. "We can export it or sell it to the mines but as far as possible it will be kept away from the consumer," he says.

The mines, no doubt, will be interested to find that they do not rank as "consumers" and the *FM* understands their tough quality-control people are gearing up for a careful look at any special offers from the Meat Board.

Meat industry statements do, however, tend to be contradictory. The major problem is supposed to be the "on the hoof" surplus — yet frozen meat was released because "demand shot up too fast." At the

Cheaper meat but only in 1983

Cape Times
6/11/82

3 Meat

[Handwritten signature]

Own Correspondent

JOHANNESBURG. — The Meat Board's R6-million red meat subsidy scheme is to be reintroduced, but only after Christmas and New Year, the general manager of the Meat Board, Dr Pieter Coetzee, said in Pretoria yesterday.

A consumer organization and a large chainstore group criticized the decision.

They claim if the money is available, and there is a surplus of meat, consumers should get the benefit now.

Before the scheme collapsed ten days ago, the board had spent between R600 000 and R800 000 on the subsidy.

Dr Coetzee said the balance of the R6-million would be available when the scheme was launched again.

The decision to launch the subsidy again was taken in Pretoria yesterday at a meeting of members of the board and representatives of the wholesale and retail meat trade.

Dr Coetzee said that the meeting decided that the appropriate time to start the scheme again was after Christmas, when consumers would need cheaper meat.

The board expects a plentiful supply of beef and other red meat for the Christmas and New Year season.

Nevertheless, a board spokesman warned that prices could be expected to rise during the festive

season, as they normally did.

Mrs Joy Hurwitz, president of the Housewives League, said consumers needed the subsidy now.

"The subsidy would help neutralize the price increases which normally take place at this time of the year".

The general manager (food) of the OK Bazaars, Mr Ralph Horwitz, agreed. He said the board's decision was a bad one.

Surplus

"If there is money to be spent, which there is, and if there is a surplus of meat, which there is, then the consumer should benefit in this period — the run-up to Christmas," Mr Horwitz said.

Dr Coetzee denied that during the brief period of the subsidy the board had tried to offload frozen beef on the market — a move which, the league claims, consumers resisted.

He said: "Last Friday, 4 000 lambs were slaughtered. On Tuesday we slaughtered another 7 000 and this was still not enough to satisfy the demand from traders."

TELEGRAM FOR YOU : 25

③ meat o. butch. to 1/1/50

Meat trade talks call

EAST LONDON — The chairman of the East London Meat Traders' Association, Mr Dennis Meyer, yesterday called for closer links between meat producers and retailers to eliminate misunderstanding and misconceptions in the industry.

If producers felt butchers' mark-ups were excessive and responsible for high consumer prices they should talk the matter over with the organised retail trade, he said.

Mr Meyer was commenting on a complaint by a Maclear farmer, Mr Ian McFarlane, who claimed that producers had to carry the burden of high marketing costs alone and that butchers' mark-ups were excessive.

In a letter to the Editor of the Daily Dispatch, Mr McFarlane said farmers were often blamed for high meat prices.

The high costs of marketing were, howev-

er, not passed on to the consumer.

In an interview yesterday, Mr McFarlane said butchers were "taking the consumer for a ride" and should be limited to a certain mark-up.

"The farmer cannot be accused of making excess profits. He is hardly breaking even. The consumer should bear some of the marketing costs and some of the middle men, like the wholesale butcher should not be allowed to operate in the market," he said.

Mr McFarlane with his letter submitted a copy of a recent sale of beef animals he made at the East London abattoir. The marketing costs of the transaction amounted to 15.5 per cent of the gross proceeds.

The local representative of the Meat Board, Mr Gert Olivier, said

yesterday levies paid by producers at the abattoir were fixed. Some meat handling agents, however, charged their "good" clients a reduced commission.

Mr Meyer, commenting on the suggested fixed mark-up for butchers, said this would be in direct conflict with the principles of free enterprise.

"We won't sell any meat and the producer won't sell any meat if a fixed mark-up was introduced.

"There is clearly too little contact between producers and the meat traders. If the producers feel strongly about this issue we should discuss it," said Mr Meyer.

The secretary of the East Cape Agriculture Union, Mr K. P. Odendaal, said the South African Agriculture Union was making a "genuine

effort" to bring relief to both consumers and producers.

However, fixed mark-ups for retailers would be tantamount to price control, which was expensive to enforce.

Statistics showed that only about 50 per cent of the consumer rand went to the producer. However, several commissions investigating the profit margins of retailers had found that mark-ups were not excessive.

"The union is doing all in its power to get relief for the farmer whose production and marketing costs are high. But

the union also has to look after the consumer, who is an indispensable ally of the producer," said Mr Odendaal.

A spokesman for the Consumer Council, Mr Bill Heunis, said producers had the Meat Board and "various other organisations" to conduct business "on their behalf".

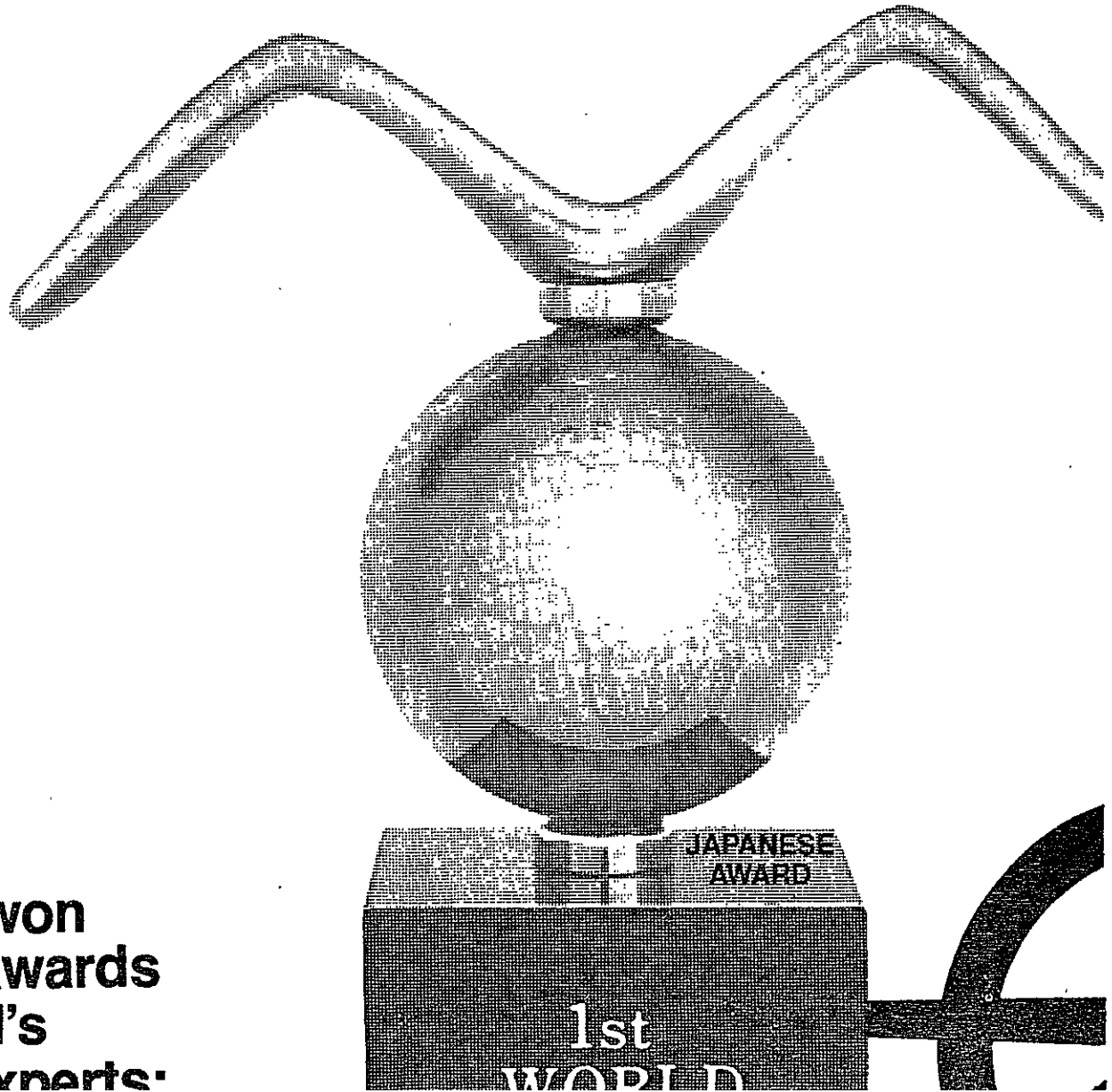
The consumer, he said, could not be expected to finance farmers to produce. "If the farmer is really in dire straits he knocks on the government's door and gets assistance."

Consumers had to absorb whatever is "dishevelled up" as price increases, said Mr Heunis. — DDR

Marijuana farms found

LAGOS — Police in Oyo state, just north of here, have discovered 15 marijuana farms covering a total of 28 hectares over the last four months.

A police statement in Ibadan, the Oyo capital, said police found the latest marijuana farm, covering three hectares, over the weekend. — SAPA-RNS



Cona has won parts and awards of the world's rotating experts.

MEAT INDUSTRY

Joint effort

From 19/11/82

③ meat

The meat industry is getting together in what could well become the most influential body in the sector. The Africa Livestock Foundation (ALF), in planning since 1977, came into being last week.

One of its most important goals will be to ease the friction in the meat business and to find solutions.

Primarily, it will serve as a forum for all sectors — manufacturing, livestock production, the veterinary and chemical professions and consumers. Its advisory council, which will meet for the first time in January, has five representatives from each interest group.

Corporate members

Numerous companies and meat-allied organisations have already shown their interest. The 12 corporate members who have joined so far, include the SA Federation of Livestock Auctioneers (SAFLA), W L Ochse, Malcomess and AECI's Kynoch Feeds. The ALF estimates that membership to date represents 50% of the industry.

Says convenor Danie Scholtz, secretary of the SA Feedlot Association.

"For years we have been trying to get everyone around a table to talk about meat. If we want to iron out problems in the industry, educate people about products and concentrate on producing enough for future needs, this is the only way to do it."

Scholtz rightly points out that various other bodies have tried to organise the market through regulation, permits and other controls — and all have failed.

"Now," he says, "everyone can have their say about how they think the market should go. If they want a freer market or greater control, they can say so."

Scholtz admits that the big task ahead is to sign up the rest of the industry, such as co-op members and the Meat Board, all of whom are still considering invitations to join.

The ALF's goals have been put in the

broadest terms possible. It does not consider itself a policy-making body, but, a spokesman says, if enough support is obtained and it gains momentum, the federation could exert a powerful influence on the ultimate decision-makers.

Comments SAFLA president Rassie Erasmus: "We want to avoid having re-

peats of debacles such as the pig permit scheme, which still remains to be implemented and the R6m meat subsidy. Insufficient consultation with the meat industry has always resulted in chaos."

Besides coordinating the different sectors, the ALF believes it can help obviate a lot of misunderstanding and friction by fur-

ther educating the public on various facets of the industry.

To do this, it will hold a major exhibition cum show and conference on the Witwatersrand in September next year. There, for the time, all sections of the meat trade, from farmer to consumer, will have the chance to sit and talk problems over

—business feature

Stas 3/12/82

Beef price to drop ^{3 meat} on Monday

By Colleen Ryan, Consumer Reporter

Beef prices may drop by more than 20c a kg on Monday when a new Meat Board subsidy scheme is put into effect.

Old age homes and orphanages will get special reductions.

The general manager of the Meat Board, Dr P H Coetzee, said today the board had lowered the floor price of beef to wholesalers by 22c a kg.

The subsidy would be drawn from the original R6 million granted by the board from its stabilisation fund.

AID TO SALES

The scheme will allow the trade to buy beef at reduced prices and will promote meat sales," said Dr Coetzee.

Further reductions in beef prices would be available to the aged and to orphanages.

Pensioners in registered homes for the aged would be eligible for a R1 a kg discount this month.

The scheme would be extended to orphanages next month.

The scheme will allow the trade to buy beef at as much as 22c a kg below the current

floor price," said Dr Coetzee.

He said the board was trying to reduce the surplus of beef by reducing prices to the trade, in the hope it would pass on the benefit to consumers.

The scheme would apply only to beef because other red meat did not require special marketing at this stage.

Country butchers would also be able to participate in the scheme.

BONUS

"As an additional incentive to the retail trade to increase meat sales, the board will also pay butchers a 20c a kg bonus on all meat sales in excess of their weekly average of the past six months," he said.

"This bonus will apply to all types of red meat."

He appealed to consumers to use their bargaining power and not to make hasty purchases but to compare prices to obtain the best possible buy.

A director of Pick 'n Pay, Mr Richard Cohen, welcomed the subsidy move and said his group would pass on any discount it received from wholesalers.

RBM 4/12/82

New R5m beef subsidy, chicken price set to drop

3 meat

Meat Reporters

THE Meat Board is to launch a new R5-million beef subsidy scheme to cheapen meat for consumers from Monday.

And consumers may be able to buy cheaper chickens during the festive season as the wholesale prices of frozen chickens drop to around R1.50/kg from Monday.

The success of the beef scheme, however, will, according to the general manager of the Meat Board, Dr P H Coetzee, depend heavily on the cooperation of the trade.

And wholesalers are hoping that the retailers will pass the better price — the lowest charged over Christmas for many years — on to the consumer. It will remain in force until the new year.

The chicken price normally increases over Christmas and last year it was around R2.00.

One large wholesaler is charging R1.45 for chickens at the coast and R1.49 inland.

The original scheme to cut meat prices launched five weeks ago collapsed because of lack of cooperation from the trade, claims the board, and prices of some meat, especially lamb went sky high.

Also to benefit from the new scheme are old age homes and orphanages.

Main benefits of the new scheme are:

- Trades will be able to buy beef at as much as 22c/kg below the current floor price;
- The board will pay butchers 20c/kg bonus on all red meat sales in excess of their weekly average of the past six months;
- Registered old age homes will be able to buy beef at R1/kg discount for the whole of December;
- In January when schools

reopen the same concession will apply to orphanages for the whole of that month.

Dr Coetzee said the trade, in terms of the new scheme, would be able to buy beef at reduced prices and at the same time promote sales.

The previous scheme provided for a refund to retail butchers on their purchases.

The new scheme would enable the trade to buy the currently relatively large supply of beef at reduced prices, in the expectation that consumers would benefit.

"The board cannot force dealers to sell their meat at certain prices. Nor can it force auction prices down to levels below what the dealer is prepared to pay."

Dr Coetzee said the success of the scheme would depend largely on the wholehearted cooperation of the trade, and the vigilance of consumers.

3 mee 8/12/82 RAm.

Price won't fall in some controlled areas

Beef subsidy hassles perplex Meat Board

By GERALD REILLY
Pretoria Bureau

THE Meat Board's new R5-million beef subsidy scheme has run into problems in some of the main controlled areas, the board's general manager, Dr P H Coetzee, said in Pretoria yesterday.

Dr Coetzee said despite a deliberately engineered over-supply, prices remained above the floor price level in Pretoria, Cape Town and for some carcasses at the City Deep abattoirs.

The scheme is based on the normally-reliable economic law that, if there is an over-supply of a commodity and a steady demand, prices should fall.

"We are flabbergasted this is not happening. We are at a loss to explain it," Dr Coetzee said. But reports from Durban, Port Elizabeth, East London, Bloemfontein and Kimberley show the scheme appears to be working — prices had fallen below the floor price.

Reacting to claims that the board did

not tell butchers about the new scheme, Dr Coetzee said letters had been sent to all registered butchers on November 26.

"We also arranged meetings with butchers in all controlled areas on December 1 to tell them how we hoped the scheme would work," Dr Coetzee said.

In Johannesburg on Monday there were indications that prices would fall below the floor price, and in fact super grades fell to R2,05/kg against the floor price of R2,28.

But most of the super A1 grade — the younger animals — were sold for prices above the floor price — although more than 3 000 carcasses had been offered against the normal supply of about 1 700, a board spokesman said.

Yesterday 2 097 carcasses were offered, and despite the over-supply, prices rose again above the floor price level — supers sold for about R2,30/kg.

"We cannot understand why this is. The claim that not enough supers are on offer is not valid," the spokesman said. To ensure more than adequate supplies

the Meat Board made available packed super-beef in boxes.

Abattoir workers had worked overtime at the City Deep abattoir and other abattoirs during the past four days to ensure that more than enough carcasses would be on offer. And in Pretoria on Monday, 506 carcasses were available, but only 440 were bought by the trade at prices that were unnecessarily high.

The board spokesman said this was disturbing, but the board had no control over auction prices. The same tendency was apparent in Pretoria yesterday when prices rose above the floor price level — again despite adequate supplies.

"We are doing our level best to keep the markets supplied, in fact some are over supplied and under those conditions the price should fall below the floor price. There is nothing more we can do," the spokesman said.

He stressed that the success of the scheme depended on the fullest co-operation from the wholesalers and retailers.

Bid to save anchovy, pilchard industry

Cape Times 8/12/82
3 Fishing 154

By MICHAEL ACOTT
Political Correspondent

FAR-REACHING measures aimed at saving South Africa's pilchard and anchovy fishing industry from total collapse were announced last night.

The steps, announced by the Deputy Minister of Environment Affairs and Fisheries, Mr John Wiley, take effect next year.

The main change is a switch in the fishing season from winter to summer — a move long advocated by the controversial Port Elizabeth scientist Dr Jan Lochner, who predicted the collapse of the once-flourishing fishing industry in SWA/Namibia.

Similar fate

Dr Lochner, whose theories have so far been rejected by the government, argued that the important West Coast industry faced a similar fate without a fishing season change because young adult fish are being caught before they can reproduce.

Mr Wiley, one of Dr Lochner's few champions in official quarters, told a press conference the "new deal" should result in the West Coast's pelagic fish industry — mainly pilchards and anchovies — being rebuilt.

He has resisted departmental calls for a reduction in the quota of pelagic fish, those caught in surface purse-sein nets. He has concentrated on the change in the fishing season, while removing other pelagic fish — maasbanker, mackerel, red-eye and lantern fish — from the 380 000-ton pelagic quota.

Mr Wiley also announced a reduction

from 136 000 tons to 120 000 tons, in the stockfish quota. He warned of further severe cutbacks if these fish, caught by deeper trawls, continued to show a deterioration and if "gross irregularities" by some catchers were not stopped.

He described the West Coast as one of the richest fisheries in the world, but said all the warning signs pointed to a collapse of pilchard and anchovy stocks. The fishing industry had assured him of support for an entirely new system to try to correct the situation.

The West Coast pilchard catch has dropped from 318 000 tons in 1960 to 35 000 tons this year. The anchovy catch has risen from only 300 tons in 1963 to 307 000 tons amid warnings that this, too, will collapse because too many young fish are being netted.

False Bay restrictions

This is the second major change to conserve the country's marine resources Mr Wiley has announced since taking office. The earlier move concentrated on False Bay, which from January 1 will be closed to purse-sein trawlers with further restrictions on commercial crayfishing and trek-netting.

● The new moves were welcomed by Mr Errol Moorcroft, an opposition spokesman on environment and fisheries. He hoped the measures would help restore an important resource and that the government would not hesitate to take additional steps should these prove necessary.

● Fishing season to change,

page 13

No cut in quota in spite of warnings

News 8/12/82

3 (1) X 113

Environment Reporter

IN SPITE of warnings from scientists that the existing quota of 380 000 ton for the Cape's pelagic fishing industry was too high for the future safety of the stock, the Deputy Minister of Environmental Affairs, Mr John Wiley has refused to change this figure.

Announcing the quotas for the coming year, Mr Wiley said although the Division of Marine Development had recommended that the quota be cut to 325 000, he could not accept drastic cuts because this would set off a chain reaction affecting the price of fish meal, which was already too high.

Mr Wiley said scientists had not yet succeeded in setting a "safe" level of utilisation.

"The industry wanted the quota maintained, and the scientists wanted it cut to 325 000. The cut would cause a chain reaction pushing up the price of fish meal, and affecting chicken farming and dairy farming industries," he said today.

One of the changes announced by Mr Wiley was that the season for pelagic fishing would be changed to November to March, instead of the existing season of January to August.

RECOVERY

"Scientific evidence shows that the fish spawn in October. It is logical that they should be caught in November. I believe that this will give the fish an extra five to six months to grow and spawn, and put the industry back on the road to recovery," said Mr Wiley.

Other changes announced by Mr Wiley include a cut in the deep sea trawling quotas for stockfish from 136 000 to 120 000.

The sole quota is to be cut from 970 to 950 ton.

To encourage more fishing for underutilised species such as red eye, lanternfish, mackerel and maasbanker, these will not be included in the pelagic quota.

Former Sea Fisheries scientists earlier found that the best scientific evidence available showed that the existing pelagic quota of 380 000 was too high for safety. The best scientific figure available was 325 000, ascertained in research by Dr R J M Crawford of the Sea Fisheries Institute.

Mr Wiley made other changes during his short-term in office, including closing False Bay to large-scale commercial fishing.

COMMERCIAL PHOTOGRAPHY

Meat subsidy fails to lower price of beef

20m 9/12/82 (3) meat

By GERALD REILLY
Pretoria Bureau

THE R5-million the Meat Board has set aside to force beef prices down below the floor price is virtually untouched, the general manager of the board, Dr P H Coetzee, said in Pretoria yesterday.

This is because heavy buying of beef at controlled market auctions has kept the price above or only marginally below the floor price.

The object of the scheme was to over-supply markets and force the price below the floor price.

The board would then subsidise producers.

But it has not happened that way — and Dr Coetzee is at a loss to explain why.

Dr Coetzee said a possible explanation was that the big meat buyers had been over-

buying and storing in anticipation of a heavier demand.

This view is supported by the secretary of the Federation of Meat Traders, Mr Tim Davidson, who said it was too early to assess the effectiveness of the scheme.

“By Friday or early next week we should know. By then the big buyers will have saturated their storage facilities and prices must come down, providing the board maintains the present heavy supplies,” he added.

And this the board is doing.

Dr Coetzee said the system of over-supply had been operating since last Thursday and abattoirs had been working overtime to ensure more than adequate supplies.

Answering criticism that too little high grade meat was being offered, Dr Coetzee said supplies of high grade beef had been increased to 70% or 80%.

Dr Coetzee said there were

indications of a marked tendency for prices to fall.

At City Deep on December 1 the price was 240,5c/kg. This week it was around the floor price of 228c/kg. In Cape Town it was 243,8c/kg on December 1, and this week about 239c, and at Cato Ridge it was 227,5c and 226,6c.

The steady beef market prices were preventing supermarkets from dropping their prices.

Retailers say beef is in such short supply they cannot afford to drop their prices yet.

Mr Bernie Hefferman of Pick 'n Pay said that yesterday they had received no Super A beef.

Checkers and the O K Bazaars both reported there had been no softening of prices yesterday.

Super lamb market prices dropped considerably from an average of 335c/kg on Tuesday to 296c/kg yesterday.

FISHING (3) Fishing
Tight lines FM 10/12/82

Deputy Minister of Fisheries John Wiley has got off to an energetic start in his quest to safeguard SA's marine resources. First he closed False Bay to purse seine netters. Now he has introduced radical changes to the administration of the Cape pelagic fishery. For the first move he received three cheers, for the second, only two.

There seem to be a number of flaws in switching the pelagic season from winter to summer months. After a difficult transitional phase in 1983, when the season will be split in order to allow pilchard and anchovy to "recruit" during the winter months (April to October), the new season will run continuously from November 1983

Financial Mail December 10 1982

to about April 1984; also in subsequent years.

The quota has been left at 380 000 t (despite the entreaties of departmental scientists to cut it to 325 000 t), but it will apply to only pilchard and anchovy. Open season has been declared on "other" species — mackerel, maasbanker, red-eye and lanternfish — in the hope that fishing effort will be diverted to less exploited species.

According to industry experts, the new deal has a number of serious flaws which could hamper implementation.

For a start, it seems that fishing companies are going to lose half their 1983 quota because they may only land 190 000 t of quota fish in the first quarter. The 1983-1984 season starting November next year will doubtless carry 380 000 t of its own, so what happens to the other half of the 1983 quota? Wiley didn't say and his officials don't know.

It could mean that serious shortages of fishmeal are going to develop between April and November next year and that the balanced feed industry might have to import meal.

The cost of importing and the cost of holding stocks is going to inflate the price of broilers and porkers — something Wiley said he wanted to avoid. Walvis Bay is short of meal too.

In any event, the fishing companies are going to have to lay out large sums, interest free, to tide their fishing crews and contracting catchers over the period between the end of the first mini-season and the start of the 1983-1984 season. Somebody will have to pay and it looks like being the consumer.

Another potential flaw is that the pelagic fishing season will now coincide with the lobster season. Pelagic fishing companies are also lobster quota holders. This implies a heavy concentration of effort in the summer months. Will the companies have to invest in additional gear which will stand idle for six months of the year?

The major objection to the new deal is that pelagic fish are in poor condition during the summer months. In the past, the fishing companies have voluntarily delayed catching until late March or April due to this. Fish caught during November to March have low body weight and contain almost no body oil (a major by-product of the meal conversion process). This means that more, not less, fish will have to be caught to make up one ton of quota fish.

A delegation of chief executives of the six major fishing companies is due to see Wiley today.

ZIMBABWE

Warring with words

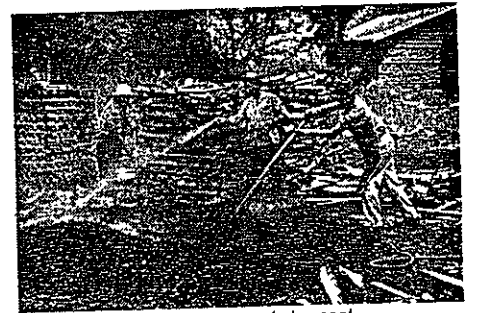
The appeal this week by Zimbabwe's Minister for Legal and Constitutional Affairs, Edison Zvobgo, for the British public to ig-

Financial Mail December 10 1982



Jack Daniel Distillery Named a National Historic Place by the United States

AT THE JACK DANIEL'S
 hard maple wood in the op
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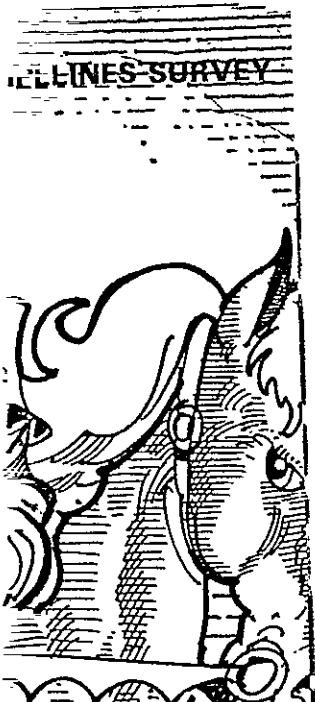


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Govt call to fishermen

CAPE TOWN 15/2/82

3 Fish

Industrial Reporter

THE WEST COAST fishing industry was warned yesterday that it faced a lean two years and was urged to co-operate with the government on new conservation policies intended to rebuild the resource.

A top-ranking government party led by the Deputy Minister of Fisheries, Mr John Wiley, told the industry during a tour by helicopter that the fishing resource was in serious peril and its preservation would require tough, if experimental, measures.

The party, comprising MPs of the coastal constituencies from Cape Point to the border with SWA/Namibia, explained elements of the new policies to fishermen and took in complaints and advice from fishermen and company directors.

Fishermen maintained

that one of their biggest problems was the recently-introduced, radical change in the pelagic fishing season, which would now overlap with the crayfish season and cause a loss in revenue on both — with serious socio-economic implications.

Mr Wiley's theme, however, was that the resource was over-exploited and the strains were beginning to show with increasing severity.

He was aware that many in the industry believed government policy was emphasizing conservation at the expense of business, but a failure to act determinedly would mean a repetition of the devastation that struck the industry in Walvis Bay.

"I don't think that we, the industry, or the marine scientists, have all the answers, but we have to work for a solution," Mr Wiley said.

Meat subsidy ^{(3) Meat} _{Star} scheme ends ^{22/12/82}

By Hannes Ferguson,
Farming Correspondent

The Meat Board's subsidy scheme had served its purpose and would be withdrawn in stages, the board's acting general manager, Mr Larry Heystek, said in Pretoria today.

The board's butchery subsidy on above-average turnover ends today. The auction price subsidy enabling wholesalers to buy carcasses below floor prices will end on Friday.

Mr Heystek said the aim of the scheme was to prevent as far as possible the December build-up of beef prices. This had been done, and for about half the auction days since December 2 the wholesale prices were below floor prices.

However, during the last two short working weeks prices rose because of the limits of abattoir facilities.

Lamb prices were never included in the subsidy scheme.

It is understood that about R2 million of the subsidy kitty is still available and will be used at a future stage when prices show unhealthy trends.

Meat Board members said they wanted to prevent red meat from becoming a luxury item, and that stock farmers as well as the meat trade should aim at high turnovers on reasonable price levels. All the board could do was to provide a regular over-supply and make incentives available to influence the free market.

This could not prevent prices from rocketing during the Christmas week.

375

FM 3/12/82

levels were determined at a time when the cost of unskilled labour was much lower. Many employers looking for ways to cut costs are discovering that they can reduce labour and still maintain the same volume of production.

Given the low rate of growth and job creation predicted for the coming year, this more permanent reduction in employment levels will obviously contribute to serious levels of long-term structural unemployment. This holds political dangers.

Hardly surprisingly, employers are discovering that the downturn is not yet causing a marked decline in union activity. On the contrary, there are signs that the threat of retrenchments is encouraging union growth — precisely what has happened in the UK.

Tough decisions

One immediate consequence is that many managements are finding that where in the past it was possible to shed surplus labour with comparative ease, their authority to arbitrarily declare certain workers redundant is now being forcefully challenged.

It is natural that some should resent this. But while declaring employees redundant is a difficult, painful task, survival often depends on tough decisions. It is a tribute to those who pressed for the restructuring of SA's labour relations that, in some cases, retrenchments are not proving as fraught with bitterness as they might have been.

Companies which have established a sound relationship with unions are finding that the workers themselves can play a constructive role in the retrenchment process. These are employers who acknowledge that collective bargaining is a process of joint decision-making which seeks equity at the workplace.

Significantly, even the leaders of some of the most tough-minded emerging unions have accepted the necessity of retrenchments in certain circumstances. What they appear to be demanding from managements is an honest attempt to ease the pain to workers and a willingness to help union leaders to sell the retrenchment package to workers. "This message has been coming through loud and clear," says industrial relations consultant Gavin Brown.

Such an attitude generates hope that the

collective bargaining system will be preserved. Industrial relations consultant Stuart Pennington believes that there are emerging unions which want to preserve the system, but says there are others who are not in the mood to make the necessary compromises. Those who behave recklessly, and do not realise that the balance of power is in favour of employers, will suffer severe setbacks, he adds.

It is not just unions that have to come to terms with economic realities. Employers also have to make sacrifices to promote the credibility of the collective bargaining structures they favour, whether these are industrial councils or arrangements created by recognition agreements. Some of the more obvious measures they can adopt to avoid retrenchments include shorter working weeks, early retirement, controlling overtime and not replacing workers who leave. Once it becomes impossible to avoid retrenching workers, they should be willing to negotiate matters such as redundancy procedures and pay with employee representatives.

Employers' prime responsibility is to ensure the survival and profitability of their enterprises. But many recognise that they do have some responsibility to society — and that means minimising the traumatic effects of retrenchments. They cannot afford to ignore high unemployment which can affect the stability of the society in which they operate.

Family system

SA's black people have a proud history of coping well in times of economic hardship by relying on an extended family system. This has helped the unemployed to survive for long periods. However, increasingly overcrowded conditions in the homelands and an already high rate of unemployment are placing severe strains on this traditional informal welfare system. Labour economist Charles Simkins and social anthropologist David Webster have independently reached the conclusion that there are more than 2m unemployed people in SA, constituting more than 20% of the total labour force.

Employers will have to pressure government to devise alternative strategies, such as promoting the informal sector, to deal with this problem. And more attention

must be given to long-term manpower planning needs at all levels. Now is also the time for employers to take advantage of government's generous tax incentives for training.

Manpower planning

Some industries, by the nature of their business, have only limited means of mitigating the direct consequences of a recession. They, in particular, will have to pay renewed attention to their own manpower planning policies. The Sigma Motor Corporation recently showed that it had been providing for the lean years when it announced that about R500 000 was being paid to 485 workers who are being retrenched. A substantial portion of the money paid to these workers is being drawn from a special fund to which employers and employees have contributed in the past. In addition, the company has promised to help ensure workers get money due to them from the Unemployment Insurance Fund (UIF), which is coming in for increasing criticism because of delayed payouts.

While the slowdown will place great stresses on the country's newly created industrial relations system, it may provide benefits as well. One might be a shakedown in the union movement which has grown so rapidly during the past few years. It may also enable many emerging unions, which have gone through a period of strong growth, to consolidate their position and provide more effective administrative structures.

Leaders of some emerging unions are quietly expressing opinions which are not dissimilar to those expressed by those managements wanting greater rationalisation. They believe that strong, democratic unions will survive, while splinter unions, and some which cannot adequately service the needs of their members, may disappear.

Unions that have relied on charismatic leadership or political imperative rather than on solid support at the workplace, and developing the leadership skills of their shop stewards, are also likely to struggle to survive. Those that weather the storm best are likely to be those responsive to management's strategies for survival — which means empathy from both unions and managers is a key ingredient.

BUILDING INDUSTRY

Advantages in adversity

The flaccid economy has finally caught up with the building industry. After enjoying a long Indian summer, this sector — usually six to nine months behind the rest of the business cycle — is fully on the slide. The signs are everywhere, with mood, new building plans, tender prices, margins and

employment levels all on the way down.

The cautious are already battenning down, but, for developers, there is no time like the present to take courage in hand. Costs are down in real terms and the next upturn is believed to be no more than two years away, which should suit the investment

market nicely.

Even more important, it could be the best opportunity government will have for many years to crack the housing crisis in the lower-income group. With materials available and labour keen to do the job, now is the time to go big on mass housing

By GERALD REILLY
Pretoria Bureau

THE Meat Board's second attempt to make red meat cheaper for consumers has failed — it is to be abandoned from Monday, it was reliably learnt in Pretoria yesterday.

The R5-million scheme to lower the floor price of beef by 22c a kilogram was scrapped two weeks after it was launched because, the board claimed, of lack of co-operation from the trade.

It is understood the decision to abandon the scheme was taken after the price of red meat soared at most of the major centres on Monday and yesterday.

At City Deep abattoirs on Monday, lamb spiralled to a record price of 410c a kg. It subsided slightly yesterday, but was still being sold from between 378c a kg and 396c.

Also at City Deep yesterday, the auction prices of

Latest meat subsidy is scrapped as prices rocket

(3) Meat ROM 22/12/82

super beef ranged between 224c a kg and 250c — against a floor price of 228c.

In Pretoria super sold for between 250c and 261c. In Cape Town supers rocketed to 289c and at Cato Ridge in Durban to 265c.

Other grades of meat also fetched high prices.

A spokesman for the Meat Board said yesterday: "We have done everything in our power to over supply the markets and keep the supply position well above demand".

HELENE ZAMPETAKIS

reports that consumer's expectations for cheap Christmas meat were disappointed this year following the sharp increase in demand and an under-supply of slaughtering.

But prices are expected to drop slightly before Saturday.

This was yesterday's message from meat traders, butchers, and supermarket buyers.

Lamb prices, which almost doubled its normal price at R4 yesterday, dropped slightly by 20c for certain cuts, while beef prices rose from

R2,23 to R2,48 this week.

Mr Eddie Bielovich, chairman of the Witwatersrand Retail Master Butcher's Association, cautioned housewives not to panic over yesterday's lamb and beef prices.

"Abattoirs have been working overtime to ensure an adequate supply to trade, but they haven't been able to make up for time lost on Thursday.

"Housewives should find butchers who bought meat before prices climbed and who are still selling at old

prices," Mr Bielovich said.

A spokesman for Pick 'n Pay said they were making a loss yesterday as they had not passed the increase on to customers and still sold meat at normal and special prices.

"The likely trend is that prices will drop slightly but will remain more or less as they are now until the holiday season is over and the demand drops," he said.

Johannesburg butchers yesterday complained of poor sales as high meat prices scared off prospective buyers.

Meat Board: high ^{(3) Meat} prices not our fault ^{23/12/82 ROM}

By GERALD REILLY
Pretoria Bureau

SOARING red meat prices were no fault of the Meat Board, a board spokesman said last night.

The Meat Board, he stressed, had no direct control over prices.

Prices at abattoir auctions were determined purely by supply and demand.

The board attempted to force prices down at the major markets by ensuring a more than adequate supply of stock calculated to keep prices at relatively low levels.

The board's R5-million subsidy was to allow the floor

price to fall by 22c a kilogram below the normal R2,28 a kilogram.

The heavy supplies were calculated to ensure that in fact the prices at auctions would fall below the floor price.

However, except for part of the time, prices, because of an abnormal and unexpected demand, remained at most centres substantially above the floor price, especially this week, which is why the board had decided to end the subsidy scheme at the end of the week.

The R1 a kilogram subsidy granted to old age homes would be continued.

Meat Board subsidy

③ Meat was 'a good idea at the wrong time'

Mercury 24/12/82

Pietermaritzburg Bureau

THE Meat Board's subsidy on beef was the right idea — at the wrong time.

This was the unanimous opinion among wholesale and retail meat traders canvassed yesterday following the announcement that the Meat Board is to withdraw its subsidy for the second time in as many months.

Spokesmen for three major companies in Durban — Wholesome Meats, Federated Meats and Blue Ribbon Meats — agreed that the board was wrong to reintroduce their 20 c/kg subsidy to stimulate beef sales at a time when demand was bound to rise in any event.

Mr Louis Strous, managing director of Wholesome Meats, pointed out that he had criticised the board's timing when they launched their second subsidy scheme three weeks ago.

The subsidy involved making up the difference of up to 20 c between the guaranteed floor price at the abattoirs — for example R2,27/kg on super beef — and the actual price paid to farmers, if it fell below that figure.

However, apart from one or two days at the outset, prices rose instead of falling as producers battled to keep pace with demand — the same phenomenon which led to the downfall of the first subsidy which operated along different lines.

The head of Blue Ribbon Meats, Mr Ron Clauson, agreed that the subsidy had been ineffective, adding that shoppers did not seem to notice price-tags as at Christmas time.

Slack period

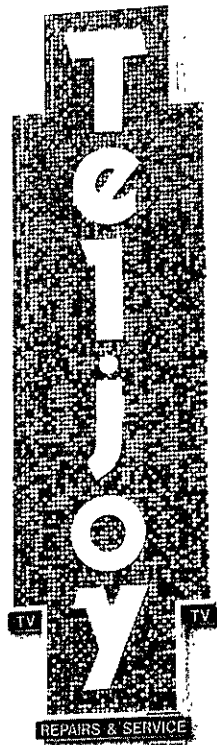
Mr Colin Pearce, of Federated Meats, said the board had been right to withdraw the subsidy because the public was not seeing the benefit of it.

But all three men agreed that the method chosen for the reintroduction of the subsidy was a good one — if only it had been introduced during a slack period.

'Anybody with any experience in the meat industry knows that prices go up at Christmas,' Mr Clauson said. 'They should have introduced the subsidy in the early part of the year.'

Mr Strous said he would be in favour of reintroducing the subsidy during January, providing there were adequate supplies of beef to meet demand.

The bulk of the R5 000 000 set aside by the board to finance the promotion was still intact, he added.



Teljoy outlet ... how many for Aussie?

'Teljoy.'

Marketing in Aussie might not be all that easy. TE, after all, will have to compete with the mammoth Japanese brandnames. Also, TE's past dealings on the international market have been limited. Although the company has sold TVs, under the brandname Fedel, to Israel and Argentina, Mitchell says those were just one-off deals and nothing as significant as the Australian venture.

MEAT INDUSTRY

Unkindest cut

Despite the failure of 1982's second meat subsidy, which will be withdrawn on Monday, the Meat Board (MB) will probably announce yet another early in 1983.

Beef auction prices continued to soar well above floor prices this week, making it impossible for the MB to implement its subsidy, which entails paying farmers up to an extra 22c/kg if auction prices fall below the floor price.

According to MB spokesman Koos Blignaut, prices in isolated areas, such as Port Elizabeth and Bloemfontein, are still fairly low although, countrywide, the trend has been upwards.

"Demand has just been going through the roof," says Blignaut. "And even though there has been a lot of criticism of the scheme, we at least made an honest attempt to fulfil the economic principles of supply and demand."

The MB was supplying auction houses with up to 47% more meat each day. And, on occasion, the auction prices dropped up to 22c below floor price. Yet the MB has

paid out only R600 000 of the R5m it set aside for the project, which, when introduced on December 6, was expected to last only until Christmas.

Prior to the withdrawal of the subsidy, farmers were forecasting doom for the scheme. Said one: "The MB has interfered with free market principles. There are so many factors to consider, it just can't work."

However, it is probable the MB will go ahead with another subsidy in the new year, after the unusually high Christmas demand has settled. Blignaut says he assumes the next scheme will resemble the present one.

"But we will keep an eye on the market for a while," he adds, "and wait for it to get a little less hysterical."

Meat prices plunge

(3) Meat
Mercury
29/12/82

Pietermaritzburg Bureau

BEEF and mutton floor prices plunged in Natal yesterday as the Cato Ridge abattoir at last managed to catch up with demand and supermarket chiefs said their prices would follow suit.

The regional general manager of the Meat Board, Mr Chris de Welzin, said beef dropped yesterday to 40 c less than last week's floor prices.

Lamb and mutton, while not yet at rock bottom, were more than 60 c/kg down on last week's exceptional highs.

Mr de Welzin attributed the fall in demand to the normal after-Christmas return to regular prices, and said they should stay that way until Easter, with the possible exceptions at the end of the month.

Reduced

The reduction in demand was evident in the drop in the number of animals slaughtered yesterday, with beef down 300 carcasses to 1 057, and lamb 100 down to 7 005.

Slaughter quotas, which would remain high until the end of the week, would be reduced to normal levels of about 800 cattle and 5 500 sheep next week, Mr de Welzin added.

Mr Ron Clauson, head of Pick'n'Pay's meat division, said any savings would be passed on and the group's prices were likely to drop by between 10 and 20 c/kg on both beef and lamb.

Pushed up

Mr Clauson said his organisation had sold R100 million of meat in 10 months of 1982.

Christmas demand had pushed up sales by 30 percent by weight over last year.

Mr Alan Bulman, a Pietermaritzburg butcher, said he had absorbed the Christmas increases rather than put his prices up, so he would not necessarily drop them now that wholesale prices had returned to normal.

However, all butchers had to remain competitive, so he felt certain they would cut their prices where possible.

comparison of the
usual dishes. Quite
analytic.

9
20

Meat down as boom ends

3 West D Republic 20/12/82

EAST LONDON — The meat price boom has come to an uncertain halt here, but consumers may have to wait until next week for butchers to pass on the reduction.

Supermarkets, however, promised that consumers would get relief from today onwards. After fetching record prices last week, super beef hovered just above floor price at the East

London abattoir yesterday and top grades of lamb were almost rock bottom.

Super beef, which peaked at 285 cents a kilogram last week, went for 230 cents yesterday, while lamb — going above 300 cents last week — was down to 228 cents.

The sharp drop in demand caused the Meat Board to buy in 383 mutton and 72 beef carcasses yesterday.

The local manager of the board, Mr Gert Olivier, said slaughter quotas would be "cut to the bone" next week.

The drop in demand, as well as the fact that next week would only have four trading days, made it necessary to reduce quotas below normal levels.

Mr Olivier said the board was buying in a lot of meat throughout the country.

The chairman of the East London Meat Traders Association, Mr Dennis Meyer, said some butchers still had stock bought last week and the public could not expect the price reduction to filter through until next week.

"Some of the traders are still carrying expensive meat but competition is keen locally and our prices should drop next week," he said.

A spokesman for a local supermarket said his company had absorbed the Christmas increases in the price of meat, so they would not neces-

sarily drop them now that wholesale prices had returned to normal.

Another supermarket reported that mutton, lamb and pork prices had already been reduced since last week and beef was expected to follow suit today.

"We are still sitting with a lot of expensive beef, but that should now come down too," he said. — DDR

Retler 20/9

week.

3 Meat

Meat prices should drop as visitors leave

By JEFF SHAPIRO

THE price of meat is expected to drop slightly in the next few weeks as holidaymakers return home after nearly six weeks of braaiing in Port Elizabeth.

Butchers said braai meat was the hottest seller since the holiday season started around December 16.

A spokesman for the Port Elizabeth Meat Market, Mrs Denise Koleski, said she expected the price of meat to drop slightly and then level out once the visitors had left — about January 10.

"It's a matter of supply and demand that has forced the price to rise slightly this Christmas," she said.

The acting manager of the Pick n Pay Hypermarket, Mr Fred Pearl, said the price of meat appeared to be dropping slightly as visitors left Port Elizabeth.

"There has been a good run of braai meat because there has been a large amount of caravanners and campers."

Mr Pearl said the price of chicken — a favourite at braais — had dropped slightly and it appeared the price drop would continue.

Frozen chicken was selling at R1,24 a kilogram after costing the consumer between R1,35 and R1,39 a kilogram around December 20. Fresh chicken was selling at R1,52 a kilogram.

The general manager of Big D Discount Hyper, Mr Mike Tarpey, said he would have to wait until after the New Year before he could comment on the meat price.

He agreed one of the largest demands was for braai meat. Special chicken braai packs were selling for R1,57 a kilogram.

The branch manager of the OK Superstore, Mr L Giese, said a drop in the price of meat over the next few weeks was possible once the high demand for meat by visitors and local residents dropped.

The OK Superstore is selling fresh chicken at R1,59 a

kilogram and frozen chicken at R1,35 a kilogram.

A spokesman from the Meat Board in Port Elizabeth said although there was a demand for meat, there was still an oversupply of beef in Port Elizabeth.

The fixing for beef at the Port Elizabeth abattoir has been fairly constant since last Friday when the meat subsidy was still in effect.

Super beef sold at R2,06 to R2,15 a kilogram last Friday compared with yesterday's R2,25 a kilogram.

Prime B sold at R1,93 to R1,97 last Friday compared with R2,13 to R2,15 a kilogram yesterday.

Top C sold from R1,75 to R1,79 a kilogram last Friday compared with R1,90 to R1,94 a kilogram yesterday.

Grade 3 was sold from R1,71 to R1,74 a kilogram last Friday compared with R1,76 to R1,79 a kilogram yesterday.

Grade 4 sold at R1,56 last Friday and was unchanged yesterday.



2025
for reduced & old weight meat
may lead to average industry
bring in which would be a restriction

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2nd
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MEAT — 1984

JANUARY — NOV,

S. Times
15/1/84
Average (3) meat

Maize, beef press for futures market

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

By Barry Sargeant

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."

A rare rumpus over the price of kosher meat

(3) Meat

By MARTIN WELZ

A ROW over the high cost of kosher meat has precipitated a major challenge to the Beth Din, highest rabbinical court in South Africa.

The Beth Din, which consists of three rabbis headed by the Chief Rabbi of South Africa, Rabbi B M Casper, has traditionally been the authority that gives the kosher stamp of approval for foods and household goods sold in South Africa.

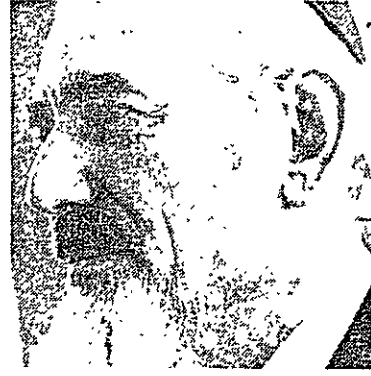
The Jewish housewives' consumer watchdog, the Kasher Consumers' Organisation, last month announced the appointment of an independent commission of inquiry into the costs of kosher meat and poultry. Dr Percy Yutar SC, former Attorney-General of the Transvaal, will head the inquiry.

Behind the appointment of the commission is a secret row that has raged for the past three years between the Beth Din and East Rand kosher butcher Mr Lionel Karpelowsky, who threatened to undercut the prices charged by Johannesburg butchers approved by the Beth Din.

Contrary to widely held belief, kosher meat costs little more than non-kosher meat at the City Deep abattoir. Kosher slaughtering adds only about 16c to the wholesale cost of each kilogram of meat.

But Johannesburg kosher butchers charge at least R1.50 more per kilo. This week Rabbi M A Kurtstag, one of the three members of the Beth Din, insisted that there was "nothing wrong" with the Beth Din's system of granting kosher licences — or with the price of kosher meat in Johannesburg.

The row started in 1981 when butcher Mr Karpelowsky, well-known in the Jewish community as the *mohel* who officiates at most circumcision ceremonies in the area, decided to add a kosher section to his butchery.



● Chief Rabbi B M Casper

The Ranchers Meat Market kosher section has met all the Beth Din's requirements. Mr Karpelowsky also obtained the services of a *mashgiach*, a qualified Jewish meat inspector.

And in March, 1981 the Beth Din granted its approval to his kosher butchery. It was only the fifth such licence on the Reef.

It soon transpired, however, that the Beth Din had not realised that Mr Karpelowsky, a firm believer in free enterprise, did not have only the small East Rand Jewish community in mind as potential customers.

Johannesburg Jewish housewives have long complained about the high price of kosher meat in the city he planned to offer them kosher meat at discount prices.

So when Mr Karpelowsky advertised in the Jewish Chronicle offering kosher meat at a discount for delivery throughout the Johannesburg area, the Beth Din promptly threatened to withdraw its kosher licence.

The Beth Din said that it regarded his advertisement as "grossly unfair competition" to the other "loyal local butchers".

The butchery was promptly banned from advertising in the Press at all and from making deliveries of kosher meat in the Johannesburg area.

It was also banned from manufacturing kosher meat products, a major source of income to the Johannesburg kosher butchers who sell their products throughout the Republic.

But, argued Mr Karpelowsky in representations to the Beth Din, the fact that his meat was cheaper did not make it less kosher. If the Beth Din had found his meat to be kosher for the

Jews of the East Rand, it was also kosher for those on the rest of the Reef.

The Beth Din conceded that the argument revolved around the question of price but, it claimed, this was "very much bound up" with the question of *kashrut* (running a household in accordance with Jewish law).

The three established Johannesburg kosher butchers have traditionally been prohibited from dealing in non-kosher meat as well. The Beth Din had made an exception in the case of the Boksburg butchery to meet the special needs of the small local Jewish community there.

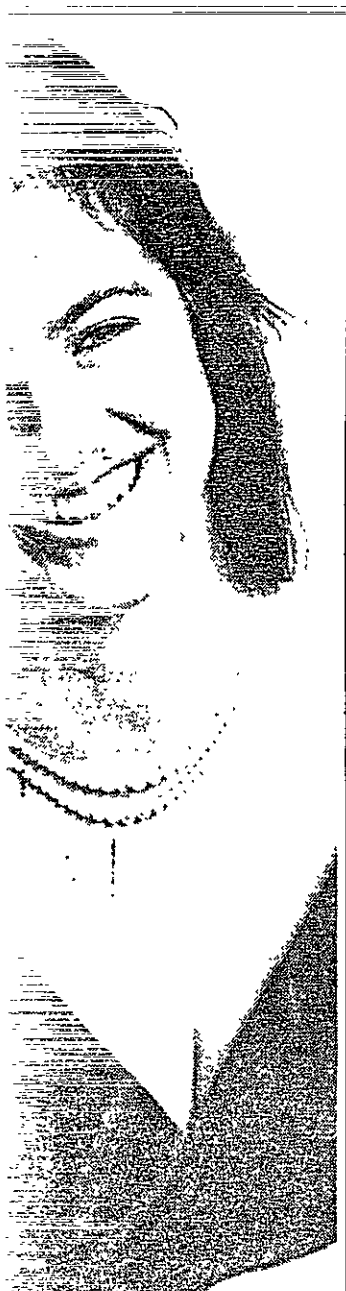
If Johannesburg kosher butchers were also allowed to trade in non-kosher meat, they too might be in a position to reduce their prices.

The Beth Din withdrew Mr Karpelowsky's kosher licence. But that was not the end of the feud.

Jewish law, Mr Karpelowsky discovered, did not give the Beth Din the monopoly over granting kosher approval. His local rabbi and Jewish authorities could do just as well.

The United Hebrew Institutions of Benoni stepped in to give its stamp of approval to his kosher butchery and he continues to sell kosher meat throughout the Johannesburg area.

Depending on the outcome of the inquiry, other Jewish communities may also decide they cannot afford the kosher protection of the Beth Din.



ly dines in black

18), new catch of the London between organising her recent the Hurlingham Club — graced others of the London society song fittingly entitled 'We Dine in Black'

d sticks and carrots

during a five-nation tour of southern Africa. "We're up against a South African policy which is a kind of stick and carrot policy. massive use of force, and the Angolan incursion is an example of that, coinciding with openings for

constructive disengagement and talks, and South Africa seems to be pursuing that policy for its own purposes," he said. The bishop will also visit Mozambique and Tanzania before returning to London —

Trap victim Mark still on the mend

BOOBY-TRAP victim Mark Vincent, 5, is recovering slowly in the Johannesburg hospital.

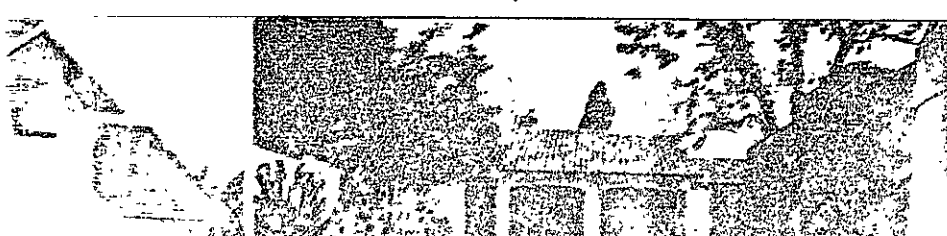
He will probably have to remain there until Easter.

Doctors say they are still unable to tell whether he will regain his sight fully.

Mark's father, Mr Martin Vincent, said his son's plastic surgery will continue until he is about 20 years old.

Mark was injured in an explosion when he accidentally set off a booby trap at a picnic site next to the Jukskei River in Randburg last November.

His mother, Mrs Janine Vincent, his sister Eloise Vincent (8) and a friend, Lora Harmse (7), escaped with light injuries.



RECIPE

... ..

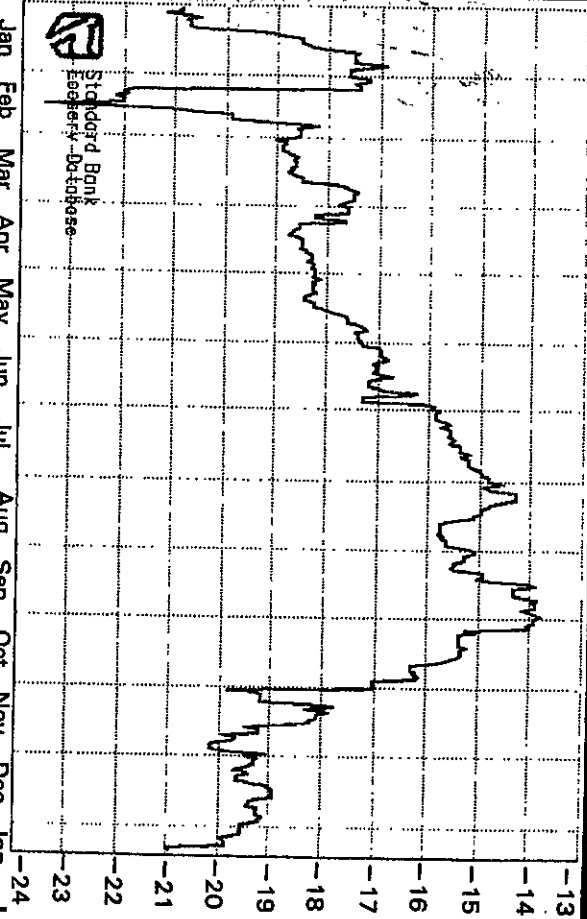
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Weighted average change in rand's value



Standard Bank
Feeder - Detokose

BY ALEC HOGG

UNLESS the rand's free-fall is halted, the authorities' dream of a long spell of single-digit inflation will be shattered.

The rand has fallen by nearly 15% against the dollar in the past 3½ months. Equally significant, it is down more than 10% on a trade-weighted basis, which is the effective measure of the rand against the currencies of SA's major trading partners.

Although the low rand has provided a boost for exporters, it is putting enormous pressure on the price of imports, especially on the petrol price.

Until the end of last year, the rand's relative strength on a trade-weighted basis, together with the sharp fall in imports, had a moderating effect on the inflation rate.

The production price index, which measures cost increases in industry and the wholesale sector, rose by only 7.3% in the 12 months to

the end of November. The import component, which accounts for about a quarter of the index, was up by only 3.8%.

The situation has turned full circle since then. The drop in the gold price and the rampant dollar have sent the rand to its lowest level in memory.

With the oil price relatively stable in dollar terms, the fall in its currency means that imported fuel is now costing a lot more in rand terms. If the rand continues to weaken the price of oil products could rise, increasing inflation.

So far the fall in the rand has not made an impact on the inflation rate. Because of the time lag between orders and payments, any fall in the rand takes about nine months before it is felt.

Unlike in previous cycles when the rand softened only after economic upswings had turned, the economy is now in the worst recession since the Second World War.

SUNDAY TIMES, Business Times, January 15, 1984 3

Nampo-style new deal for meat farmers

Business Times Reporter

UNDER pressure from 50 000 farmers, the red-meat industry is to be granted an independent Nampo-type marketing organisation.

The National Meat Committee (NMC) of the South African Agricultural Union announced this week that it had "accepted the principle that a specialist organisation for the meat industry be instituted".

This is a major victory for the prime mover behind this heated issue — the Organisation of Livestock Producers (OLP). It has been recruiting members for the past year, and has bought the magazine Livestock Farming/Veeboerdery, which will become its mouthpiece.

Bill Slater, chairman of the OLP, says: "We are drumming up support for an independent body for the meat farmer. After the success of Nampo, the tracks have been laid and we are moving to a market-related dispensation for the meat industry."

The OLP can claim access to one of the largest farmer bases in SA. It estimates that 3 000 farmers produce 70% of SA's meat, 40 000 farmers provide 10%.

Fanie van Rensburg, chairman of the NMC, says: "If we really want to serve the meat producer, it is necessary that a specialist organisation be established." The South African Agricultural Union's constitution was amended to enable recogni-

tion of Nampo.

Roy van der Westhuizen, OLP's director, says: "The grading system distorts consumer demand. It tells the consumer what should be eaten. The consumer has absolutely no way of communicating with the producer."

The OLP faces a different organisational problem to that of Nampo. Mr Slater says: "There are several large private sector companies and co-operatives who have achieved single-channel marketing, impossible for the individual farmer."

An anomaly in the market is the permits given to the Kanbyn abattoir at Balfour and the Vleissentrail-ICS abattoirs at Krugersdorp. The permits allow slaughter in non-controlled areas where there is no floor price, but the carcasses can be sold in controlled areas.

Mr Slater says: "One worry is the fall in red-meat consumption. Poultry consumption has soared in the past 10 years while that of red meat has declined."

Mr van der Westhuizen says: "In 1950, the national beef herd was bigger than it is now."

The main reason for the decline is pricing. There are almost no controls in the poultry industry. Mr Slater admits that poultry farmers can adapt to the market because of a short growing season of six to eight weeks for birds.

The OLP is looking to a futures-type market. It sees the Meat Board undergoing slow changes in adapting.

③ Meat 5-Times
22/1/84

Meat barons find it's tough going

By Barry Sergeant

SOUTH Africa's livestock farmers claim they are in serious financial trouble, even though housewives will find it hard to believe as Mr Rising Price is still alive and well in the butcher shops.

Figures were published this week by the South African Agricultural Union to show the plight of the beef and mutton barons.

Jan van der Walt, meat expert of the SAAU says: "The terms of trade for livestock farmers have deteriorated to such an extent that the National Meat Commission's drive to solve the problems will be our union's priority this year."

From an index of 100 in 1975, farming input prices — examples are fertiliser, implements, pesticides, land, seed and fodder — rose to an average 308,9 at the end of 1983. This is well ahead of the consumer price index.

But farmers' incomes suffered. Worst hit were pork farmers. Their selling price rose to

only 196 on the index at the end of last year. Sheep farmers fared better at 230, and beef farmers came off at 262.

Mr van der Walt says: "One of the worst culprits in the input equation was feed, which has risen to an indexed 364. Dips and injections increased to only 195."

Farmers' incomes have been whittled away by the drought. Gross income for agriculture is expected to plunge from R7 259-million to R6 500-million. Farmers have been forced by import control to buy high-priced SA materials. Dr Piet Gouws, of the National Maize Producers Organisation, says "the export industries cannot be offered on the altar of protection to local industries".

This implies that the consumer is subsidising industry, but the ultimate victim is the farmer.

Agriculture will benefit, however, from the lifting of import control on 90 products this year. But a Nampo spokesman warns: "The benefits will not be felt in the foreseeable future because of the weak rand. This makes imported goods about equal in price to the SA product."

4 stock
farmers'
(3) Meat
co-ops to
Star 31/1/84
combine

Pretoria Correspondent

An inter-regional agreement has been concluded between four major stock farmers' co-operatives.

The co-operatives have more than 30 000 members and a combined yearly turnover of R700 million.

The agreement was reached at a meeting between Stock Owners Co-operative Ltd and Sentrabestuur, which manages the Transvaal Livestock Co-operative Ltd, Free State Livestock Co-operative Ltd and Cape Eastern Meat Co-operative Company Ltd.

A statement by Sentrabestuur said that each co-operative would maintain autonomy in its own region, but would promote inter-regional co-operation, especially in the areas of stud, dairy and special sales and other matters of mutual concern.

Buying power would also be harnessed, creating a powerful marketing force.

In this way the eastern half of the country would be combined, matching supply and demand for the benefit of South African farmers.

3 Meat
kills boy
aged two,
3/2/74
poisons 14

Own Correspondent

CAPE TOWN — A complete consignment of "penny polony" has been confiscated from a local factory and a number of shops after a two-year-old boy died from food poisoning.

Gordon Japhta of Clarke's Estate, Elsies River died from food poisoning.

Tygerberg Hospital reported 14 cases of food poisoning to the medical officer of health for the divisional council of the Cape, Dr D L Tibbit.

All the poisoned people had recently eaten "penny polony" and it is suspected that the polony might have contained the poison, possibly in the preservatives used.

Dr Tibbit said: "The consignment of polony has been confiscated and sent for toxicological analysis at our laboratories."

He said he was satisfied all the suspect food had been taken off the market. "I think we have knocked it on the head."

"Penny polony" consists of leftovers from other polonies and is often sold cheaply through cafes.

CALL TIME 20/2/84
 3ment 20/2/84

Droughts knocks Kanhym profits

JOHANNESBURG. — Losses caused by the drought in Kanhym Investments' farming and meat processing divisions resulted in the group suffering a consolidated loss for the year ended December.

A further misfortune was that the group burnt its fingers in its first venture into foreign borrowings. It took uncovered dollar loans totalling \$36,8m and as a

result of the unfavourable exchange rate incurred an unrealized exchange loss of R4 497 000 at year-end.

Higher interest rates further aggravated the position, pushing up the group's interest bill.

Against an operating income of R15,8m (1982 R24,4m), the interest bill was R16,3m (R13,7m) which put the group in a loss position to the tune of R596 000.

Taking into account the foreign exchange loss, the after-tax loss was R4 129 000 against a profit in the previous year of R15 781 000.

The attributable loss was R5 330 000, compared with 1982's net profit of R14 061 000.

Farming operations

The managing director, Mr Harold Kramer, however said that matters could only improve in 1984. Already in its farming operations the group has had its best ever potato and hay crops — while its maize crop remains threatened by the current drought — and its stands to make good profits out of its feedstocks this year.

The group's planned rights issue which is to be finalized soon will raise further funds. Mr Kramer said it would probably take the form of convertible preference shares and would raise R40m to R50m. — Sapa

joins ng shippers

for these key areas of the world.

We therefore anticipate a boost to removals traffic between the four countries and plan to exploit additional business potential around the Pacific rim.

The formation of Swire Pickfords is in line with our policy of expanding internationally. Pickfords already have operations in South Africa, the UK and Australia.

I am confident that the combination of Swires local knowledge and the introduction of Hong Kong of our specialist expertise will provide the ingredients for a highly successful partnership."

Brazil outlines economic targets

BRASILIA. — Debt-ridden Brazil will once again outline economic targets to the International Monetary Fund (IMF) to secure the release of billions of dollars in much needed loans, the finance minister said.

"We have already given them the means and now we will define the numbers," the acting spokesman, Mr Andre Camargo, said.

Latin America's largest nation holds the biggest foreign debt in the developing world, now estimated at about \$96.5 billion. In 1982, the

would be released in March.

The IMF money should signal the release of \$3 billion from the private bankers, part of a recently signed \$6.5 billion jumbo loan to be paid back over eight years

Debts

The money will be used to pay debts left over from 1983.

The Finance Minister, Mr Ernane Galveas, has already said Brazil will have to go back to the bankers for another loan before this year is finished



Mr Pietie Theron, manager, quality control at KWV, has been appointed manager, technical services.

SA to issue

From NEIL BEHRMANN

LONDON. — The Minister of Finance, Mr Owen Horwood, has confirmed that South Africa intends issuing a dollar bond on the Euromarkets in the next few months.

"If that succeeds, then we've really got something behind us," he told AP-Down Jones News Service in an interview.

He said that the government had not made a decision yet.

The made bond cemb sche other Mr wire Africa with l ternat It h terna Fund drawi l bil pack grant; Nov...

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What make Scotland the Brave?



MONDAY, 26 MARCH 1984

+Indicates translated version.

~~3~~ ³ Hunt

For written reply:

Value of dairy/meat/wheat products imported

475. Mr D J N MALCOMMESS asked the Minister of Agriculture:

What was the value of the (a) dairy, (b) meat and (c) wheat products imported by the Republic during the latest specific period of 12 months for which figures are available?

The MINISTER OF AGRICULTURE:

(a) R13 105 490.

(b) R9 411 796.

(c) R7 076 076.

The abovementioned amounts represent the total value of imports for the period 1 December 1982 to 30 November 1983 in respect of all the members of the joint Customs Union. The value of imports into South Africa alone is not available.

Harwood 06/ 753
Ben Schoeman Airport: aircraft belonging to Independent Black state 26/3/84

EB
710. Mr E K MOORCROFT asked the Minister of Transport Affairs:

- (1) Whether any aircraft belonging to an independent Black state is being accommodated at Ben Schoeman Airport, East London, if so, (a) to which state does it belong and (b) what type of aircraft is it;
- (2) whether charges are levied for accommodating the aircraft at this airport; if so, what are the charges;
- (3) whether maintenance services are provided in respect of the aircraft; if so, at what cost;

MONDAY, 26 MARCH 1984

- (4) (a) for what period has the aircraft been accommodated at this airport, (b) how many times has it used the runway during this period and (c) (i) what is the crew complement and (ii) by whom is the crew provided;

- (5) whether a certificate of airworthiness in respect of this aircraft has been issued in the Republic of South Africa; if so, (a) where was it examined and (b) (i) what charges were levied and (ii) by whom were they paid?

The MINISTER OF TRANSPORT AFFAIRS:

(1) Yes.

(a) The Republic of Ciskei.

(b) A Westwind 2 WW 23 fixed-wing jet aircraft.

- (2) No. An exemption granted in terms of regulation 22.10 of the State Airport Regulations, 1963 applies.

- (3) The aircraft is maintained by a private aircraft maintenance organization. Actual costs incurred are for the account of the Ciskei Government.

(4) (a) Since 13 May 1983.

(b) On 24 occasions.

(c) (i) 2 Members.

(ii) Unknown.

(5) No.

(a) and (b) Fall away.

Types of aircraft used on scheduled passenger flights

711. Mr R R HULLEY asked the Minister of Transport Affairs:

- (1) (a) What types of aircraft are used by the South African Airways on scheduled passenger flights between (i) Johannesburg and London and (ii)

(3) Meat
D. Disputch
27/3/84

Subsidy may avert meat hike

CAPE TOWN — East London may soon be hit with meat price increases as high as 10 per cent if an eleventh hour attempt to secure a special government transport subsidy for the city's meat fails.

Last night, however, there was cautious optimism that East London — which already pays more for meat than any city in South Africa — would be spared yet another cost-of-living increase that has sent beleaguered consumers reeling this year.

This ray of hope follows a "relatively successful" emergency meeting in Cape Town between the Deputy Minister of Agriculture, Mr G. J. Kotze, the chairman of the East London Meat Traders' Association, Mr Dennis Meyer, and the MP for East London City, Mr Peet de Pontes.

The meeting, which was also attended by senior officials from the Department of Agriculture, was set up by Mr De Pontes in an attempt to get a government subsidy on the costs of transporting slaughter stock to Port Elizabeth and the carcasses back to East London, after the local abattoir closes at the end of this month.

The East London abattoir will be closed for six months for renovations and during that period all animals will have to be trucked or railed to the abattoir in Port Eli-

zabeth.

The East London deputation received "a very good and sympathetic reception" and the Deputy Minister has requested that "further memoranda be submitted to his department after which the matter will be urgently taken up with the Abattoir Corporation, the Meat Board and the SA Transport Services."

Mr Meyer has undertaken to rush a special memorandum containing additional information to the Deputy Minister today in the hopes of getting a speedy solution to the problem before the abattoir closes at the end of the week.

In an interview after the meeting Mr Meyer stressed the urgency of the situation, saying that if the transport subsidy cannot be secured it would have a serious effect on the retail price of meat.

"The price of red meat would go up between 5 and 10 per cent of 30c a kg on specific cuts.

"An increase would have a tremendous effect on Blacks as it will also affect offal," he said.

However, he said he was optimistic that the meeting — which was originally turned down by the Minister of Agriculture, Mr J. J. G. Wentzel, until Mr De Pontes intervened — would produce a positive result. — PC.

Cap Times 28/3/84 (3 treat)

Pig farmers run a zig-zag 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 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 carcasses 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 carcasses in 1982 to 21 573 in 1983 plunged to only 122 carcasses 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 pre-

sent 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 of them because of religious reasons, although blacks are responsible for a significant share of the market for processed meats.

Shortage of beef reported

The Meat Board has announced that a shortage of popular grades of beef is being experienced in several of the country's main centres, while the supply of less popular grades of beef carcasses has increased.

General manager of the Meat Board, Dr Pieter Coetzee, said in Pretoria the Board was obliged to buy large numbers of the less popular grades of carcasses for de-boning and possible canning.

The canned meat could later be exported when

prices were more favourable than at present, or be used locally when supplies had decreased or the demand for meat had improved.

In contrast to these surpluses, fewer finished cattle were being slaughtered which resulted in a shortage of popular grades of beef in several cities, he said.

"For this reason auction prices of these carcasses have not dropped, as normally happens during times of oversupply," Dr Coetzee said.

He said the Meat Board would try to slaughter the surplus cattle from drought-stricken areas and to buy, process and store the carcasses. All available cold-storage facilities and refrigerated trucks would be used.

Although the recent rains might enable farmers to hold back cattle, many were still experiencing cashflow problems which would compel them to market unfinished cattle.

"Under the circumstances housewives could not be given the assurance that the supply of popular grades such as Super A, A1, Prime B and B1 would return to normal before the crisis has passed," Dr Coetzee said.

He said butchers were trying "to stimulate sales" by means of special offers, but consumer expenditure remained at low levels.

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.

Hanna David Q. 61-919
Lebowa Development Corporation
11/14/84
*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:
Attorney General
Maize consumers in Eastern Cape
Q. 61-920 11/4/84
55. 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 rillage as well as sid-ing 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 rillage, 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 rillage 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 rillage, in a worse position than he would have been had the maize been supplied from the normal distribution points in the production areas.

3 meat
Surplus dairy/meat products
Hanna David 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?

MEAT PRICE

Control Board beefs it up

Everybody in the meat trade knows that the price of high grade beef increases at the Cato Ridge abattoir during holiday weeks. It is unlikely that the General Manager of the Meat Board does not know about it. Mystery is why he allows it to happen.

The reason is equally well known. Whenever there is a public holiday the abattoir takes a day off just as Durban and the Natal coastal resorts are filling up with tourists. During an ordinary week, five

There is more than meets the eye behind the sharp increases in the price of meat at the Cato Ridge abattoir during holiday weekends.

days' slaughtering has to match seven days' demand. In a holiday week, four days' slaughtering is supposed to cater for the

equivalent of eight or nine days' normal consumption.

In a free market economy, this sort of seasonal bump would be ironed out by an increased slaughter rate by the abattoirs working overtime, or staff taking their long weekends at different times, or by the wholesale shipment of chilled meat from other abattoirs sited in areas such as the Orange Free State, which habitually disgorge tourists instead of receiving them.

There would also be a tendency for the individual farmers to adjust to the shifting buyers' needs by selling more super grade cattle into the holiday market (which relishes juicy steaks) and by holding back the scraps for the conservative hangover period (when mince and shepherd's pie are the order of the day).

This is what happens in the US and Europe where every prudent grazier sets his clock by the school calendar. Lower grades sell best in term time. Quality beef fares better during the holidays. We make none of these adjustments in SA. Not because we do not want to, or are not clever enough, have not thought of them or because they are particularly difficult to make, but simply because we are not allowed to.

Unholy alliance

Between them, the Meat Board, the Abattoir Corporation and the veterinary division of the Department of Agriculture and Fisheries have outlawed both common-sense and efficient marketing. Most of our small (and therefore flexible) abattoirs have been closed down by public health inspectors who seek to impose health standards that not all would agree are appropriate.

The Abattoir Corporation has effectively nationalised most of the bigger ones, not because the private sector was not prepared to compete, but because it was not allowed to compete sensibly. Our abattoirs are restricted to certain maximum slaughter rates per day. Not because they cannot manage any more with existing facilities, but because the Meat Board and the veterinary department have imposed artificial and arbitrary ceilings. In doing so, they have, in fact, outlawed improvements in productivity as well as market responsiveness.

Our abattoir corporation synchronises its holidays with those of the public services



Too much meat ... and too-high prices

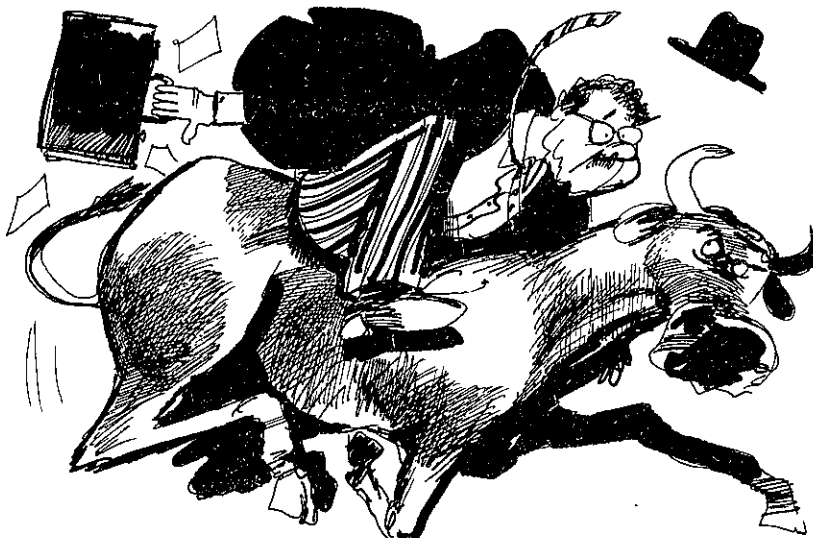
instead of those of the catering trade. Not because it is not part of the catering trade, which it is, and always must be, but because it thinks it is a public service, which it is not and never has been. Our meat trade does not ferry meat from one area of the country to another partly because the Meat Board has made it a criminal offence to do so, and partly because it would be almost impossible to obtain the necessary road transport permits from the Ministry of Transport at short enough notice.

Our graziers and feedlotter do not plan their marketing to coincide with the vagaries of consumer demand. Not because they do not want to, but because they are not allowed to. The Meat Board allocates permits and quotas to them to ensure instead

that they market on what it calls "a regular basis." These pre-dated permits take no cognisance of the type of animal in demand or the type the producer wants to sell. The number of permits allocated is governed largely by the individual producer's "track record" of marketing in previous years. It is a system which conveniently ignores the vagaries of weather and disease (which both affect the fattening rates of cattle). It overlooks the fact that Easter is sometimes in April and sometimes in March. And the penalty for not using a permit when it is allocated it is to forfeit the right to market at all at a later date.

Instead of regarding the shrewd marketer as a hero who has helped the Board to stabilise prices, he is castigated as a recalcitrant non-performer unworthy of direct access to the market. If he wants to carry on producing at all, his cattle will henceforth have to approach the controlled area abattoir through an intermediary who has earned himself additional permits by explicitly obeying the Meat Board's instructions to ignore the market's real needs. Hence the price hiccoughs.

Since everything in the system, bar the price, is rigidly fixed, the only flexible element is left to absorb all the shocks. This is what the GM of the Meat Board calls "price stabilisation." This year the problem is going to be worse than normal, despite the fact that the Meat Board is better placed than usual to solve it. The coincidence of drought with high interest rates has put abnormal selling pressure on the market. There is a queue of farmers waiting for permits which the Meat Board will not grant because it has a preconceived notion of what the minimum prices of beef ought to be.



FM 13/4/84

(3) Meat

(245)

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Building for profit

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Indeed, after a setback in the year to end-March 1983, when earnings slipped some 35%, the company could have returned fully to the earnings spiral which lifted turnover at an annual compound rate of 47% between 1979 and 1983, and operating profit by 52%. These figures largely reflect executive chairman Irvine Brittan's strategy of expanding the group through the organic growth of existing operating companies, coupled with strategic acquisitions.

Last month's purchase of a 10% stake in B & S Furniture for R2,8m is the most recent example of such an acquisition. The purchase followed Boumat's sale, for R1,8m, of its Kitchen Pride subsidiary to B & S's controlling shareholder, Gundle Industries, now renamed Clifcor. B & S is the largest maker of steel-frame fitted kitchens in the country and its acquisition of Kit-

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The present battle for market share, and dominance of SA's bathroom and kitchen equipment supply industry, has brought Boumat a long way from its founding days in late-1968. At that time, it took over the JSE listing of the SA Lead Works and ran four building merchant operations. One of these was the well-known firm Brittan-Boustred, whose MD was Brittan.

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Says Brittan: "We supply the whole cross-section of the building industry, all kinds of customer and a large variety of jobs from Mrs Jones's door handle to bathrooms for Sun City." Merchandising contributed 75% of Boumat's profits to end-March 1983 and Brittan expects the 75:25 split between merchandising and manufacturing to be maintained in the foreseeable future.

Today, Boumat dominates the markets in which it operates. Even after its merger, Federated Blaikie's turnover is still considerably smaller than Boumat's in Boumat's traditional markets. The key to Boumat's success, according to Brittan, has been the group's very decentralised nature. He feels that this combines scope for entrepreneurial initiative with the advantages of belonging to a larger group with financial muscle. Head office, with only six personnel, is run

PIETER COETZEE

The meat of it



Pieter Coetzee is GM of the Meat Board. In this article he replies to criticism of the board in the *FM* recently.

I refer to your article "Meat Price — control board beefs it up" (*FM* April 13). Before answering the questions at the end of the article, I would like to put the matter in perspective.

Extra slaughterings at Cato Ridge abattoir during the week preceding the Easter weekend were arranged, since maximum throughput is always aimed at taking the requirements of the trade into consideration. Agents controlling quota allocations at this abattoir are also given an indication of the proportion of higher grades of stock required on the market and requested to comply with this requirement as far as possible.

The abattoir slaughter quota is determined by the number of carcasses which the trade can take up, plus the number which the board can buy in at floor prices for freezing and storage. If it is apparent that the trade can increase its intake, supplies can be supplemented at short notice. Weekly quotas are at all times determined in close collaboration with the trade. So far, the cattle quota has been increased from 3 500 to 3 800 and subsequently to 4 000 head for the week.

The board does not hamper the free movement of meat between the various controlled centres and has had no difficulty in obtaining permits from the Road Transportation Board at short notice for the use of private transport for moving its supplies.

Also, the Meat Board does not in any way restrict the movement of meat by the trade from one controlled area to another.

Your inference that the Board's permit system places restraints on the grade mix required by the market is also not correct, because permits are issued to feedlots for a certain percentage of the market, representing its approximate requirements in the top grades. In normal circumstances, any shortfall would be supplied under permits issued to graziers, but in conditions of severe drought it is understandable that the grade mix supplied from the veld may

render a predominance of lower grades.

In any case, you seem to be unaware of the fact that the board has a system of planned marketing whereby producers can plan their marketing and be issued with permits for a year in advance.

As far as the basis of issue is concerned, you apparently hold the view that marketing performance should not carry any weight at all and that producers should be allowed to use or ignore their permits at will. In that case, we may as well scrap the system. In times of shortage, permits are, of course, freely available. But it is in times of heavy marketing pressure, when only a small percentage of applications can be granted, that the non-usage of permits causes problems, because other producers who would have been prepared to use their permits are then being denied market entry while the non-users at the same time cause the market to run short.

Do you suggest that, in such circumstances, preference should be given to those who prefer to ignore their permits when it suits them, at the expense of the regular supporters of the controlled markets?

Floor prices

As regards guaranteed floor prices, they are based on surveys of production costs in feedlots and in extensive grazing areas, as well as anticipated availability of supplies and demand factors. There is general consensus among all factors in the industry that such prices should be guaranteed to producers to prevent them from abandoning this long-term, high-risk farming practice.

The main theme of your article boils down to the Meat Board being blamed for guaranteeing such minimum prices to producers. Would you be prepared to defend this stance at agricultural congresses?

The incident referred to, when prices of super beef at Cato Ridge rocketed to 319c/kg during the week preceding the Founders Day weekend, can be attributed to a temporary imbalance between higher and lower grades on the market. The board immediately stepped in by substituting allocations to drought-stricken farmers with cattle from feedlots for which permits had been issued to the northern markets.

Meat Board stocks are at all times available to the trade, and they are fully aware of the fact. Sales take place whenever frozen meat is required by the trade, but it would appear that they pre-

fer freshly slaughtered, chilled meat.

A reduction in the floor prices of the lower grades will not solve the problem, as this is not the reason for the high prices obtained for top grades, but the temporary shortage of the latter on the Cato Ridge market. Even though the board had to buy in 346 carcasses during the particular week, grade 3 beef prices averaged 195c/kg compared with the floor price of 165c/kg for the lower mass group.

As regards the position of the Cato Ridge quota, which was ceded to farmers in the drought-stricken areas of the Transvaal and Free State, the Meat Board did not act on its own, but negotiated the quota with the Natal Beef Producers. All beef producers in Natal being represented on the NBP Council by way of regional representation and in taking a unanimous decision, it must be accepted that the NBP acted in a responsible way and that proper consultation did take place.

My answers to your specific questions are:

- The trade is given ample opportunity to buy as much meat as possible before the short weeks. As indicated above, slaughtering quotas are determined in close collaboration with the trade, and overtime slaughtering is undertaken whenever necessary;
- Board stocks are at all times available for purchasing by the trade, but there is seldom material interest, especially when sufficient fresh stocks are available;
- As explained earlier, it is the board's policy to allow the free movement of meat between centres;
- The reduction of floor prices for the lower grades in times of drought would be counter-productive and would not necessarily affect the prices of the high grades; and
- The allocation and issue of board permits are computerised. All permits are issued two months in advance for periods of three months. An applicant cannot apply for a particular week or for a particular phase within a week. Permits are issued in three phases, that is, the weekend and two midweek phases. These permits are issued by computer, and not a single board official has the faintest notion of the delivery dates thrown out by the computer in respect of each individual permit. Your inference that deliberate preference is given to certain permit-holders is, therefore, totally unfounded.

3 meal

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MEAT BOARD

Butchers in revolt

Meat retailers in the western Cape are up in arms about a recent decision of the Meat Board (MB) to extend its control over the Kraaifontein, Kuils River, Brackenfell and Durbanville areas.

An action committee has been formed by seven retail butchers (owning nine outlets in the new controlled area), while the support of municipalities and consumers in the area is being mustered to confront government with a demand to rescind the MB's decision. The protest action has been launched with the full approval of the Federation of Country Retail Butchers, a national body representing smaller butchers.

Spokesman for the action committee, Frans Roelofse, says the MB's move is in crass conflict with government's avowed commitment to free market principles. "This move of the Board is based on its policy of arbitrarily extending and centralising control, through the issue of regulations," he adds.

"Furthermore, customers will have to pay about R1/kg more for their beef and mutton, should the Minister decide to approve the MB's extension of control over the area," says Roelofse.

The municipalities of Strand, Kraaifontein, Kuils River and Brackenfell have already allied themselves with Roelofse's committee, while Malmesbury will be asked to join the protest movement this week. Malmesbury is a declared decentralisation growth point and the MB's move would not only jeopardise the existence of its abattoir, but also the livelihood of farmers now supplying the butchers in the disputed area.

Roelofse, MD of Mikro Country Foods, a local meat retailer, says the seven retail companies constituting his committee represent 64 butcheries in the western Cape, as far afield as Worcester and Ceres.

The committee, says Roelofse, plans to call a public meeting in Johannesburg on May 21 in an attempt to give their grievance the widest possible currency. The committee also intends to make a "test case" of the MB's attempts to extend its control in the western Cape. Butchers and retailers from as far as Mmabatho and other "uncontrolled" areas in the north, who are also feeling the pinch of the MB's quest for "total control," have been invited to attend, as well as representatives of the Free Market Foundation and other interested bodies.

He says the Maitland abattoir is already greatly overextended and would be hard pressed to meet the demands of additional "controlled" areas. At present, the seven



Meat ... higher prices with control?

member companies of his committee (including two meat wholesalers) obtain their meat from the "uncontrolled" abattoirs at Malmesbury and the Strand.

By forcing retailers to obtain meat from Maitland, retail selling prices will rise sharply as higher abattoir costs and wholesale prices in the controlled area would push up total costs.

Roelofse also feels strongly that the small businessman will lose out against the "large monopolies." This goes against an-

other touchstone of government policy — the promotion of small business development.

With the Maitland abattoir only able to grant about 500 000 slaughter permits against applications for "about 1,8 m/year," Roelofse and his action committee seem set to stir up a storm of controversy around the heads of the "big boys" in SA's over-controlled and over-managed meat industry.

Roelofse says his committee gave sub-

NOW IT'S LEGAL

Cosmopolitan, the joint Jane Raphaely/Nasionale Pers combatant in this year's Great Magazine War in SA, this week acquired legality in the form of its title registration under the Newspaper and Imprint Registration Act.

Technically, the Hearst International franchise operation for *Cosmopolitan* in SA has been illegal since the first issue in March.

Hearst registered the *Cosmopolitan* name as a trademark in SA in 1977, but not as a publication title. Perskor subsidiary Republican Press publishes the titles *Melody incorporating SA Cosmopolitan* as well as *Cosmo*, and a fierce identity war has raged since the

Nasionale/Raphaely product appeared.

"Now that we are legally registered, irrespective of the status of the Republican magazine's registration status," says Raphaely, "all doubts concerning our permanence in the SA media market should be removed."

Cosmopolitan sold out its March print order of 80 000 copies and repeated this with a 95 000-copy run in April. This week's 202-page May issue, which had a print run of 120 000 copies, contains 69 pages of advertising with an advertising revenue of R173 520.

Raphaely says she launched the venture with hopes of 30 pages of advertising per issue.

3 meat
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stantiated evidence against the extension of Board control to the MB's investigating committee in February, but the MB decided, on April 25, to extend control over the area, with the exception of Kuils River. It was a split decision, with the Malmesbury representative voting against extension of control.

As the Minister of Agriculture still has to give his final approval to the move, the committee is pulling out all stops to create a public atmosphere in which government will find it difficult to endorse the Board's proposal.

CEMENT IMPORTS

Ready, set . . .

An SA-based international consortium says it has committed \$US1m to initial shore equipment to import as much as

800 000t/year of cement through Durban. First shipments will arrive in early July — 5%-10% cheaper than current Durban-area prices.

Cement Enterprises (CE), now reconstituted with Norwegian ship-owners, Gearbulk, holding 80%, say they will charge, *ex factory*, for non-slag cement, "between 5% and 10% less" than Natal Portland Cement's Durban-area delivered price for PC 15 of R4.65/pocket (50 kg) or R93/t.

CE has ordered a hopper and bagging facility planned for installation in June at Durban harbour's Berth A.

The move already seems to have had a restraining effect on cartel prices.

SA Cement Producers Association (Sacpa) chairman Ronnie Searle tells the FM that the Natal Portland Cement absorbed this year's SATS' 7,5% Budget tariff increase.

Searle does not say outright Natal Port-

land's price restraint is directly connected with anticipated imports and adds rail tariff increases were absorbed similarly in SWA/Namibia, Northern Transvaal and East London.

Edge

CE says that in addition to its price edge, its southern European and Asian-sourced cement will be of higher strength to either Natal Portland's PC 15 or the common Ordinary Portland grade.

Natal Portland can supply 600 000 t/year of Natal's 1,2m t/year demand. This means around 50% of the Natal market is not supplied by Natal itself — Transvaal plants traditionally take up the difference, mostly with Ordinary Portland cement.

It is this immediate area at which CE's imports are targeted.

The producers, says Searle, are not considering imports. The cartel has 400 000 t of spare capacity, mostly in the Cape, he says, while the new Simuma clinker plant at Port Shepstone has added about 5% to total capacity since the beginning of the year.

As to fighting the imports with duties, Searle says Natal Portland will go either for a price reduction or a "dumping tariff."

Definition of a dumped price, says Searle, would be a fob price "substantially" less than the prevailing domestic price in the exporting country.

PROPERTY TALKS

Talks aimed at restoring freehold rights to SA nationals who suffered expropriation of their Mozambique property look a long way from being resolved.

At this stage the initiative is with Mozambique with General Jacinto Veloso, Minister for Economic Affairs, who is "looking into the problem."

However, no spokesmen from either side of the border seems to know how many properties are affected and how many South Africans could be entitled to reclaim homes.

One observer commented: "Post-Nkomati both SA and Mozambique want to get the positive sides of the accord tackled first — security, Cahora Bassa, tourism, business. The housing issue at this stage is more of a problem than it is worth."

Most people involved in the discus-

sions suggest that the legal problem is the biggest obstacle to a solution. Strictly speaking, only Mozambiquan residents are allowed to own property, yet a number of South Africans reside there, including the SA consul, Rennie's personnel, South African Co-operative Citrus Exchange (Sacce) personnel and the Wenela representative.

The real reason for the relative inaction could be that Mozambique is embarrassed at the dilapidated state of the houses and the rumpus which might be caused by evicting the present tenants, many of whom have lived there for the last nine years.

If a deal is struck — it would probably take years to conclude — it is likely that it will be on a leasehold basis. The only other possibility is for South Africans to submit private petitions.

SHIPPING

Bulkers arrested

Three of the world's largest oil companies have had two bulk carriers arrested in SA waters in pursuit of claims believed to total nearly \$10m. The vessels are under arrest in Richards Bay, one in the harbour and the other in the roadstead.

According to Durban attorney John Herholdt, the vessel *Steel Transporter* was arrested in January and *Emerald Transporter* in April. A third vessel is also under arrest in Richards Bay under separate circumstances.

Steel Transporter is a 143 000 dwt bulk carrier presently carrying ore. It is owned by the Eddie Steamship Company based in Taiwan. *Emerald Transporter* is owned by Outerocean Navigation Corporation, operating from the same address as the Eddie Steamship Co.

Steel Transporter was arrested on an application by a Houston-based company, Plaza Trading, which, in conjunction with Esso, Shell and Mobil, are suing for \$4,7m in outstanding payments for marine fuel and lubricants. Esso is claiming \$1,3m, Shell \$805 000 and Mobil \$2,6m.

The amount being claimed against the vessels is for fuel and lubricants used by vessels all over the world operated by the Eddie Steamship Co and its associates. The claims against *Emerald Transporter* were filed by the same plaintiffs on a simi-



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One observer commented: "Post-Nkomati both SA and Mozambique want to get the positive sides of the accord tackled first — security, Cahora Bassa, tourism, business. The housing issue at this stage is more of a problem than it is worth."

Most people involved in the discus-

sions suggest that the legal problem is the biggest obstacle to a solution. Strictly speaking, only Mozambiquan residents are allowed to own property, yet a number of South Africans reside there, including the SA consul, Rennie's personnel, South African Co-operative Citrus Exchange (Sacce) personnel and the Wenela representative.

The real reason for the relative inaction could be that Mozambique is embarrassed at the dilapidated state of the houses and the rumpus which might be caused by evicting the present tenants, many of whom have lived there for the last nine years.

If a deal is struck — it would probably take years to conclude — it is likely that it will be on a leasehold basis. The only other possibility is for South Africans to submit private petitions.

SHIPPING

Bulkers arrested

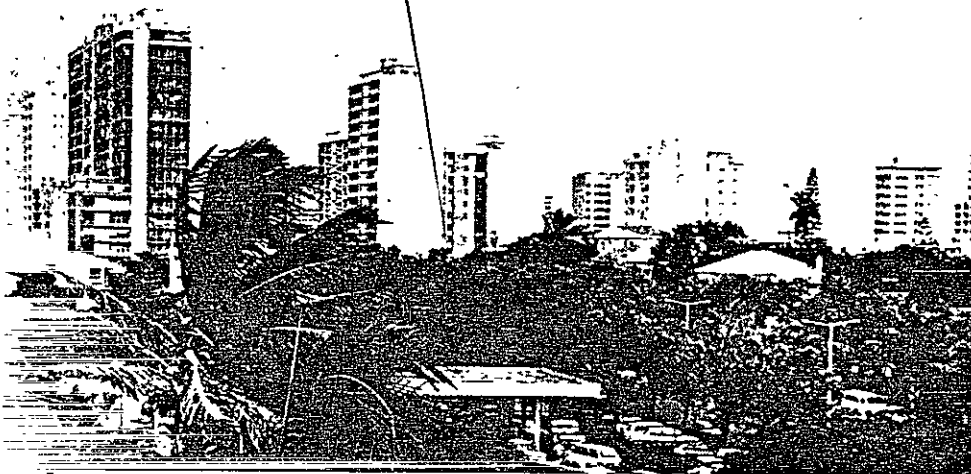
Three of the world's largest oil companies have had two bulk carriers arrested in SA waters in pursuit of claims believed to total nearly \$10m. The vessels are under arrest in Richards Bay, one in the harbour and the other in the roadstead.

According to Durban attorney John Herholdt, the vessel *Steel Transporter* was arrested in January and *Emerald Transporter* in April. A third vessel is also under arrest in Richards Bay under separate circumstances.

Steel Transporter is a 143 000 dwt bulk carrier presently carrying ore. It is owned by the Eddie Steamship Company based in Taiwan. *Emerald Transporter* is owned by Outerocean Navigation Corporation, operating from the same address as the Eddie Steamship Co.

Steel Transporter was arrested on an application by a Houston-based company, Plaza Trading, which, in conjunction with Esso, Shell and Mobil, are suing for \$4.7m in outstanding payments for marine fuel and lubricants. Esso is claiming \$1.3m, Shell \$805 000 and Mobil \$2.6m.

The amount being claimed against the vessels is for fuel and lubricants used by vessels all over the world operated by the Eddie Steamship Co and its associates. The claims against *Emerald Transporter* were filed by the same plaintiffs on a simi-



Cape Times 5/5/84
3 meat

Opposition increases to meat-control plan

Chief Reporter

THE Cape Wholesale Butchers' Association (CWBA) and the Strand Town Council have joined the fight to stop the Meat Board from expanding its meat-controlled areas around Cape Town.

Mr L Salber, chairman of the CWBA, said yesterday that the Meat Board and the Minister of Agriculture had been notified of the association's strong opposition to the board's plan to extend the meat-controlled areas of the Cape Peninsula to four neighbouring municipalities.

Mr Salber added that the plan could lead to increased meat prices and would be detrimental

to the interests of producers, the public and the meat trade in general.

Last month the Meat Board decided to recommend to the Minister of Agriculture that control be extended to include the municipalities of Kuils River, Brackenfell, Durbanville and Kraaifontein.

Formal protests have already been lodged by the town councils of Kraaifontein, Kuils River and Brackenfell, and other municipalities including Stellenbosch, Somerset West and Durbanville are expected to take a stand on the issue soon.

The Town Council of Malmesbury, where a regional abattoir is situated,

is to take a decision on Monday night.

The Federation of SA Country Retail Butchers, has appointed an action committee to co-ordinate opposition to the move.

Mr Frans Roelofse, spokesman for the committee, said yesterday that one of the regional abattoirs that would suffer decreased turnover and severe income losses if the Meat Board plan went through, was situated at the Strand.

The Mayor of the Strand, Mr P L Claassen, has stated in a letter to the federation that extension of the controlled areas would cause unemployment in smaller municipalities around Cape Town.

Butchers challenge Meat Board

CAPC TAB 10/5/84 3 meat

Chief Reporter

SMALL butcheries in the Western Cape have decided, as a group, to apply urgently to the Supreme Court for an order restraining the Meat Board from seeking ministerial approval of its plan to include four neighbouring municipalities in the meat-controlled area of the Cape Peninsula.

The Meat Board's decision to recommend such a move has brought strong protests from the areas concerned — Brackenfell, Durbanville, Kraaifontein and Kuils River — as well as from

bodies such as the Federation of SA Country Butchers and the Cape Wholesale Butchers' Association.

The federation has appointed an action committee through which to channel protests against the plan. Grounds given for the protests are that if approved, the Meat Board plan would lead to meat-price increases for consumers and would eliminate free-market competition.

Mr Frans Roelofse, spokesman for the action committee, said

the small companies involved had taken legal advice and would seek a Supreme Court interdict to restrain the Meat Board from submitting its decision to the Minister of Agriculture.

"If we are unable to do that we will submit a memorandum to the minister directly, setting out the facts and the legal situation."

Mr Roelofse said the action committee was petitioning other local authorities in the affected areas and also planned public protests this weekend.

Meat Board's Cape expansion plans opposed

W/E ARGUS 11/5/84
3 Meat

By IRVING STEYN
Weekend Argus Reporter

PLANS by the Meat Board to extend its Cape Town control area, bringing more expensive meat for all concerned, are being heavily opposed in, among other moves, petitions circulating in the Tygerberg today.

The petitions oppose the extension of the Meat Board's area "because this will result in price increases over peak times, will damage healthy competition and will harm small business undertakings, which are affected by this move".

Leading the campaign against the Meat Board is the Federation of SA Country Retail Butchers, who handed in a memorandum to the Minister of Agriculture, Mr Greyling Wentzel, yesterday.

Backing the butchers are five Boland towns — Malmesbury, Kraaifontein, Kuils River, Brackenfell and the Strand — and more are likely to join the protest.

Cape Town too

The Meat Board is asking the Minister of Agriculture to extend its Cape Town controlled area to include Durbanville, Kraaifontein, Kuils River and Brackenfell.

Should this be allowed, the federation says, this would lead to price increases of up to R1 a kilogram for beef and mutton at peak times — not only for the affected areas outside Cape

Town, but in Cape Town itself.

Meat from outside the controlled area may not be sold in Cape Town, but meat from the Maitland abattoir may be sold outside the controlled area.

The country butchers — more than 60 are affected — said that as an example of prices they were selling legs of lamb in December last year at R4,30 a kilogram, while the same thing supplied from Maitland in the controlled area was selling at R6,42 at the peak.

Should the Meat Board's plans get the go-ahead, the country butchers affected would have to get all their meat from Maitland.

Overloading

It would lead, it is claimed, to further overloading of the Maitland abattoir, giving rise to dramatic increases in Peninsula meat prices when demand rises over holiday periods and long weekends.

It would also lead to a rise in infrastructure costs to the smaller butcheries and financial losses to farmers who would have to join the end of the queue for Meat Board quotas.

Application for the slaughter of 1,8 million sheep at Maitland were granted for only 500 000 and farmers would stand little chance of getting quotas.

A spokesman for the Meat Board said in Pretoria that it considered the matter sub-judice while it was being considered by the Minister. A full statement would be issued once a decision had been reached.

THURSDAY, 10 MAY 1984

Indicates translated version.

For written reply:

3 *Q.61. 1984 10/5/84*
Meat Board: carcasses
884. Mr M A TARR asked the Minister of Agriculture:

What (a) quantities and (b) grades of carcasses of (i) beef and (ii) sheep were held by the Meat Board as at 9 April 1984 or the latest specified date for which figures are available?

The MINISTER OF AGRICULTURE:

25 April 1984:

- (i)
 - (a)
 - 16 775 Super A and A1
 - 14 658 Grade A2
 - 9 746 Prime B1 and B2
 - 18 959 Top C, C1 and C2
 - Grade 3 and 4
 - (b)
 - 422 Super Lamb
 - 1 096 Lamb 1
 - 325 Lamb 2
 - 421 Lamb 3
 - 2 776 Mutton Prime B
 - 6 699 Mutton B1
 - 439 Mutton B2
 - 9 787 Mutton Top C
 - 5 848 Mutton C1
 - 6 309 Mutton C2
 - 336 Mutton Grade 3
- Total: 60 138

Total: 34 458

Boned beef: 1 ton
Blue cartons 8 832.3 (B2 up to Super)

Red cartons 2 791.2 (Grade C)
Black cartons 1 130.8 (Grades 3 and 4)

Total: 12 754.3 (equal to 86 764
beast carcasses)

Canned stock: 765.32 ton (equal to 5 206 beast carcasses)

Rosetenville: voters

886. Mr S P BARNARD asked the Minister of Internal Affairs:†

- (1) (a) How many voters were registered at the latest specified date for which figures are available in the constituency of Rosetenville with a view to the coming Provincial Council elections and (b) how many of these voters were registered by each specified political party;
- (2) whether (a) the local city council and (b) other local bodies register voters for this purpose; if so, how many voters were registered as at that date by (i) the city council and (ii) each specified other body?

The MINISTER OF INTERNAL AFFAIRS:

(1) (a) 19 827 as at 31 March 1984.

- (b) Record of the number of applications for registration as voters received in respect of each political party are not kept by the Department.

(2) (a) and (b) No.

FRIDAY, 11 MAY 1984

†Indicates translated version.

For oral reply:

Prime Minister: *H. Howard*

Q.61. 1984 11/5/84
Security operations: former member of House of Assembly
*1. Mr H E J VAN RENSBURG asked the Prime Minister:

- (1) Whether a former member of the House of Assembly, whose name has been furnished to the Office of the Prime Minister for the purpose of his reply, was involved in any security operations connected with the (a) Schlebusch Commission and (b) President's Council; if so, what was the (i) cost and (ii) purpose of these security operations;
- (2) whether any State moneys were paid to any persons in this regard; if so, (a) to which persons, (b) what total amount and (c) for what purpose in each case?

†The PRIME MINISTER:

- (1) (a) and (b)—I am not aware of any security operations with regard to the Schlebusch Commission and the President's Council.
- (i) and (ii)—Fall away.
- (2) (a), (b) and (c)—Fall away.

†Mr H E J VAN RENSBURG: Mr Speaker, arising out of the reply given by the hon the Prime Minister, in view of the evidence submitted by Mr Van der Walt, a former Deputy Minister, before the Law Society and in court, this would mean that the hon the Prime Minister's reply to my question indicates that the former Deputy Minister committed perjury in court. Is that in fact true?

†The PRIME MINISTER: Mr Speaker, the hon member wanted to know from me whether there are certain facts in this regard. I replied to him that I have no knowledge thereof; if he derives pleasure from tramping upon people who are down, it is his business

†Mr H E J VAN RENSBURG: Mr Speaker, further arising out of the reply given by the hon the Prime Minister, is he prepared to have investigations made—he says he is not aware of any operations of this nature—to establish whether secret operations of this nature did take place?

†The PRIME MINISTER: Mr Speaker, I have been in touch with the heads of all the security services in the country. They have given me the assurance that there is nothing of this kind. The hon member must therefore accept my word. I am not prepared to have his gossip further investigated.

†Mr H E J VAN RENSBURG: The hon the Prime Minister is therefore not prepared to reply to this in the negative or in the affirmative? [Interjections.]

†Mr SPEAKER: Order!

Security agent: former member of House of Assembly

*2. Mr H E J VAN RENSBURG asked the Prime Minister:

- (1) Whether a former member of the House of Assembly, whose name has been furnished to the Office of the Prime Minister for the purpose of his reply, was a security agent for any State department; if so, (a) for which Department and (b) (i) for what purpose and (ii) for what period was he so employed;
- (2) whether he received any remuneration for these services; if so, what total amount?

The PRIME MINISTER:

- (1) No. (a) and (b) (i) and (ii)—Fall away.
- (2) Falls away.

Ministers:

Q.61. 1202
Boland Farms: allocation to Coloured farmers
11/5/84

*1. Mr J H HOON asked the Minister of Community Development:†

- (1) Whether his Department has received any representations on the allocation to Coloured farmers of the area in the District of Kuruman known as Boland Farms; if so, (a)

CMS Top 14/5/84

Meat

firm

drops

price

3 meal

200

200

200

Staff Reporter

A NATIONAL meat producer yesterday announced that it will drop the price of a popular meat line by seven percent following the government's decision last week to exempt basic foodstuffs from general sales tax as from July 1.

The company, Kanhym-Karoo, which has 12 Peninsula outlets, will sell its Karoo boerewors at the reduced rate from today.

Both the SA Federated Chamber of Industries executive director, Dr J.C. van Zyl, and the president of the Afrikaanse Handelsinstituut, Mr Hennie de Klerk, have cautiously welcomed the exemption of basic foodstuffs but have expressed concern that by increasing GST to 10 percent, the government would postpone the country's economic recovery.

Excess demand

Dr Van Zyl said the estimated further R800 million which would be generated was necessary to curb excess demand and to finance rapidly-growing government expenditure.

Mr De Klerk expressed disappointment at the increase and said the control of inflation would be hampered by the fact that most goods would still carry GST.

(4) yes,	
Johannesburg	198 174,
Port Elizabeth	20 200,
Pretoria	23 568,
Durban	84 250,
Bloemfontein	12 404, and
Kimberley	2 436,

(5) this will only be finally known by the end of next month, when the 1984-85 edition of the telephone directory for the Cape Peninsula becomes available;

(6) no;

(7) (a) and (b) copies of the existing issue of the directory remaining on hand when the new directory becomes available will be disposed of as waste paper in terms of an existing State contract for the recovery of such paper.

Mr A B WIDMAN: Mr Speaker, arising out of the reply given by the hon the Minister, how does he reconcile his reply of today with the reply he gave previously? He has just told the House that telephone directories are indeed stored in a storeroom in Stirling Street. On 25 April, however, he advised this House that since special storage arrangements were not necessary there were no costs involved. Furthermore, how does the hon the Minister explain the fact that in early February this year there were approximately 180 tons of telephone directories—that is approximately 450 000 telephone directories—stored in the storeroom in Stirling Street?

†The MINISTER: Mr Speaker, the reply to the hon member's questions is relatively simple if one understands what goes on in the postal services. [Interjections.] The problem actually arises because the number of telephone installations envisaged is not reached. Last year we did not reach our goal in this respect. Consequently, more telephone directories were printed than were actually required by subscribers. Furthermore, many subscribers wait long periods before they collect their new telephone directories at the post office. Some people never come

†The MINISTER: Mr Speaker, I have already replied to that question by the hon member. I replied in the affirmative to the first part of the question, and in reply to the second part thereof I said that they are kept in the General Post Office in Cape Town.

National service: graduates

*4. Mr P A MYBURGH asked the Minister of Defence:

(1) Whether, with reference to his reply to Question No 22 on 9 May 1984, any graduates performing national service in the South African Navy are not being employed in their professional capacities or in positions requiring their particular skills; if so, (a) how many and (b) why;

(2) whether he intends to take steps to employ these persons in their professional capacities; if not, why not; if so, (a) what steps and (b) when;

(3) whether these persons will receive professional allowances for their services; if not, why not?

The MINISTER OF DEFENCE:

(1) No.

(a) and (b) Fall away.

(2) and (3) Fall away.

Share Blocks Control Act

*5. Mr A B WIDMAN asked the Minister of Industries, Commerce and Tourism:

Whether he intends to amend the Share Blocks Control Act, No 59 of 1980, in accordance with Resolution IV (3) of the Second Report of the Select Committee on Rent Control (SC 9 B—83); if not, why not; if so, when?

†The DEPUTY MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

A subcommittee of the Standing Advisory Committee on Company Law, which

advises the Minister on share blocks, was established recently. The relevant recommendation of the Select Committee on Rent Control has been submitted to the subcommittee and a decision on whether or not to amend the Act will be taken after the receipt of the recommendations of the subcommittee.

Mr A B WIDMAN: Mr Speaker, arising out of the reply given by the hon the Deputy Minister, is he aware of the fact that share-block scheme owners are taking advantage of the fact that there is no legislation preventing them from circumventing all the provisions contained in the Sectional Titles Act, and that they do so by forming share-blocks control companies?

The DEPUTY MINISTER: Mr Speaker, the hon member is most welcome to submit his problem to me. I in turn shall submit it to the permanent advisory committee so that they can give attention to the matter.

Mr A B WIDMAN: Mr Speaker, further arising out of the reply given by the hon the Deputy Minister, can we, on this very important matter, expect some form of legislation to be introduced during this session of Parliament?

The DEPUTY MINISTER: I have nothing to add to the reply I have given the hon member. As soon as we have obtained the advice, the question of whether amendments to the law are necessary or not will be considered.

(3) *Meat Howard*
Cape Peninsula meat-controlled area
C/Co 1. 1246 16/5/84
*6. Mr P A MYBURGH asked the Minister of Agriculture:

(1) Whether the Meat Board has recommended that certain municipalities be included in the Cape Peninsula meat-controlled area; if so, (a) what municipalities, (b) when and (c) why.

(2) whether he has received any representations concerning this recommendation; if so, (a) when, (b) from whom and (c) what was (i) the nature

of the representations and (ii) his response thereto;

- (3) whether he intends to approve the recommendation of the Meat Board; if so, why?

†The MINISTER OF AGRICULTURE:

- (1) I understand that the Meat Board took such a decision and submitted it to the National Marketing Council on 7 May 1984. The Council will in due course and in terms of the legally prescribed procedure transmit the Meat Board's decision to me together with the Council's report and recommendations thereon. Consequently, the required particulars are not yet at my disposal.

- (2) Yes.

- (a) On 17 April 1984, 7 May 1894 and 14 May 1984.

(b) Mr M. Roux, Beaufort West; Cape Wholesale Butchers; Association, Cape Town; and Messrs D. P. de Klerk and Van Gend, Attorneys, Cape Town.

- (c) (i) Representations opposing the decision of the Meat Board on the grounds of disadvantages for the producers; increased costs for consumers and failure to consult all interested persons.

(ii) Since the decision of the Meat Board and the report and recommendations of the Marketing Council have not yet been submitted to me, I have only taken notice of the representations and have not replied thereto.

- (3) I am not yet in a position to give an indication.

(i) when and (ii) what was the (aa) nature of the complaints and (bb) response thereto in each case?

The MINISTER OF DEFENCE:

- (1) No.

(a), (b) and (c) and (2) and (3) fall away.

Trinity High School, Lenasia

*9. Mr P. C CRONJÉ asked the Minister of Internal Affairs:

- (1) Whether he or any member of his Department has received any representations or complaints concerning a teacher at Trinity High School in Lenasia; if so, (a) when, (b) from whom and (c) what was (i) the nature of the representations or complaints and (ii) his response thereto;

(2) whether he has held an inquiry into his matter; if not, why not; if so, what were the findings;

(3) whether he has taken any action as a result; if not, why not; if so, (a) what action and (b) when?

†The MINISTER OF INTERNAL AFFAIRS:

- (1) I have received no representations or complaints. The school principal has, however, received complaints.

(a) 2 May 1984.

(b) The parents of three pupils.

(c) (i) The complaints were submitted in writing and mainly refer to the way in which punishment was supposed to have been administered.

(ii) The parents would have sent copies of the complaints to the Chief Inspector

and the Director of Education. As yet nothing has been received. As a result of a newspaper report the matter came to the notice of the Director. He is now having the matter investigated by two circuit inspectors. When they have reported, it will be considered whether any steps are appropriate.

- (2) and (3) Fall away.

*10. Mr A SAVAGE asked the Minister of Law and Order:

- (1) Whether (a) Mziwoxile Platjies and (b) Linkele Fose were detained by the South African Police in the Craddock magisterial district during April or May 1984; if so, (i) when and (ii) why;

(2) whether any (a) staff members of any Black schools and (b) other persons in the area were detained during this period; if so, (i) when, (ii) in terms of what statutory provisions, and (iii) why, in each case;

(3) whether any of the persons detained were under the age of 18 years; if so, how many;

(4) whether these persons have been charged; if so, in terms of what statutory provision; if not,

(5) whether they have been released; if not, why not; if so, (a) how many and (b) when?

The MINISTER OF LAW AND ORDER:

(1) (a) and (b) No, not in the Craddock magisterial district.

(2) (a) No.

(b) Yes.

Howard
Reference books 16/5/84
*7. Mrs H SUZMAN asked the Minister of Co-operation and Development:

Whether any instructions have been issued to officers of his Department concerning time allowed to Black persons to produce their reference books when requested to do so, if not, why not; if so (a) what instructions and (b) when?

†The MINISTER OF CO-OPERATION AND DEVELOPMENT:

It is not usually a duty of officials of the Department of Co-operation and Development to demand reference books from Black persons, but this task forms part of the duties of officers of the Development Boards. No specific instruction in this regard was issued to officers of the Department of Co-operation and Development or officers of the Development Boards as it is expected of them to carry out the provisions of the Act in the normal execution of their duties.

Howard
Defoliants 16/5/84
*8. Mr P A MYBURGH asked the Minister of Defence:

(1) Whether the South African Defence Force has made use of defoliants in the course of its operations; if so, (a) where, (b) on what dates, (c) on whose authority in each case and (d)(i) what was the chemical content of the defoliant used and (ii) from whom was it obtained;

(2) whether steps were taken prior to using such defoliants to prevent their having harmful effects on human beings; if so, (a) what steps and (b) by whom; if not, why not;

(3) whether any complaints have been received from any members of the (a) South African Defence Force and (b) civilian population concerning health problems caused by defoliants; if so

Butchers, Meat Board in row

CAPL Times 18/5/84 3 meat

Own Correspondent

JOHANNESBURG. — A major row between the Meat Board and the Federation of South African Country Retail Butchers burst into the open yesterday with an announcement by the federation that they will cut country meat prices by an additional 3 percent on top of the 7 percent GST exemption on July 1.

This means that consumers in South Africa's country areas will, without taking into account the Meat Board's higher meat prices in controlled areas, pay 10 percent less for fresh meat as opposed to the 7 percent less to be paid by consumers in major cities with the exemption of certain foodstuffs when the new 10 percent GST comes into effect.

The 3 000-member federation disclosed at a press conference in Johannesburg that consumers in areas controlled by the Meat

Board pay on average 20,7 percent more for red meat than consumers in uncontrolled or country areas.

Mr Frans Roelofse, chairman of an action committee formed by the federation to fight the planned expansion of Meat Board controls into the Western Cape, threatened to take the Meat Board to court should it go ahead with its plans.

Loss of R7,1m

He accused the board of "gross irregularities" in its preparation of a report favouring the proposed extension of Meat Board control in Brackenfell, Kraaifontein and Durbanville.

Mr Roelofse said the federation believed that the Meat Board's latest plan should be seen as the thin edge of the wedge in its attempt to bring the whole of South Africa under its control.

He said a large number of interested parties, including consum-

ers, local authorities, abattoirs and retailers had not been allowed sufficient opportunity to give evidence before a committee investigating the extension of Meat Board controls into the area.

If this case came to court it should be seen as a test case against increased control by agricultural boards, Mr Roelofse said.

Meanwhile the chairman of the Meat Board, Dr P H Coetzee, rejected the claims by what he called "a minority of four butchers out of 46 opposed to the proposed extension" as "totally unfounded".

But Mr Roelofse said just 10 (or 15 percent) of the butchers involved in the proposal would lose an estimated R7,1-million a year in turnover should the Meat Board be allowed to go ahead.

The federation's chairman, Mr C W Boshoff, said the lower price was an attempt to break the "persistent inflation spiral".



ig to win."

I come, ed Paul

week hotel manager Mr Char-
on was told by the liquor firm
Settie had won. The news put
not least of all Mr Settie, in
of shock.

tie, who lives in Guguletu and
of his life in Kensington, is
ed with a race against time to
passport, visa and all the oth-
entation needed for the trip.

there is the problem of a new
— which is not part of the
which includes tickets for the
t tickets, accomodation in Las
three days in New York. All
with R2 500 plus R200 pocket

Settie's colleagues at the ho-
friends are rallying around to
at they can do about new
and everything else he needs"
-adventure.

Meat Board slates butchers' objections

w/le ARGUS 3MRA
19/5/84

Weekend Argus Correspondent

PRETORIA. — The Meat Board has issued a statement in response to objections against the proposed expansion of the Maitland controlled meat marketing area in the Cape.

The general manager of the Meat Board, Dr Pieter Coetzee, said in Pretoria that the objections had been lodged by a group of butchers in Durbanville and Kraaifontein against the board's recommendations that the two areas and Brackenfell be included in the controlled area.

"The campaign being waged against the proposed adjustment of the borders of the controlled meat marketing areas is based on false grounds, does not accord with the facts and is creating a distorted picture," he said.

"Exception to rule"

Dr Coetzee said only four of the 46 butchers in the areas concerned did not buy their

Campaign against meat marketing move

supplies at the Maitland-controlled market.

At the time of the survey preceding the recommendations, only three butchers got their meat supplies from other sources while a fourth bought from both sources.

"The proposed inclusion of Brackenfell, Durbanville and Kraaifontein is therefore merely a formal incorporation of areas that have already been incorporated in practice," he said. "The four objectors are the exception to the rule."

Dr Coetzee said urban expansion meant the borders of controlled areas started intersecting upon areas. This resulted in situations where butcheries on one side of a street were in a controlled area and others across the street were outside it.

A spokesman for the Meat Board said recommendations had been made for the inclusion of other areas in controlled marketing areas, but particulars would only be released later.

Anglo American geologist's body flown home for cremation

JOHANNESBURG. — Anglo American Corporation geologist Dr Louis Murray was cremated in a private family service in Johannesburg after his body was flown into the country from Chile this week.

Dr Murray, aged 60, died when the helicopter he was travelling in crashed on the Chilean Andes on April 14, sparking off a rescue mission involving Chilean and Argentinian mountain climbers.

His pilot, Mr Cesar Tejos, 33, who was piloting the aircraft when it crashed, was buried in Santiago on Monday after a memorial service.

Post-mortem examinations in Santiago on the two bodies indicated they had died as a result of the fatal crash.

Although their helicopter was sighted on a 6880m peak near the crest of a live volcano, Ojos Del Salado, parties were only able to reach it last week because of bad weather, including winds gusting at 100km/h and intermittent snowfalls.

Copper, silver

The two men failed to return after taking off from a mine prospecting camp in Copiapo district, north of Chile's capital Santiago. Copiapo is known for its rich reserves of copper, silver and gold.

Herdsmen had reported seeing the helicopter landing on the mountain and this engendered hope the two had survived.

When search parties reached

the helicopter on the peak, the second highest in the West, they found the two men dead.

Damage to their aircraft included a missing rear rotor, a detached right landing ski, a bent left ski and bent main rotor blades. It is assumed the helicopter hit something while making the emergency landing.

Dr Murray was Anglo American's deputy technical director and director of De Beer. He had been involved in several mine projects worldwide. He is survived by three children and a wife.

Mr Tejos was an ex-Chilean Air Force officer, reaching the rank of major before retiring and becoming a commercial pilot. He is survived by a wife and three young daughters.

BRING AIDS!

Bristol explorer first to reach

Move to stop meat control

Argus Correspondent

JOHANNESBURG. —

An action committee formed by seven Western Cape retail butchers will apply for an interdict to stop the Meat Board from extending its control to all butchers in the area.

This was announced here by committee chairman, Mr Frans Roelofse.

Mr Roelofse said: "The Meat Board's decision contradicts three basic Government policies.

● "An avowed commitment to free market principles.

● "The promotion of small business development.

● "The decentralisation of economic development.

Test case

"Should the interdict fail we will take the matter to the Supreme Court as a test case. If the board is allowed to get away with it in the Cape, traders throughout the country will be threatened," he said.

"The Board's action is based on a policy of arbitrarily centralising control through the issue of

regulations. All farmers in 'controlled' areas need a slaughter permit to deliver meat to the Matieland abattoir which is the sole supplier to the butchers.

"The abattoir can only grant 500 000 permits while there are about 1,8-million applications made a year.

"And by forcing traders to obtain meat from Matieland, retail selling prices will rise sharply as higher abattoir costs and wholesale prices in the 'controlled' area push up total costs," Mr Roelofse said.

He went on to ask: "If the producer is being negatively affected, what about the consumer?"

Meanwhile, the Federation of Country Retail Butchers — a national body representing smaller butchers — has appealed to all traders outside the "controlled" areas in South Africa to reduce the price of fresh meat by a further three percent.

This will be over and above the seven percent GST which is being abolished as from July 1.

President of the federation, Mr W C Boshoff, asked the Meat Board to amend the regulations to make this new plan possible.

Meat Board defends control extension

CAPE TIMES 22/5/84 BH/ak

Staff Reporter

DR P H COETZEE, general manager of the Meat Board, said this week that the campaign being waged against the board's proposed extension of the controlled meat-marketing area of the Cape Peninsula was based on "false grounds".

The campaign, he added, did not reflect the facts and it created "a distorted picture".

Dr Coetzee was commenting on moves by an action committee appointed by the Federation of SA Country Retail Butchers to stop a Meat Board plan to extend the Peninsula meat-controlled area to the neighbouring municipalities of Kraaifontein, Kuils River, Durbanville and Brackenfell.

The Federation, which says such a move would have the effect of pushing up meat prices and removing free-market competition, is supported in its objections by the town councils in these areas, as well as

by the Cape Wholesale Butchers' Association.

Dr Coetzee said yesterday that only four of the butcheries conducting business in the areas concerned did not purchase their supplies at the Maitland controlled market.

Support

"The proposed inclusion of Brackenfell, Durbanville and Kraaifontein is therefore merely a formal incorporation of areas that have already been incorporated in practice. The four objectors are the exception to the rule." Dr Coetzee said an allegation by the objectors that extension of the controlled area would increase the price of meat by R1 a kg was not consistent with consumers' buying patterns in those areas.

"The fact that the original three objectors marketed only about 20 cattle, 192 sheep and 11 pigs a week, makes a mockery of their concern over a possible additional burden on the

Maitland abattoirs, to say the least."

Referring to the objectors' concern over decentralization, Dr Coetzee said some of the surrounding abattoirs should during times of heavy sheep marketing be regarded as part of the controlled market for slaughtering purposes. The Meat Board's recommendation was in fact intended to provide abattoirs with an increased turnover, make them more viable and guard them against closure.

Cape Times 25/5/80

'Untrue' Meat Board statement

Staff Reporter

THE action committee of the SA Country Retail Butchers has labelled as "unfounded and untrue" statements made by the general manager of the Meat Board, Dr P H Coetzee, in support of the proposed extension of the controlled meat-marketing area of the Cape Peninsula.

In reaction to Dr Coetzee's statement, published in the Cape Times on Tuesday, Mr Frans Roelofse, convenor of the action committee, said in a statement that Dr Coetzee "alleges that there are 46 butchereries in the areas proposed for inclusion and that only four of these do not purchase their meat in controlled areas".

The committee adds that Dr Coetzee contends that only a minimal number of sheep, cattle and pigs are bought by these small butchereries and that the price benefit does not reach the consumer.

Wholesalers

The true facts, says the committee, are that:

● Of the 46 butchereries to which Dr Coetzee refers (the committee

claims there are only 45), 20 are in Atlantis and four in Belhar. Twenty-three of the 24 are Halaal butchereries and have nothing to do with the proposed new areas of control. Of the remaining 21, 11 purchase all their meat at wholesalers outside of the controlled areas and a further two buy regularly in the non-controlled areas. Eight buy in the controlled area.

● A comparative study of meat prices during December showed that 11 butchereries referred to were on average 20,7 percent cheaper than the average retail butchery supplied by wholesalers in the controlled areas.

● Wholesalers from Grabouw, Malmesbury and Strand stood to lose R8,2-million a year in turnover if the control measures were instituted.

Livestock

● The Federation of SA Country Retail Butchers has announced a three percent cut in the meat price. "Instead of encouraging this plan, congratulating the federation and providing support, Dr Coetzee has attacked us with false and misleading statistics."

● The allegation that "we pay ludicrously low prices for livestock to farmers during the over-supply period from mid-September to mid-January is false. We purchase meat at country auctions where we are the highest bidders".

The committee says the members of the federation were quite prepared to back these statements with factual proof. It said a Housewives' League survey had shown that meat consumption in controlled areas had declined by 43 percent.

Dr Coetzee's earlier statement introduced an additional facet to the protracted argument that has brewed since the Meat Board announced its intention to extend controlled areas in the Peninsula.

Inclusion

He said the campaign against the move was based on false grounds.

The federation is supported in its contention by town councils in the areas proposed for inclusion.

The Meat Board believes that its recommendation would provide abattoirs with an increased turnover and make them more viable.

~~215~~

③ Meat

The free market says it all



The slanging match between country retail butchers and the Meat Board (MB) is of far more importance than may at first appear to be the case. Part of the point is that the MB is busily

extending its control over the western Cape — and that is only the first round in what is shaping up to be a fullscale battle for control of SA's R4,3 billion/year red-meat industry.

By and large, farmers, consumer bodies, butchers, supermarketers and academics want greater freedom in the meat trade. Opposing them is the MB, which is powerful and which favours greater control through a system of regulations, quotas and permits.

In past years, there would have been little doubt over the outcome. But, in the current climate, even government favours less control in agriculture. As Pretoria put it in a recent White Paper on the sector: "Since government advocates the principles of the free-market system, the control-board system needs to be applied with great circumspection to ensure that State involvement does not distort production, marketing and price structures."

The latest move by western Cape retail butchers — who have reduced red-meat prices in uncontrolled areas by a full 10%, partly thanks to the imminent abolition of gst on red meat — is calculated to show consumers they are better off without control. The butchers claim that, with no minimum floor-price mechanism at work, no controlled abattoir costs, and no necessity to obtain retail permits from the MB, the consumer can only win.

One example bears this out. According to a leading western Cape meat wholesaler, Roelcor, its average prices for nine different cuts of meat in the uncontrolled area — over the Christmas period last year — were between 24% and 30% cheaper than those of the controlled Maitland abattoir area.

Small impact

To these claims, the MB has responded with ridicule. It says that an extension of its control would have only a small impact on the affected area. But not all agree. For one thing, the issue reaches upwards into the political sphere.

"Under the new Constitution, the free-market principle is accepted as a cornerstone for the new SA," says a spokesman for the retail butchers' action committee, Frans Roelofse. "Should government decide to back the MB's quest for extended control, we will ask the Supreme Court for a declaratory order on our basic constitu-

"Power, *per se*, and the manipulative capabilities of certain interest groups have become more important than the real interests of both producers and consumers. The Meat Board's proposed extension of control in the western Cape can be seen as a calculated move in its overall strategy to consolidate and extend control and dictate terms and conditions to producers and consumers" — Frans Roelofse, spokesman for the action committee of the Federation of SA Country Retail Butchers.

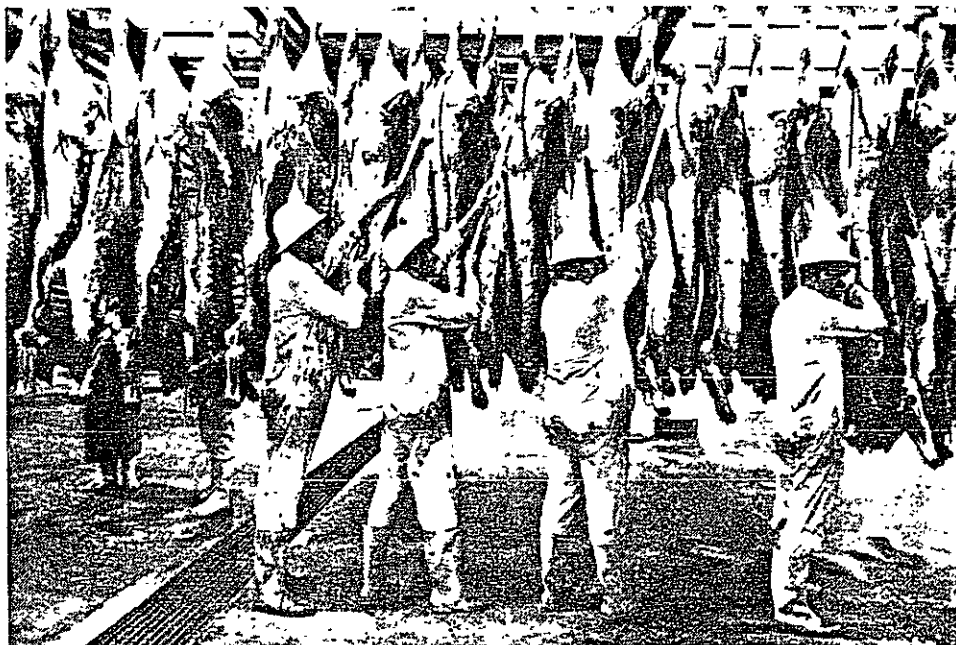
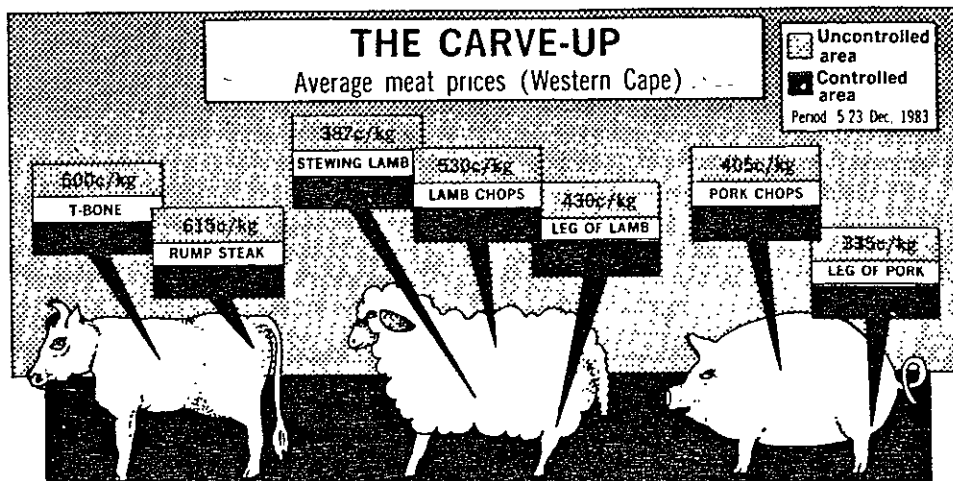
tional rights."

The MB is not only trying to extend its area of physical control; its recent conditional acceptance of a proposed one-channel price-pooling system suggests that it

favours control on prices as well. At present, producers are supported by a floor-price system. The MB buys in all unsold stocks below certain price levels, while above this level there is qualified market freedom for buyers and sellers to operate without controls.

If the pooling system were introduced, the board would pool all prices received by farmers for the same grades of meat during a given trading period, thus removing the effect of daily or weekly price fluctuations.

According to Roy van der Westhuizen, executive director of the Organisation of Livestock Producers, a growing free-market-orientated producer organisation: "The pool system has the potential to lead to price fixing. If one control does not work, it leads to another, and so the position worsens for both consumers and, eventually, producers."



In the abattoir ... much more than physical control

245

Meat

THE MEAT WAR

The free market says it all



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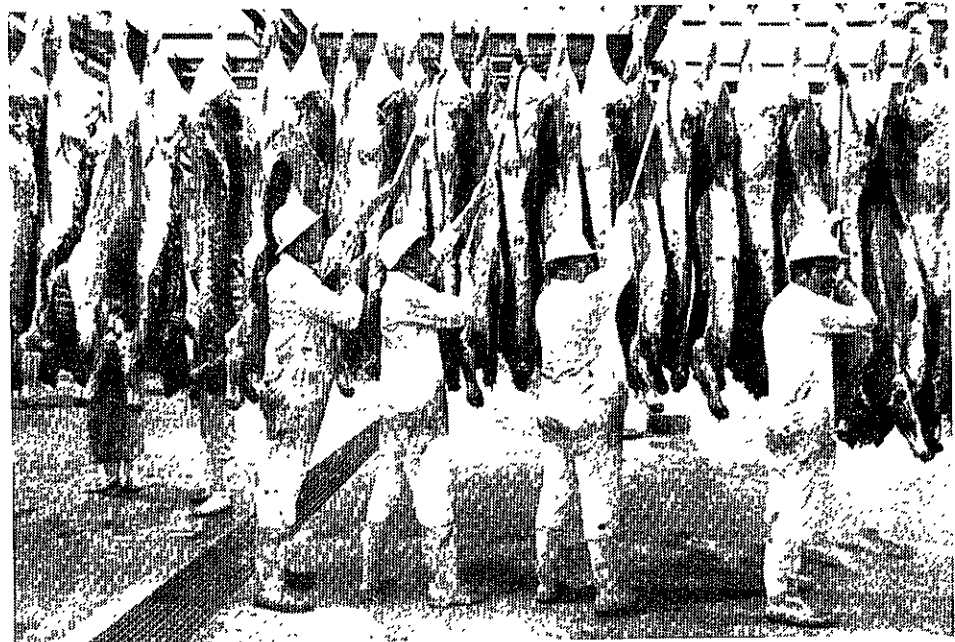
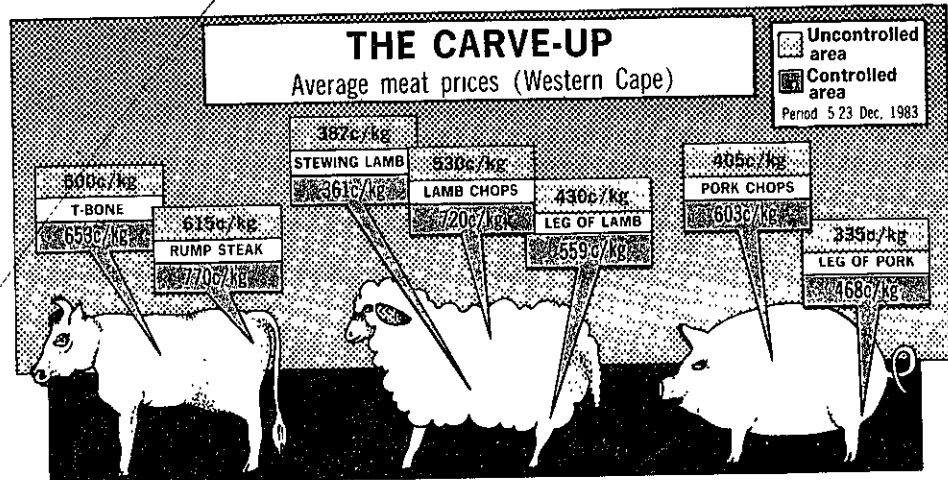
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In the abattoir ... much more than physical control

(245) (3) Meat

MEAT BOARD COMMENT

Comments by Meat Board GM, Pieter Coetzee: "It may well be argued that those who speak so vehemently against the extension of the Board's control in the Cape are out to protect their personal interest alone and are not looking at the greater interests of all sectors in the industry including the producer sector.

"The Board does not interfere with the price-forming mechanism apart from fixing minimum producer prices. I would be interested to know who is advocating the abolition of these minimum prices.

"Organised agriculture, which represents the producer sector, is strongly in favour of them since they are an essential instrument to ensure continued production of a product with a long-term production cycle like red meat.

"Poultry is not comparable to red meat and your reference to absence of control on that product is therefore inapposite.

"The increase in the consumption of chicken and decrease in that of red meat is a world-wide phenomenon and has no bearing on SA's marketing system of red meat.

He says some farmers requested the pooling system to protect them against daily price fluctuations. But this remedy could be to their eventual disadvantage, since it gives cartels the opportunity to fix their prices at lower levels than market forces dictate.

"Consumers would not benefit from this," he adds, "because competition at retail level is restricted through the MB's policy of limiting the issue of butchers' permits." With the board collecting all sales revenue and only paying farmers part of the average price three to six months later as an *agterskot*, farmers could eventually find that their sales volumes and revenues would be controlled by other — not necessarily benign — parties.

Private-sector representatives in the meat distribution trade also fear that their interests would be further jeopardised by the pooling system. Vleissentraal, the largest central meat co-op, already has a huge stake in the producing and marketing of meat. It is also the largest single bloc represented on the MB (having at least seven, possibly nine, out of the board's two dozen-odd members). This has led to allegations that the interests of Vleissentraal and the MB are in some respects inseparable.

This suspicion has been strengthened by Vleissentraal's public support of the proposed pooling system.

There are other advanced production methods that could also contribute towards meat-price stabilisation. The use of feedlots, the special feeding of cattle under

"The Board's butcher's registration policy is very strongly endorsed by representatives of the trade interests who are now attacking the Board.

"On the matter of the pool system, the Board has not taken a final decision but has referred the proposals to all interested parties for their comment.

"It will act in the light of comments received.

"The Board is not manipulating the market in any way at all. It has to buy in stock at floor prices if it wants to maintain a floor price system and for the rest it leaves prices to be determined by the trade.

"The whole issue therefore hinges on the security provided to the producer in the floor price, the abolition of which

will never be accepted by producers. This system is also strongly supported by trade and consumer representatives on the Board.

"The accusation that the Board ignores the welfare of consumers is also inapposite since the Board has to take full cognisance of consumers' interests if it wants to further producers' interests.

"As a matter of interest — prices taken at random towards the end of last week at two butcheries in the controlled area of Cape Town and two butcher shops in the outside area (one in Stellenbosch and the other in Paarl) revealed that retail prices in the controlled area were lower than prices in the uncontrolled areas."



Meat Board's Coetzee ... 'the board does not interfere'

artificial conditions, is one.

Checkers GM Ernie Smit says feedlots can play a strong role in stabilising meat prices without unnecessary controls or regulations. In the US, feedlots already provide for about 75% of all meat consumed, without floor prices. But in SA, the board limits this to only about 35% in the controlled areas.

Meanwhile, red meat is losing out against strong growth in consumption of white meat. Chicken sales have shot up by 1400% over the last 23 years — from about 29 Mt in 1960 to about 445 Mt in 1983. The most logical explanation is the fact that production costs for chickens are far lower than for red meat.

Industry sources point out that there is no "Chicken Board" to bureaucratise the industry and so distort the market. Red-meat producers have to contribute to the board's stabilisation fund, which is used to buy unsold meat stocks on controlled markets

below floor-price levels. According to the MB's 1982-1983 annual report, its stabilisation funds for cattle, sheep and pigs at June 30 1983 stood at R30,1m, R16,7m and R14,7m respectively, while it had unsold beef stocks to the value of R42,5m on hand.

Bernard Hellberg of the Consumer Council says the MB is manipulating the market by withholding large amounts of stock, creating artificial shortages and forcing up prices. "A free market would provide greater competition and prevent the middleman from taking too large a bite," he states.

According to Van der Westhuizen, red-meat consumption declined from 37,1 kg per capita in 1968 to "about 27 kg" in 1983. Concurrently, chicken consumption grew from 3,7 kg per capita to about 14 kg in 1983 — the equivalent of about 2,15m cattle, 26m sheep or 8,5m pigs annually.

Sales of cheaper pork have also shown

"strong cyclical growth," with the price increasing by 19% between January and October last year. But this consumer move towards pork was nipped in the bud by the MB last year when it instituted a permit system to limit pork's access to the market.

About a year after this heavy-handed move, the board is being forced to negotiate the import of *additional* pork supplies, since demand for pork has outstripped available supplies.

For his part, Fanie van Rensburg, chairman of the national meat committee of the SA Agricultural Union (SA's "Mr Meat"), says those who see a free-market situation as the solution to the industry's problems are "skating on thin ice." He adds that "a system of pooling can be justified under all conditions."

Van Rensburg, vice-chairman of the Co-operative Council of the SAAU, is arguably the most powerful man in the union. Until last year, he was also senior GM of Vleisentraal; and he is also chairman of Abakor, the central co-op controlling all abattoirs in "controlled" areas — as well as chairman of the producers' hides and skins committees.

Market forces are definitely seeking to send a most important message to the MB. Up to now, it has largely been ignored, says Checkers' Smit. According to him, the board completely ignores retailers in setting its marketing and pricing policies. (Retailers are now forming their own committee to put their views to the board.)



Retail butcher ... price should be his prerogative

"There are specialists in every field and supermarketiers are well-qualified to effectively market meat on the retail level. We have our finger on the pulse," Smit says.

Terence Conroy, MD of Kynoch Feeds, says analyses show that buyers want quality meat products and value for money. Greater competition, through more meat outlets (especially in black areas), product innovation and brand names for beef, as for bacon and pork products, could help improve matters. "Marketers should, in order to push up sales, *first* look at the consumer end of the chain, identify the position and size of the present and potential market for livestock or livestock products and only then look at the production end to fulfil what the market wants."

Conroy adds: "True, effective marketing is simple — it is to satisfy *needs*. Nothing

245 (3) meat
FOM 25/5/84
more, nothing less."

This is clearly not the view of the board, which controls the meat supply to all the urban areas. It does this mainly by setting minimum prices, determining the quantity of cattle to be slaughtered at controlled abattoirs, issuing retail licences and enforcing what are supposed to be health standards.

Clearly, from its general attitude, the MB has, at the front of its mind, more the interests of the producers and middlemen than the consumer. And the multiplicity of red tape that is endemic in its operations could be more of a permanent distortion to market-clearing prices than the very short-term fluctuations that it seeks to reduce.

This is at the crux of the battle in the western Cape, which is why it is of national importance. If the local interests succeed in keeping out the MB, there is bound to be reaction in other areas, especially if price sensitivity is shown to be a consequence. In addition, it will be bringing a vested interest, which has traditionally been sympathetic to government policy, into direct conflict with government's new mood.

It need hardly be said, after the widespread public dislike of the increase in *gst*, that any increase in the price of as important a food as red meat will find little favour in Pretoria. Moreover, many drought-stricken farmers are anxious to see meat consumption rise. So the bureaucracy at the MB could well feel the onslaught from more than one front.

Public storm over Meat Board plan started by 'leak'

Parliamentary Staff
INFORMATION
 "leaked" by a member of the Meat Board had resulted in the public storm about the board's plan to expand its controlled area in the Western Cape, the Assembly has been told.

The Minister of Agriculture, Mr J J G Wentzel, said the matter was "sub judice", but after the disclosure by the Meat Board member, the Press had turned it into "a terrible affair".

He said he did not know why the Meat Board member — whom he did not name — had disclosed the information.

Mr Wentzel was replying to Opposition criticism of "autocratic" attitudes in the meat industry during yesterday's third-reading debate on the Marketing Amendment Bill.

Prohibit
 He said existing legislation was being amended to prevent this happening again. The amendment would prohibit public discussions about "sensitive matters" before the facts had been submitted to the Minister.

The Meat Board had been investigating the proposed expansion of the Western Cape controlled area. The board's recommendations would eventually be submitted to the National Marketing Council, which would then make a submission to the Minister to enable him to take a decision.

The Meat Board's whole discussion about the matter, however, had for some reason been made public by a member of the board.

posed scheme, only three bought their meat outside the controlled area. The rest all bought their meat at the controlled Maitland abattoir.

The question of whether the price of meat would be in-

He said he noted with a concern a report in a Johannesburg Journal about the Meat Board's wish to extend control in the Western Cape.

Mr Hardingham quoted figures from the journal's report which showed that various meat prices over last Christmas had been over one rand a kilogram cheaper in areas not under Meat Board control.

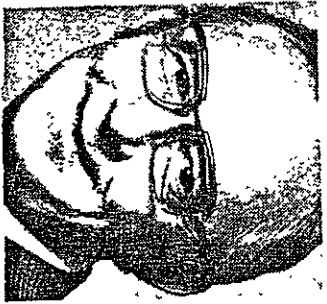
The price of lamb chops, for example, was reported to have been R1.90 a kg cheaper in the uncontrolled areas than in the controlled areas.

With one exception, the figures reflected the general tendency, Mr Hardingham said. He added: "This is a matter which concerns

know exactly what is going on here." Earlier Mr Ralph Hardingham (NRP Mooi River) said there were signs of "a certain autocratic attitude rearing its head within the meat industry".



Mr J J G Wentzel



Mr Danie Steyn



Mr Roger Hulley



Mr Ralph Hardingham

State audit control of oil funds to be investigated

Parliamentary Staff
 THE whole question of bringing South Africa's oil funds under the audit control of State funds was now being investigated, and legislation for this might be introduced next year, the Assembly has been told.

Mr Steyn said that in recent months new circumstances had developed which made it necessary to look again at the whole set-up in regard to the State Oil Fund, the Strategic Fuel Fund and the Industrial Development Corporation, as well as the procurement of crude oil.

The Minister of Mineral and Energy Affairs, Mr Danie Steyn, said he believed such legislation would dispel opposition fears about control of and accountability for public money in the oil funds.

The Minister also said that the main purpose of legislation to divert and save part of the money raised from a levy on fuel sales instead of using it to finance the budget was to ensure that funds would be available for future projects like a Sasol 4.

Replying to the second-reading debate on the State Oil Fund Amendment Bill, Mr Steyn rejected opposition charges of mismanagement of oil funds.

The Bill provides for the Treasury to take some of the money in the State Oil Fund, which in turn is given wider powers to transform it into a general development and trading fund.

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The Meat Board's whole discussion about the matter, however, had for some reason been made public by a member of the board.

Only three

"I am not defending the Meat Board, but I do not want to say for one moment that the board did not have good reasons for seeking to expand the controlled area," the Minister said.

Of 46 butcher shops involved in the pro-



Mr J G Wentzel

created in the process was "another matter," Mr Wentzel said he was awaiting a submission from the Meat Board.

He gave an assurance that the matter of expanding the controlled area would be investigated and would be settled "in a democratic manner".

Mr Wentzel said he hoped the Press would "stop writing about this because they don't

Cape.

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The price of lamb chops, for example, was reported to have been R1,90 a kg cheaper in the uncontrolled areas than in the controlled areas.

With one exception, the figures reflected the general tendency, Mr Hardingham said.

He added: "This is a matter which concerns all of us. I know of a number of meat producers in this country who are directly affected by a state of affairs of this nature."

The Bill, which amends the Marketing Act of 1968 largely in technical respects, was read a third time.

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Replying to the second-reading debate on the State Oil Fund Amendment Bill, Mr Steyn rejected opposition charges of mismanagement of oil funds.

He said the Bill before the Assembly was regarded by the Government as only an interim measure for proper financial arrangements according to law until the introduction of a consolidated measure in Parliament next year.

The legislation envisaged for next year would provide for sound audit control by Parliament.

TO BE TABLED

This would make it possible for reports on funds where no clandestine procedures were involved to be tabled in Parliament and for the funds to be audited.

Mr Steyn said that so far no distinction had been made between public and private funds for audit purposes because all funds handled by private companies had been audited by private auditors in terms of the Companies Act.

The Auditor-General, with whom discussions had been held about this matter, could therefore not have been involved in the financial control.

The rationalisation of South Africa's oil procurement organisation with a view to the best possible financial control over the various kinds of funds was now being considered by the department.

Mr Steyn said that in recent months new circumstances had developed which made it necessary to look again at the whole set-up in regard to the State Oil Fund, the Strategic Fuel Fund and the Industrial Development Corporation, as well as the procurement of crude oil.

The Minister also said that the main purpose of legislation to divert and save part of the money raised from a levy on fuel sales instead of using it to finance the budget was to ensure that funds would be available for future projects like a Sasol 4.

The Bill provides for the Treasury to take some of the money in the State Oil Fund, which in turn is given wider powers to transform it into a general energy development and trading fund, and new powers of general investment.

Mr Steyn rejected a suggestion by Mr Roger Hulley (PFP Constantia) that there were billions of rands in the State Oil Fund. He accused Mr Hulley of spreading a "gossip story which has obtained a whole lot of new tails like octopus arms".

SELECT COMMITTEE

On April 30 there was only R887,6-million in the State Oil Fund and the money had come from the sale of Sasol.

Mr Hulley called for the appointment of a parliamentary select committee to investigate transactions of the State Oil Fund and the Strategic Fuel Fund Association since their inception.

In a proposed amendment declining to pass the second reading of the Bill, the Opposition also proposed that the Auditor-General be made responsible for the auditing of the accounts of the State Oil Fund and the Strategic Fuel Fund Association.

The Bill was read a second time with the support of the New Republic Party, the Conservative Party and the National Party. The PFP amendment was rejected.

and Politics

Parliament and Politics

Greyling: Press blew up meat issue

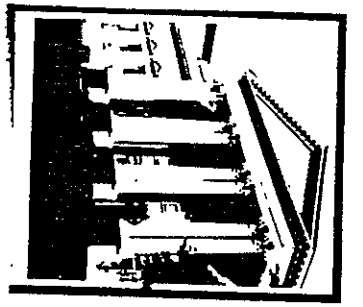
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meat issue

HOUSE OF ASSEMBLY.
— The Meat Board's plan to expand its control to certain areas of the Western Cape had been blown out of proportion by an uninformed press, the Minister of Agriculture, Mr Greyling Wentzel, said yesterday.

He was replying in the third reading debate on the Marketing Amendment Bill to concern expressed by Mr Ralph Hardingham (NRP Mooi River) at the apparent "autocratic attitude" of the Meat Board towards the Western Cape.



The minister said the matter was sub judice as he and the National Marketing Board still had to consider representations by the Meat Board.

For some of other reason, a member of the board had made certain facts public and these had been blown up by the press without all the facts being known.

Mr Wentzel said the matter would be handled fairly and democratically.

Mr Hardingham earlier quoted figures from a magazine article which showed that various meat prices over last Christmas had been more than one rand cheaper in Western Cape areas not under Meat Board control.

The minister pointed out that of the 46 butcheries involved in the matter, only three bought their meat in uncontrolled areas while all the rest made their purchases in the controlled Maitland area.

The Marketing Amendment Bill was read a third time. — Sapa

Massive glut of meat as farmers sell

(3) Meat S. Times 1/7/84

THE drought is causing a massive glut of meat on the South African market.

Farmers, unable to maintain their herds through cashflow problems or a shortage of winter feed, are sending their cattle to abattoirs.

Latest estimates indicate that there are 8.2-million head of cattle left in the Republic — the lowest figure in decades. Sheep have also declined by about 1.6-million head in one year.

Sources in the meat industry have predicted, despite rumours to the contrary, that floor prices

By JEREMY BROOKS

for beef, and possibly mutton and lamb, will soon be lowered.

However, while the man in the street may have a banana this month as prices fall and the 7 per-cent GST exemption comes into operation, it will be short-lived.

□ □ □

As soon as spring rains begin to fall, possibly in August, deliveries to abattoirs will be cut to the bare minimum.

"The beef farmer is desperate — many of his breeding herds

have been slaughtered because he cannot afford to feed them. The moment the first rains fall he will try to recoup on his losses and rebuild his stock," said one observer.

"You can expect supplies to the abattoir to show a dramatic decrease."

Another indication of the alarming depletion in the country's stock resources is that orders for winter feed have dropped suddenly and dramatically.

The South African Agricultural Union (SAAU) has under its umbrella a body which organises

supplies of winter fodder and roughage around the Republic — Feed Central.

□ □ □

Last year Feed Central took orders for 17 000 tons of roughage. This year so far only about 20 orders for 300 tons have been received.

"I don't really know what's happening," said a spokesman.

"Either farmers have no money, or they have no cattle to feed."

The Meat Board, which is required to buy up carcasses on the open market if they cannot fetch the floor price during auction,

now has in excess of 150 000 carcasses in storage — sufficient for about five weeks' consumption.

Most of these will be entirely deboned, packed into 25kg cartons, and sold to the retail trade at vastly reduced prices as "trimmings".

The meat, although top-grade, is rejected by the market simply because of 'carcass-chasing', a consumer preference for smaller and more easily manageable carcasses.

Mr Koos Blienaar, public relations officer for the Meat Board, commented: "We have a very difficult problem, but we're coping."

"Our situation is chickenfeed compared to that in Australia, which does not have a marketing organisation like ours. The Federal Government has had to slaughter thousands of sheep and cattle and destroy the carcasses."

Mr Blienaar said the Meat Board could only accommodate a third of the quota applications which it was currently receiving.

□ □ □

"We have a fairly restricted market. Our export potential, although it does exist, is limited, while demand remains fairly static."

The Meat Board was particularly concerned over rumours of an impending rise in the floor price, and was quick to scotch them in a Press release earlier this week from the chairman, Mr P R du Toit.

Mr du Toit also warned against a sudden rush by the public to stockpile their freezers as soon as GST was lifted.

A rush to buy would create an artificial high demand, lasting only a few weeks. Prices would immediately rise and the man in the street could be worse off than before.

Work ethics

Most fresh meat and chickens on sale at major supermarkets are cheaper now that general sales tax has been dropped from a range of basic foods.

While customers at smaller stores and takeaway restaurants complain that the revised GST system is proving a recipe for a rip-off, those at the bigger stores are finding some prices have dropped considerably over past months.

Store managements say the switch to the new GST system has been smooth and trouble-free. One exception is the OK Bazaar in Eloff Street. Yesterday some tills malfunctioned, causing long queues.

Pick 'n Pay's meat prices are now considerably lower than they were some weeks ago. For instance, Norwood Hypermarket is charging R2,29 for a kilogram of shortribs — against R3,99 halfway through May. T-bone steaks have gone down from R7,18 to R6,99. And leg of lamb has dropped from R5,58 to R4,58.

Mince up

Among items which have increased at Pick 'n Pay are beef mince (R3,59 to R5,30) and top-side (R4,99 to R6,38).

Chicken prices at Checkers have dropped from R2,74 to R2,19; wings (R3,63 to R3,18), breasts (R3,73 to R2,10) and thighs (R5,13 to R3,33) also cost less than a month ago.

Bread is among the lines showing plummeting prices at Woolworths. A high-protein loaf of brown bread that cost 79c in mid-June now costs 69c. High-protein white bread dropped from 89c to 79c.

Woolworths' gammon steaks have dropped from R10,19 a kilogram to R8,99, but a leg of lamb that cost R6,19 a kilogram in mid-June costs R7,19.

At OK Bazaars, chuck has dropped since mid-May from R4,88 to R4,09 to R3,98. OK's other meat prices have also dropped substantially.

Spar meat prices have generally moved up. Short ribs, for example, have increased from R4,11 to R5,65 a kilogram.

By Malcolm Fothergill

Meat prices tumble at top supermarkets

Yes.
 (a) (i) 121.
 (b) (i) 8.
 (ii) and (iii) A list indicating the situation of each centre and the enrolment as at June 1984 will be made available to the hon member.

Howard Q. Co. 1931
 Tertiary education institutions
 5/7/84
 1097. Mr S S VAN DER MERWE asked the Minister of Internal Affairs:

lie as at the latest specified date for which figures are available and (b) in which province are they situated in each case;
 (2) how many students were enrolled in each of these institutions in 1984?
 The MINISTER OF INTERNAL AFFAIRS:
 As at 26 June 1984:

	(1)	(a)	(i)	(ii)	(iii)	(iv)	(aa)	(bb)
(1) (a) How many (i) universities, (ii) technicians, (iii) training colleges and (iv) other specified tertiary education institutions were there for (aa) Coloured and (bb) Asian persons in the Republic?				1	13	6	1	2
(b) and (2)								None

For Coloureds

Universities and Technikon:

University of the Western Cape, Cape Province 6 068
 Technikon Peninsula, Cape Province 2 271

Training Colleges:

Athlone Training College, Cape Province 280
 Bechet Training College, Natal 280
 Bellville Training College, Cape Province 608
 Dower Training College, Cape Province 583
 Hewart Training College, Cape Province 717
 Perseverance Training College, Cape Province 312
 Roggebaai Training College, Cape Province 646
 Sally Davies Training College, Cape Province 25
 Söhngre Training College, Cape Province 188
 Southern Cape Training College, Cape Province 273
 Wesley Training College, Cape Province 217
 Zonnebloem Training College, Cape Province 223
 Rand Training College, Transvaal 347

Other Education Institutions:

Kromme Rhee Agricultural College, Cape Province 9
 Bethelsdorp Technical College, Cape Province 100
 R C Elliot Technical College, Transvaal 80
 Highveld Technical College, Transvaal 70
 L C Johnson Technical College, Natal 180
 Proteaville Technical College, Cape Province 250

Although Technical Colleges are not instituted to provide tertiary education, significant numbers of students at the technical colleges mentioned follow courses on a

tertiary level and the institutions are therefore included in the reply. The enrolment figures given are of students taking courses on a tertiary level.

For Indians

Universities and Technikon:

University of Durban-Westville, Natal 6 573
 M L Sultan Technikon, Natal 3 236

Training Colleges:

Springfield Training College, Natal 1 246
 Topsy Training College, Transvaal 448

Howard Q. Co. 1933
 Institutions for the aged
 5/7/84
 1100. Mr S S VAN DER MERWE asked the Minister of Internal Affairs:

(1) With reference to his reply to Question No 1011 on 15 June 1984, (a) how many private institutions for the aged were there in the Republic for (i) Indian and (ii) Coloured persons as at the latest specified date for which figures are available, (b) what total number of (i) Indian and (ii) Coloured persons can be accommodated in these institutions and (c) how many applications from (i) Indian and (ii) Coloured persons for admission to these institutions were (aa) received and (bb) refused in 1982 and 1983, respectively;

(c) The admission and refusal of applicants to private old-age homes rest exclusively with the management of such institutions and no statistics are available in the Department in this regard.

(2) (a) 170.
 (b) 1982—7;
 1983—8.

Howard Q. Co. 1934
 Cattle/sheep/goats/pigs
 5/7/84
 1120. Mr P A MYBURGH asked the Minister of Agriculture:

(2) (a) how many persons can be accommodated in the old-age home for Coloured persons referred to in the above reply and (b) how many applications for admission to this home were refused in 1982 and 1983, respectively?

(1) How many (a) head of cattle, (b) sheep, (c) goats and (d) pigs were there in the Republic in each of the latest specified three years for which figures are available;
 (2) how many (a) head of cattle, (b) sheep, (c) goats and (d) pigs were slaughtered in the Republic in each of these years;

The MINISTER OF INTERNAL AFFAIRS:

As at 22 June 1984:

(1) (a) (i) 2.
 (ii) 29.

(3) (a) how many (i) cattle, (ii) sheep, (iii) goats and (iv) pig carcasses were imported into the Republic in each of the latest specified three years for which figures are available and (b) from which countries were these carcasses imported in each case?

The MINISTER OF AGRICULTURE:

(1) (Period August/July)

	(a)	(b)	(c)	(d)
1980/81	8 352 737	30 743 088	2 758 103	977 739
1981/82	8 445 323	30 671 211	2 861 186	1 034 109
1982/83	8 203 891	29 121 307	2 774 448	1 005 100

(2)

	(a)	(b) + (c)	(d)
1981	1 667 657	6 782 078	1 333 358
1982	2 023 752	7 787 516	1 529 063
1983	2 087 751	8 128 771	1 721 299

(3) (a) and (b) Only beef was imported.

	SWA/Namibia	Botswana	Swaziland
1981	38 826	88 104	71
1982	50 255	74 939	439
1983	50 935	72 115	1 319

2037
Hours and
Q. 6.1. 1935 5/7/84
Social workers
1132. Dr M S BARNARD asked the Minister of Internal Affairs:

(1) What are the present subsidies paid by his Department to private welfare organizations for the different post levels of social workers;

(2) what percentage of the scale average for social welfare positions is paid by his Department to private welfare organizations;

(3) whether this percentage is to be increased; if not, why not; if so, (a) when and (b) by what amount?

The MINISTER OF INTERNAL AFFAIRS:

- (1) Social Worker R19 496,59;
Supervisor R23 791,09;
Control Post R25 201,84;
Chief Control Post R25 969,84.

1140. Mr G B D MCINTOSH asked the Minister of Internal Affairs:

(a) At which universities falling under his Department are courses in (i) Arabic and (ii) Islamic studies offered and (b) how many students are enrolled for these courses at each specified university?

The MINISTER OF INTERNAL AFFAIRS:

- (a) (i) University of the Western Cape 22
University of Durban-Westville 269
- (ii) University of Durban-Westville 152

FRIDAY, 6 JULY 1984

†Indicates translated version.

For oral reply:

*1. Dr M S BARNARD—Health and Welfare—Reply standing over.

Port Elizabeth: Interview with mayor

*2. Mr D J N MALCOMESS asked the Minister of Constitutional Development and Planning:

(1) Whether he recently received a request for an interview from the Mayor of Port Elizabeth; if so, when;

(2) whether he acceded to this request; if not, why not; if so, when?

†The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

The reply is yes. I received an indirect request, which reached me on 11 April. I reacted negatively to the request because I judged according to the circumstances that such an interview could not serve any purpose.

Pinetown area: telephone subscribers

*3. Mr R B MILLER asked the Minister of Posts and Telecommunications:

Whether his Department recently took any steps in respect of the (a) method of and (b) time cycle for rendering accounts to telephone subscribers in the Pinetown area; if so, (i) what steps, (ii) when and (iii) why?

The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES (for the Minister of Posts and Telecommunications):

(a) and (b) No; but due to the tariff increase which came into effect on 1 April 1984, it was necessary to read all meters, including those of Pinetown, on that date. In the case of Pinetown the meters nor-

mally would have been read on 11 April 1984. The advancing of the meter reading date resulted in a shorter metering period for the April accounts and a longer period for the May accounts:

(i), (ii) and (iii): fall away.

Alcohol-free beer

*4. Dr M S BARNARD asked the Minister of Industries, Commerce and Tourism:

(1) Whether he has received any representations or complaints concerning alcohol-free beer; if so, (a) when, (b) from whom and (c) what was (i) the nature of the representations or complaints and (ii) his response thereto;

(2) whether he has caused any tests to be conducted on such beer to determine the alcohol content thereof; if so, (a) when and (b) what were the results; if not, why not;

(3) whether any action is to be taken in this regard; if not, why not; if so, what action?

†The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

(1) No.

(a), (b) and (c): Fall away.

(2) No, because there have been no representations or complaints.

(a) and (b): Fall away.

(3) No. In the absence of any representations or complaints it is not clear what action the hon member has in mind.

Cruelty to animals: legislation

*5. Mr R B MILLER asked the Minister of Justice:

(1) Whether he will give consideration to having a commission of inquiry ap-

whom and (c) what was the (i) nature of the presentation and (ii) response thereto?

†The MINISTER OF LAW AND ORDER.

(1) Yes.

(a) On 23 March 1984.

(b) and (c) As a witness under a warrant issued by the Attorney-General in terms of section 31(1) of Act 74 of 1982).

(d) In the Algea Park police cells in Port Elizabeth.

(2) No.

(3) No.

Hansard Q. Co. 1. 2003
Ngeba Secondary School, Graaff-Reinet
11/7/84
*12. Mr A SAVAGE asked the Minister of Education and Training:

(1) Whether any pupils were expelled from the Ngeba Secondary School in Graaff-Reinet during the second term; if so, (a) why and (b) how many;

(2) whether these pupils will be re-admitted to the said school; if not, why not; if so, in which term;

(3) whether any conditions will be attached to their re-admittance; if so, (a) what conditions and (b) why?

The MINISTER OF EDUCATION AND TRAINING:

(1) No pupils were expelled but a number were suspended

(a) Expelled pupils did not return to register after a class-boycott, during which classes were suspended until 30 April 1984. Their names were consequently

removed from the register after ten days.

(b) 178.

(2) Yes, third term.

(3) Yes.

(a) (i) The school committee has to recommend the readmission of pupils

(ii) Regulations applicable to the admission of pupils will have to be complied with.

(iii) Pupils must undertake to attend classes with the exclusive purpose of receiving tuition.

(iv) Pupils in the presence of their parents, must undertake to obey school rules.

(b) To ensure effective tuition and compliance with regulations.

Stellenbosch by-election: postal vote irregularities

*13. Mr R R HULLEY asked the Minister of Law and Order:

Whether, with reference to his reply to Question No 7 on 16 March 1984, the case regarding alleged postal vote irregularities during the Stellenbosch by-election in November 1982 has been concluded; if not, why not; if so, (a) in what manner and (b) with what result?

†The MINISTER OF LAW AND ORDER:

Yes.

(a) and (b) The person concerned paid an admission of guilt fine of R75 on each of the 6 charges

Mr R R HULLEY: Mr Speaker, arising from the hon the Minister's reply, can he

please tell the House who the person is who has paid this admission of guilt?

The MINISTER: Mr Speaker, those particulars are not included in the question. In the circumstances, I am unable to say who the person is.

Mr R R HULLEY: Mr Speaker, further arising from the hon the Minister's reply, can the hon the Minister tell us whether the person to whom the hon the Minister is referring is the member of the Provincial Council for Stellenbosch?

†The MINISTER: Mr Speaker, I can see no sense in these supplementary questions. The hon member knows what the facts are. It is not necessary for us to make a farce of this House. The hon member knows what the reply is.

†Mr H E J VAN RENSBURG: Mr Speaker, further arising out of the hon the Minister's reply, if the guilty person, who is guilty of corrupt conduct, is a National Party politician, will he be dismissed?

Mr K M ANDREW: Mr Speaker, further arising from the hon the Minister's last reply, can he tell us in terms of what section of the Electoral Act the person concerned paid an admission of guilt?

†The MINISTER: Mr Speaker, unfortunately I do not have the particulars at hand. I do not know which provision of the Act it was.

Maat Hansard
Q. Co. 1. 2005
11/7/84
*14. Mr P A MYBURGH asked the Minister of Agriculture:

(1) Whether, with reference to his reply to Question No 6 on 16 May 1984, the National Marketing Council has transmitted to him (a) the Meat Board's decision on the extension of the Cape Peninsula meat-controlled area and (b) the said Council's report and recommendations on this matter; if not, (i) why not and (ii) when will they be transmitted to him; if so,

(2) (a) when, (b) what is the nature of the Meat Board's decision, (c) which municipalities are involved and (d) what was the purport of the Council's (i) report and (ii) recommendations;

(3) whether he has reached a decision on this matter; if not, why not; if so, what is his decision;

(4) whether he will make a statement on the matter?

The MINISTER OF AGRICULTURE:

(1) (a) Yes.

(b) Yes.

(2) (a) 15 May 1984.

(b) Extension of the Cape Peninsula controlled area.

(c) Kuisriver, Brackenfell, Kraalfontein, Durbanville, as well as Simonstown, Mitchell's Plain, Atlantis and Scottsdale.

(d) (i) The decision of the Meat Board to extend its controlled area in the Western Cape, implies that the Minister of Agriculture will have to adjust his prohibition in terms of Section 75 of the Marketing Act accordingly.

(ii) That the Minister direct the Marketing Council in terms of Section 4(1)(K) of the Marketing Act to investigate the matter.

(3) Yes. That matter will be investigated locally by the Marketing Council in order to give all interested parties the opportunity to make representations or give evidence.

(4) No.

†Mr P A MYBURGH: Mr Speaker, arising out of the hon the Minister's reply, can

he tell us when those representations by local councils and interested bodies or persons can be addressed to the person to whom he referred?

†The MINISTER: Mr Speaker, the National Marketing Council will notify interested persons in good time, as mentioned in the reply, when representations can be made.

†Mr P A MYBURGH: Mr Speaker, further arising out of the hon the Minister's reply, can he tell us in what manner invitations will be issued to interested parties to make representations?

†The MINISTER: All possible local available media will be used.

Field's Hill by-pass

*15. Mr R M BURROWS asked the Minister of Transport Affairs:

(1) Whether, with reference to his reply to Question No 31 on 20 June 1984, he has had discussions with interested parties on the Field's Hill by-pass; if so, (a) what are the names of the local authorities and other parties which (i) were invited to make and (ii) made representations;

(2) whether any bodies and persons supported the present proposed siting of the Field's Hill by-pass toll facility; if so, which (a) bodies and (b) persons;

(3) whether proposals were made for alternative sites; if so, (a) for which sites and (b) by which bodies and persons;

(4) whether a vote was taken regarding the desirability of such a toll facility; if so, with what result;

(5) whether he will make a statement on the matter?

The MINISTER OF TRANSPORT AFFAIRS (Reply laid upon the Table with leave of House):

(1) Yes.

(a) (i) MUNICIPALITIES

Durban: Town Clerk; City Engineer; Chief Traffic Officer; City Treasurer; Vice-Chairman Finance Committee; Deputy Mayor; and the Mayor.

Pinetown: Town Clerk; City Engineer; Chief Traffic Officer; Chief of Protection Services; Acting Town Clerk; and the Mayor.

Westville: Town Clerk; City Engineer; Chief Traffic Officer; and the Mayor.

New Germany: Town Clerk; City Engineer; Chief Traffic Officer; and the Mayor.

Kloof: Town Clerk; City Engineer; Chief Traffic Officer; and the Mayor.

Pietermaritzburg: Town Clerk; City Engineer; Deputy Engineer; Chief Traffic Officer; and the Mayor.

PROVINCIAL ADMINISTRATION OF NATAL

Administrator of Natal; Members of the Executive Committee (M.E.C.'s); Acting Provincial Secretary; Director of Roads; and Regional Engineer.

MEDIA
SABC: Afrikaans; English; and TV2.

Newspapers: Daily News; Highway Mail; Natal Witness; and Sunday Tribune.

OTHERS
Local Members of Parliament; Members of the

Provincial Council; Members of the Transport Study Group of the Respective political parties; Department of Transport; Tolplan Consultants; and the National Transport Commission.

CHAMBERS OF COMMERCE AND ASSOCIATIONS

Pinetown Central Business District Association; Durban Chamber of Commerce; Pinetown Chamber of Commerce; Pietermaritzburg Chamber of Industries; Local Road Transportation Industry of Durban; New Germany Chamber of Industries; Durban Afrikaanse Sakekamer; S A Road Federation; Automobile Association; and the Assegay Association.

(ii) Due to the nature of the meeting no formal minutes were kept. From available records the following persons made verbal representations—

Mr. Stewart, Pinetown City Council;
Mr. Boyd, Durban Chamber of Commerce;
Mrs. N. Armstrong, Mayor of Westville;
Mr. Owen Jones, Architect (Private);
Mr. Ronald Coppin, Hill Crest Town Board;
Mr. Mouton, Afrikaanse Handelsinstituut;
Mr. Norman Swart, Area Manager of the AA of South Africa;
Mr. R. D. Haslam (M.E.C.) Natal Provincial Administration; and

Mr. P. J. Dickenson, Pinetown/New Germany Chamber of Commerce.

(2) Yes.

(a) The Natal Provincial Administration
(b) Mr. C. D. Stainbank, M.E.C. and Mr. R. B. Hindle, Director of Roads.

(3) Yes.

(a) North of Key Ridge.

(b) Councillor N. Armstrong from Westville and Mr. R. Coppin from Hillcrest.

(4) No.

(5) No. Not at this stage.

Teachers: salaries

*16. Mr R M BURROWS asked the Minister of Internal Affairs:

(1) Whether under-qualified teachers were due to receive salary increases in terms of the programme of professional differentiation during the past 12 months; if so, when;

(2) Whether this increase has been paid; if not, (a) why not and (b) when will it be paid; if so, (i) when and (ii) what is the extent of the increase;

(3) whether he will make a statement on the matter?

The MINISTER OF INTERNAL AFFAIRS:

(1) An improvement in the salary dispensation of lower-qualified teachers was implemented on 1 January 1984. This improvement roughly amounted to the granting of one salary notch on the salary scale for those lower than category A. The said improvement has already been effected. It has furthermore been announced that lower-

3) Meat
C. J. ...

Meat industry: heavy fire from all se

The meat industry is one area of marketing control which has come under the heaviest fire from farmers, economists and the people who pay for the end product.

Although there are complaints that nothing seems to be done on an organised level to improve matters on the boards, in the meat industry itself a staff has, however, been made.

The Organisation of Livestock Producers, which was started in April last year, has already drawn almost 700 members country-wide.

The executive director of the organisation, Mr Roy van der Westhuizen, of Ficksburg, says the aims of the body are:

1. To have control of our own industry;
2. and then to ensure that the industry becomes market related, with no intervention

in the natural flow between supply and demand.

"It was necessary to start a body where the ordinary farmer is really represented, as he does not have a significant say in the present system of which he is a victim," Mr Van der Westhuizen said in an interview.

He said that of the eight producer representatives on the board, about five are directors of large meat trading organisations, whose interests can be protected at the cost of the individual farmer.

Mr Van der Westhuizen, who has a degree in economics, does not criticise the control boards' motive, but he thinks it is their understanding of economy, human nature and how the mar-

ket works that needs repairing.

"They are trying to work in a market by actually contradicting a market. A market is a place where the interaction between supply and demand is the natural communication between the supplier and consumer. Control can only be achieved if you allow it to balance naturally.

"The control board, however, does the opposite. They do not want the price mechanism to fulfill its function as communicator. They break the communication by intervening.

"When there is a surplus for example they want to help the farmer by putting up the price, instead of letting the price fall

and the necessary changes take place spontaneously — namely that the farmers react by producing less for a while.

"We believe a board

"It was necessary to start a body where the ordinary farmer is really represented, as he does not have a significant say in the present system of which he is a victim."

CAROL VAN DER MERWE continues her investigation into marketing control boards and reports on the formation of the Organisation of Livestock Producers.

can exist, having at the most a co-ordinating function. It can be a liaison and advisory body to farmers," Mr Van der Westhuizen said.

at country auctions at depressed prices. "They can apply for a permit every three months and then build up a record for a reputation of applications. But it is illegal to apply for a permit if you don't have the number

of cattle available that you apply for. "Yet how can you ever get round to building up a number of cattle if you don't have an outlet (where you can get a

same amount of money, he will say: "No, I should get R400 because I have a permit!"

"Does that mean a permit could be worth R100 per animal?" Mr Van der Westhuizen asks.

He says the effect of the intervention by the Meat Control Board is astronomical.

"The Control Board staff is costing us enough, just by their mere existence. If we only have to pay their salaries and they stop doing their job of intervening, we will save millions."

He says they divide the agricultural boards into three categories — from bad to worse:

- 1: Marketing boards, like the Citrus and Mohair Boards;

"At least the far the illusion knows where going. Economically, however has the last thought they ahead regar

ably efficie the mohair tell by 40 pe year, they d terrene. The it to find its and in the price it bour 35 per cent.

"The Citri does not eve It co-ordin sets a standa makes it or better board

2: Proper boards pay price, irrest quantity, eg. and Wheat B

2) Meat

3) Control Boards

Industry: heavy fire from all sectors

ks that needs are trying to a market by contradictory. A market is where the in- on between and demand is tural com- tion between- Control can achieved if v. it to balance

cern that South Africa's economy is going down the drain, "because of its socialistic approach."
Mr Van der Westhuizen, a founder member of the Free Market Foundation, says he realised that agriculture was the largest cause for concern; that the impact of the system whereby it is presently run, is so large that it will eventually ruin our whole economy — a view shared by prominent economists and recently reiterated by Prof Lieb Newoudt of the University of Natal's Department of agricultural economy.

control board. They do not the price sim to fulfill or. They break nunciation by ng.
there is a for example t to help the y putting up a, instead of te price fall

ably efficient. When the mohair price fell by 40 per cent this year, they did not intervene. They allowed it to find its own level and in the last sale price it bounced up by 35 per cent.
"The Citrus Board does not even market. It co-ordinates and sets a standard, which makes it one of the better boards."
2: Proper control boards pay a fixed price, irrespective of quantity, eg. the Maize and Wheat Boards.
"At least they provide the farmer with the illusion that he knows where he is going. Economic reality, however always has the last say.
"Mealie farmers thought they could go ahead regardless, as matters were in the hands of the control board. The result was a surplus, eventually sold at such a loss on overseas sales that over R500 million was lost."
3: Boards who intervene, but who don't give any guarantees, eg. the Meat Board.
"Unlike the first two they do not even market the product or give a fixed price. They only give a floor price, and that is not irrespective of quantity."
"so while these farmers also have to suffer the costly intervention of control boards, they do not even enjoy any advantages," Mr Van der Westhuizen says.
The Organisation of Livestock Producers was born out of con-

and the necessary changes take place spontaneously — namely that the farmers react by producing less for a while.
"We believe a board corruption. "It is a closed shop, so to speak. Farmers with no history of sales at the central market cannot get permits and are forced to sell of cattle available that you apply for. "Yet how can you ever get round to building up a number of cattle if you don't have an outlet (where you can get a

same amount of money, he will say: "No, I should get R400 because I have a permit!"
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"We believe a board corruption. "It is a closed shop, so to speak. Farmers with no history of sales at the central market cannot get permits and are forced to sell of cattle available that you apply for. "Yet how can you ever get round to building up a number of cattle if you don't have an outlet (where you can get a

same amount of money, he will say: "No, I should get R400 because I have a permit!"
"Does that mean a permit could be worth R100 per animal?" Mr Van der Westhuizen asks.
He says the effect of the intervention by the Meat Control Board is astronomical.
"The Control Board staff is costing us enough, just by their mere existence. If we only have to pay their salaries and they stop doing their job of intervening, we will save millions".
He says they divide the agricultural boards into three categories — from bad to worse:
1: Marketing boards, like the Citrus and Mohair Boards:
"They are reason-

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Food prices increase despite lifting of GST

10/8/84 S few

Consumer Reporter

Despite the lifting in July of general sales tax from many basic foods, prices have continued to rise.

Consumers, caught between the Government's new hard-hitting campaign to cut spending and spiralling costs, face a bleak future.

The Star surveyed the prices of 13 basic foodstuffs at four supermarkets last week and compared these with the prices of the same goods surveyed six months ago (see graph).

A shopping basket of foods now costs R37,30 (with 10 percent GST included on those items which are not exempt) compared with R36,10 (including 7 percent GST on all items) in February this year — an increase of R1,20.

Potatoes have risen in price by the largest margin. A 2 kg bag of potatoes costs R1,04 compared with 78c six months ago.

The only item to go down in price — by a substantial 19 percent — is chicken.

Lamb prices have remained fairly constant.

The average price has increased marginally from R7,05/kg in February to the present average price of R7,20.

Although salt (usually included in the shopping survey) has been included in the graph it has been excluded from the analysis of the shopping basket because no figures were available from the last survey.

DATE OF SURVEY	PICK 'N PAY HYPERMARKET NORWOOD	OK BAZAARS ROSEBANK	CHECKERS SANDTON CITY	PICK 'N PAY BENMORE	AVERAGE PRICE	AVERAGE PRICE ON FEBRUARY 1 1984	PERCENTAGE INCREASE OR DECREASE
JULY 31 1984							
Prices exclude GST							
1 kg Porterhouse* steak	R8,28	—	R8,59	R8,28	R8,38	R7,63	+9,8%
1 kg frozen chicken* Grade A	R1,79	R1,99	R1,89	R1,79	R1,87	R2,33	-19,7%
1 doz large* eggs	R1,18	R1,26	R1,26	R1,22	R1,23	97c	+26,8%
2 kg medium* potatoes, Grade A	98c	89c	R1,25	—	R1,04	78c	+33,3%
1 kg I & J* hake fillets	R2,89	—	R3,19	R2,89	R2,99	R2,70	+10,7%
250 g Eskort* middle bacon	R1,85	R1,90	—	R1,97	R1,91	R1,62	+17,9%
1 kg super lamb* loin chops	R7,19	R7,15	R7,38	R7,09	R7,20	R7,05	+2,1%
500 g choice* butter	R2,35	R2,34	R1,99	R2,09	R2,19	R1,97	+11,2%
1 litre milk*	67c	68c	69c	67c	68c	61c	+11,5%
1 kg Tastic rice	R1,26	R1,35	R1,25	R1,29	R1,29	R1,10	+17,3%
500 g Kelloggs corn flakes	R1,15	R1,15	R1,19	R1,19	R1,17	R1,01	+15,8%
250 g Nescafe instant coffee	R4,45	R4,09	R4,56	R4,25	R4,34	R4,10	+5,9%
250 g Five Roses tea bags (tagless)	—	R2,29	R2,49	R1,59	R2,12	R1,87	+13,4%
500 g Buffalo salt	45c	52c	52c	42c	48c	No figures available	

• The OK Bazaars in Sandton, usually surveyed by The Star, has been replaced by the OK Bazaars in Rosebank.

*These items are exempt from tax.

Meat price drop not passed on to consumers

Consumer Reporter

Auction prices of top grade beef and lamb have dropped recently — but the reductions have not been passed on to the consumer.

The maximum auction prices on selected days show a steady drop in meat prices. In June, a kilogram of beef (super A) was R2,67; in July it cost R2,53 and this week the market price was R2,41.

Lamb has also dropped in price. In June, the maximum market price of a kilogram of top grade lamb (super) was R4,10. It dropped to R3,92 in July and this week it was down to R3,53.

But a survey of meat

prices in Johannesburg and Pretoria by the Housewives' League of South Africa found that shops had dropped prices only on "specials".

One butcher confirmed that the auction prices of beef and lamb had come down.

However, other butchers felt it was time they made some money. Prices rose earlier this year as the demand for meat dropped, he said.

"We've been absorbing

higher prices for some time. It is time for us to make a profit."

A major supermarket's meat division head, Mr Bernie Heffernan, said the auction price of lamb had been "unusually high" for a while. "We've taken the knock and did not raise the consumer price.

"We don't adjust the prices of our meat according to the daily fluctuations in auction prices. I think shoppers would find it confusing to find the price up one day and

down the next."

Speculation about possible decreases in the consumer price of beef was fuelled by the Meat Board's announcement of a five percent drop in the floor price of beef last month.

But a housewives' league survey found that did not happen.

Although there had been a call from consumers for butchers to drop their prices it was not always possible, the South African Federation of Meat Traders' chairman,

Mr Eddie Bielovich, said.

"The market has been stable and prices have not risen for a while.

"Where traders bought beef at floor prices they passed these reductions on to shoppers: a lot of these items are 'specials'," he said.

However, board spokesman Mr Koos Blignaut said he could see no reason why consumers did not benefit from the lower prices due to the reduced floor price.

"But I believe many butchers have dropped their prices.

"The five percent decrease in the floor price and the lifting of GST on meat last month should be an incentive to the trade."

3 Meat
C. Times
trade
16/10/84
'in a
crisis'

Staff Reporter

THE meat industry was in a state of crisis as a result of last year's drought, according to Mr R P du Toit, chairman of the Meat Board.

Speaking on the first day of the annual congress of the SA Federation of Meat Traders held at a Sea Point hotel yesterday, Mr Du Toit named farming debt increases over the past 10 years as one of several factors contributing to the state of the country's agriculture. Other factors he listed were that:

- In eight years the prices of farming requirements and materials had risen by 209 percent, against the smaller increase of 147 percent in the prices cattle farmers received.

- Farming profits as percentages of net farming income had dwindled in 10 years from 41 to four percent.

- Farming viability had dwindled in 10 years from seven to three percent.

Addressing about 80 delegates and observers attending the congress, which ends this evening, Mr Du Toit said that when "some of the so-called champions of the housewives' cause" lowered prices of meat during special promotions, the trader's price margin was seldom reduced.

This reduction was usually obtained from the meat-processor who, in fear of losing a big customer, was obliged to provide a cash contribution to the retailer's advertising programme for the promotion.

The processor often had no choice but to pass the price reduction on to the farmer, who eventually carried the cost of such consumerism, he said.

Farmer loses when retail price cut ^{3 Meat} says Meat Board

CAPE TOWN — The farmer was the one who had to bear the cost when "some of the so-called champions of the housewives' cause" cut meat prices during special promotions, the chairman of the Meat Board, Mr P. du Toit, said yesterday.

"The trader's price margin is seldom reduced... the reduction in price is normally obtained from the meat processor who, for fear of losing a big customer, is even obliged to provide a cash contribution to the retailer's advertising programme for his special promotion," he said in an opening address to the annual congress of the SA Federation of Butchers in Cape Town.

"The processor often has no choice but to pass the price reduction on to the farmer, who eventually carries the cost of such consumerism, which often results only in the housewife changing her place or type of meat purchase, without increasing her family's total consumption."

The retailer therefore had practically all the advantages and the far-

mer or his processor carried the cost, mostly without any compensating advantage, Mr Du Toit said.

Most farmers' view of private enterprise, modern free marketing concepts, competition and consumerism was even dimmer than the so-called free marketer's opinion of their (the farmer's) agricultural marketing system — of which the marketer was more often than not totally ignorant anyway.

"With all the evidence at their disposal, farmers are slowly becoming convinced it is they who should be granted any new awards considered for consumerism because it is they who bear the costs," he said.

Another charge Mr Du Toit made was that the retail trade had simply continued to increase its price margins in spite of the lowering of carcass prices due to the massive stocks in refrigeration as a result of the drought.

This could naturally have no other result than a further stagnation in the turnover and consumption of red meat.

The element of price competition had long since been of lesser importance in the private sector's marketing strategy.

The declaration of huge profits by private institutions, accompanied by a still high price inflation of consumer goods and services definitely did not indicate price competition through smaller price margins any more.

The government's consumer price index figures showed a clear inclination to increase prices and price margins rather than increase turnover through more effective competition, even in the survival struggle during decreased consumer spending and lower turnover, Mr Du Toit said.

"This has serious implications for both farmer and consumer."

On the meat industry's future, he said the Meat Board felt a much more aggressive approach to marketing was required, and that it was prepared to make a significant contribution to all the aspects involved. — SAPA.

Meat price may stay high

~~3~~

3 meat

Stew

6/11/84

By Hannes Ferguson,
Farming Correspondent

Meat prices might not come down much after Christmas, according to the Meat Board.

The board's general manager, Dr PH Coetzee, said yesterday that the present increase in beef prices was due to a pre-Christmas increase in demand.

However, prices were not necessarily expected to drop after the festive season.

The prospect for 1985 was that supplies would dry up generally and meat prices would be on a long rising trend without farmers being able to take much advantage of the situation.

He added that Bushveld farmers were selling

because of financial distress and crop farmers elsewhere were now marketing the stock they fattened from last year's failed crops.

District agricultural unions in the north-western Transvaal said that grazing had deteriorated so badly it would take three years to recover.

In the Thabazimbi area herds were down to 20

percent of the normal number of cattle.

Farmers were still feeding their cattle with feed bought at a cost of over R1 a head a day.

To get a cash flow farmers were now selling their breeding stock at a rate which meant they had far below the number of cattle they would need to build up their stock again.

Only the Soutpansberg had had good rains.

In other parts of the Bushveld termites were destroying what remained of the grazing crops.

Rains were expected in the next few days.

However even if the veld recovered partly, interest rates would force farmers to continue to sell and live on their capital.

Housewives' champion slams meat export plan

3 Meat By Chris Steyn 9/11/84

The national president of the South African Housewives' League, Mrs Joy Hurwitz, has angrily condemned plans by the Meat Board to export its R90 million meat stockpile.

"The league is disgusted by the report that the board plans to export the surplus stock of frozen meat," she said. "We have lost all faith in it."

The board's general manager, Dr P H Coetzee, confirmed today that it was "cautiously" negotiating with overseas buyers about the sale of some of the stockpile.

"But no meat has been sold overseas yet," he said.

The stockpile of more than 200 000 carcasses was becoming a financial burden, he added. Although the exchange rate now favoured the exporter, the world market was already oversupplied.

Mrs Hurwitz argued that the stockpile should be used to assist consumers battling to feed their families in the recession.

"It is a slap in the face for the consumer to be told that meat prices are going to rise this Christmas. The drought is far from broken, and therefore the league has asked the Minister of Agriculture to keep a reserve of frozen and tinned meat to offset any shortages," she said.

The league's fortnightly meat surveys had shown that consumers had not benefited from the lowered floor price, lowered slaughtering costs, exemption of GST and the stocks of cheaper frozen meat released to the trade.

"Our retail beef prices are too high, and there continue to be serious cutbacks in purchasing because of this."

"We suggest that instead of spending R10 million on advertising this year, something constructive be done about the present marketing of meat."

Mrs Hurwitz pointed out that the producer received an average of R2,50 a kg — while consumers were paying about R7 a kg.

(3) Meat
9/11/84

Disagreement on beef price rise

Staff Reporter

THE price of beef in the Western Cape has risen sharply in recent weeks but butchers and a Meat Board spokesman disagree strongly as to the reasons for the increase.

One butcher, who declined to be named, claimed an insufficient supply and a drop in the quality of beef was causing prices to rocket and warned that prices would rise further before Christmas.

"The Meat Board complains that sales are deteriorating and go on an extensive advertising campaign but they then make the price prohibitive," he claimed.

He described top-grade beef recently purchased as "an absolute disgrace", but several butchers contacted in a Peninsula survey disagreed with him.

Most said supply was ample but agreed that prices had risen sharply.

A spokesman for the Meat Board in Pretoria said there was an "ample" supply of beef. The reason for the recent price increases was that butchers were preparing for an "anticipated

Christmas rush", he said.

However, one well-known butcher described this explanation as "utter nonsense".

"Nobody is stocking up now, it's far too early," he said.

Mr F Hartley, a Mitchells Plain butcher, said the increase was above normal for the season, but there was no drop in quality or supply.

A Rondebosch butcher said: "The price of beef has not risen much but the value of our money has dropped."

A Grassy Park butcher said the price had risen "tremendously" but there had been no drop in quality or supply.

● In a warning to beef farmers, the Meat Board spokesman said cattlemen supplying the Maitland abattoir were presenting up to 24 percent of the total slaughter stock as calves which later turned out to be adult animals and were thus opening themselves to prosecution.

An animal qualifies as a calf only "if it is less than six months old, slaughters out at less than 91 kg or the fourth molar in its upper jaw has not yet erupted".

AGRICULTURE — MEAT

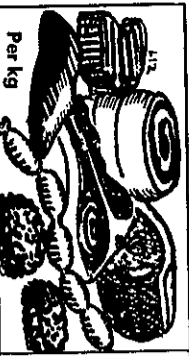
1985

AREA A: Bellville, Goodwood, Simonstown, The Cape and Wynberg
 AREA B: Bloemfontein, East London, Kimberley, Pietermaritzburg,
and Welkom
 AREA C: Paarl, Port Elizabeth, Stellenbosch, Uitenhage and Kuis
River, Durban, Inanda, Pinetown, Sasolburg, Alberton, Benoni,
Boksburg, Brakpan, Germiston, Johannesburg, Kempton Park,
Krugersdorp, Nigel, Oberholzer, Pretoria, Randfontein, Roodepoort,
Springs, Vanderbijlpark, Vereeniging, Westonaria and Randburg.

Superseding w.d. no. -

3) Meat

Why meat costs so much despite a glut



Per kg	Hyperama Edenvale	Hypermarket Boksburg	Checkers Warehouse Edenvale	Woolworths Rosebank	Mc Gregor Butchery Raleigh St, Yeoville	Kempton Park Butchery Central Ave Kempton Park	A H Sun Butchery Mayfair	Checkers Emmarentia
Beef mince	4,20	5,04	3,38	4,99	*2,99	3,20	3,60	3,38
Topside	5,59	6,88	5,28	6,59	5,60	*4,98	5,00	*4,98
Aitch bone	7,09	—	5,28	6,79	5,60	*4,98	5,00	7,29
Filllet steak	11,99	7,67	9,25	—	7,99	7,90	7,50	11,09
T-bone steak	7,10	7,09	*5,28	7,89	6,99	*5,28	5,50	7,55
Mock Vienna schnitzel	11,60	9,88	8,99	*7,19	7,99	—	—	8,28
Stewing beef	3,29	3,59	3,38	—	*2,59	3,19	3,60	3,38
Brisket	4,09	4,09	—	3,39	*2,59	4,20	3,60	—
Beef sausages	3,29	3,79	—	4,99	*2,99	3,29	3,60	4,18
Ox liver	—	3,89	3,85	3,95	3,99	—	*3,60	4,69
Chuck	4,30	4,19	—	4,39	*2,99	4,40	3,60	4,55
Rump steak	8,65	8,63	8,59	8,99	6,99	7,50	*6,50	—
Short ribs	4,48	3,94	—	3,19	*2,99	4,20	3,60	—
Frozen prawns (peeled)	9,99	9,39	8,99	—	—	—	—	9,45
Canadian Salmon	—	—	—	—	—	—	—	9,35

● The stars go to cheapest-cuts shops. McGregor Butchery in Yeoville gets six. Kempton Park Butchery and A H Sun Butchery each get three. The survey was made on January 23.

Why is there a meat surplus? And why during a glut are the prices so high?

Meat Board public relations officer Mr Koois Blignaut says: "In a drought the situation of meat is the opposite of maize."

"There is a shortage of maize but a surplus of meat."

"When there is no grazing or water for animals you have to slaughter them."

"The producer pays a levy to the Meat Board on every animal sold for stabilisation."

"When the price falls to the floor price, a minimum which does not always cover farmers' production costs, the board buys the surplus from the floor."

Why doesn't the Meat Board sell the surplus to South Africans at a cut price?

"We have made meat available at reduced prices," said Mr Blignaut.

"The last time we did it in May 1983 the board made 6 635 tons of meat available to

By Maud Motyane and Jackie Unwin

the consumer at reduced prices.

"The discount involved a loss of 69c/kg of meat, which amounted to R4,5 million for the board and the farmers."

"The consumers bought that meat, filled their freezers and didn't buy for the next six weeks, so we were back to where we started."

"The farmers lost a lot of money and it didn't solve the surplus situation."

"We have also been providing welfare organisations with meat since 1982."

"Up to the end of last September 418 tons of beef had been made available to welfare institutions with a subsidy of R337 000."

Mr Blignaut went on: "Now consumer groups want us again to subsidise the consumer in times when the farmer is going through the most serious drought in history."

"And together with this is the recession with people's spending ability curbed."

"It is necessary to have more sympathy for the position of the whole industry."

"This is why the board has negotiated to export the surplus meat."

"The board exported about 1 930 tons in 1983 at a loss of only R867 000, which is 37c/kg."

"Any businessman will tell you that is better business."

But the Housewives' League feels differently.

League president Mrs Joy Hurwitz said: "The league feels the meat should not be exported but used to alleviate the problems with regard to purchasing meat here."

"It should not be sold to help housewives overseas."

The league:

● Recommends that as much food as possible be stored for times when conditions are worse.

● Asks the Government to

subsidise the cold storage of frozen meat.

● Calls for exports of basic foods to be stopped until adequate supplies can be assured.

● Urges that advertising of basic foods should be severely curtailed.

Mrs Hurwitz said Meat Board general manager Dr P Coetzee had agreed to call a meeting for representatives of everybody involved in the meat industry from consumer to producer to discuss industry problems.

Meanwhile a survey indicates that supermarkets are selling meat at higher prices than small butcheries.

The survey also reveals that luxury items such as imported Canadian salmon and prawns are selling in some cases at less than some cuts of fresh meat.

Imported salmon is selling at R9,35/kg in Checkers Emmarentia, only 36c more than rump steak and R1,74 less than fillet.

Prawns at R8,99/kg were only 40c more than rump steak.

Mrs Hurwitz said meat prices at large supermarkets were tied by catalogue prices pegged for a time, though they had lost leaders to pull in the consumer.

"The independent butcher battling to survive has to compete by keeping his prices lower," she added.

She said the small butcher had an added advantage of being able to discuss with the customer how to prepare the cheaper cuts of meat.

"The eating habits of our nation have changed because of the prices," she went on.

"We must learn to be like the European housewives and use the whole carcass."

"The days of buying first expensive cuts like fillet are gone."

Meat prices rise despite board's huge surplus

below (3) Meat
Star 1/2/85

By Maud Motanyane
and Jackie Unwin

Meat has become even more expensive with good cuts costing as much as luxuries such as imported Canadian salmon.

Yet the Meat Board has a huge surplus which costs R2,5 million a month to keep in cold storage.

But it would cost more to dispose of the meat locally than to export it, said Meat Board chairman Mr P R du Toit at the recent Agricultural Outlook Conference.

Despite severe opposition to a meat-export programme, negotiations begun last year to export the surplus have been concluded and the first shipments are due shortly.

The surplus is equal to 211 000 carcasses — about a ninth of annual meat consumption.

Mr. du Toit said that, despite excellent precautions, the condition of stored supplies must inevitably deteriorate and so must its sale value.

He added that the advantages of exporting the surplus, as opposed to marketing it locally, had increased because of the changed exchange rate.

The Housewives' League feels that the meat should either be sold to local consumers at a price lower than fresh meat or stored for use when conditions might be worse.

SUPERMARKETS

A survey reveals that large supermarkets are selling meat at higher prices than small butcheries.

The Housewives' League reports a fall in the auction price of meat to its end-of-November level and this has been passed on to consumers by retailers.

But prices are still high and have resulted in consumer resistance despite Meat Board attempts to sell more beef.

Consumption of beef declined by 0,8 percent between June 1982 and July 1983 while there was a noticeable rise in consumption of mutton and pork — 12 percent in both cases.

In recent years there has been a big increase in the consumption of chicken. Between 1970 and 1982, consumption of red meat rose by only 14 percent; consumption of chicken rose by 272 percent.

● See Page 11.

MEAT BOARD (3) Meat
Butchers' block F 8/3/85

The battle for domination in SA's R4,3 billion red meat industry is intensifying after a government decision to prevent the Meat Board (MB) from extending its control in the western Cape.

Agriculture Minister Greyling Wentzel's decision in favour of the Federation of Country Retail Butchers can be interpreted as a watershed in SA's "meat politics."

Government's 1984 White Paper on agriculture contained guarded support for free market principles and Wentzel's decision could herald stronger and more practical government support for this philosophy throughout the industry.

Frans Roelofse, chairman of the action committee of the federation, which represents retail butchers outside the MB-controlled urban areas, says he is heartened by

(mirrored text from reverse side) P.T.O.

(b) (i) and (ii).

Absent without leave
 47 members for 14 days.
 22 members for 21 days.
 1 member for 30 days.
 6 members for 35 days.
 3 members for 40 days.
 10 members for 42 days.
 1 member for 47 days.
 1 member for 52 days.
 1 member for 59 days.
 24 members for 60 days.
 1 member for 80 days.
 2 members for 90 days.
 3 members for 120 days.

Failing to report for or to render military service on account of the religious tenets of his church

234 members for 3 years.
 3 ² *Meat Preservation* *Q. Col. 780*
 Importation of meat 19/13/85
 655. Mr R W HARDINGHAM asked the Minister of Finance:

(1) What was the (a) quantity and (b) value of the (i) tinned, (ii) processed, (iii) cured and (iv) spiced meat that was imported into the Republic in the latest specified year for which figures are available;

(2) what was the country of origin in each case?

The MINISTER OF FINANCE:

Negligently losing kit, equipment, arms, etc.
 4 members for 14 days.
 3 members for 21 days.
 False statements in official documents
 5 members for 21 days.

The import statistics can unfortunately not be furnished in the format as requested. Import Statistics of meat according to the classifications in the Customs and Excise Tariff are however furnished for the period 1 December 1983 to 30 November 1984.

Description	Country of Origin	Quantity kg	Value R
Meat and edible meat offals, salted, in brine, dried or smoked:	W. Germany	2 394	18 790
	France	22 947	186 809
	Switzerland	3 920	29 941
	Spain	1 808	15 176
	Italy	1 845	28 798
	Other unspecified countries	8 739	22 751
	Denmark	37 367	108 814
	Other unspecified countries	12 504	33 917
	Denmark	13 252	35 301
	France	3 330	20 395
Other unspecified countries	3 915	22 732	
Sausages and the like of meat, meat offal or animal blood:	Unspecified countries	295	1 608
	Denmark	25 791	38 112
	W. Germany	6 295	22 467
Pastes	Unspecified countries	295	1 608
	Denmark	25 791	38 112
Other in airtight metal containers	Unspecified countries	295	1 608
	Denmark	25 791	38 112
Other in airtight metal containers	Unspecified countries	6 295	22 467
	Denmark	25 791	38 112

Description	Country of Origin	Quantity kg	Value R
Other prepared or preserved meat or meat offal:	France	3 090	13 317
	Spain	1 580	16 910
	Italy	17 655	51 009
	New Zealand	17 086	46 651
	Other unspecified countries	356	2 347
	W. Germany	12 858	87 923
	France	27 070	187 778
	Austria	3 390	26 101
	Italy	35 718	98 471
	Other unspecified countries	965	6 164
Ham	Denmark	469 937	1 672 216
	Netherlands	150 738	519 928
	W. Germany	17 410	63 834
	France	33 041	284 103
	Italy	3 663	19 089
	Other unspecified countries	9 281	43 696
	Denmark	9 186	41 155
	Belgium	8 383	53 157
	W. Germany	2 411	12 290
	France	35 223	136 368
Pastes	Switzerland	2 238	14 258
	W. Germany	1 488	2 499
	Brazil	11 290	27 649
	Israel	1 021	1 764
	Other unspecified countries	3 277	9 785
	Denmark	1 445 010	3 865 228
	UK	15 715	48 294
	Belgium	1 386	5 073
	Netherlands	16 232	67 925
	W. Germany	16 348	45 158
Beef in airtight metal containers	France	2 151	12 523
	Switzerland	9 779	20 802
	Italy	2 505	5 837
	Brazil	2 448	13 887
	Hong Kong	1 176	3 393
	Taiwan	2 928	11 129
	New Zealand	15 438	47 717
	Other unspecified countries	149 185	243 627
	Sweden	7 043	45 892
	Denmark	127 942	456 370
Other	UK	77 652	291 223
	Belgium	8 966	58 792
	W. Germany	2 947	7 304
	France	7 621	38 380
	Austria	620	9 156
	Italy	5 489	20 025
	USA	22 795	133 179
	Israel	9 578	34 730
	Other unspecified countries	36 131	85 138
	Other in airtight metal containers	Denmark	469 937
Netherlands		150 738	519 928
W. Germany		17 410	63 834
France		33 041	284 103
Italy		3 663	19 089
Other unspecified countries		9 281	43 696
Denmark		9 186	41 155
Belgium		8 383	53 157
W. Germany		2 411	12 290
France		35 223	136 368
Other unspecified countries	Switzerland	2 238	14 258
	W. Germany	1 488	2 499
	Brazil	11 290	27 649
	Israel	1 021	1 764
	Other unspecified countries	3 277	9 785
	Denmark	1 445 010	3 865 228
	UK	15 715	48 294
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	Italy	5 489	20 025
	USA	22 795	133 179
	Israel	9 578	34 730
	Other unspecified countries	36 131	85 138

(b) (i) and (ii)

Absent without leave

- 47 members for 14 days
- 22 members for 21 days.
- 1 member for 30 days.
- 6 members for 35 days.
- 3 members for 40 days.
- 10 members for 42 days.
- 1 member for 47 days.
- 1 member for 52 days.
- 1 member for 59 days.
- 24 members for 60 days.
- 1 member for 80 days.
- 2 members for 90 days.
- 3 members for 120 days.

Failing to report for or to render military service on account of the religious tenets of his church

234 members for 3 years.
 3 Meat Household Q. Col. 780
 Importation of meat 19/13/85
 655. Mr R W HARDINGHAM asked the Minister of Finance:

- (1) What was the (a) quantity and (b) value of the (i) tinned, (ii) processed, (iii) cured and (iv) spiced meat that was imported into the Republic in the latest specified year for which figures are available;
- (2) what was the country of origin in each case?

The MINISTER OF FINANCE:

The import statistics can unfortunately not be furnished in the format as requested. Import Statistics of meat according to the classifications in the Customs and Excise Tariff are however furnished for the period 1 December 1983 to 30 November 1984.

Description	Country of Origin	Quantity kg	Value R
Meat and edible meat offals, salted, in brine, dried or smoked:	W. Germany	2 394	18 790
	France	22 947	186 809
	Switzerland	3 920	29 941
	Spain	1 808	15 176
	Italy	1 845	28 798
	Other unspecified countries	8 739	22 751
	Denmark	37 367	108 814
	Other unspecified countries	12 504	33 917
	Denmark	13 252	35 301
	France	3 330	20 395
Other unspecified countries	3 915	22 732	
Other meat of swine	W. Germany	2 394	18 790
	France	22 947	186 809
	Switzerland	3 920	29 941
Other	W. Germany	2 394	18 790
	France	22 947	186 809
	Switzerland	3 920	29 941
	Spain	1 808	15 176
	Italy	1 845	28 798
	Other unspecified countries	8 739	22 751
	Denmark	37 367	108 814
	Other unspecified countries	12 504	33 917
	Denmark	13 252	35 301
	France	3 330	20 395
Sausages and the like of meat, meat offal or animal blood:	W. Germany	2 394	18 790
	France	22 947	186 809
	Switzerland	3 920	29 941
Pastes	W. Germany	2 394	18 790
	France	22 947	186 809
	Switzerland	3 920	29 941
Other in airtight metal containers	Denmark	25 791	38 112
	W. Germany	6 295	22 467

Description	Country of Origin	Quantity kg	Value R
Other prepared or preserved meat or meat offal:	Denmark	469 937	1 672 216
	Netherlands	150 738	519 928
	W. Germany	17 410	63 834
	France	33 041	284 103
	Italy	3 663	19 089
	Other unspecified countries	9 281	43 696
	Denmark	9 186	41 155
	Belgium	8 383	53 157
	W. Germany	2 411	12 290
	France	35 223	136 368
Pastes	W. Germany	2 499	14 258
	Switzerland	2 228	14 258
	W. Germany	1 488	2 499
	Brazil	11 290	27 649
	Israel	1 021	1 764
	Other unspecified countries	3 277	9 785
	Denmark	1 445 010	3 865 228
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	Austria	620	9 156
	Italy	5 489	20 025
	USA	22 795	133 179
	Israel	9 578	34 730
	Other unspecified countries	36 131	85 138

Farmer makes mince of meat prices

3 Meat
E. Post
26/3/85

By SHIRLEY PRESSLY
A BOSVELD beef producer from the Transvaal has attacked retailers for their large markups on red meat while the farmers are getting a raw deal.

A former military man, Major-General Jan Fourie, who is now farming in the Warmbaths district, said small to medium beef producers were slowly being forced out of production by rising costs.

At the same time the prices they received for their red meat were pegged at the levels they had been for the past four years.

He told a media group on a tour hosted by the Meat Board that farmers were being forced out of business by crippling interest rates and rising prices.

"We, the beef producers are doing our bit to keep down inflation but in the meat chain they must also play the game," he said.

"I'm farming because I love it but it does not pay."

"We farmers don't want a resistance to red meat to build up because the housewife is paying too much," he said.

"The day the big boys climb in and the small

man is not there to stabilise the prices then nobody will eat meat," he said.

"The housewife pays 78% more for her meat than what the farmer gets," he said.

He said beef farmers looked after a cow for nine months while it was pregnant and then seven months before the calf was weaned and got little compensation.

He said that in February, 1981, super A beef sold for 249,7c a kilogram and in February, 1985, for 254,5c a kilogram, while A1 beef went for 236,2c a kilogram in February, 1981, and 244,5c a kilogram in February, 1985.

These increases were marginal but other costs had risen.

The price of commodities such as mealie meal, dosage medicines and cement had risen sharply.

There were also increases in labour costs and interest rates, and a host of other articles needed for beef production.

Asked whether the answer would not be for farmers to get involved in retailing meat he replied that meat was already being marketed by one of the meat co-operatives, Vleissentraal.

'Stones' worth more than gold

Post Reporter

GALLSTONES taken from cattle slaughtered at City Deep abattoir in Johannesburg fetch more per ounce when dried than gold.

The dried gallstones are sold to buyers from the Far East who use them medicinally.

It is rumoured that they are used for aphrodisiacs but the Oriental buyers prefer to remain tight-lipped about their uses.

Mr D Moodie, branch manager of the Meat Board in Johannesburg, told journalists on a tour organised by the Meat Board, that gallstones fetched R326 a dry ounce — higher than the gold price.

Some of the gallstones are as large as pigeon eggs.

City Deep handles 8 500 head of cattle, 450 calves and 30 000 sheep weekly. There is room in the kraals at City Deep for 3 000 head of cattle and 12 000 sheep.

Judas goats which lead the sheep to the slaughter are treated like royalty at the abattoir.

They trip along in front of the sheep which follow them to the slaughter from their holding pens without a murmur and without showing any signs of stress. The cows with their mournful brown eyes looked less happy about awaiting death.

During the Press visit, a cow which had aborted was singled out and sent for immediate emergency slaughter apart from the others to put her out of her misery.

SA 'becoming a desert'

Staff Reporter *Mb-4 4/4/85*

26/11/85 *3 week* *4/4/85*
SOUTH AFRICA is turning into a desert as stock overloading causes the veld to deteriorate, says Dr C F Garbers, president of the CSIR.

Research had shown that by 2050, large tracts in the Transvaal and Natal would be like the Karoo.

Dr Gerbers called for ecological research into the effective use of South Africa's natural resources.

Opening the congress of the SA Society of Animal Production, at Stellenbosch this week, he said: "In the field of crop and horticultural research our scientists have placed our industry on a level equal to that of most first world countries. But the real problem lies in our veld management situation."

Warning to farmers who maltreat sheep

CAPT TALS 8/4/85 Staff Reporter 34 out

THE Meat Board has issued a warning to sheep farmers that they may face prosecution if they maltreat sheep by transporting them to the abattoir in such a way that they are forced to remain lying down on the journey.

A statement issued by the board said a recent investigation carried out at the Meat Board's request had established that sheep which travelled in a recumbent position instead of standing upright arrived at the abattoir in a weak condition.

The investigation showed that sheep transported lying down were usually transported in several layers with the result that sheep in the bottom layers were contaminated by manure and urine from those on the upper layers.

As a result of being forced to lie down sheep had impaired blood circulation and signs of muscle tissue damage.

The statement said the pollution of sheep on the lower layers caused discoloration of the wool which remained clearly visible even after it had been tanned. The raw skins were down-graded as a result of the practice.

The skins' uses are also limited since they cannot be dyed properly.

The MINISTER OF CO-OPERATION AND DEVELOPMENT:

- (1) (a) Approximately 240 000.
 (b) 31 January 1985.
- (2) (a) No. A hospital (800 beds) is under construction.
 (b) Falls away.
 (c) Yes. There are one 23 bed clinic and 2 day clinics.
 (3) (a) A total of thirteen medical practitioners serve the area.
 (b) None. Dentists do however visit the town regularly.
 (c) None. There are however 42 qualified nurses, 13 staff nurses, 6 assistant nurses, 22 family planning officers, and 2 health inspectors active in the area.
 (d) 3.

9/4/85
 Surplus products: welfare organizations
Harwood Q. Co. 1. 985
 Mr E K MOORCROFT asked the Minister of Agricultural Economics:

- (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 1984; 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 AGRICULTURAL ECONOMICS:

- (1) (a) No, but during the period 1 March 1984 until 31 January

1985 the Dairy Board sold milk powder to welfare organizations at an average of R1,47 per kg below the normal selling price.

- (b) No, but during the period 1 January 1984 until 31 December 1984 the Meat Board sold meat at reduced prices to homes for the aged, orphanages and institutions for the disabled.

- (2) (a) (i) 110 653 kg.
 (ii) 162 041 kg.
 (b) (i) R162 856.
 (ii) R84 796.

Harwood Q. Co. 1. 984
 Mrs H SUZMAN asked the Minister of Law and Order:

- (1) Whether he has received any representations for payment of allowances to detainees held under the Internal Security Act, No 74 of 1982; if so, how many as at the latest specified date for which figures are available;

- (2) whether any of these persons were granted allowances; if not, why not; if so, how many in each specified year for which figures are available;

- (3) Whether any allowances are being paid to detainees; if so, (a) to whom and (b) what total amount had been so paid as at the latest specified date for which figures are available?

The MINISTER OF LAW AND ORDER:

- (1) Yes, since the commencement of the Act to 1985-02-27 representations were received from 12 persons.

- (2) Yes. In respect of one person an amount of R5,00 per day was paid for the period 1984-07-01 to 1984-10-10. Representations from three persons

were received after they had been released, while the representations of seven persons were still being considered when they were released, consequently it could not in terms of the Act be considered favourably. The application of the other person was after thorough consideration refused, as I was satisfied that no need existed for the payment of such an allowance.

- (3) No.

Harwood Q. Co. 1. 985
 Mrs H SUZMAN asked the Minister of Justice:

- (a) What was the total number of work-days spent by prisoners on hire to private persons, including farmers, in 1984 and (b) what was the total amount which accrued to the Prisons Service as payment in that year?

The MINISTER OF JUSTICE:

- (a) 304. Prisoners only work for half a day on Saturdays. These were however considered as normal work days for the purpose of calculating this total.

- (b) An amount of R2 044 888,14 regarding prison labour to hirers was received from 1 January 1984 to 31 December 1984. These monies were paid into the State Revenue Fund.

Public telephones

387. Mr P G SOAL asked the Minister of Communications:

- (1) What was the estimated cost of repairing public telephones in the Republic in 1984;

- (2) whether any steps (a) have been taken or (b) are contemplated to prevent or reduce vandalism in respect of public telephones; if so, (a) what

steps and (b) what is the estimated cost involved?

The MINISTER OF COMMUNICATIONS:

- (1) R495 000;

- (2) (a) and (b) yes;

- (a) the application of the latest technologies in order to improve the standard of the coin telephone service; the development of coin telephones that are more vandal-proof, the strategic siting of coin telephones, eg in well-lit positions such as shopping centres, and the use of monitoring equipment in conjunction with the services of departmental investigating officers in problem areas with a view to bringing vandals to justice; and

- (b) the steps referred to are taken in conjunction with other activities not related to the combating of vandalism and the costs involved cannot unfortunately be calculated separately.

Commissions/departmental committees

402. Mr K M ANDREW asked the Minister of Justice:

- (1) How many (a) commissions and (b) departmental committees of inquiry were appointed in respect of his Department in 1984.

- (2) whether any of the reports of such commissions and committees have been completed; if so, (a) how many and (b) of which commissions and committees;

- (3) whether any of the reports of such commissions and committees have been made public; if so, (a) how many and (b) of which commissions and committees;

- (4) what is the total estimated cost relat-

~~4/5/85~~ (3) ment ~~4/5/85~~
**Saawu says abattoir
workers joined union**

Dispatch Reporter

EAST LONDON — Trade unionism in the abattoir here started in 1983 when workers organised themselves under the banner of the South African Allied Workers Union (Saawu), Mr Sicelo Ndevu, the Saawu branch organiser said yesterday.

He said workers at the abattoir had formed a committee and contacted Saawu which introduced the union to the management of abattoir.

Meetings were held between the abattoir management and Saawu aimed at familiarising the management with the policy of

Saawu and to formalise the relationship with the management.

Mr Ndevu rejected the claim by the abattoir management that it had not been established whether abattoir workers belonged to any trade union.

Several attempts to obtain SA Abattoir Corporation comment were unsuccessful. A telex message sent to the company was not answered.

Recently, the abattoir management fired about 150 slaughtermen who had gone on strike over pay demands.

The management had said the workers did not belong to a trade union.

No increase in livestock prices

5/10/15/85
Livestock farmers, like their counterparts in the maize industry, can expect no increase in producer prices this year. ~~3-11-1~~ 3-Meat

A statement released by the general manager of the Meat Board, DR P H Coetzee, says the board has recommended to the Minister of Agriculture that floor prices of red meat remain unchanged this year.

This is the second year in which there has been no increase in the floor

price of beef and mutton. In 1984 the floor price was actually reduced.

Dr Coetzee said that, in spite of a 10 percent increase in the consumer price of maize, the board had decided not to increase the floor price.

Dr Coetzee said meat producers deserved praise for their "understanding" in difficult financial times, brought about by prolonged droughts, high interest rates and the tight economic situation. — Pretoria Bureau.

C. Press #215125

(3) Meat
1/25
1/25

Boycott red meat — sacked workers

By BENITO PHILLIPS

EAST LONDON abattoir workers this week called for a red meat boycott after 150 workers were dismissed following a dispute over wage increases.

The Red Meat Boycott Committee, formed after the dismissals, said Abattoir Corporation's management refused to settle the dispute in "an amicable manner" and refused to enter into any negotiations with the SA Allied Workers' Union or the workers' committee.

Workers are demanding their unconditional reinstatement R3.50 an hour, recognition of Saawu and cold storage protective clothing.

SA meat crisis: R100-million surplus

AKC 45
18/6/85
3 Meat
~~AKC 45~~
~~AKC 45~~

Argus Correspondent

PRETORIA — South Africa has a giant R100-million meat surplus in the form of 210 000 beef carcasses. This is creating a financial nightmare for the Meat Board.

Storage facilities around the country are packed with frozen meat and it is costing millions of rand. The Meat Board is urgently seeking to export the glut but an independent farmers' group, the Organisation of Livestock Producers (OLP), says the chances of exporting the South African meat are "virtually zero".

The general manager of the Meat Board, Dr Pieter Coetzee, said it was not practical to sell the meat at discount to the local market.

Special subsidised meat had been sold to the public in previous years but it had not cleared the surplus in the long term.

Prolonged drought

"The surplus is the result of the prolonged drought over the past three years. Farmers have been forced to get rid of stock because of a shortage of feed and money," he said.

The board is also in financial difficulty and has been forced to borrow at least R40-million from the Land Bank to buy in excess meat as its beef stabilisation fund has run out of money.

Dr Coetzee conceded that there was a substantial glut of meat on world markets but said he was confident an overseas buyer could be found to sell the surplus at a profit.

"The rand-dollar exchange rate is very favourable to exporters and we are presently busy with negotiations. We are certain we can export the surplus at very good prices — we will not give away our meat to overseas countries," said Dr Coetzee.

A spokesman for the OLP, Mr Roy van der Westhuizen, said the "chances of exporting South African meat are virtually zero".

Established exporters of meat, such as Australia, were battling to maintain their markets. There was also a glut of meat on the European market.

"South Africa is also politically prejudiced in attempting to export meat," he said.

Mr van der Westhuizen said the solution would be to sell the meat at a discount to South African consumers. The floor price of fresh meat sold at auctions should also be dropped to encourage consumers to increase their consumption of meat.

Sources in the meat industry say the Meat Board came close to selling the surplus meat last October but the deal fell through because the buyer lacked funds.

Extremely worried

A spokesman for the South African Agricultural Union (SAAU) said some meat producers were extremely worried about the situation.

"Producers are not getting rid of as much stock as they would like and the Meat Board is continuing to buy in substantial quantities of meat."

Mr Raymond Ackerman, chairman of Pick'n Pay, said his company had been involved in negotiations with the Meat Board for the past three months to get it to release the surplus onto the local market.

"I firmly believe the surplus needs to be sold to South Africans and not to some wealthy country which will probably kick us in the teeth later."

Mr Ackerman said he would intensify his efforts to get the board to change its attitude.

"Supermarket chains could promote it at their own cost, get meat to the public at a cheaper rate and clear the surplus quickly," he said.

Cape Times 19/6/85 34 col

'Sell surplus meat in SA,' Meat Board told

By AUDREY D'ANGELO

TWO major supermarket chains are putting pressure on the Meat Board to sell its surplus of 210 000 frozen beef carcasses to South African consumers at bargain prices.

The OK Bazaars regional director of operations, Mr Aubrey Coppen, said last night: "We are determined that the Meat Board shall not be allowed to export this meat at a loss when people in this country have been forced by inflation to cut back on their consumption."

"We have put pressure on our supplier, Imperial Cold Storage, which is represented on the Meat Board, to force the board to release the surplus for sale in this country at cut prices."

"Sales of red meat have fallen in real terms — that is in tonnage rather than rand terms — by between five percent and seven percent in the

past few months because people cannot afford it. It is absurd in the present circumstances for the Meat Board even to think of exporting it."

Mr M Simpson, head of Pick 'n Pay's butchery division, said: "We have tried in vain to persuade the Meat Board to sell some of the frozen carcasses at cut prices. The board said this would not solve the problem of the surplus, as it would just result in more freshly-killed carcasses being put into cold store."

The Meat Board announced yesterday that it had a surplus of R100-million worth of beef carcasses in cold stores around the country and hoped to export them. Last year the board was criticized for selling surplus frozen meat at cut prices because this further reduced the demand for fresh meat at abattoir auctions.

Winnie Graham reports from Johannesburg

that the R100-million beef surplus is destined for overseas markets.

The general manager of the Meat Board, Dr Pieter Coetzee, said yesterday negotiations were under way to sell the meat at a profit to international buyers.

"When the drought started in 1982, the board wanted to sell meat at discount prices to South African consumers," he said.

There was such a rush for the "cheaper" meat, he added, that prices actually jumped by R1 a kilo at the auctions. The board then dropped the floor price of meat by 20 percent, hoping consumers would benefit, but again the scheme failed.

"In 14 days we sold 46 000 beef carcasses, but abattoirs were slaughtering at full capacity and by the end of the two-week period the meat sold had been replaced by 56 000 carcasses," he said.

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Cancer

And now she's going
Loughborough University

Argus 19/6/85

NATIONAL

3 meat

Sort out the red meat mess', say housewives

TOS WENTZEL
Political Correspondent

THE Opposition today called for an urgent inquiry into the meat-marketing system in South Africa.

Following reports that there was a R100-million meat surplus which has created a financial nightmare for the Meat Board, Mr Errol Moorcroft, the Progressive Federal Party's spokesman on agriculture, said the board and the marketing system needed to be investigated.

A commission of inquiry should consist of outside independent economists and businessmen with no interests in the meat trade.

"ABSURD"

The Argus correspondent in Pretoria reports that the Housewives' League has called for an urgent investigation into the marketing of red meat, de-

scribing the present system as "an absolute mess".

The R100-million surplus of beef was the result of the Meat Board's control policy, the league's president, Mrs Joy Hurwitz, said today.

"It is absurd for the Meat Board to tell consumers that they should buy more meat — they simply cannot afford it," she added.

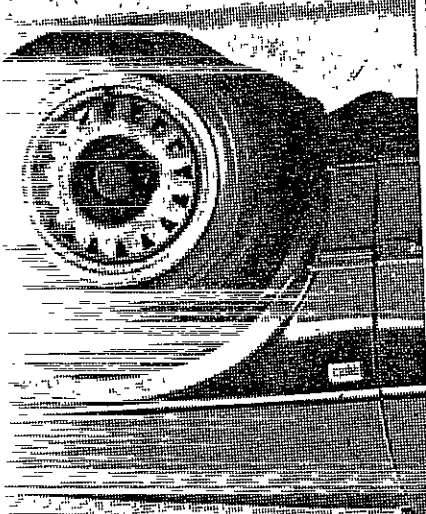
The league was opposed to the board's plan to export 210 000 frozen carcasses.

"We would like to see this meat sold on the local market in a way that would benefit consumers, and not exported overseas at a loss."

Mrs Hurwitz rejected the board's claim that consumer prices of meat had dropped since February.

"Our survey shows that consumers are not benefiting from lower prices."

RE GTS OR FUEL-INJECTED 1.8 LITRE



New Jumbo-sized Volkswagen Golf

CAPL 7/10/1958 (3/1000)

Livestock farmers warned

HOUSE OF ASSEMBLY. — The government would not hesitate to take action where land deterioration could be ascribed to injudicious land use, the Minister of Agriculture and Water Supplies, Mr Sarel Hayward, said yesterday during his vote in the committee stage of the budget.

He said the government was determined to make the National Grazing Strategy succeed because of the alarming deterioration of the veld.

"It is now accepted policy that in future no financial aid for land owners would be considered unless the provisions relating to veld utilization and resting are strictly complied with."

In future farmers would have to reduce stock before they would qualify for drought aid.

Areas "not ecologically suited" to livestock farming would be identified. — Sapa

19/5/85 (3) Meat Board

Meat Board control bid

By Ciaran Ryan *S. Times* *Boards*

THE Organisation of Livestock Producers is trying to gain control of the Meat Board.

Executive director Roy van der Westhuizen says the board no longer represents the interests of livestock producers.

"The meat industry is worth R1,5-billion a year at producer level and R7-billion in total. Someone is making a lot of money along the way and not enough of this goes to the producer."

Mr van der Westhuizen says the board is trying to introduce more controls, making it more difficult for the small farmer.

In spite of claims that a maize price rise would have meant more expensive meat to the consumer, Mr van der Westhuizen says this is not necessarily the case.

"Livestock farmers are convinced that other feeds can be substituted 100% for maize."

Livestock producers use an estimated 1,5-million tons of mealies, worth R325,5-million a year to the maize industry.

The Organisation of Livestock Producers represents 1 000 farmers.

Meat Board spends R9-m 'petty cash' on adverts

ARGUS 20/6/65
Argus Correspondent

JOHANNESBURG. — The financially troubled Meat Board is spending R9-million on advertising this year, a sum described as "petty cash" by a board spokesman.

"Any economist or marketing specialist will tell you that it pays to advertise during a recession," said the spokesman, Mr Koos Blignaut.

"The meat industry is worth R4 000-million a year, so R9-million for advertising is petty cash."

Mr Blignaut said three advertising agencies handled the board's account — one for mutton, one for beef and one for pork.

"HOUSEWIVES ANGRY"

"We believe it is better to diversify to bring in some varied expertise," he explained. "Our advertising budget is criticised, but without it can you imagine what consumption would be like?"

Housewives League president Mrs Joy Hurwitz said she strongly objected to the board's elaborate advertisements.

"Who wants to see a piece of meat being serenaded on TV when they cannot afford to buy it? It is making housewives angry," said Mrs Hurwitz.

The Meat Board's beef stabilisation fund, which had a balance of about R30-million before the start of the surplus, has run out of money. The board had borrowed a further R40-million from the Land Bank to continue buying in surplus meat.

Meat Board turns down slaughter ³ permits ^{meat}

21/6/87 B. Day
By PETER WALLINGTON
and GERALD REILLY

CATTLE farmers face enormous losses this winter because the Meat Board, which is sitting on a huge meat mountain, has turned down more than 50% of the 500 000 slaughter permit applications received in the past three months.

The board has been slammed by the Organisation of Livestock Producers (OLP), which says farmers will have to buy expensive feed to keep their herds alive.

OLP spokesman Roy van der Westhuizen says the solution is for the board to reduce the consumer price of meat by 40% to increase consumer demand and clear the massive R100m of stored frozen meat.

Meat Board GM Pieter Coetzee admits the plight of meat farmers will worsen in the coming winter months, as the board cannot satisfy the overwhelming demand for slaughter permits.

Disclosures of the huge losses faced by farmers came amid growing criticism of the huge meat stockpile. PFP agricultural spokesman Errol Moorcroft has called for a commission of inquiry and the Consumer Council says retail butcheries should cut their margins.

OLP's Van der Westhuizen says slaughter permit refusals are likely to grow in the coming months as long as the huge stockpile remains.

"This means that farmers will not be able to sell to the urban markets and will be forced to sell to the local markets at losses of up to R50 on a R250 animal," he says.

He says if the board cut prices it will still be no worse off financially. It will save on storage costs, which he estimates at R32m a year.

But Coetzee says the last time the board sold surplus stock locally at reduced prices the board suffered a loss of R6m.

"Consumers filled their deep freezers and butchers filled their refrigerated rooms. The result was in a period of three weeks we had to buy in 50 000 carcasses because the demand from the trade and the consumer collapsed."

Van der Westhuizen says it was largely traders who had stored meat and then sold it — at inflated prices — after the sale period had passed.

He says the board, by not allowing the consumer price to fall as demand slackened, had created the problem of an oversupply.

... before acting.

(1) (2) (3) Meet (4)

Arrests at Saawu office: 18 charged

24/5/85
Dispatch Reporter

EAST LONDON — Police threw tearsmoke into the East London offices of the South African Allied Workers' Union (Saawu) on Wednesday and arrested 22 people.

This was confirmed yesterday by Lieutenant Dot van der Vyver, SA Police liaison officer for the Border area, who said 18 of those arrested would appear in court today charged with intimidation.

Lieut Van der Vyver said police had gone to investigate a complaint by the public that people buying meat in Milner Road were being intimidated.

She said police arrested some people and others ran into the Saawu offices.

"The people locked the doors and the police

asked them to open. They refused and the police then threw tearsmoke in to gain entry," she said.

There were no other incidents, and 22 people were arrested, she said.

Mr Robert Gqweta, branch chairman of Saawu, told the Daily Dispatch's Port Elizabeth correspondent that some of the people in the Saawu offices at the time had worked at the East London abattoir before they were fired, after industrial action there, earlier this year.

According to Mr Gqweta, the fired workers were attending a meeting to discuss their problems.

He claimed that police had baton charged the people in the office after they had gained admission by using teargas.

Appetite cost him his life

C. Press 2/16/85 By BENITO PHILLIPS

AN MDANTSANE man was allegedly stabbed to death for not heeding a call by abattoir workers to boycott the sale of red meat.

Mpilo Gwadana, 32, was allegedly confronted by three men when he came out of a zone 9 butchery.

According to his relatives, the men asked him why he had bought meat despite the boycott.

He was allegedly stabbed before he could reply, and staggered to a nearby clinic, where he collapsed and died.

Another man was allegedly forced to eat the raw meat he had bought at knife-point.

Some of the attackers allegedly ran in the direction of the SA Allied Workers' Union offices.

Saawu officials denied that their members were involved, but police teargassed their offices and arrested 19

Man stabbed to death for buying meat

members.

They briefly appeared in the East London Magistrate's Court this week, charged with "intimidation" or alternatively public violence.

They were granted

R100 bail each and the case was postponed to June 21.

"This action is intended to weaken the workers' militancy and we are now calling on all progressive organisations to pledge solidarity with us," a Saawu statement said.

An Mdantsane Rugby Union meeting this week approved in principle a call by Saawu that its members support the red meat boycott — sparked off by the dismissal of 150 abattoir workers early this month.

But the union rejected violence as a means to enforce the boycott.

Vultures Rugby Club delegate John Mngeni said he was forced to throw away meat worth

Black residents boycott red meat in Adelaide

E. Post
8/16/85
(3)
Post

By DEBBIE BOOYSEN

BLACK residents in Adelaide are boycotting red meat in sympathy with workers who were fired at the new East London abattoir recently.

An Adelaide businessman, who did not want to be identified, told Weekend Post the trade boycott of white businesses in Adelaide was well organised.

"It has been going for eight weeks and is still going strong," he said. "Blacks are allowed to buy from Indian stores, but even there they are only allowed to buy chicken and fish.

"This week three youths were arrested in town for opening parcels belonging to Africans, who had ventured into town, and tramped their contents into the ground."

He said some people complained that they were being overcharged in township shops.

Another Adelaide resident said people in the township were paying as much as 85c for a loaf of bread. "Some items such as sugar, jam and candles are selling for between 300% and 400% more than their basic price."

Because of the boycott, several businesses which relied mainly on black trade were in financial trouble.

To ensure their survival, some white traders were now selling their merchandise in Fort Beaufort, 30 kilometres away.

Boycotts of white shops in Fort Beaufort, Somerset East, Cradock and Bedford were called off after a month.

However, another Adelaide resident said there was also a low-profile boycott of chain-stores in Graaff-Reinet.

The boycott continues in Port Alfred.

Board slammed over export plan for excess meat

3-Meat 20/6/85 NM

Mercury Reporter

THE Meat Board's decision to export a surplus of 210 000 beef carcasses rather than sell it to South African consumers at discount prices has been criticised by consumer organisations and retailers.

The general manager of the Meat Board, Dr Pieter Coetzee, said negotiations were under way to sell the meat, worth R100 million, at a profit to international buyers.

He said because the meat price in South Africa was not controlled, schemes initiated earlier by the board had failed to provide local consumers with cheaper meat.

The Housewives' League said yesterday it was crucial that the 'mountain of meat be got rid of' but it should definitely not be exported.

'There is no perfect solution but we suggest a

two-pronged effort,' Mrs Jean Tatham, a vice-president said.

The league has suggested that boxed meat be sold to retailers at a discount which would be passed on to the consumer.

Benefit

Mrs Tatham said the second prong would be for the Meat Board to get the meat directly to the people who cannot usually afford to buy it.

And at a meeting of the South African Federation of Meat Traders a recommendation was formulated which would assist the board to sell the meat but would also benefit the local consumer.

'We are against the surplus meat being exported,' Mr Dudley Thompson, chairman of the Durban and Districts Meat Traders' Association said yesterday.

'The scheme we have suggested is that butchers in buying a carcass from the abattoir would be given one carcass from the frozen stock at a discounted price for every fresh carcass purchased at the normal auction sales,' said Mr Thompson.

'This would result in the demand remaining on auction sales keeping the farmer in business but the frozen stocks would also be moving.'

And the Consumer Council said it had taken note of the board's decision to try to find an export market for the surplus and realised that valuable foreign exchange could be generated for South Africa.

However, the council director, Mr Jan Cronjé, said that in these difficult times the board should offer part of that surplus to the consumer at a cheaper price.

Meat Board slammed by Natal farmers

3-meat
MM 22/6/85

Mercury Reporter

NATAL cattle farmers should be able to see the winter out quite comfortably in spite of the Meat Board turning down 50 percent of the 500 000 slaughter permit applications received in the past three months.

According to board spokesman Koos Blignaut this has been necessary because of the huge mountain of meat which the board has in cold storage.

But the board has been slammed by the Organisation of Livestock Producers which said that because slaughter applications had been turned down farmers would have to buy expensive feed to keep their cattle alive.

However, Mr Blignaut said Natal cattle farmers were 'more fortunate' than their counterparts in other parts of the country.

'Natal operates on a quota system rather than a permit system and although farmers will definitely be affected they do have the availability of grazing on their side,' Mr Blignaut said.

'Natal also has the advantage of a very big abattoir and a smaller supply than the rest of the country.'

The board's decision to export R100 million worth of surplus meat has been slammed by consumer organisations and the meat industry which say that the meat should be sold at discount prices to local consumers.

PE Abattoir workers strike

Post By CATHY SCHNEEL 24/6/85

THE entire workforce at the Port Elizabeth Abattoir went out on strike today, resulting in a halt to meat deliveries to butcheries in the city.

The acting managing director of the abattoir, Mr. Russel Singleton, confirmed this today.

He declined to comment on why the 300 workers had gone on strike and said that management was trying to resolve the dispute.

He said he expected the strike to end tomorrow. Butchers have had to cope without meat supplies today.

Abattoir strike ends, meat supply resumed

Post Reporter

THE strike at the Port Elizabeth abattoir is over and normal meat supplies to butcheries and supermarkets will be resumed today.

Mr Russel Singleton, acting managing director of the abattoir, said the strike had been resolved early today and by 9am all employees had resumed work.

Yesterday, the entire workforce of about 350 people walked out after an altercation between two employees.

Mr Andre Fourie, development manager at the abattoir, said the incident had not been of a racial nature.

He added that the strike need never have happened and that the disagreement had been solved without anyone being dismissed.

Mr Fourie said there was no danger that PE would have been without meat as 50 slaughtermen from all over the country had been flown in last night as a precautionary measure in case the strike was not resolved today.

However, the strike had been resolved so quickly that it had not been necessary to use the slaughtermen. They would return home today.

He said this back-up measure was always used as the company was dealing with livestock which could not be left in the yard waiting to be slaughtered.

PE abattoir strike settled — 50 butchers go home

Dispatch Correspondent
PORT ELIZABETH — About 350 workers at the abattoir here, ended their one-day strike yesterday morning after amicable consultations," according to the development manager of the Portoria-based South African Abattoir Corporation, Mr Andre Fourie.

He said 50 butchers from Johannesburg, Portoria and Krugersdorp, who were flown to Port Elizabeth as a precautionary measure, returned home yesterday. Mr Fourie said the strike arose after a "difference of opinion between two employees."

quoting a local butcher who said the dispute had arisen from an altercation between an African and a white employee on Friday, after the African dropped a carcass, Mr Fourie said it was impossible for one person to carry a carcass.

"Carcasses do drop from overhead rollings from time to time, but an employee cannot actually drop a carcass."

Mr Fourie said an employee had been fired on Friday, but had been reinstated five minutes later. No worker had been fired as a result of the strike.

"All the problems were amicably ironed out by 9 am," he said yesterday. "If I had arrived earlier, the strike would have been over on Monday."

He said he did not have figures available of the number of animals not slaughtered because of the walk out. However, he stressed that no meat shortage had resulted from the dispute.

"If consumers rush to buy meat, they will be burning their fingers. South Africa has more meat on the market at present than it can sell."

Mr Fourie said the expense of flying the 50 butchers to Port Elizabeth and accommodating them in a hotel had to be viewed against "our business to slaughter and supply the city with meat."

He said the SA Abattoir Corporation owned the 10 largest abattoirs in the country.

"I can take slaughtermen from any centre I like to carry on our work."



FM 28/6/85 L to R: Shostak, Goldenhuys, Hamersma ... half-heartedness won't work (419)

able in the short term to lend out more money. The Reserve Bank has no tools to prevent this from happening, which means the same mistakes of 1983 could be repeated.

"We need to control excessive money supply growth rather than monetary growth *per se*. That is, the extent to which it exceeds gdp growth must be monitored. The decline in the buying power of money, that is, inflation, can't be resolved through recession. There is a need to control without damaging the eco-

nomy, and this means controlling the money supply and not money demand. We must stop interfering with behavioural patterns."

Gerhard De Kock knows this. But with reports of this kind, which imply painful adjustments and rude disturbance of comfortable assumptions, it is sometimes necessary to gild the lily with cautious, sometimes apparently contradictory language to allay the fears of those who favour continuing interventionism in economic policy.

That is the style of official reports in SA. But no one should underestimate the underlying determination of the commission to break the mould of past practice. Church Square will do so in its own way, proceeding with caution and discipline.

And in the end it will doubtless come to the conclusion that central bankers in the US and Britain have now arrived at: stop struggling to control money supply growth and it will probably start behaving itself. ■

MEAT INDUSTRY

Blood on the tracks

There are telling economic lessons in the Meat Board's refusal to pass on the benefits of its unsold R100m stockpile of frozen beef. Once again the semi-socialist structure of SA's agricultural system has driven one of its components towards disaster — for consumers, producers and the sector alike. A drastic restructuring of the R4,3 billion a year red meat industry is urgently required — and if it doesn't come, the upshot could well be the total collapse of the board's unwieldy "meat scheme."

Meat Board (MB) storerooms are currently overflowing with 35 000 t (220 000 carcasses) of frozen beef; a further 1 000-2 000 carcasses are being added *weekly*, and only half the 500 000 slaughter permits requested by producers over the past three months have been granted by the board. Since the MB refuses to sell off the surplus to consumers — or to lower meat floor prices in its "controlled" areas — something has to give.

Very likely it will be the board itself. With it will go its artificial structures of floor price supports; stabilisation fund levies; restricted slaughtering permits in its areas of jurisdiction; limited issue of retail butchers' licences;

The system of agricultural floor pricing, with subsidisation through the Land Bank, was devised in the Thirties to bring some stability to the shattered sector. But today we face surpluses and haywire economics in marketing strategies. Nowhere is this more true than in the massive red meat industry.

and enforced hygiene standards at massive abattoirs which have attracted the sobriquet, "meat palaces."

What role is government likely to play? Current financial austerity has already compelled it to reduce subsidisation of unprofitable sectors. It showed uncommon mettle in facing down the maize lobby. So tackling the meat mountain should mean, for a start, immediately stopping the Land Bank (LB) from further funding the meat authority to buy in carcasses at artificial price support levels.

MB GM Pieter Coetzee is adamant that protracted negotiations for the export of SA's beef mountain have reached "an ad-

vanced stage." This is curious, since Frans Roelofse — chairman of the action committee of the Federation of SA Country Meat Traders — tells the *FM* there is a world red meat glut at present.

"If the MB cannot export its frozen stocks at the current low value of the rand," he comments, "I doubt if they will ever be successful. The MB says their frozen stocks are valued at some R100m. The interest on this sum is about R23m/year, while storage costs are at least R12m/year. This adds up to a current cost to the industry of R135m annually, while the weekly increase in frozen stocks should push this up to about R200m by 1986."

Roelofse adds that if this "dead capital" was productively invested, thousands of jobs could be created. Meanwhile consumers are clamouring in vain for cheaper meat; and there is already something of a consumer revolt against beef, with chicken consumption on the increase. But the MB refuses to budge.

The board recently had to bolster its depleted stabilisation fund (used to purchase red meat at floor price levels, and funded through levies on producer sales of meat to

~~316~~ ~~317~~ 3 Meat

From *How Much are Public Servants Worth?* Edited by John Gretton and Anthony Harrison

The best way forward may well be therefore, to aim for greater responsiveness to market forces within, rather than outside, the public sector. This would mean allowing more discretion to local managers in setting pay — particularly supplementary payments such as merit awards — and making it easier for them to modify differentials in the light of local shortages. This would mean encourag-

ing them to back their own judgments rather than relying on detailed studies of what is going on in the private sector.

The main practical snag lies in the structure of wage bargaining. Much of the negotiating in the public sector is undertaken at the national level where a high proportion of wages are fixed with little scope for local initiative. Public-sector unions would be strongly opposed to changing this structure of established pay hierarchies and relativities in favour of greater flexibility and larger disparities.

This is tied in with the whole issue of fairness. It is doubtful whether teachers would regard as equitable and acceptable a position where the pay of mathematics teachers of a certain grade was higher than that of, say, English teachers. That would upset all the traditional ideas of pay structures, however much it might be justified by the balance of supply and demand.

Even within a single group, the aim is not to move to a total market system. The problem is instead how to inject some market criteria into public-sector bargaining. ■

according to Roelofse, would assist in providing a "realistic solution to the industry's problems, and a natural growth in the market."

The red meat industry is SA's largest agricultural sector — and the colossal mess it has landed itself in threatens its entire future. "Poultry meat has increased its share of the meat market in SA from 22% in 1974 to 31% in 1984. As a supplier of meat it is now second only to beef," says Deputy Minister of Agricultural Economics and Water Affairs, Gert Kotze.

The per capita consumption of poultry — some 14 kg/year — has increased 46% over the past decade, while red meat consumption concurrently declined by 7%.

Kotze cites the competitive price of chicken as largely the cause of this huge consumer swing: "I believe the entire poultry industry should be congratulated on keeping consumer prices of poultry products at reasonable levels. In fact, I have no hesitation in saying

that this industry, during the past 10 years, has made significant contributions to the fight against inflation and has provided a relatively cheap source of protein to feed our growing population."

No Chicken Board

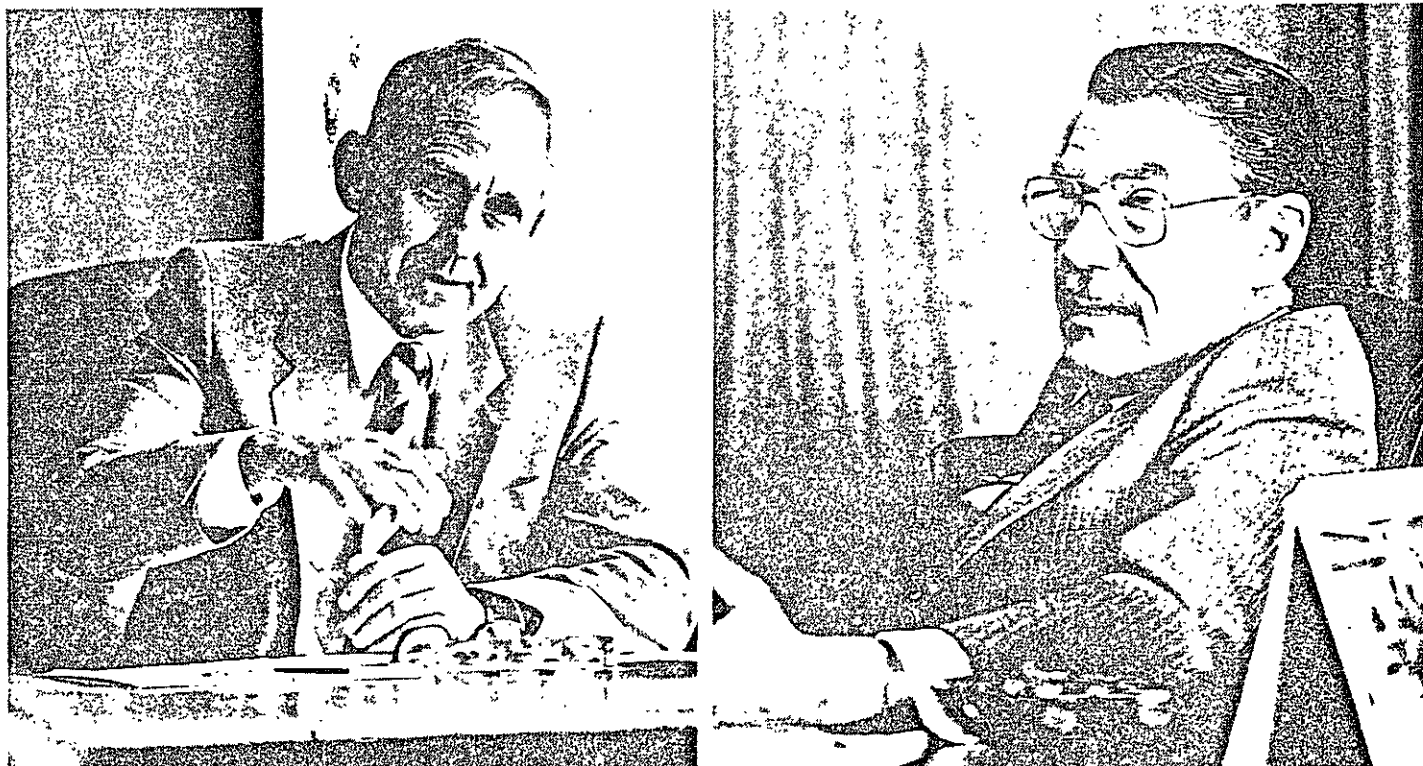
It's noteworthy that there is no Chicken Board — and with any luck there never will be. Still, it's futile to point fingers at the MB — government gave it its powers, and the board merely acts in terms of its responsibilities under the "meat scheme." In other words, the whole system of agricultural controls is coming under increased scrutiny, and the feeling that it must be changed is widespread.

SA's Marketing Act of the Thirties was an instrument devised to protect farmers against the "chaos" of over-supply, falling demand and low prices following the drought and Depression. Many farmers had been forced off the land.

"Stability" and "protection" were the catchwords of a system devised with good intentions, but which today threatens to destroy the very producers and markets for whose protection it was created.

The system, in short, has reached the limits of any conceivable utility. The onus for that lies with government, and the ultimate responsibility is that of the Minister of Agriculture. He has the power to change or cancel schemes that do not benefit the industry.

At present the National Marketing Council is investigating the vexed control board issue — and will undoubtedly focus on the "chaos" in the meat sector. Some form of deregulation — phased or otherwise — has become essential, and it must be hoped the council will make the necessary recommendations to Agriculture Minister Greyling Wentzel. It really is time for a measure of sanity to be restored to a system which has clearly gone haywire. ■



Meat Board's Coetzee, Agriculture's Wentzel ... time to tame the 'chaos'

[Handwritten signatures]

MAGS 28/6/85

3 Meep (28/6/85) (28/6/85)

Meat levy 'may push up prices'

Municipal Reporter

THE Cape Town City Council is to charge wholesalers a levy of three cents on every kilogram of meat handled at the Maitland abattoir in spite of a warning that it could push up meat prices by 10c to 15c a kilogram.

Councillors were told yesterday the levy was necessary to boost funds for improvements but Mr Chris Joubert — a butcher — warned that it would lead to a price increase.

He said: "This little three-cent levy looks innocent.

"But, while slaughtering 8 000 sheep a day, 800 cattle and other livestock the daily levy total will be about R9 000.

"That works out at between R1.5-million and R2-million a year."

He said this would probably filter through to the consumer as an increase of between 10c and 15c.

Amenities and health committee chairman Mr Peter Muller said: "We are being put under extreme pressure to increase slaughtering facilities.

"I believe the levy is our only course of action. We will make a public appeal for the wholesale trade to absorb this increase."

Beef mountain threatens farmers with bankruptcy

③ Meat
By Ciaran Ryan

THOUSANDS of cattle farmers face bankruptcy as a result of a huge reduction by the Meat Board in the issue of slaughter permits.

The board has a stockpile of 220 000 carcasses, valued at R100-million, which are being held in deep freeze with no buyer in sight.

The board's stabilisation fund is close to depletion, and a R40-million Land Bank loan has been made to pay farmers for carcasses they are adding to the stockpile at a rate of about 1 000 a week.

Bail-out

There are doubts as to whether the Meat Board can continue to operate under present circumstances and the Government may be forced to bail it out.

Even an increase in farmers' contributions to the stabilisation fund — which guarantees the farmer against fluctuations in the producer price — may not be sufficient to stem the board's losses.

Roy van der Westhuizen, executive director of the Organisation of Livestock Producers, says the number of permits being issued has been cut by as much as 50%.

He says: "This makes a mockery of the Meat Board's floor-price system which is supposed to guarantee the farmer a price for his meat and to help him with his cash flow and planning."

"But instead of dropping consumer prices and stimulating demand, the number of permits issued has been cut so that farmers are still getting a fixed price for their meat but are drastically limited in the quantities they can sell."

Export

The board has no immediate intention of giving the consumer the benefit of the surplus by reducing prices.

A board spokesman, Koo

Blignaut, admits that if the meat cannot be exported, a marketing campaign and lower prices may have to be introduced.

The board says the last time it tried to reduce a surplus by cutting prices, consumers filled up their freezers and stopped buying meat for a few weeks. The result was that the surplus did not fall.

Mr van der Westhuizen doubts the board can find an export market. "The only way the Meat Board can sell off its surplus is by getting rid of it at a fraction of the cost."

Part of the reason for the surplus is the drought. Farmers cannot afford to keep the animals on the land and to buoy up their cash flows, they are forced to sell cattle.

Voice

But much of the blame lies with the Meat Board's system of fixed floor prices, says Mr van der Westhuizen.

There are rumours, denied by the Meat Board, that some meat was not properly frozen and decomposition has set in.

The Organisation of Livestock Producers is trying to establish itself as the accepted voice of meat producers to gain control of the Meat Board in the same way that the National Maize Producers Organisation (Nampo) is seen as spokesman for mealie farmers.

Nov 17/85

3M out 2000

Fowl excess gives the Cape the bird

Argus Correspondent

JOHANNESBURG. — Chicken prices are falling because of a glut in South Africa — except in the Cape.

As the recession cuts purchases and a mild winter brings a lower mortality rate among the birds, there are millions more chickens than usual waiting to make their debut on the dinner table.

The surplus appears to be concentrated in the Transvaal and Natal.

The good news for the consumer is that the chicken industry is free of controls and frozen chicken prices have tumbled.

The bad news is that prices are not expected to stay down as chicken producers adjust to meet demand and make up for any losses they may have incurred.

Frozen

Mr Richard Cohen, director of Pick'n Pay, said there was a chicken surplus in the Transvaal and in Natal but not in the Cape.

Frozen chickens were selling at R1,59 a kilogram at Pick'n Pay outlets in the Transvaal and at R1,55 a kilogram in Natal.

"If the price is right we can get rid of surpluses. Perhaps our friends in the Meat Board should take note and spread its surplus to as many people as possible," he said.

Mr Nigel Smallridge, branch manager of ICS Foods which distributes Festive chickens, said: "The chicken breeders have placed too many eggs and the chicken mortality rate is not as high as normal.

"There seems to be a surplus of 2,5 to 3-million birds during a 10-week cycle on the Transvaal. We have to take a lower price to get rid of them.

Expected

"Blacks, the biggest consumers of chicken, are suffering because of the recession and have not been buying as much chicken as normal."

Mr Smallridge said the price of chicken was expected to rise.

Miss Peta Lomborg, public affairs manager of Checkers, said stores reduced frozen chicken prices from over R2 a kilogram.

She said: "We are selling chickens from R1,49 to R1,99 a kilogram depending on the type of store."

Price rise rate shows a decline

Argus Correspondent

JOHANNESBURG. — There has been a decline in the rate of price increases for domestic commodities in the past five months.

Consumer Council research shows



Mr Garnet de la Hunt

W Cape man new SA chief Scout

Argus Correspondent

PRETORIA. — South Africa's chief Scout for eight years, Mr Colin Inglis, who retired from the movement at the weekend, has been succeeded by Mr Garnet de la Hunt of the Western Cape.

Mr Inglis was born in Maritzburg and attended Maritzburg College and the University of Natal before going to Cambridge University in England, where he attained his MA in economics.

He served as a lieutenant in the South African Air Force between 1943 and 1945.

He has been a Scout for 50 years, having started in his home town where he also became a Scoutmaster in 1947.

Mr de la Hunt was born and

Price of mutton soars

Computer blamed for high meat cost

Star 4/1/85

3-Meat

By Maud Motanyane and Jackie Unwin

The prices of mutton and lamb have soared in the past month and butchers claimed today that the increase was due to a faulty computer system.

The Meat Board had to step in yesterday to avert a crisis at the City Deep abattoir.

The board had to stop sales and call on the abattoir to revert to the catalogue system of selling when the Witwatersrand Retail Master Butchers' Association (WRMBA) called on it to intervene.

The Abattoir Corporation, which installed the computer early last month, denied that the increased prices were caused by the new system and said yesterday's incident was "an overreaction" by the chairman of the WRMBA, Mr Eddie Bielovich.

Meat buyers have claimed that the computer has led to delays during auction time.

With limited time to buy, butchers had to rush through their buying and accept inflated prices, which they then had to pass on to the consumer.

A crisis was reached on Tuesday this week as only 50 percent of the 8 000 sheep carcasses were sold, said Mr Bielovich. Mutton went up from R3,80 a kilo to R4,18, he said.

He blamed the Abattoir Corporation for installing a computer system which had not been proved to be efficient.

"And now the consumer has to pay for the Abattoir Corporation's experimentation," Mr Bielovich said.

'Not interested'

Mr Andre Fourie, development manager of the Abattoir Corporation, said the matter could have been amicably discussed between Mr Bielovich and the abattoir manager.

He said there was no bidding on 2 000 sheep carcasses on Friday and on 1 600 sheep on Monday. "Why were the buyers not interested then?" he asked.

He said: "We admit we have had computer problems but you can get teething troubles in a computer as in a new car."

He said some computer software was being flown from America to solve the problem and, if all went well, the computer system should be in operation by tomorrow afternoon.

Urgent appeal

The South African Federation of Meat Traders has appealed urgently to relevant authorities not to implement the same computerised system at other abattoirs.

The association has also demanded that private enterprise take over the responsibility of the loading of meat and that the Abattoir Corporation "refrain from interfering with marketing functions that can have a bearing on the price of meat".

Further negotiations between the Meat Board and the association may bring a more reasonable meat price to the consumer, says Mr Bielovich.

Mrs Joy Hurwitz, president of the Housewives' League, said: "We cannot have a situation in which a price is increased because of mistakes and errors."

Survey shows 220% increase

Lamb prices expected to drop after change to catalogue system

by Maud Motanyane and Jackie Unwin

Beef and chicken are comparatively good buys at the moment. But lamb prices have skyrocketed. Butchers claim this is because of a malfunctioning computer system at the City Deep abattoir.

This was reflected in the 22,02 percent increase in the cost of lamb chops in The Star survey. The computer system has been replaced by the catalogue system and prices of lamb are expected to drop soon. Pork is also comparatively low in price.

Alternative Meat

Mr George McGregor of McGregor's Meat Market recommends housewives look to alternative meat such as veal, which is less expensive, very tasty and can be used in dishes instead of lamb. "It is also healthier, being less fatty and has a lower cholesterol content," he said.

Mr McGregor reports rabbit is increasing in popularity. "You can feed a whole family with one rabbit at a cost of between R4 and R5," he said. But if you feel like spoiling your family or having a special dinner party and want to provide something different, have a chat to your butcher. Many have specialties.

Mr Barry Lockyer, butcher at Spar

in Blackheath, does a rolled fore-rib which is popular with his customers. "Topside can be dry in the middle. I roll the meat with pieces of fat through it which improves the flavour and it does not dry out."

Mr Nick Loots, butcher at the OK in Cresta, offers pin wheels — lamb rib with spices and Hollywood chops. Many of the butcheries offered Coridon Bleu schmitzel with cheese and ham, egg and breadcrumbs, which just need to be popped in the pan.

The Fairland Meat Market offers butterfly legs of lamb which are deboned, marinated and can be either roasted or are lovely for a braai. They weigh about 2½ kg and can feed between 10 and 12 people.

Some butchers vacuum pack. Mr Johnny Chidrawi of the Meat Counter, Florida, said vacuum-packed steak is extremely tender. It ages in the bag and rather than freeze it, the meat should be left in the bag for about two weeks to age. It can then be either frozen or eaten.

Mr Chidrawi puts suggestions on how to cook the meat on the price tags of the cuts in his shop.

Mr Syd Reinhardt, co-owner of Polony King makes over 100 items in his continental meat factory. "They are convenient for the housewife to cook and inexpensive," he said. "The man with a discerning palate who might turn up his nose at a Vienna sausage would enjoy a good quality German bockwurst and it is easy for the housewife. They are convenience foods of a high quality at realistic cost."

Backing for food subsidies

A decrease in spending on food subsidies would meet with considerable resistance from white urban South Africans.

In a recent Omnipoll carried out by Market Research Africa, 1 700 000 adults thought spending should be increased, compared

with only 400 000 who were for a decrease.

The call for increased spending comes from both the A household income group where monthly incomes exceed R3 000 and the D group where income is less than R700 per month (60 percent and 63 percent respectively

being in favour in increased spending).

"Higher income people are generally better informed about the economy and can see the risks of a hungry population," said a spokesman for Market Research Africa.

The bread battle rages on

Only two supermarkets surveyed continue to sell bread below cost; the others are selling it at cost. Checkers and Pick 'n Pay are charging 38c for brown bread.

Pick 'n Pay is also subsidising white bread and selling it at 58c. The new loaf, which weighs 50 g less than the old one, was introduced on Monday. The new bread, which is made from purer flour,

had a longer shelf life and did not crumble easily, a spokesman for the Wheat Board said. He said that although the new loaf weighed less it was the same volume as the old Government loaf and produced the same number of slices. The brown loaf had more bran added to it. The cost of extracting the new flour had been absorbed by the bakers who were producing more loaves than they did before, the spokesman said.

Kosher report in August

The Commission of Inquiry into the Kosher Meat and Poultry Industry has completed its task of hearing evidence. Its report should be ready for public presentation in the middle of August.

Mrs Doreen Bender, chairman of the South African Kosher Consumers Organisation, said that — at the suggestion of the commissioners, Mr Anthony Spitz and Mr Jock Hurwitz — Mrs Joy

Hurwitz, the president of the Housewives' League of South Africa, had been co-opted as a member of the commission and would be involved in weighing up its findings and in issuing its report. Dr Percy Yutar, who originally convened the Commission of Inquiry on behalf of the Kosher Consumers, will also be consulted in the drawing up of the report.

ONLY TOP GRADE MEAT WAS COMPARED. PRICES AS AT JULY 2, 1985

	SPAR BLACKHEATH	FAIRLAND MEAT MARKET	THE MEAT COUNTER FLORIDA	WOOLWORTHS BLACKHEATH	OK BAZAARS BLACKHEATH	CHECKERS CRESTA	PICK 'N PAY BLACKHEATH	MCGREGOR'S MEAT MARKET YEOVILLE RALEIGH STREET	POLONY KING ELSBURG	AVERAGE PRICE	AVERAGE PRICE ON MARCH 25	PERCENTAGE CHANGE
Rump steak: 1 kg	R7,88	R7,99	R7,99	R8,29	*R6,99	R8,38	R7,99	*R6,99	*R6,99	R7,72	R7,90	-2,28
Tenderloin steak: 1 kg	R6,98	R6,48	R6,18	R6,49	R6,99	R7,08	R6,88	*R4,99	*R4,99	R6,32	R5,81	8,78
Brisket: 1 kg	R3,88	R2,98	R4,14	R3,79	R3,68	R2,99	R3,69	R2,99	*R2,69	R3,43	R3,73	-8,04
Lamb loin chops: 1 kg	R8,28	R6,98	R6,98	R8,19	R6,98	R6,98	R6,98	*R4,99	R3,50	R6,87	R5,63	22,02
Pork rib chops: 1 kg	R5,48	R5,98	R5,98	R7,39	R5,99	R3,99	R5,98	*R2,99	R4,99	R5,42	R5,85	-7,35
Beef mince: 1 kg	R2,99	R3,98	R4,18	R4,19	R3,99	R3,15	—	R2,99	*R2,89	R3,55	R4,04	-12,13
Topside: 1 kg	R6,48	R6,48	R6,48	R6,19	*R4,99	R6,49	*R4,99	*R4,99	*R4,99	R3,83	R6,04	-3,48
Fillet steak: 1 kg	R9,98	R9,98	R9,98	R9,59	R10,99	R10,99	R9,98	*R7,99	R8,50	R9,78	R9,78	—
T-bone steak: 1 kg	R6,98	R6,49	R5,99	R6,59	R6,99	R6,99	R6,99	*R4,99	R5,95	R6,44	R6,57	-1,98
Stewing beef: 1 kg	*R2,79	R2,98	R3,72	—	R3,89	R3,89	R3,29	R2,99	R3,50	R3,38	R3,80	-11,05
Beef sausages: 1 kg	*R3,68	R4,58	R4,48	—	R4,19	R3,98	R4,69	R3,99	R4,20	R4,22	R4,08	3,43
Or liver: 1 kg	R3,48	R3,10	R3,40	R3,79	R3,98	—	R3,98	R2,99	*R2,40	R3,39	R3,70	-8,38
Chuck: 1 kg	R3,98	R3,99	R4,14	R4,69	R4,59	R4,59	R3,98	*R2,99	R3,50	R4,05	R4,20	-3,57
Short ribs: 1 kg	R3,88	R2,99	R4,14	R3,79	R3,99	R3,99	R3,89	R2,99	*R2,69	R3,59	R3,52	1,99
Chicken: 1 kg	R2,48	R2,75	R2,50	R2,49	R2,35	R2,38	*R1,99	R2,99	R2,49	R2,49	R3,00	-17,00

WEEKLY SHOPPING BASKET

	PICK 'N PAY RANDPARK	CHECKERS CRESTA	OK BAZAARS CRESTA	SPAR BLACKHEATH	AVERAGE PRICE	AVERAGE PRICE SURVEYED ON JUNE 18 1985	PERCENTAGE DIFFERENCE
BREAD: White	58c	63c	63c	63c	62c	61c	1,3
Brown	38c	38c	43c	43c	41c	39c	5,
MILK: 1 l	71c	75c	79c	77c	75c	73c	2,4
EGGS: ½ doz large	66c	67c	—	68c	67c	69c	-2,0
MAIZE MEAL: 2,5 kg Impda	R1,25	R1,37	R1,25	—	R1,29	R1,61	-1,99
MARGARINE: 500 g Rama	R1,41	R1,42	R1,29	R1,44	R1,39	R1,42	-2,1
CHEESE: 1 kg Elite Gouda	R6,37	R6,37	R6,37	R6,37	R6,37	R6,37	—
JAM: 900 g All Gold Superfine Smooth Apricot	R1,68	R1,71	—	—	R1,70	R1,58	7,9
SUGAR: 2,5 kg Huletts	R1,99	—	R2,09	—	R2,04	R2,04	—
TEA: 100 tagless teabags Jeko	R2,89	R2,79	R2,75	R2,89	R2,83	R2,86	-1,5
COFFEE: 250 g Nescafe Classic	R5,29	R5,49	R4,95	R5,95	R5,42	R5,18	4,3
CEREAL: 500 g Kellogg's Cornflakes	R1,35	R1,39	R1,45	R1,29	R1,37	R1,37	—
COOKING OIL: 750 ml Ole	R1,99	R2,19	R2,12	R2,19	R2,12	R2,17	-23
RICE: 1 kg Tastic	R1,59	R1,59	R1,75	R1,58	R1,63	R1,68	-2,8
SALT: 1 kg bag Buffalo	52c	52c	53c	52c	52c	52c	—
MEAT: 1 kg brisket	R3,69	R2,99	R3,68	R3,88	R3,56	R3,66	-2,3
1 kg porterhouse	R6,58	R7,99	R7,98	R7,98	R7,63	R7,99	-4,1
1 kg lamb loin chops	R5,98	R6,98	R6,98	R8,28	R7,06	R7,23	-2,5
1 kg fresh chicken	R1,99	R2,38	R2,35	R2,49	R2,30	R2,34	-1,1
250 g Eskort streaky bacon	R1,84	R1,79	R1,89	R1,89	R1,85	R1,84	0,1
1 kg deep water hake filets 1&J	R3,25	R3,59	R3,59	—	R3,48	R3,41	2,6
VEGETABLES: 1 kg potatoes	69c	79c	59c	59c	67c	67c	—
1 kg frozen peas	R2,79	R3,29	R3,45	R3,49	R3,26	R3,11	4,8
CANDLES: 450 g Buffalo	99c	99c	87c	—	95c	99c	-4,01
WASHING POWDER: 1 kg Sunlight	R2,44	R2,45	R2,59	R2,49	R2,49	R2,44	2,05

PRICES EXCLUDE GST

Board working on beef export deal to end glut

Pretoria Correspondent

The Meat Board is expecting to clinch an export deal this week to rid the country of a R100-million mountain of beef which is swelling by about 500 carcasses a week.

A board spokesman said today a deal had not yet been finalised, as it was still trying to find a buyer for the meat, but some results were expected this week.

At the same time, the board was considering alternative ways of ridding itself of the surplus meat on the local market if it was not successful with the export attempts.

However, the control board is unlikely to lower the floor price of beef this year to shift the surplus, pointing to slender chances of cheaper red meat for South African consumers because of this surplus.

The spokesman said the board did not believe cheaper beef on the local market would stimulate consumption and sales.

The board had been negotiating for an export market for the past

month, said the spokesman.

But reports of negotiations for an export market first appeared in November last year — since then the stockpile has increased by R10 million.

Sales of surplus meat to old-age homes and charity organisations has been halted while the search for an overseas market has been conducted. According to the spokesman, the meat had been sold to

these organisations for the past two years at a loss of R400 000.

The board has dismissed recent speculation that some of the surplus had begun to rot in the cool rooms and been sold as pet food. "Not one kilogram has gone off and it is not being sold for dog food."

The meat, he said, was frozen at very low temperatures and it was difficult to say exactly how old or the young the meat was. It was being sold and brought in all the

time.

The surplus, he said, had been built up over the past three years and while the size of the carcass mountain fluctuated, the board tried to keep it at 210 000 (South Africa's meat supply for up to seven weeks).

The market price for super beef was R2,37/kg, about 53c less than the production cost of the feed lots, he said.

3 - Meat

Star 17/7/85

PIETER COETZEE

Fantasy . . . or fact?

③ Meat
FM 19/7/85

IN MY
OPINION



Meat Board GM Pieter Coetzee replies to criticism of his organisation contained in a leading article published in the *FM* on June 28. In calling for a drastic restructuring of the red meat industry, the article noted that the Meat Board's storerooms were overflowing with 220 000 carcasses and that a further 1 000-2 000 were being added to the stockpile weekly.

The criticism of the board was directed at the floor price support system, the failure to cut prices to help move the huge stockpile of beef, the system of stabilisation fund levies, restricted slaughtering permits in the board's area of jurisdiction and the limited issue of retail butchers' licences, among others.

The two "experts" (Meat Board quotation marks) referred to are the chairman of the action committee of the Federation of SA Country Meat Traders, Frans Roelofse, and the executive director of the Organisation of Livestock Producers, Roy van der Westhuizen.

In its endeavours to represent the existing "meat scheme" and its governing body as the ugly "semi-socialist" monster heading for disaster, the *FM* makes extensive use of information used out of context and of the advice of two "meat expert" stars who appeared on *FM*'s meat horizon about 18 months ago.

These "experts," from all appearances, are trying to outdo one another in advancing "solutions" to a very complicated situation.

"Market prices should be allowed to drop 40%, while floor price levels remain the same, supported by the stabilisation fund," says the one. No, says the other, take it easy: "A 10%-15% reduction in prices should stimulate demand tremendously."

For the month of March 1985 alone, "a drop of 40%" in market prices funded out of the stabilisation fund, would have depleted this fund by R31,7m. The R100m invested in the present surplus would have vanished within three months.

It's no fantasy — here are the facts. Total beef consumption in March 1985, 42 684 337 kg; average market price, 224,2 c/kg; average floor price, 208,7 c/kg. Refund stabilisation fund 72,2 c/kg = R31 671 778 depletion of the stabilisation

fund.

Then there is the suggestion to "produce less or increase demand" by reducing prices 10%-15%. Reduce production? For decades RSA has been a net importer of beef and slaughter cattle.

Under normal circumstances we are not producing sufficient beef to supply our country's needs. Imports from neighbouring countries within our free-trade zone amounted to 156 000 t between 1982 and 1984, whereas the net surplus at the end of this period was a mere 35 000 t.

Reduce prices? In 1981/82 (before the drought and recession), the "commercial" local consumption of beef was 503 200 t. In 1982/83, various attempts were made to increase consumption in order to work off the temporary surplus of beef by reducing market prices by up to 30%.

The surplus had been caused by increased slaughterings as a result of heavy marketing pressure brought on by the severe drought.

tem" governs both the red meat and the chicken industries. However, if one looks at the trends (see graph), it would appear that, notwithstanding the lack of control on both sides, chicken consumption is still increasing while that of red meat is falling.

Look at the prolonged drop in the consumption of both pork and beef. The same situation applies to countries like Canada, Australia and New Zealand where there has been a considerable drop in the consumption of beef and an increasing consumption of chicken. In SA, on the other hand, the commercial consumption of beef is at least maintaining its position against the onslaught of chicken. The facts to prove this statement can be obtained from the Meat Board any time.

I would also like to give the facts about the meat surplus. During the latter half of 1982, a drought — described as the worst of the century — started. The Meat Board deliberately commenced with emergency slaughterings of livestock because it believes in the old saying that the test of efficiency lies in the ability to cope with an emergency.

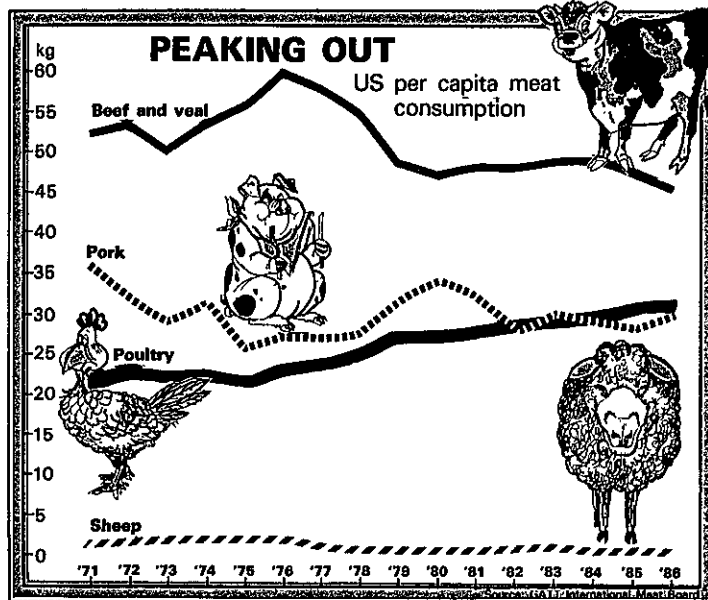
The abattoirs were requested to employ more people to cope with the overkill, various cold-room owners were asked to make maximum space available, transport companies were asked to be on standby day and night and privately-owned deboning plants were asked to provide for maximum deboning operations.

Every beef producer genuinely in trouble is offered maximum market access. But not so the "speculators," like the one who applied to market 1 000 cattle ("which are losing condition daily") and who was offered an opportunity to market the "lot" within a week. In the event he could supply 15 to the market. Half of the 500 000

applications which are a matter of concern to *FM* probably fall within this speculator category.

The Meat Board realises that neither the drought nor the present poor economic situation will last forever. Therefore, in continuing to remove the surplus at a reasonable price, the breeder of tomorrow's consumer beef is assisted in his struggle to survive. Simultaneously, the consumer is assured that the situation following the recession and drought of the Thirties — when there was money but no food — will not recur.

The present surplus of 35 000 t, the *FM*'s so-called "meat mountain," is the result of three years of drought and recession. ■



The net result of this effort to step up consumption was that the "commercial" consumption of beef dropped to 499 300 t.

During the latter half of 1983, the economy experienced a "premature revival." During 1983/84, the commercial consumption of beef increased to 506 200 t with average prices running at a higher level than during the previous two years.

The suggestion is that chicken has increased market share because it operates in a Utopia without a control board. This is hardly borne out by experience in the US where there is no Meat Board causing, in the *FM*'s words, "haywire economics in marketing strategies." A so-called "free market sys-

embassy grounds and the stairwell where he was handed...

Shortage of beef forecast — and it could cost more

Pretoria Correspondent

The price of beef is likely to rise and a shortage of red meat is predicted later this year — despite a growing mountain of carcasses in the Meat Board's freezers.

A board spokesman said yesterday there was a shortage of third-grade beef at the market, the first sign of a pending shortage. "When it will happen nobody wants to predict," he said. "But it is expected before Christmas."

If one considers the high percentage of female animals slaughtered in the last three years of drought, it is not surprising that there will be a shortage of beef. There is also no incentive for farmers to venture into beef production.

The beef surplus now stands at more than 42 000 tons in Meat Board coolers throughout the country — and the board is still buying in 500 super-grade carcasses a week.

The board has been trying for some months, without success, to negotiate an export deal to get rid of the surplus.

The secretary of the South African Feedlot Association, Mr Tommy Thompson, said this week consumers could not afford to eat red meat anymore. This was seriously affecting the feedlots, which produced 35 percent of South Africa's beef.

The recent increase in the Meat Board levy by two c/kg to remove surplus meat from the market, as well as a two c/kg increase in abattoir

tariffs, was a further threat to the continued existence of the feedlot industry.

Twenty feedlots closed in the past year, leaving 50 to supply the country.

Still more are expected to shut, he said. The increased price of maize, high interest rates, increased marketing costs (R8,40 an animal) and stagnating meat prices would force many feedlots to suspend production.

He added that in the end this would be bad for the consumer, who would be faced with poor quality meat at high prices.

A Meat Board spokesman said: "While the board knows consumers cut down on red meat in a recession, it will not admit there is a reduction in meat consumption. The commercial consumption of red meat has increased faster than the population growth."

But figures show that the slaughter rate at the Pretoria abattoir in June dropped by at least 21 000 cattle compared to June last year. In the first week of this month, 240 less cattle were slaughtered, compared to the same period last year.

At the City Deep abattoir in Johannesburg, 662 less cattle were slaughtered in the first week of July compared to last year, and 1 050 less in the second week.

In the nine controlled areas across the country a total of 12 660 less cattle were slaughtered last month compared to June 1984.

hits radio.c

WCTA wants meat for the workforce

Staff Reporter report deal for several months. The surplus now stands at 42,000 tons. The WCTA yesterday said "We say reduce the price of the meat to reach the ordinary man and the internal market is ready at our door steps."

The association, which represents 12,000 small butchers and consumers, was reacting to an announcement by the board which said consumers faced a beef price increase. A shortage of meat was also predicted for later this year.

The WCTA referred to the mountain of carcasses being held by the board which has been trying to negotiate an export deal for several months. The surplus now stands at 42,000 tons. "We say reduce the price of the meat to reach the ordinary man and the internal market is ready at our door steps."

It also called for butchers and consumers to have a say in the distribution of meat, not only farmers and producers.

"It is a government responsibility to build a strong and virile workforce. The only way they can be strong is by eating more meat at a reduced price. The workforce are the people."

Consumer price of mutton up by 15 p c

3-Meat

N/M

25/7/85

Pietermaritzburg Bureau

THE consumer price of mutton has risen by up to 15 percent over the past two weeks and mutton passed the R5-a-kilogram mark at the Cato Ridge abattoir on Tuesday.

Although there was a slight drop in price on the abattoir yesterday, high prices for both mutton and lamb might last for another month or two.

A Meat Board spokesman in Durban said mut-

ton B1 sold for between R4,20 and R5,05 a kilogram on Tuesday and super lamb from between R4,20 and R4,98/kg. Yesterday's highest prices for mutton B1 were R4,82 and for super lamb R4,49.

Mr Bill Delpont, abattoir division manager of Stockowners attributed the short supply to the prolonged drought and the fact that farmers were about to shear their animals.

The national sheep herd had dropped from 33 million to slightly more than 27 million, he said.

The chairman of the Durban and District Meat Traders' Association, Mr Dudley Thompson, confirmed that mutton prices had 'risen everywhere'.

Some major supermarkets contacted yesterday said they had not yet found it necessary to put up their prices.

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~~(1)~~ ~~(2)~~ ⁽³⁾ Meat ~~(4)~~ ^{P. Day}
PE now facing meat shortage

PORT ELIZABETH is bracing itself for a meat crisis as 300 striking abattoir workers stayed away for a second day yesterday.

At one large supermarket the grade-one lamb price rose by R1/kg. 26/7/85

A local butcher said butchers faced ruin because the strike came at the same time as a boycott of white businesses by blacks.— Sapa.

Ban on transport of meat into Botswana

The Star's Foreign News Service South African travellers to Botswana may no longer take raw meat into that country because of an outbreak of swine fever in South Africa, a Botswana veterinary department spokesman

3-Meat man says

The spokesman said the restriction was unlikely to be permanent. He said a similar measure had been adopted for visitors from Zimbabwe because of the incidence of foot-and-mouth disease

Star 26/7/85

Zulu appeared in the Escourt Magistrate's charged with harbouring members of the ANC and possession of arms

(13) Meat S. Times 18/7/85

Beef feedlot troubles threaten consumers

By Don Robertson

THE beef feedlot industry, which produces about 35% of SA's meat, could be faced with ruin.

Increases in the Meat Board levy and abattoir tariffs and costly maize threaten an industry which is being squeezed by high interest rates and low prices.

Dennis Caine, chairman of the SA Feedlot Association (SAFA), says beef production could fall by about 30% in the next two years. The quality of beef will also suffer.

Dirk van Reenen, vice-chairman of SAFA, warns that the additional costs will increase the price of beef to consumers.

Weight doubled

Feedlots, which are operated by large producers such as Kanhym and Vleissentraal, have helped to improve the quality of meat. Feedlot operators buy cattle when they are about 16 months old. Intensive feeding doubles their weight in three to four months.

Feedlot cattle can be sold at about 20 months compared with farm cattle which reach

slaughtering age at about four years.

Feedlots guarantee a steady supply of fresh meat and reduce the number of cattle on farms, increasing the grazing potential.

The Meat Board levy and the abattoir tariff increases represent a 30% rise in operating costs for feedlots, most of which have been suffering losses for the past year.

On average, it costs feedlots about R2,60 a kg to fatten cattle. Wholesale prices are now about R2,37 a kg.

Super grade

Feedlots handle between 750 000 and 800 000 cattle a year compared with the annual slaughter of about 2,3-million. In 1965, only 2% of beef was super grade, but since the introduction of feedlots, the figure has risen to about 35%.

A Meat Board spokesman says it was necessary to increase the levy to finance the meat surplus which is equivalent to about 220 000 carcasses and growing by about 500 a week.

The spokesman says: "Third-grade beef is already in short supply. This is always an indication of shortages developing in the higher grades."

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Statements of Generally Accepted Accounting Practice

Sec. No. 1

Meat prices ^{3-Meat} soar

PORT ELIZABETH — Meat prices in Port Elizabeth, especially lamb, have soared over the past few days and the backlog caused by the strike at the abattoir has added to the problem, say butchers in the city.

However, the hiring of white workers to replace 249 black workers dismissed on Thursday and an auction today — Tuesday's and Wednesday's were cancelled — could see the meat market beginning to stabilise next week.

But while butchers say there is a shortage of meat as a result of the

^{Q.E.D. D. Disp.}
two-day strike others say there is no demand from the buying public.

Mutton offered and sold, inclusive of lamb, yesterday totalled 1 857 carcasses, with a top price of R5,29 for a kilogram of super lamb. Last Friday mutton offered was 2 501 carcasses with the price for super lamb being R3,57. — DDC

EL prices up P8

INSIDE

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Discount scheme to clear beef surplus

Pretoria Bureau

3-Meat
The Meat Board is to launch a new discounting scheme in an effort to clear the R100-million beef surplus, the board's general manager, Dr Pieter Coetzee, announced today.

Details of the plan have not been worked out but the board has said that "drastic measures" will be taken to ensure that the scheme is a success. *STW*

It is understood the board will try to sell the meat to small retailers as well as supermarket chains in an effort to achieve "fair" distribution. *1/8/85*

The surplus consists of about 210 000 frozen, deboned carcasses.

Consumer and farmer groups have welcomed the Meat Board's decision, but have appealed for an effective marketing scheme.

"We are very pleased that the surplus is to be sold locally instead of exported at a loss — but the board must ensure that all consumers can benefit," said the president of the Housewives' League, Mrs Joy Hurwitz.

A spokesman for the Organisation of Livestock Producers, Mr Roy van der Westhuizen, said he was "pleased that some action is to be taken".

Mr van der Westhuizen said it was essential a small discount also be offered on fresh meat "in sympathy with the drop in the price of frozen meat" to encourage consumers to increase their purchases.

● See Page 18.

Despite surplus of meat, SA is an importer

3-Meat

Star 1/8/85

By Colleen Ryan,
Pretoria Bureau

Meat Board chairman Mr P R du Toit says that, despite the present surplus, South Africa is "a net importer of meat ... and it will remain so".

He said periodic surpluses were caused by drought and farmers' cash flow problems, but they were only temporary.

There is at present a surplus of about 210 000 beef carcasses — worth about R100 million.

BEEF RESERVES

Speaking at the opening of the Meat Science Centre in Irene this week, Mr du Toit said the beef reserves had built up over more than three years — but were less than the country's annual meat and stock imports for one year.

He said it was not possible to stop importing, since South Africa remained dependent in the long term on export

countries, and had agreements with these States.

He said red meat consumption was on the increase. Total consumption had gone up by 25 percent during the past decade.

"During the current consumer depression from 1982 to 1984, red meat consumption increased by as much as 9 percent."

He said a decline in per capita consumption was forecast for the long term, but this was because of slower expansion in production.

Referring to the Meat Board's permit system for meat producers, he said permits applied at only eight of the country's major abattoirs and were based on market share and loyalty.

In difficult times the Meat Board was sometimes "obliged to demand sacrifices from loyal suppliers", he said.

He added that South Africa's retail meat system compared favourably

with "so-called free market systems".

"Conditions imposed on the trade by the Meat Board consistently assure consumers of better service, quality and variety in respect of the fresh product, than in many other countries."

Mr du Toit said the media frequently stirred up controversy regarding the Meat Board's "stabilisation and orderly marketing arrangements", but were often silent on its positive achievements.

The Meat Board had made great strides in successful marketing programmes and research development, he added.

R5-m meat research centre opens in Irene

Pretoria Bureau

A new R5 million meat research centre was officially opened in Irene this week.

The Meat Science Centre, largely financed by the Meat Board, forms part of the Animal and Dairy Science Research Institute, says a statement released by the Meat Board.

The centre, opened yesterday by the Minister of Agriculture and Water Supply, Mr Sarel Hayward, consists of modern laboratories, an abattoir, deboning facilities, processing sections, kitchens and lecture rooms.

The Meat Board decided to sponsor the venture because it believed it had become "imperative" to improve research on production, handling and marketing of meat, said the statement.

Speaking at the opening Mr Hayward stressed the need for advanced research in the meat industry.

It was important to plan a future strategy to ensure the growth of the meat industry, he added.

Discount beef spells problems for farmers

By Colleen Ryan,
Pretoria Bureau

The Meat Board's decision to sell R100 million worth of beef surplus at discount prices may be good news for consumers — but for farmers it means more financial trouble.

For the last three years livestock producers have been forced to sell off many animals because the drought-ravaged veld could not provide sufficient food. Added to this, many producers have cash-flow problems and can no longer afford large herds.

3-Month
Many farmers have been clamouring for permits from the Meat Board to sell their carcasses on the market. In spite of limits the board imposed, there has still been too much meat for the trade to take up.

As a result of the controlled marketing system which exists, the Meat Board has been forced to buy excess meat which does not fetch the minimum floor price at the markets.

The carcasses which the Meat Board bought up have been funded by a stabilisation fund to which every livestock

farmer has to contribute.

As the drought and economic recession has deepened, so the stabilisation fund has steadily run out of money, forcing the board to borrow R40 million from the Capital Land Bank.

But loans did not solve the problem — and so at the start of July the Meat Board announced an increase in the farmers' contribution to the stabilisation fund — from about R12 to R16 a carcass.

Although details of the new marketing scheme have not yet been revealed, it is likely to involve selling discounted

8/11/85
2/8/85
frozen meat to the public.

"This new discount scheme will not be funded by the Government or anyone else — it will come out of the farmers' pocket," said a spokesman for the Meat Board.

The Meat Board has been extremely reluctant to introduce yet another discount scheme for frozen meat, since previous marketing drives failed in the long term to clear the surplus. The board has been hoping to find a buyer on the export market for the beef but because of financial difficulties, it is now forced to

sell the meat locally at a possible loss.

Mr Jan van der Walt, manager of meat commodities for the South African Agricultural Union, said the scheme could work only if meat could be distributed cheaply to less affluent consumers.

A spokesman for the Organisation of Livestock Producers, an independent farmers' group, Mr Roy van der Westhuizen, warned that the board would create another "bureaucratic muddle" unless it marketed the surplus wisely.

Meat traders reject appeal

Dispatch Correspondent

PORT ELIZABETH. — The South African Federation of Meat Traders yesterday rejected an appeal by the Meat Board to accept only a marginal profit in an effort to assist the board in getting rid of its surplus red meat.

After a closed meeting of the executive committee of the federation at the annual congress here a resolution was passed requesting the board to revise the book price of the frozen surplus to bring it more in line with current prices.

At the beginning of the congress, the Meat Board chairman, Dr Pieter Coetzee, rejected a request by the traders for a 25 per cent discount on surplus meat and appealed to them to reconsider their request.

When announcing the outcome of the deliberations of the closed meeting, Mr Eddie Bielovich, the federation's chairman, said traders were concerned about a possible meat shortage.

He appealed to the Meat Board to adopt a responsible attitude in connection with the surplus.

"We are of the opinion that surplus red meat should be made available when the shortage appears. Dispatch

If, for example 800 carcasses are usually slaughtered at a certain centre and there are only 400 available on the specific day, the board should make available the equivalent to the shortfall in frozen meat.

"This should be auctioned with a reserve of the revised book price because frozen meat does not have the same consumer appeal as fresh meat." 07.06.85

Farmers want marketing of meat 'freed'

8/8/85
STAR

3-MEAT

State intervention in the meat industry is costing farmers an estimated R204 million a year — and consumers about R408 million.

This charge was made today by the independent farmers group, the Organisation of Livestock Producers (OLP).

The OLP said at a Press conference held in Johannesburg that it called for the Government to take "positive and rapid action" to end the "unsatisfactory situation".

OLP chairman Mr Bill Slater said that though intervention "was introduced with "the noblest of intentions", it was now "killing the industry it was intended to benefit".

The main costs of interference were:

- Transport losses caused by the centralisation of abattoirs — about R20 million a year. After

retail mark-ups, the cost to consumers was about R41 million.

- Transport costs of livestock to urban centres — R41 million a year for farmers, and R83 million for consumers.

- Meat Board levies — R62 million for farmers, and R125 million for consumers.

- Cost of holding surplus meat — R32 million for producers, and R65 million for consumers.

- Slaughter costs — R45 million for farmers, and R90 million for consumers.

The total cost to farmers, taking into account other small costs, amounted to R204 million, and R408 million for consumers.

The OLP based its calculations on livestock and meat statistics for April 1985, as well as "reasonable marketing

assumption".

Mr Slater said it was a difficult task to work out the cost of intervention, but the OLP felt it had to speak out.

"We believe all people in the country need to become aware of the price being paid by consumers and producers alike for antiquated interventionist policies," he said, and called for urgent steps to be taken, including:

- Abolishing the distinction between control and uncontrolled areas

- Privatisation of Abakor abattoirs, and allowing private abattoirs to operate freely in rural areas.

- All restrictions in the wholesale and retail trade to be abolished.

- Meat grading to be simplified.

- Stopping the generic advertising of meat, which he described as a failure.

Beef farmers face unkindest cut

Slaughter permits may be revoked

9/8/85 B. Day

MEAT Board officials will meet in Pretoria today to discuss ways of reducing South Africa's enormous beef surplus.

Among the options to be discussed is the board's threat to revoke farmers' slaughter permits for September.

Jan van der Walt, manager of the Agricultural Union's meat commodities organisation, confirmed last night the board had sent out letters warning slaughter permits might be revoked.

Describing the decision as "drastic", he said such a move would be justified only if facilities for handling slaughter stock were overloaded or if funds were not available to buy the beef at the floor price.

"Just because there is a surplus of frozen beef is not a good enough reason. This would be a drastic step and we hope it will not be implemented," Van der Walt said.

Meat Board GM Pieter Coetzee confirmed yesterday the withdrawal of slaughter permits was one of the options to be discussed. Others included exports and supplying meat wholesale to consumers.

However, he insisted the situation was not as serious as the board's critics made out. "Consumption of beef in the country is about 45 000 tons a month," he said. "What we have in surplus — 38 000 tons — would last only three to four weeks.

"When the rains start again, farmers will keep back stock, there will be a shortage and the price will shoot up. The Meat Board will then be able to release the surplus to keep the price down."

Coetzee said the board had resisted calls to cut meat prices in order to reduce the surplus because of its experience in 1982.

Then, cheaper meat was bought up in large quantities by butchers and consumers, demand at auctions fell and with it prices, and the board was compelled to intervene and lift the surplus from the market.

One Meat Board scheme at the time involved price cuts of up to 30% on frozen stock, and 10 000 tons was sold in two weeks.

Industrial Staff

"But we had to buy in 20 000 tons from farmers a week after that, because there was no demand for the fresh product," said Coetzee. "These are the pitfalls we want to avoid this time by looking into all the possibilities. We don't want to dish out with the one hand and take back twice as much with the other."

The Organisation of Livestock producers (OLP) yesterday accused "antiquated" interventionist policies in the meat and livestock industry of costing the South African consumer more than R400m a year.

The accusation followed an OLP investigation into interventionist costs within the livestock industries, from the time an animal is ready for slaughter until it reaches the abattoir. It said the cost was unacceptable to livestock producers and red meat consumers.

"The whole structure of control and intervention, built up over the last 50 years, is now killing the industry it was intended to benefit," a statement said.

Officials said the study indicated several loss areas. Meat value losses to the producer, because of centralised abattoirs amounted to R20m and, after being passed on to the consumer, totalled R41m.

Transporting livestock to urban centres cost the producer nearly R42m or R83m after reaching the consumer. He said the transport of meat as against livestock would save up to 50% of the cost.

The study urged, as a matter of "national economic urgency", the following:

- The distinction between controlled and uncontrolled areas should be abolished;
- Privately-owned rural abattoirs should supply "controlled" areas, and Abakor abattoirs should be privatised;
- Restrictive registration of red meat traders should be abolished;
- A voluntary star grading system to replace the present "minimum standard" regulations should be introduced, and generic advertising stopped.

Meat Board denies producers' claims

The Meat Board has disputed claims that State intervention in the meat industry costs farmers and consumers hundreds of millions of rands every year.

An independent farmers group, the Organisation of Livestock Producers (OLP), claimed yesterday that intervention cost farmers about R204 million a year and consumers about R408 million.

At a Press conference in Johannesburg, the OLP urged the Government to take "positive and rapid action" to end the "unsatisfactory situation".

The deputy manager of the Meat Board, Mr Freek Tomlinson, who attended the Press conference, said that he objected to some of the claims

made by the OLP which were based on assumptions with which he could not agree.

Mr Tomlinson said the OLP had claimed the cost of intervention was R200 million for farmers, but the organisation had failed to point out the costs of non-intervention.

"Without the present system the cost to farmers could be R500 million," said Mr Tomlinson.

But he said that the Meat Board realised there were serious problems in the industry and that the claims made by the OLP would be studied thoroughly.

CONTROL

Although the Press conference was called by the OLP to discuss their report on the cost of in-

tervention, reporters directed many of their questions to the Meat Board. Mr Tomlinson was asked to justify the present system of control.

Mr Tomlinson denied that there were unnecessary restrictions on the retail trade. He said applications for registration were an "administrative" matter.

The OLP has called for the lifting of restrictions in the industry, including the abolition of the distinction between controlled and uncontrolled areas, allowing private abattoirs to operate freely in rural areas, abolishing restrictions in the wholesale and retail trade. It also called for an end to generic advertising of meat, which it said was "a failure".

STAR
9/8/85

3-MEAT

The consumer pays for State interference

3-MEAT STAR 10/8/85

This diagram shows the cost of State intervention in the meat industry, as worked out by the Organisation of Livestock Producers (OLP). The figures represent the costs on an annual basis and are based on RSA Livestock and Meat Statistics for April 1985 and "reasonable marketing assumptions".

Interference, says the OLP, costs the farmer about R204 million a year. The equivalent cost to consumers — once retail mark-ups have been made — is double, about R408 million a year.

DAMAGE

The items which make up these costs are listed in the diagram and are based on the following arguments:

1. Transport losses caused by the centralisation of abattoirs: the OLP says farmers actually lose money because they are forced to transport their animals to centralised abattoirs over long distances. This results in damage to animals and a subsequent loss in value.
2. Transport costs of live-

stock to urban centres: the OLP says it is expensive to transport live animals to abattoirs in urban areas. Producers could save if they were permitted to slaughter in the country areas and transport meat to city areas.

3. Meat Board levies: the OLP acknowledges that these funds are needed for administration and promotional expenses, but says these are "none the less a cost".

4. Feed costs: animals held at controlled abattoirs are required to be fed. This is "entirely unnecessary", according to the OLP.

5. The Abattoir Commission (Abakor) charges a small levy which is "totally unnecessary".

6. The beef surplus — there is a high cost in storing the 215 000 carcass surplus — made up of interest being lost on the value of the meat and storage costs of R900 000 a month.

ITEM	TOTAL COST TO PRODUCERS PER YEAR	TOTAL COST TO CONSUMERS PER YEAR
1. HEAT LOSS (TRANSPORT LOSS DUE TO CENTRALIZED ABATTOIRS)	R20,604,384	R 41,208,768
2. TRANSPORT COST OF LIVESTOCK TO URBAN CENTRES	R41,658,432	R 83,316,864
3. MEAT BOARD LEVIES (CONTROL & NON-CONTROLLED)	R62,510,432	R125,020,754
4. FEED COSTS (CONTROL)	R 866,864	R 1,733,728
5. ABAKOR LEVY	R 535,528	R 1,071,056
6. HOLDING COST (CATTLE)	R32,854,700	R 65,709,400
7. SLAUGHTER COSTS CATTLE SHEEP & PIGS	R45,160,956	R90,321,921
TOTALS	R204,191,241	R408,382,482

Slaughter permits may be cancelled, Meat Board warns

3-MEAT STAR 10/8/85

by Jackie Unwin

The Meat Board has warned farmers that drastic measures might be necessary to solve the meat surplus crisis, and permits to slaughter animals in September could be cancelled.

But the situation is so fluid, a sudden meat shortage could develop. Public Relations Officer for the Meat Board, Mr Koos Blygnant, said no final decision has been taken on the cancellation of permits.

DISCOUNT PRICES

He said the Board was also still working out a plan to sell the R100 million beef surplus in South Africa at discount prices. Mr Jan van der Walt, manager Meat Commodity Organisation of the South African Agricultural Union (SAAU), said: "The Board is obliged to keep on buying in the surplus carcasses at floor price. But there is a physical limit to the frozen storage space."

"The Board wrote warnings that it is possible September allocations might be cut. Some people believe these could be cut by between 20 and 40 percent. "But it is possible this measure won't become necessary. "With the present dollar exchange rate going down, export possibilities are much better and once again there are interested parties negotiating with the Board to export the surplus. He said market pressure could diminish and there were strong signs it would because: ● Prices at the country auctions are going up ● There are fewer supplies of lower grades on the market ● Many female animals have been slaughtered and farmers have to build up herds again — especially if the rains come within two months. There could also be a sudden shortage of meat. "As a responsible board we expect it to give ample warning of possible cancellation of slaughter permits. "This gives the farmer a chance to look for other outlets such as the country auctions where prices are rising above the controlled prices."

SUNRISE CONSUMER

Call for probe into intervention in meat industry

by
Jackie Unwin

A full scale investigation has been called for following a disclosure by the Organisation of Livestock Producers this week claiming that State intervention in the meat industry costs the South African consumer over R400 million a year.

But the accuracy of the organisation's figures has been questioned.

Its allegation was described as "amateurish" and "sensational" by Mr Jan van der Walt, meat commodity organisation manager of the South African Agricultural Union, who said the group was not representative of livestock producers but of a relatively small group with radical ideas about marketing.

The Meat Board claims non-intervention could have cost farmers R500 million.

President of the Housewives' League, Mrs Joy Hurwitz, described the organisation's disclosure as "horrific". "The figures must be verified and if they are correct and there are costs that can be cut out they must be," she said.

She called on the Meat Board to answer the allegation.

The organisation has called for:

- The lifting of restrictions in the industry, including the abolition of the distinction between controlled and uncontrolled areas, allowing private abattoirs to operate freely in rural areas.

- The abolition of restrictions in the wholesale and retail trade.

- An end to generic advertising of meat which was described as "a failure".

It urged the Government to take "positive and rapid action" to end the "unsatisfactory situation".

The organisation stated it was aware other interests would "not only query the figures provided, but insist that the savings are illusory as they could not be made without dire economic consequences to the producer as well as health risks to the consumer.

"Argue as they may, we believe the figures presented here indicate the cost of intervention, as best as can be assessed, to be horrendous."

The deputy manager of the Meat Board, Mr Freek Tomlinson, said he had not had time to study the figures, but objected to some of the claims made by the organisation.

The organisation's claims were based on some assumptions with which he could not agree.

IMPORTANT QUESTIONS

Mr Tomlinson said the organisation had claimed the cost of intervention was R200 million for farmers, but it had failed to point out the costs of non-intervention.

"Without the present system the costs to farmers could be R500 million," he said.

However he said the claims would be thoroughly studied.

Mr Clive Weil, Checkers managing director, said the organisation had raised important questions and it was time for a full scale investigation.

"We need facts, figures and full disclosures," he said.

"The existing system of the Meat Control Board, the intertwined interests, all end with the consumer who pays and pays."

Mr Weil, a former member of

the Oil Seed Control Board, felt one of the biggest dangers of the control board system was the lack of balanced representation.

"Members say they can do just as good a job representing the consumer because they are also consumers. This is nonsense. We have to have more and vociferous consumers on these boards if the consumer interest is to be served," he said.

Mr Eddie Bielovich, chairman of the South African Federation of Meat Traders, said he was convinced if the industry was liberalised it would be to the detriment of the consumer and the producer would suffer.

He said there was a tremendous form of liberalisation in America and claimed the gap there between the producer price and the consumer price of meat is one of the highest in the world.

"In South Africa the gap is one of the lowest."

Mr Bielovich said "It is becoming very apparent that many of the smaller butchers are finding themselves in dire straits. To really succeed today butchers have to have tremendous turnovers because they are operating on such low margins. A move to dilute these turnovers by allowing cafes to sell meat as suggested by the producers' organisation would mean butchers would have to increase their margins and prices would go up."

He was also not in favour of abolishing generic advertising. "We are in a very competitive field where substitute products are advertised tremendously. We live in an advertising world."

He felt the Meat Board was "doing a good job" and has brought stability to the industry.

3-MEAT

STAR 10/8/85

Meat Board disputes claims on cost

3/10/88
Weekend Argus
Correspondent

JOHANNESBURG. — The Meat Board has disputed claims that State intervention in the meat industry is costing farmers and consumers hundreds of millions of rands every year.

An independent farmers group, the Organisation of Livestock Producers (OLP), claimed this week that intervention cost farmers about R204-million a year and consumers about R408-million.

At a Press conference here, the OLP urged the Government to take "positive and rapid action" to end the "unsatisfactory situation".

It recommended a relaxation of control on the wholesale and retail trade and called for an end to the advertising of meat.

The deputy manager of the Meat Board, Mr Freek Tomlin-

son, told the Press conference he objected to some of the OLP's claims.

Assumptions

They were based on some assumptions with which he could not agree, he said.

Mr Tomlison said the OLP claimed the cost of intervention was R200-million for farmers but the organisation had failed to point out the costs of non-intervention.

"Without the present system the costs to farmers could be R500-million," said, Dr Tomlinson.

But he said the Meat Board realised there were serious problems in the industry and the claims made by the OLP would be thoroughly studied.

Although the Press conference was called by the OLP to discuss their report on the cost of intervention, reporters di-

rected many of their questions to the Meat Board. Dr Tomlison was asked to justify the present system of control.

He denied there were unnecessary restrictions on the retail trade. He said applications for registration were an "administrative" matter.

The OLP has called for the lifting of restrictions in the in-

dustry, including the abolition of the distinction between controlled and uncontrolled areas, allowing private abattoirs to operate freely in rural areas and the abolition of restrictions in the wholesale and retail trade.

It also called for an end to generic advertising of meat which, it said, was "a failure".

Margins cut to the bone to make ends meet

Butchery profits get the big chop — survey

(3) meat

B. Dey

12/8/85

BUTCHERS do not make big profits, according to Pretoria University's Bureau for Financial Analysis.

In a report the bureau claims the net profit before tax of all butchers who participated in a survey was only 1,8% — an improvement of 0,4% over the 1975 level.

The survey is based on data obtained from 244 retail butchers — 104 of them in supermarkets — for the 1982-83 financial year. The butcheries' net profits were determined after provision for a pay of only R12 000 a year for working owners and up to R24 000 for owners of butcheries with high turnovers.

Among the most important findings were:

□ The average gross profit percentage of the 1983 survey (22%) is 3,3

GERALD REILLY

percentage points higher than the average of the 1975 survey (18,7%);

□ The average gross profit percentage in the 1983 survey of butcheries in supermarkets (23,4%) is three percentage points higher than that of butcheries outside supermarkets (20,4%);

□ The average total exploitation cost (excluding interest) of all participants in the 1983 survey (20%) is three percentage points higher than that of the 1975 survey (17%);

□ The 1983 average operating profit of all participants was 11,2% compared to 6,7% in 1975.

According to a distribution in terms of turnover sizes, participants in supermarkets with an average annual turnover of less than R250 000 reflected an average

net loss of 9,4%. Those in the R250 000-500 000 turnover group showed an average net loss of 0,4%.

Participants outside supermarkets fared better with a net loss of 3,4% in the R250 000 turnover group, and a small net profit of 0,3% in the R250 000-500 000 turnover group.

"It appears that though the Top 10 in the outside supermarkets performed considerably better than the respective averages for all participants, their respective net profits before taxation — 6,3% and 6,9% — were relatively low compared with other retail sectors investigated by the bureau," says the survey.

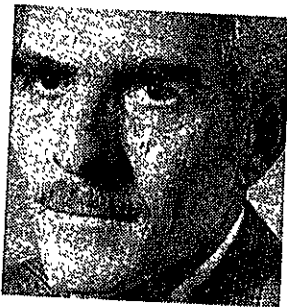
It appeared butcheries, both in and outside supermarkets, had only a very slight chance of being viable if their annual sales were below R250 000.

Red meat marketing to change

③ Meat
B. Day 13/8/85

GERALD REILLY

IF THE scheme regulating red meat failed to promote higher consumption there was something wrong with it, "and the time has arrived for a critical examination to correct faults", Deputy Agriculture Minister Gert Kotze said yesterday.



● GERT KOTZE
Critical examination

Opening the annual congress of the Federation of Platteland Meat Traders, in Durban, Kotze said a departmental committee had investigated the rationalisation of the department's control over animal slaughtering and the marketing of meat and meat products and had recommended changes.

However, he said, those changes could not take place overnight because amendments had to be made to regulations.

Kotze said growth in the red meat industry had not been impressive in comparison with white meat. However, it was not only the task of government or the marketing council or the farmers or the trade to look at the problems but everyone concerned in the industry had a contribution to make.

Kotze said he would do all in his power to make abattoirs function as efficiently as possible and said he had appointed a committee to inquire into the financial problems of abattoirs in uncontrolled areas.

He said recommendations included:

- Local authorities being allowed to privatise their abattoirs;
- Owners of abattoirs being allowed to determine tariffs;
- The least possible hindrance of State authorities in the free movement of hygienic, healthy meat.

"These recommendations are clearly aimed at achieving a greater measure of freedom in the industry," he said. It could be expected that the trade would also be freer and it would be possible to study the abolition of the limited registration of retail butcheries.

He said vigilance was necessary to ensure control measures did not protect inefficiency. The State's function was to maintain order and prevent exploitation.

Meat auction prices up only 6,3% since 1981

Pretoria Bureau

AUCTION prices of meat had increased by a mere 6,3% since 1981 and producers' net returns rose by only 0,7%, Meat Board GM Pieter Coetzee said in Durban yesterday.

Speaking at the annual congress of the Federation of Platteland Meat Traders, Coetzee gave no hint of the board's plans to thin out its huge 220 000 beef carcass surplus.

On the decreased demand for red meat — main reason for the surplus — he said meat was more sensitive than other foods to a reduction of increase in real income.

If the inflation rate were greater than an increase in income, the consumer would first cut back on meat purchases. Conversely, when incomes rose higher than the inflation rate, more was spent on meat.

Coetzee said that in spite of measures taken by government to fight inflation, there was still no sign of a decrease in the rate.

He stressed that since 1981 there had been only a small rise in the auction price of beef.

Over the same period, marketing costs had increased by 44%, and production costs by 50%.

The producers net auction price since 1981 had risen by only 0,7%.

Coetzee claimed this meant that producers had since 1982 made a massive contribution to the inflation struggle and against rising costs for meat.

The reason for the small increase in the producers price was partly that the Meat Board had authorised the slaughtering of many more animals than could be taken up by the recessionary demand.

This was done to relieve the crisis caused by drought.

"If we look at the trade, however, we unfortunately do not find the same discipline.

Compared with the 1981 level, the retail price of meat in urban markets had increased by 25%.

"However, compared with the general consumer price index, this did show some discipline.

Coetzee said it was regrettable that whereas the average auction price had dropped further in the past six months as a sign of continued discipline, average consumer prices showed a further 6,3% increase.

He urged that the same discipline being applied by producers be applied by the trade.

Meat industry may soon be freed from State interference

3-MEAT

13/8/85

By Colleen Ryan,
Pretoria Bureau

Drastic changes could soon be implemented in the meat industry as the Government studies measures to reduce State interference in the trade.

The Deputy Minister of Agricultural Economics and Water Affairs, Mr G J Kotze, yesterday hinted at changes, saying the Government was studying two reports which recommended greater freedom in the industry.

Addressing the annual congress of the Federation of Country Meat Retailers in Durban, Mr Kotze said the chief aim of the control system should be to provide the consumer with an affordable product.

"If the scheme regulating the industry does not succeed in promoting this goal, there is, in my opinion, something wrong with the scheme and the time has arrived to examine it critically and to correct the faults," said Mr Kotze.

Mr Kotze said a committee had been appoint-

ed to investigate the financial problems of abattoirs in the uncontrolled areas. Another investigation had been conducted into Government control in slaughtering, and marketing of meat.

"From this investigation it appears that the meat industry in its various facets is subject to no less than 19 Acts and accompanying regulations," said Mr Kotze.

The committee's regulations would be "studied exhaustively" but amendments to the Acts could not occur overnight, he warned.

RECOMMENDATIONS

He said the main recommendations of the committee's report into uncontrolled abattoirs were:

- All protectionist tariffs approved in 1976 should be abolished as soon as possible.
- Local authorities must privatise their abattoirs.
- Owners of abattoirs must be allowed to determine tariffs charged.
- Interference by State authorities with regard to

hygiene should be kept to a minimum.

Mr Kotze said the recommendations were aimed at "achieving a greater measure of freedom in the industry". It was also possible to achieve greater freedom in the retail trade by abolishing the limited registration of retail butcheries.

Mr Kotze said the State should merely maintain order and prevent exploitation, but the free market should determine whether an entrepreneur survived.

● Last week an independent farmers' group, the Organisation of Livestock Producers, issued a report claiming that State intervention cost farmers at least R200 million a year and consumers R400 million. It called for relaxation of controls and privatisation of abattoirs.

The OLP's report was rejected as "ill-considered and totally unrealistic" by Mr Fanie van Rensburg, chairman of the national meat committee for the South African Agricultural Union.

'Anomalies' of meat price fluctuations

Mercury Reporter

A CALL for private enterprise to be represented on the Meat Board was made yesterday by the chairman of the Federation of South African Country Meat Retailers' action committee, Mr Frans Roelofse, at the federation's annual congress.

Mr Roelofse said it was the system of control and the system of bureaucracy, rather than the board, that was at fault and was causing such anomalies as the meat price being high in a glut, and even higher in an undersupply situation.

'There is a total oversupply, yet the price is high,' he said.

Mr Roelofse said a call would be made to couple the system as it was with private enterprise.

He said there should be a system to influence prices and marketing strategies rather than control them.

'We need to reconstitute the board so it has representatives of the people involved, and then the situation will improve,' said Mr Roelofse.

'The board is no longer viable. For it to play a role it must have repre-

sentatives of the trade, retailers and consumers, and we must include someone from the big supermarkets too.'

He said there were 13 members of the board, with only two from the trade, one from the country and one from the cities.

He said a call would also be made to cut down the number of regulations, which at present stood at 19. 'They started off with one law. Then as each problem arose so a law was made to cope with it.'

Mr Roelofse said the system should not regulate a section of the economy by rules.

'The system of regulations is negative. If it is to be effective, then it must be coupled (with private enterprise) to make money.'

Mr Roelofse cited an example of how the system was 'eating' money. He said that in June 1978 in Cape Town the controlled price of lamb at the abattoir was R1,20 and this June it was R3,60, but according to the inflation rate it should be only R2,40. 'R1,20 has been eaten up by the system.'

Wors-loving SA is being skinned alive

Own Correspondent

JOHANNESBURG. — South Africa cannot even locally make the skin of its own indigenous sausage, boerewors, because of the Meat Board's centrally controlled production system.

Boerewors casings are imported from New Zealand, at a cost of R15m to R20m a year. These casings could be produced in South Africa and create more than 1 000 jobs, and probably export products worth R15m, according to Cape-based butchery group Freddy Hirsh-Bizerla Scales.

The problem stems from the Meat Board's system of awarding contracts once a year to the highest bidder.

Local entrepreneurs are not prepared to gamble their money on building a sheep-intestine cleaning plant because of the Meat Board's tendering system which reallocates contracts every year, according to Altron deputy chairman Mr Charles Stride.

Meat Board spokesman Mr Pieter Coetzee denies that the board prevents boerewors being cased locally.

Firstly, boerewors is mainly cased in pork skin and secondly, the tendering system allows for sausage-casing plants to keep their contracts indefinitely if they agree to the board's prices, he said.

The contract to clean sheep intestines was allocated to a factory near Kimberley, but the owner lost the contract because he was not prepared to extend his plant, which manufactured only medical supplies from the intestines — not boerewors casings.

"We supplied the meat to him at very low prices to allow him to increase the processing capability of his factory, but he exported the intestines and then imported the finished goods.

We have now given part of the contract to a Cape-based company which is erecting a plant that will do the whole process locally," Mr Coetzee said.

CAN T-115 2/4/91 3 meat

Butchers want Govt to help move surplus

Mercury

3-MEAT

14/8/85

Mercury Reporter

THE Government should step in and help the Meat Board to get rid of the frozen red meat mountain, members of the Federation of S A Country Meat Retailers decided at their congress in Durban yesterday.

They felt this could be done through the injection of Government funds to reduce the meat price as neither the board nor the country butcher could afford to sell the meat at a loss.

According to Pretoria University's Bureau for Financial Analysis, the net profit before tax of 244 butchers who took part in a survey was only 1,8 percent — an improvement of 0,4 percent over the 1975 level.

Members of the federation said the meat moun-

tain had come about as a result of a 'catastrophic' drought.

It had begun in 1982 and had continued for three years, resulting in a higher slaughter rate of cattle and a build-up of frozen stock.

Strongly

Country butchers were considered producers like farmers in terms of the Marketing Act because they slaughtered their own cattle. At the point of slaughter country butchers paid a levy of nearly 40 percent.

At the congress it emerged that some of the butchers felt so strongly about red meat that they would not even sell chicken from their counters.

'We have already paid in levies to subsidise the mountain of meat,' said one of the butchers, 'and

we can't afford to sell meat at a loss.'

But the country butchers want to work with the Meat Board in solving the problem.

'We want to talk to the board, to discuss the problems. After the talks the fighting can be done,' said a representative.

The group of spokesmen emphasised that they did not want to be 'part of the attack on the Meat Board'.

'We don't think it in the interest of the consumer and the industry to tarnish the image of the board.'

'We support the minister that if there are faults, then they must be put right — speedily.'

On Monday a call was made by the federation's action committee chair-

man, Mr Frans Roelofse, that the board be reconstituted to be more representative of the industry.

'But I do not pretend to have the final answers or want to prejudice the formal viewpoint that the federation will in future present,' he said.

Examined

The Deputy Minister of Agricultural Economics and Water Affairs, Mr Gert Kotzé, said at the congress that if the Meat Board's controls were not in the interests of the consumer and the producer, they would have to be examined.

'In my opinion control ought to promote the orderly marketing of the product and it is also important that it contrives orderly slaughtering and auctions so the stock

farmer can plan production while the consumer on the other hand will be assured that his needs will be met at all times,' said Mr Kotzé.

He said he believed the trader and retailer wanted to see more red meat on the table of the consumer, who would also like to use more meat if it was within his financial means.

'If the scheme regulating the industry does not succeed in promoting this goal, there is, in my opinion, something wrong with the scheme and the time has arrived to examine it critically and to correct the faults.'

'Everyone concerned in the industry has a contribution to make and we should give attention jointly to this extremely important matter.'

Export beef will be released locally

MERCURY

15/8/85

3-MEAT

Mercury Reporter

THE supply of slaughter stock to controlled markets has shown a sharp drop during the past two weeks, according to the chairman of the Meat Board, Mr P R du Toit.

In view of this, there no longer seemed to be any need for the board to curtail the supply of cattle next month and it had therefore decided to ac-

commodate all permits issued.

In view of the fact that the monthly consumption of beef in South Africa varies between 42 000 tons and 45 000 tons, and the board's total supply is only 37 000 tons, the board is convinced that this beef which was initially intended for export, could be made available locally to the advantage of the industry as a

whole," said Mr du Toit.

The board was devising an effective scheme to put this into effect and to ensure that the ultimate consumer would be able to share in any benefits arising from it.

The scheme in detail will hopefully be announced before the end of August," he said.

Further changes in the market situation may substantially affect the final

scheme.

Mr du Toit added: "It has already been decided that the supplies will be offered for sale in such a way as not to disrupt the industry in any way or to give rise to panic buying by the consumer."

"Any incidental shortfalls which may occur on the markets in the meantime will be supplemented from the board's supplies."

(3) Meat B-Day 15/8/85 Butchers' need State aid

A CALL for government to help the Meat Board get rid of its frozen red meat mountain was made by the Federation of SA Country Meat Retailers at its congress in Durban yesterday.

As neither the board nor the country butcher could afford to sell meat at a loss, government financial aid was required, the congress said.

According to Pretoria University's Bureau for Financial Analysis, the net profit before tax of 244 butchers in a survey was only 1,8% — up 0,4% on the 1975 level.

The federation blamed the meat mountain on the "catastrophic"

drought which has been ravaging the country since 1982.

In terms of the Marketing Act, country butchers are considered producers because they slaughter cattle.

Because they are regarded as producers they have to pay a levy.

Thus, they argue, having contributed they can't afford then to sell red meat at a loss.

The congress said it was prepared to work with the Meat Board in tackling the problem: "We want to talk to the board, to discuss the problems. After the talks the fighting can be done," said a representative. — Sapa.

Meat surplus to be sold locally ^{3-Meat} Board

Dispatch 15.08.85

Dispatch Reporter

EAST LONDON — The Meat Board's frozen red meat surplus, initially intended for export, would be released locally to the advantage of the meat industry as a whole, the chairman of the board, Mr P. R. du Toit, said in a statement yesterday.

Mr Du Toit said because the monthly consumption of beef in the country varied between 42 000 tons and 45 000 tons — and the board's total supply was only 37 000 tons — the board was "convinced that beef which was initially intended for export would be released locally to the advantage of the industry as a whole.

"The board is at present devising a scheme to put this into effect and to ensure that the consumer will be able to share in any benefits arising from it," he said.

"The scheme in detail will hopefully be

announced before the end of August. Further changes in the market situation may substantially affect the final scheme," he added.

Mr Du Toit said that the supply of slaughter stock to controlled markets had shown a sharp drop in the past two weeks.

"In view of this there no longer seems any need for the Meat Board to curtail the supply of cattle during September, and hence it has been decided to accommodate all permits issued," he said.

Mr Du Toit said that the infrastructure required for the success of the planned scheme was being looked at "urgently" and "in depth".

He said it had already been decided that supplies would be offered for sale in such a way as not to disrupt the industry in any way or to give rise to "panic buying" by the consumer.

"Any incidental shortfalls which may occur on the market in the mean-

time will be supplemented from the board's supplies.

"Any meat trader, whether in a controlled or outside area, who has any difficulty in obtaining supplies, may already negotiate with the Meat Board regarding supplies," Mr Du Toit added.

The chairman of the East London Meat Trader's Association, Mr D. Meyer, said that red meat, especially lower grade red meat, would be in short supply soon and the time was ripe for the Meat Board to act on the situation by marketing its surplus.

"Lower grade red meat has virtually disappeared off the market and the board's surplus will fill that gap," he said.

This followed meetings held country-wide over the past few weeks at which meat traders called for action by the Meat Board to release its surplus onto the market.

At a meeting of the South African Federa-

tion of Meat Traders in Port Elizabeth last week, the Meat Board appealed to meat traders to accept a marginal profit in an effort to aid the board in disposing of its enormous frozen red meat stockpile.

At a meeting of the Federation of South African Country Meat Retailers held in Durban this week, it was decided that the government should step in and help the Meat Board dispose of its surplus by injecting government funds to reduce meat prices as neither the board nor the country butcher could afford to sell at a loss.

The Meat Board's enormous stockpile was seen as the result of the country's worst ever drought.

The drought, which began in 1982 and which had continued for the past three years, had resulted in the higher slaughter of cattle and the build-up of frozen stocks.

Editorial Opinion P8

MEAT MARKETING (3) Meat

Action at last *FM 16/8/87*

Government's decision to take a searching new look at the costly and unwieldy meat industry management has been welcomed by producer and consumer representatives.

Deputy Minister of Agriculture Gert Kotze has finally admitted that there is something radically wrong with the Meat Board's marketing mechanisms.

Not that confirmation was needed. The huge red meat stockpile, flagging consumer demand and historically high red meat prices bear ample testimony to the faults of the system.

This week, Kotze told the annual congress of the Federation of Country Retail Butchers in Durban that "the time has arrived for a critical examination to correct faults" if the meat scheme failed to promote higher consumption of red meat.

Existing regulations had to be amended and changes to the scheme could not take place overnight, but a departmental committee investigating control over animal slaughtering, meat and meat-product marketing had recommended changes to the meat scheme, Kotze added.

Welcoming the Deputy Minister's statement as "a healthy reversal" of previous policy, Housewives' League national president Joy Hurwitz says: "The chickens have now come home to roost. It's better late than never."

"The League has always held the view that the interests of the meat industry cannot be separated from those of the consumer. A decade, a commission of inquiry and millions of rands later, the meat industry is at last beginning to appreciate the truth of this."

Organisation of Livestock Producers (OLP) executive director Roy van der Westhuizen says the meat system, structured 50 years ago, no longer meets the needs of producers and consumers. "There has to be

a fundamental restructuring" he adds.

Government policy to move towards a market related system was shown in the 1984 Agricultural White Paper, and a feasible livestock producer sector must now be achieved, he says. However, this cannot happen through a piecemeal approach. "We caution against a commission of inquiry, which only evaluates the efficiency of the system within existing parameters."

Van der Westhuizen says the inquiry must be broadly based and its prime objective must be to create a system which allows maximum flexibility to meet the future needs of producers and consumers. "This means freeing the market," he adds. But time is critical "if the livestock industry is not to remain bogged down in economic stagnation."

Van der Westhuizen says changes should aim at scrapping the division between controlled and uncontrolled areas; allowing meat slaughtered at country abattoirs to be sold in controlled urban markets; privatising abattoirs in both areas and scaling down the "quite ridiculous" level of hygienic standards.

He would also like to see the removal of restrictions on the registration of butchers to allow more competition; and an end to restrictions on the sale of frozen red meat, while frozen chicken is available at all hours.

Red meat shortage threat if rains fall

DISPATCH
16/8/55
3-Meat

Dispatch Correspondent
PRETORIA — South Africa's huge 37 000-ton beef surplus, or part of it, may have to be used to stave off the threat of a red meat shortage, if good early summer rains fall in the ranching areas, according to the general manager of the Meat Board, Dr Pieter Coetzee.

He said that was the paradox created by South Africa's fickle weather conditions.

If soaking rains did fall in the early months of summer, farmers who had flooded the Meat Board with applications for slaughter permits during the past few months — they found it too costly to stall feed and drought had long

ago destroyed grazing — would withhold stock to fatten it on restored grazing.

Under these conditions the board's big surplus of 37 000 tons of frozen beef might be needed to supplement fresh slaughterings.

Dr Coetzee said 37 000 tons was less than a month's beef demand, which varied between 42 000 and 45 000 tons.

However, Dr Coetzee said in despite of the risk of a shortage the board was investigating a scheme to make part of the surplus available to consumers at lower but not "give away prices" next month.

It was hoped to announce details of the scheme before the end of the month.

"But what we must be certain of this time round is that the consumer gets the full advantage of the lower prices," he said.

In a previous effort some years ago to sell off part of a surplus at lower prices, it was found that butchers and a small section of consumers bought and stored large quantities of the frozen beef.

That defeated the whole object of the exercise and the benefits did not get through to the mass of consumers.

Dr Coetzee added the board had abandoned a plan to revoke slaughter permits issued for September

'Confusing' marking of meat attacked

3-MEAT
19/8/85

Mercury Reporter

THE Housewives' League of South Africa has asked the Meat Board to revise the 'unclear and confusing' marking system on different meat grades.

According to the latest edition of the league's Rands and Sense magazine, the league feels the present grading system, while technically correct, is not practical.

'The existing grades and subdivisions are confusing for the consumer and this fact does not help her to get the meat she really wants.'

The system also opened the way for butchers to mislead the consumer as

to what they were really selling, said the league.

Colouring

'A1 and Super A are sold together as Super at the same price. One cannot blame the butcher for doing this as both are top grade, but A1 to the public sounds inferior to Super.'

The league also charged that the present colouring system left much to be desired.

'The use by the Meat Board of purple and green in the A (brown) and B (blue) grades imposes a value on that meat which may not be what the consumer wants.

'In the eyes of the consumer purple denotes superiority and to couple it with another colour in the same grade of meat is confusing and leads to the rejection by the consumer of meat bearing the other colour, particularly brown.'

The league said it should not be the function of meat grading to select one thickness of fat above another as the most desirable.

The league has asked the Minister of Agriculture, Mr Greyling Wentzel, to ensure that adequate supplies of frozen meat are available in the coming months, especially before Christmas.

'Russia will get SA's surplus meat'

Argus Correspondent

JOHANNESBURG. — Negotiations to export South Africa's red-meat surplus to Russia were "well under way" but had been interrupted by the death of Soviet leader Konstantin Chernenko, sources said today.

The vice-chairman of the Meat Board, Mr Fanie van Rensburg,

told agricultural reporters recently that the meat would be exported to "a large country outside the European Economic Community", but he declined to name the country.

The English news service of the SABC reported that it had, "on good authority", information that this unnamed country was the Soviet Union.

Negotiations between the South African Government and the Soviets were apparently conducted through the South African Embassy in Bonn, West Germany.

The Meat Board now intends to sell the meat surplus through a discount scheme and cheaper meat will also be directly available to the consumer, it was reported.

Curious puzzle of the meat surplus

Is there a meat surplus or is there not? Even the general manager of the Meat Board does not know.

A few months ago the Board was trying frantically to find a buyer for the meat mountain. But last week it anticipated a shortage and decided to hold back the surplus, which it had planned to sell at reduced prices.

In June the Board revealed that it had a surplus of 210 000 beef carcasses — which was costing R100 million a month to store.

SLAUGHTER DOWN

The general manager, Dr P H Coetzee, today confirmed that the Board had tried to sell the meat to Russia, but this had fallen through with the death of Soviet leader Konstantin Chernenko.

The Board is unable to sell to EEC countries because some South African abattoirs do not meet approval.

Consumers' hopes were raised on August 1 when the Board announced that it would sell the meat at discount prices.

But a new twist in the saga came last week when the Board instead predicted there would be a shortage later this year because of a decrease in the number of animals slaughtered.

Yet only a few days earlier it had warned farmers that it might be necessary to take drastic measures and cancel September slaughter permits to solve the surplus crisis.

Over the last three years of drought, farmers were forced to send their animals for slaughter,

and this led to a surplus.

The Board had pointed out that the situation was fluid and sudden shortages could develop.

Dr Coetzee said today that the overkill at abattoirs was no longer applicable. The surplus was being used to supplement shortages to keep the price fairly stable.

He said he did not know how much meat there was in storage because the situation was changing daily. The Board would know only at the end of the month how much there would be available for sale to local consumers at low prices — but prices would not be "slashed".

"We are working on a plan, and this will probably be completed at the end of the month," he said, adding that the rains and falling interest rates would influence the market.

There are already shortages at some abattoirs. Yesterday at Benoni fewer carcasses were slaughtered than the demand required.

CONSUMPTION RATE

Dr Coetzee pointed out that although the meat in storage had reached 37 000 tons, this was less than the country's monthly consumption of beef — which was between 42 000 and 45 000 tons.

Mrs Joy Hurwitz, president of the Housewives' League, said she had been assured by Dr Coetzee today that consumers would benefit, and part of the "surplus" would be sold at reasonable prices.

"No meat should be exported at a loss. It should be sold here."

'No meat-marking alternative'

Mercury Reporter

3-Meat 20/8/85

Mercury

A CHANGE in the meat-marking system for meat-grading was not being considered at the moment because of the lack of a definite alternative, Mr Gustaf Klingbiel, technical adviser of the Meat Board, said yesterday.

He was reacting to a request by the South African Housewives' League that the board revise the

unclear and confusing marking system of different meat grades.

The league felt that while the grading was technically correct, it was not practical for the consumer.

Mr Klingbiel said: 'The matter has been investigated by a joint committee of the Department of Agriculture and the Meat Board which used the

guidelines of a grading working group which included a representative of the Consumer Council.

'The matter has been discussed but the grading system will not be changed at present because there is no specific alternative,' he said.

Mr Klingbiel said that the consumers had a right to criticise the grading system but changes could

not be put into effect without proper consultation.

He added that he had personally invited the Housewives' League to present the Meat Board with alternatives that could be considered.

The present system of grading meat using a colour code has been operating throughout S.A. since 1982.

Soviet No means cheaper SA meat

DISPATCH 21-08-85

Dispatch Correspondent
JOHANNESBURG —
South Africa's huge beef
surplus can be attri-
buted to a Russian Presi-
dent's death.

Because Mr Konstan-
tin Chernenko died in
March this year, the sale
of 3 000 tons of South
African beef to the
USSR fell through —
making the meat avail-

able to South African
consumers at a discount
price.

3-Meat
The general manger of
the Meat Board, Dr Pie-
ter Coetzee, confirmed
yesterday that the board
had negotiated the sale
of the meat to Russia
some months ago when it
was desperately trying
to find a buyer for the
meat mountain.

"They were prepared
to pay a good price," he
said. "Unfortunately, the
sale fell through when
Mr Chernenko died. The
new head of state did not
want to go ahead with
the deal."

The meat, which
would have been ex-
ported at a profit, will
now be sold to South
Africans at a discount
price. In the meantime,

the surplus has grown to
37 000 tons. The meat
cannot be sold in any of
the traditional markets,
such as the European
Economic Community
countries, because some
South African abattoirs
do not meet with their
approval.

Dr Coetzee said the
board was trying to work
out ways of ensuring that
the meat reached the

public at reduced
prices. Once a scheme
had been devised, de-
tails would be released
to the press.

At the moment, he
added, meat sold at auc-
tions was being sup-
plemented by the sur-
plus in a bid to keep
prices down.

"The number of cattle
being sent to abattoirs is
tapering off," he said.

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Money is running into sand somewhere, says Kotze

Meat control system must be investigated — Minister

3-MEAT
STAR 21/8/85

There is something about the meat industry which is bothering Deputy Minister Mr Gert Kotze — the price of meat.

"The butchers say they don't make big profits. The farmers say they have cut their profits to the bone, but there is a big difference between the consumer and producer price.

"Somewhere along the line there is an escalation of costs and money is running into the sand," said Mr Kotze in an interview with *The Star*.

A controversial statement, but one which he is not afraid to make.

Mr Kotze gave a similar view when he addressed a butchers' conference in Durban.

He created a stir when he said it may be time to revise the system of control.

Mr Kotze said the chief aim of the control system should be to provide the consumer with an affordable product. If the scheme did not succeed in doing this something was wrong and the time may have arrived "to examine it critically and to correct the faults".

He told *The Star* the meat industry's problems could not be blamed on inflation alone.

"The red meat industry cannot compete with the chicken

The meat control system is once again in the spotlight as the Meat Board considers the immediate problem of disposing of the beef surplus while at the same time beginning to plan for an expected shortage in the future. Last week the Deputy Minister of Agricultural Economics and Water Affairs, Mr Gert Kotze, made a strong plea for the relaxation of controls in the meat industry. In an interview with COLLEEN RYAN, Mr Kotze outlined his views.

industry price-wise. White meat has had enormous growth, but both products are subject to the same inflationary pressure.

"I am not blaming the Meat Board, the butchers or the wholesalers. But I think we must have a close look at the system."

Asked to comment on the role of giant wholesalers such as Vleissentraal and ICS, Mr Koze said there was "nothing really wrong with big business expanding".

"I am not prepared to say the big boys are the real cause of the discrepancy between the low producer price and high consumer price. We must get all the parties together to discuss the problems."

Last week Mr Kotze also revealed details of two committee reports which recommended greater freedom in the industry.

A report on country abattoirs recommended privatisa-

tion of facilities, minimum State interference in transporting meat from uncontrolled to controlled areas, and the abolition of all protectionist tariffs.

"I think the plan of allowing abattoirs greater freedom must eventually show good results. But that is just one facet."

The second committee report recommended the laws governing the meat industry be simplified.

"There are 19 Acts which have a bearing on the industry in some way. It is becoming absolutely impossible to have proper administration with so many laws to consider.

"The department intends to rationalise, but it will take some time."

Mr Kotze said he was confident of the long-term future of the meat industry in spite of the present problems.

"We have a growing population and South African consumers are big lovers of meat. But

we must ensure that we have a proper system of distribution to get the final product to the consumer at the lowest cost."

Mr Kotze conceded there was a great deal of confusion regarding the meat surplus.

The Meat Board has a surplus of about 210 000 frozen deboned carcasses and earlier it warned farmers that it may cancel slaughter permits.

It later issued a statement saying permits would be honoured since a shortage of meat could develop.

Mr Kotze said that in addition to the Meat Board's supplies, butchers and wholesalers also had stocks in cold storage, while there was a surplus of live, auctioned animals in the country areas.

"I do not know how big this surplus is. There are many unanswered questions. I don't think I was wrong when I said we should take a close look at the problems."

Referring to the control board system, Mr Kotze said it had served farmers and consumers well for many years.

"But, this instrument is almost 50 years old. I think it is necessary to renew and overhaul it if necessary and this is what the National Marketing Council is investigating.

Cape Times 21/885
**Red meat
deal off** *3/22/88*

Staff Reporter

THE Meat Board confirmed yesterday that it had negotiated the sale of South Africa's surplus meat supply to the USSR, but the sale was cancelled after the death of the Russian president, Mr Konstantin Chernenko.

Sapa reports that a spokesman said the board was unable to sell its surplus in any of the traditional markets, such as the European Community countries, which were also overstocked with meat.

The board negotiated with Russia and the surplus, which now totals some 37 000 tons, would have been exported at a profit. The deal was cancelled after the death of Mr Chernenko in March.

"We had already arranged to export, but the new head of state did not want to go ahead," the spokesman said.

The Board announced yesterday that it would make the surplus meat available to local consumers at discount prices.

2.8
251
206

Secret Red meat deal falls through

ONE man's meat is another man's poison but, in the case of the huge beef surplus, the death of a Soviet president's gave South Africa's meat the chop.

The Meat Board confirmed yesterday that it had negotiated the sale of South Africa's meat surplus to the Soviet Union, but that the sale was cancelled after the death of Russian president Konstantin Chernenko.

GM Pieter Coetzee said the

board was unable to sell its surplus in any of the traditional markets, such as the European Economic Community, which were also overstocked.

The board negotiated with Russia and the surplus, which now stands at 37 000 tons, would have been exported at a profit. The deal was cancelled after the death of Chernenko in March.

The board announced yesterday it would make the surplus meat

available to local consumers at discount prices. It also mentioned the possibility of selling part of the stock direct to the public, Coetzee added.

At the moment meat sold at auctions was being supplemented by the surplus in an attempt to keep prices down.

The number of cattle being sent to abattoirs is tapering off, Coetzee said.

37 000-ton beef bonuses for public

Mercury 21/8/85

3-Meat

JOHANNESBURG—South African families can expect cheaper meat from the Meat Board's surplus beef mountain.

The board revealed yesterday it was working out how to ensure that the surplus, now said to be in the region of 37 000 tons, reached the consumer at reduced prices.

Once a scheme had been finalised, said Dr Pieter Coetzee, general manager of the board, details would be announced.

At present, he said, meat sold at auctions was being supplemented by the surplus in a bid to keep prices down.

The number of cattle being sent to abattoirs is tapering off, he said.

Dr Coetzee also revealed that when Russian President Konstantin Chernenko died last March, the sale of 3 000 tons of South African beef to the USSR had fallen through.

He confirmed yesterday that the board had negotiated the sale of the meat to Russia.

'They were prepared to pay a good price,' he said.

'Unfortunately the sale fell through when Mr Chernenko died. The new Head of State did not want to go ahead with the deal.'

The meat, which would have been exported at a profit, will now be sold to South Africans at discounted prices.

The Housewives' League has welcomed the move.

'We are very pleased that they are going to give us a fair deal,' said Mildred Russell, secretary of the Housewives' League.

TURN TO PAGE 2

in Durban. 2-Meat. We have always opposed the export of meat, eggs and so on. This has come at a good time, especially as there are so many people out of work. The lower price will make meat available to more people. 21/8/85

FROM PAGE 1

Cheaper beef on the way

Mercury Correspondent

S A needs big internal shift, says sugar boss

22/8/85
3-Meat
African Affairs
Correspondent

THE chairman of the Topgaat-Hulett Group, Mr Chris Saunders, has called for a major adjustment of internal priorities and actions in South Africa, economically and politically.

In an oblique reference to pronouncements by senior Cabinet ministers, he has also criticised speeches in the past week which have 'lacked direction and strategy' and interviews which have been 'confusing and contradictory'.

In a speech at the annual meeting of the associate members of the Inyanda Chamber of Commerce yesterday, Mr Saunders said minor political changes could not be effective in dealing with present political and social conditions in South Africa.

Serious

The crisis of moral legitimacy which the country faced was very serious in commerce, finance and industry.

He said the actions lay in events such as disinvestment, sanctions and punitive legislation — issues which were intended to be the instruments to prove there was disapproval as well as concern over the situation in South Africa.

Mr Saunders said South Africa was entering an

era in which there had to be reassessment of priorities and a coming to terms with realities.

'Pressure from the outside is going to increase,' he said. 'The South African issue in Western democracies will not go away in the near future, either in Europe or America.'

Hostile

Marcum
If history were to repeat itself, it was likely there would be changes of government in Britain and America within the foreseeable future. Then South Africa would come under greater attack.

'We are living in a new, different, and more hostile world. Unfortunately, in this age of instant communication, we have to be part of that hostile world or we will not survive,' Mr Saunders said.

Turning to local developments, he said Natal and Kwazulu were inextricably interdependent. This was agreed on by everyone but the Government.

Any attempt, such as was being made at present, to create a system of government at regional and local-authority level which did not include elected representatives of all population groups would not only be uneconomic but highly provocative and dangerous.

He said the details of the regional, second-tier level of government had not been finalised and he called on the Government to initiate negotiations with accepted leaders in the Natal/KwaZulu region.

The meat mountain debacle grows curiouser

By Maud Motanyane and Jackie Unwin

102
First there's a surplus, then a possible shortage — the meat debacle grows curiouser and curiouser. **MEAT**

Consumers blame the Meat Board, the Meat Board blames the drought and the farmers blame the middlemen and everybody suffers.

To sell or not to sell the red meat mountain is the immediate question facing the Meat Board. **STAR**

Even the Deputy Minister of Agricultural Economics and Water Affairs, Mr Gert Kotze, has conceded that something is amiss.

The story is this:

● During the past three years of drought farmers had to slaughter more cattle. The Meat Board bought the resulting surplus at floor price. **22/6/85**

ANNOUNCED

● June — the Board announced it had a surplus of 210 000 beef carcasses worth R100 million costing millions of rands to keep and was trying to find a buyer.

● An outcry from the Official Opposition and the Housewives' League called for an investigation.

● The Organisation of Livestock Producers (OLP) urged the Board to market locally at reduced prices.

● The Meat Board claimed price cuts were not the answer.

● Despite the surplus the Board still imported meat from neighbouring states.

● August 1 — Meat Board announced a plan to clear the surplus, which was greeted with relief by consumers.

● August 8 — the OLP claimed State intervention cost farmers about R204 million a year and consumers double that. Meat Board denied this.

HINTED

● August 14 — Instead of announcing an expected discount scheme, the Meat Board hinted the country was heading for a meat shortage.

● August 20 — Meat Board general manager Dr P H Coetzee confirmed the Board had tried to sell the meat to Russia, but this had fallen through with the death of Soviet leader Mr Konstantin Chernenko.

● August 20 — Dr Coetzee said the overkill at abattoirs was no longer applicable. Surplus meat was being used to supplement shortages to keep the price stable.

● August 20 — Dr Coetzee said the board would know only at the month end how much meat would be available to sell to local consumers at low but not "slashed" prices.

NO ROOM AT THE INN

Publishing can be a fickle business, as Johannesburg-based *Finance Week* has just confirmed.

Nine months ago it scored what looked like a circulation coup by selling around 2 000 copies a month to the country's biggest hotel chain, Southern Sun. The magazine was placed in the group's hotel rooms at no cost to guests.

Since bulk sales are generally heavily discounted, they are audited separately

by ABC.

The holiday, however, has just ended. In April, Southern Sun gave *Finance Week* three months' notice of its intention to end the agreement. The reason, explains MD Bruno Corte, is that the hotel group's revamped in-house publication *Sun Magazine* is "back on the tracks."

A *Finance Week* source, however, reckons that too many copies were going into empty Southern Sun hotel rooms.

only 41 of some 850 horses on sale were Transvaal-bred.

As horses on these sales can qualify only if their breeding is of a certain standard, these figures "say it all," according to Neil Orford, breeders representative on the Transvaal Horse Racing Development Fund.

"We need more horses of the crowd-pulling calibre of Transvaal-bred champions like Ever Fair and Gatecrasher," says Orford.

Grants will be allocated annually by the TPA through the fund, which represents a cross-section of the industry. Brian Kelsey, of the Thoroughbred Breeders Association, reckons the Transvaal action will set an example to other provinces, which will be under pressure to follow suit.

"The Breeders Premium Fund idea comes from overseas," explains Orford. "It's in the TPA's interest to encourage better breeding to increase spectator interest and improve the tax take on bets."

Orford says that New York State and California are prime examples of how well Breeders Premium Funds can work.

A good mare costs about R50 000 and top-class servicing at least R15 000 a mare. "Many prospective owners cannot afford this, but the fund will ease the burden," says Orford.

Breeders have until the end of September to claim from the fund. ■

③ Meat FM
RED MEAT ROW 23/8/85

Sweet talk time

The Federation of SA Country Meat Retailers has decided on a policy of "constructive engagement" with the Meat Board (MB) and other authorities until a new policy for the marketing of red meat has been formulated.

Strong pressure for direct confrontation with the MB came from Transvaal butchers at the federation's conference in Durban last week.

They wanted to force the MB to abandon its costly and restrictive controls and regulations.

"But we decided to give the authorities an opportunity to devise new structures before taking a definite stand," says the feder-

ation's action committee chairman, Frans Roelofse.

The wait-and-see stand came after the positive speech by Agricultural Economics and Marketing Deputy Minister Gert Kotze (*Business* last week) at the conference. Kotze said the time had come to take a hard look at the MB's marketing scheme because red meat consumption was not growing.

The federation represents 2 700 butchers in areas not controlled by the MB and handles 35%-40% of SA's R4,3 billion/year red meat trade.

"We are appointing a committee to negotiate positively with the MB, Agriculture Minister Greyling Wentzel and even the State President, if necessary," says Roelofse. "We must reach an acceptable arrangement. We need more understanding in policy decisions on marketing."

He says the federation wants action within a year. "We do not favour confrontation, and we hope our constructive engagement will lead to an amicable settlement."

Roelofse says current priorities for the retail trade are to:

- Improve the marketing of red meat products, based on consumer requirements;
- Reduce costs to provide cheaper red meat products and to increase consumption in the "third world" sector of the market;
- Improve the image of the industry and create greater unity among producers, consumers, the trade and the authorities;
- Deregulate the industry, which is hampered by the costly administration of 19 Acts and many other regulations; and
- Create a more favourable climate for country butchers, which form an important segment of the rural small business sector and play an important role in the platteland economy. ■

US STEEL CRUNCH

Slim hope for SA

The US steel industry, a sector which has not shared in the economic recovery, is being wracked by a major strike which could bring the nation's seventh largest steel producer to its knees.

SA is understandably watching events

closely in the hope of gaining some benefit. But at this stage the chances of a windfall for Iscor and its fellow exporters look remote.

The latest problem in the US involves a dispute over retrenchments and 30% wage and benefit cutbacks by Wheeling-Pittsburgh Steel Corporation. This caused 8 200 production line workers to walk out in the last week of July. So far picket lines and dead quiet at the corporation's nine plants in three states suggest that a quick end to the dispute is unlikely.

The strike is the first major industrial action in the beleaguered American steel industry since 1959. Now into the third week, the stoppages threaten financial disaster for the corporation and devastation for towns on the so-called rust-belt in Ohio, Pennsylvania and West Virginia.

Wheeling-Pittsburgh invested hundreds of millions in plant modernisation, borrowing heavily to do so. But domestic demand, far from picking up as expected, declined sharply. And now the corporation faces financial ruin.

The strike was triggered by a Chapter 11 ruling of the US Bankruptcy Code which allows Wheeling-Pittsburgh Steel to dissolve its labour contract. The corporation also advised the United Steel Workers' Union (USWU), which represents Wheeling-Pittsburgh workers, that it will revise benefits already won by steelworkers.

Workers walked off their jobs in protest and, led by union president Lynn Williams, have appealed against the court ruling. They argue that the 30% wage slash made possible by the annulment of collective bargaining agreements represents a return to sweatshop rates of the Thirties. It is an issue that has to be fought, they believe.

The corporation has argued that, without the wage reductions, it would be forced to liquidate. But if the strike continues for any time, the corporation will lose customers and face liquidation anyway.

Labour analysts say the bankruptcy court ruling has implications for the whole steel industry. Sagging under the weight of weak pricing, outdated technology and foreign competition, steel production in the region has already lost 700 000 workers.

The Chapter 11 procedure arose from a Supreme Court decision and then action by Congress last year. The unionists fear it could be used by labour-busting corporations.

Wheeling-Pittsburgh is the first case of its kind. It is thought that if the corporation forces the union to accept its conditions and return to work, other producers will make similar wage reduction demands.

The USWU has been battered by the changes in fortune of the steel industry, losing 500 000 workers in the last five years. Williams, a college-educated Canadian who earns \$86 000 a year, regards the strike as a crucial test. To accept any "givebacks" at all he will have to win job-back guarantees, profit-sharing clauses and assurances that money saved will be re-invested in new plant.

become doubly complex. "We already struggle against a discriminatory system, now we also face discrimination from our own people."

Nafcoc hopes its inquiry will result in a programme which will open black students' eyes to reality, says Motsuenyane. He also hopes it may help government to realise that while blacks cannot trade in white areas, nor will whites find it easy to trade with blacks. ■

MANAGEMENT TRAINING

Beckoning blacks

UCT's Graduate School of Business (GSB) has embarked on its most ambitious programme in years — a centre for African management focusing on integrating blacks at executive level.

GSB director John Simpson stresses that

the problem rests as much with existing managements as it does with black newcomers. But it is assuming damaging proportions at a time when the political situation and pressure from shareholders demands progress.

The chief aims are to:

- Help companies develop an environment conducive to progress for managers from diverse backgrounds;
- Encourage the introduction of training programmes for the development of black managerial talent; and,
- Start research programmes in what is basically virgin territory.

Simpson says demand for the programme has been incredible. Disillusionment with the way things have been going so far has been a major spur. Some companies, he maintains, have dabbled with the issue and most of them have simply been muddling through.

Obviously there is not a great deal of

experience to draw from, but the GSB is confident that the centre, the first of its kind in SA, will have a profound effect on management style and philosophy. Simpson goes so far as to say he believes local management will never be the same again.

The centre has been launched with substantial support from both local and overseas companies — although Simpson won't talk sums — and overseas universities, including Harvard Business School. About four or five academic staff will be required for the centre, along with a head who should achieve a high profile. Courses are scheduled to begin early next year.

Simpson believes the nature of the issue demands that the entire management of a company should get involved with the courses and auxiliary seminars. He is not sure, however, how many people can be accommodated. At this stage additional buildings are not considered necessary. ■

GERT KOTZE

Freeing red meat



Gert Kotze, Deputy Minister of Agricultural Economics and Water Affairs, made a significant speech in Durban last week on the failure of the R4,3 billion a year red meat industry to increase its

share of the SA meat market. Here are excerpts from his address to country retail butchers.

I believe that everyone concerned in any way in the meat industry — the farmer, the processor and the trader — would like to see more meat on the table of the consumer. The consumer, I am certain, would also like to eat more meat if it was within his financial means.

If the scheme regulating the industry does not succeed in promoting this goal, there is something wrong with the scheme. The time has arrived to examine it critically and to correct its faults.

It is, however, not only the task of the government or the National Marketing Council, the farmer or the trade, to make this examination. Everyone concerned has a contribution to make and we should give attention jointly to this extremely important matter.

I have said it before and I wish to emphasise it again: I will do everything within my power to make that part of the distribution chain for which I am responsible, namely the abattoirs, function as efficiently as possible. For this reason, I called for an investigation by a representative committee into the financial position of abattoirs in the uncontrolled areas.

The committee's report was received recently and I have already circulated it for general information and comment to all interested parties, including the Federation of Country Retail Butchers.

The committee's recommendations will be considered as soon as all the comments have been received.

Simultaneously, another investigation was being conducted in the Department of Agricultural Economics and Marketing into the rationalisation of its control over animal slaughtering and the marketing of meat and meat products.

From this investigation it appears that the meat industry in its various facets is subject to no less than 19 Acts and accompanying regulations. Such a situation gives one food for thought and I feel that the recommendations of this committee will have to be studied exhaustively.

But changes cannot, unfortunately, be effected overnight since amendments to Acts will be needed.

The recommendations of the two committees have much in common and although some people, both within and outside my department, will not relish all the recommendations, I intend, after all comments have been received, to effect such changes as will be in the best interests of the industry as a whole.

A few of the most important recommendations of the committee which investigated abattoirs in uncontrolled areas include:

- Privatising municipal abattoirs;
- Introducing slaughter quotas;
- Freeing abattoir tariffs;
- The least possible hindrance by State authorities of the free movement of hygienic, healthy meat; and

The abolition as soon as possible of all protectionist tariffs under Act 54 of 1976.

It also suggests that re-inspection fees be limited to the cost of the actual health service, and that they should not be applied as a protectionist measure.

These are only a few of the principal recommendations. They are clearly aimed at achieving a greater measure of freedom in the industry. It may be expected that the trade will also be more free as a result and that it will be possible to study the abolition of limited registration of retail butcheries in particular, as already recommended by the Commission of Inquiry into the Marketing Act.

Our national economy is a mixture of First World and Third World economies. My view is that First World standards must not be imposed at every turn — we shall, of necessity, have to make adjustments.

Cost effectiveness determines competitiveness and vigilance is necessary to ensure that control measures do not protect inefficiency.

The State should merely maintain order and prevent exploitation. It should ensure that sufficient opportunity exists for the entrepreneur to apply his capital, energy and skills. The free market will eventually decide who will survive and who will not.

The red meat industry's growth achievement is not impressive in comparison with the white meat industry over a number of years.

Both are subject to inflation and increased input costs — why is there such a difference in achievement? Do you know the answer to the question? What are you going to do about it? What do you expect other sectors of the industry to do about it? ■

IN MY OPINION

sunrise consumer**Meat prices
average out**

by

Kashvina Jaga

Different meat cuts were highlighted in this week's *Star* shopping basket survey, part of a spot-price check.

The owner of the Spar, Blackheath, Mr. Nick Savides, said spot checks encouraged price competition among stores which resulted in a lower price for the consumer.

FOUR STORES

The survey found that meat prices at four north-western stores were on average the same.

Chuck at R3,98 was on a special at Pick 'n Pay, Randpark. The best rump steak price of R6,99 at Checkers, Cresta, and lamb braai chops at R5,48 at OK Bazaars, Cresta.

SUNFLOWER OIL

Another spot check was done on oil prices. In some stores house brands of 750 ml of sunflower oil were cheapest.

- Spar, Blackheath — Spar sunflower oil R1,99; Nola sunflower oil R2,49; and Covo R2,45.
- Pick 'n Pay Randpark — Solo oil R1,99, Pantry Pride pure sunflower oil R2,09.

- OK Bazaars, Cresta — Pot o' Gold oil R1,75, Nola sunflower oil R1,69, Solo R1,99; and Epic R2,09.

- Checkers, Cresta — Sunflower Yellowband R1,99, Nola sunflower oil R2,29, and Cardin R2,39.

The price of margarine dropped by 1,4 percent and cereal by 2,9 percent because of Checkers bargain prices this week of R1,35 for margarine and R1,25 for cereal.

Bacon and frozen peas also decreased and all stores charged the same price on these items.

Coffee had increased very slightly and fresh chicken increased by 6,3 percent.

Eighteen other survey items remained static in price. All prices exclude the 12 percent GST payable on some items.

meat challenge

Housewives League loses cheaper

by Jackie Unwin

3-Meat

The Housewives' League lost a challenge to prove its claim that surveys showed that independent butchers were usually cheaper than supermarkets.

Surveys by *The Star* also showed this to be the case.

The league accepted the challenge, issued by Mr H V Lombard of Imperial Cold Storage (ICS), and organised a survey. It was conducted by a neutral party acceptable to all.

But the survey, published in the Housewives' League magazine "Rands and Sense", showed that at the time it was done, independent butchers were not, on average, cheaper.

It also revealed that some independent butchers were not stocking Super A meat but A1, and there were some discrepancies between prices quoted at the counter and the amount per kilogram actually paid.

On June 18 Mr K Doyle, formerly of the Trade Metrology Department, visited six independent butchers in the Roodepoort

and Kensington areas. He bought 500 g of rump, 1 g of chuck, 1 kg of brisket and four T-bone steaks.

He asked for Super A meat each time. Packs of the same cuts and same grade were also bought at six supermarkets, Checkers, OK and Pick 'n Pay in the same areas.

The meat was taken to the ICS Training Centre and examined by an expert from the Meat Board. The meat not pre-wrapped was weighed to see if

Deboned meat at cut prices

A plan to make deboned meat available to the consumer at lower-than-ruling market prices has been drawn up by the Meat Board. The plan should help reduce the 37 000-ton beef surplus, but the board will not issue details until next week.

"The scheme will be introduced from September 9, but details cannot be released until the board has liaised with the trade," a spokesman, Mr Koos Blignaut, said.

the actual cash paid corresponded with the price per kilogram quoted by the butcher.

A similar survey was carried

out at the same time by a black trainer from the ICS Training Centre to see if she would be overcharged or sold inferior

meat.

Of the 20 pieces of meat, many were slightly underweight. The results were very much in keeping with those found by Mr Doyle. She was given exactly the same grades.

Mrs Jean Tatham, vice-president of the Housewives' League, said: "I'm not evading the issue. We lost the challenge fairly on grade and on price, but had I been able to organise the survey earlier, I am convinced we would have lost it only on grade. "In price, the independents

performed badly. Only one was able to beat Pick 'n Pay's prices. But this was not always the case.

"The challenge was issued on March 20. Between that date and mid-June, supermarket prices dropped considerably, and the prices at independent butchers have not altered in the past months.

"If 10 cents per kilogram were added to the prices of the A1 cuts to allow for the higher auction prices of Super A meat,

the independent butchers would still have scored tops in the March survey — all three in the Kensington area being cheaper, and two in the Roodepoort area.

"On one level we are disappointed to have lost the challenge. On the other we are delighted that supermarkets are showing truly competitive prices at the moment.

"For us, the disturbing conclusions were the inaccuracy of pricing and the reluctance of butchers to be honest about what they are selling.

04/09/85 (3-Meat)
Meat surplus sale date

DISPATCH
JOHANNESBURG — So far the general manager of the board, Dr Peter Coetzee, has given no hint of the board's plans to thin out its huge 220 000 beef carcass surplus. — DDC.

The Meat Board scheme to sell off part of its surplus beef will start on September 9, according to a board spokesman, Mr Koos Blignaut.

Surplus beef on sale from Monday

3-Meat

Mercury Reporter: THOUSANDS of tons of surplus frozen beef will be made available to consumers by the Meat Board from Monday.

Most of the 37 000-ton surplus is made up of deboned meat and is expected to be sold at lower-than-ruling market prices.

Yesterday Mr Koos Blignaut, the board's public relations officer, declined to give further details, saying the board

was still negotiating with retailers.

4/9/85
But it has been reported that the scheme will be extended over a long period to prevent butchers and consumers buying up huge quantities, as has happened before, and leaving the average consumer with very little.

Mercury
As a result the release of the surplus is not expected to disrupt the existing market.

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Chicken price war as producers join battle

Labour Reporter

A CHICKEN price war has broken out among chain stores in Durban and chicken producers have chopped prices to below production cost in some cases.

Huge surpluses of chicken have brought prices down to R1,58 a kg in some supermarkets, with all-out battles raging between Natal-based Rainbow and Transvaal producers Festive and Farm Fare.

According to a spokesman for Pick 'n Pay, the frozen chicken price was about R2,29 a kg in December. Supermarkets were now selling chick-

ens at R1,59 a kg.

OK Bazaars have chopped prices on certain meat lines and are selling super grade stewing beef at R3,29 a kg, lean beef mince at R2,95 a kg and grade one half-lamb at R4,59/kg.

Meanwhile, the consumer boycott entered its fourth day in the greater Durban area yesterday.

A spokesman for the Federation of South African Trade Unions, (Fosatu), which called the country-wide boycott, said residents in the townships near Pinetown were fully informed and were participating in the boycott voluntarily. He said public meet-

ings had been held in Clermont in the past two weeks and Fosatu members employed in factories in the Pinetown and New Germany complex were fully behind the boycott.

'We are sure the boycott will spread to Durban shops and gather momentum quite rapidly,' he added.

Mrs Loganayage Pillay, supervisor and assistant to the manager at Pep Stores in Pinetown, said the store, which had a largely black clientele, had a 50 percent drop in business.

She confirmed that the store was issuing plain carry-bags to its custom-

ers to protect them from possible attack.

Spokesmen for national chain stores and supermarkets in Durban said there was no noticeable decline in business at this stage, but one businessman said he would also consider issuing plain carry-bags if the need arose.

Mr David Rebeck, branch manager at OK Bazaars in Pinetown, confirmed that there had been 'a noticeable drop' in black trade.

Mr Brian Beavon, managing director of Spar, said the Durban stores were not affected, as they had a largely white clientele.

3-Meat

6/9/85 Mercury



From left: Johnny Chidrawi — "It is doing us an enormous amount of harm"; George McGregor — "It is not fair for the Meat Board to compete with the trade"; Barry Lockyer — "I feel the consumers are being misled".

Butchers hit out at Meat Board: prices up despite surplus

By Maud Motanyane and Jackie Uwhin

Consumers are baffled by the increase in beef prices when they know surplus meat is being sold at a discount — and butchers fear their customers feel they are being "ripped off."

Butchers, who can buy the frozen meat only in limited weekly batches, have claimed that only low grade meat and some less-popular cuts were offered to them by the Board.

Johannesburg butchers surveyed by *The Star* this week said they had rejected the low quality meat because it would not be acceptable to customers. Checkers, which was allowed only 11 tons of frozen beef, processed it into boerewors sausages. "As a rule, we do not sell frozen meat on our

counters," a spokesman for Checkers said.

Mr Johnny Chidrawi, manager of the Meat Counter, Florida, said: "The public has been asking us for the surplus meat. When frozen surplus was offered two years ago, we sold a large quantity at the recommended price. We cut it into portions and packed it for our customers.

"We were prepared to do the same this time and people have automatically come back to us looking for the meat. The only meat made available to the trade is third grade beef. We do not sell that quality and our customers do not want that quality."

"It is doing us an enormous amount of harm. We are in a position to sell the meat at a nominal profit to those who do not have the freezing capacity or the money to outlay on buying meat in bulk."

Mr Barry Lockyer, butcher at the Spar in Blackheath, said it was believed that the fresh meat was being held back deliberately. He said the price of meat had gone up and his turnover had dropped because of the increase in the fresh meat price.

"I feel the consumers are being misled. It's amazing the number of customers who come to me and ask for the cheap meat. Then they see that the meat in the counter is more expensive than usual."

Mr George McGregor of McGregor's Meat Market, Yeoville, said beef was between 80 cents and a R1 a kilo more expensive than about a month ago.

He felt it was not fair for the Meat Board to compete with the trade. "It does not have to maintain staff, obtain licences and it has no shop rent to pay. The machines in this shop cost R30 000."

STAR
244 (3-Meat)

Plan to move meat mountain at discount

Pretoria Bureau

A new discount scheme will be introduced by the Meat Board to sell surplus frozen beef to the public and trade.

Boxes of deboned beef will be sold at cost price directly to consumers from board storage centres around the country. Consumers on the Witwatersrand will be able to buy the meat from the City Deep storage depot.

Meat will also be sold to traders at a discount of 10 percent, the board said yesterday.

It has a surplus of about 210 000 deboned carcasses worth about R100 million. The glut is the result of the prolonged drought which has forced farmers to slaughter extra stock.

LIMITED QUANTITIES

The board plans release the surplus gradually so that fresh meat sales are not disrupted. The meat will be sold in "limited weekly quantities".

Consumers can buy beef directly from storage depots for these prices:

- Blue cartons (A and B grades): brisket R2,50, crop and forequarter R2,64, fillet R7,52, thick flank R3,53, rump R5,75, sirloin R5,79, silverside R3,93 and topside R3,87.
- Red cartons (C grades): topside R3,49, sirloin R5,14, rump R5,15, and silverside R3,52.

Consumers who buy directly should place their

orders by telephone at (011) 883-0101, 883-0111 or 883-1012. Orders may be placed between 8.30 am and 2.30 pm, Monday to Friday. Customers will be given an order number and advised where and when to collect the meat.

The public may buy between one and two 25 kg cartons at a time and payment will be cash only.

"People who cannot afford the minimum quantities are advised to club together with friends since every carton consists of only one type of cut," the board said.

The board's supplies are mainly available in Cape Town, Durban and Johannesburg, but deliveries will be made to smaller centres such as Pretoria. There will be no extra transport charges provided a full truckload is delivered to the smaller centres.

Butchers who wish to buy the deboned meat have been asked to contact the board's offices in Cape Town, Durban or Johannesburg. Traders will be allocated a portion of the frozen meat in accordance with their turnover of fresh meat.

"Since supplies to the trade will only be made available at three centres the trade at the other centres or on the platteland should arrange joint transport with other traders," the board said.

Meat would also be made available to factories at a 10 percent discount at a later stage. The board was also considering selling surplus "beef on the bone" to black traders since black consumers preferred that kind of meat.

STAR

3-Meat

10/9/85

Frozen beef cut

③ Meat

FRED STIGLINGH

10/19/85

THE Meat Board is to make part of its 37,000-ton frozen beef surplus available at a discount to the trade and public. Board GM Pieter Coetzee said last night a scheme to distribute part of the surplus would come into operation tomorrow.

"The Meat Board trusts that this concession will lead to increased consumption and more favourable prices for the consumer," he said.

Initially the scheme will apply only to boxed, de-boned beef. A portion of the surplus will be made available to the trade at a 10% discount in limited weeks.

● To Page 2 →

Frozen beef at less 10%

③ Meat

10/19/85

ly batches "so as not to disrupt the fresh meat market".

No restriction will be placed on what the trade charges for this meat.

The board will also sell part of the surplus direct to the public at below cost price. Sales to the public will be conducted at the board's storage depots. Coetzee said the public could place orders at three Johannesburg numbers — 883-1010, 883-1011, or 883-1012.

Trade buyers should contact the board's branch offices at any of the eight controlled centres.

Coetzee said the board was anxious that there should be no rush for frozen meat, and no available fresh supplies

would be withheld from the market.

"If this scheme were to result in the purchase of frozen beef instead of fresh beef it would not contribute to increased beef consumption in the country," he said.

Sales of beef will be paced to proceed gradually. Traders will receive *pro rata* allocations according to weekly fresh purchases.

"Should these frozen supplies to the trade result in their purchasing less fresh meat, frozen supplies will have to be curtailed further or discontinued temporarily," Coetzee said.

← ● From Page 1

Surplus meat for sale below cost

10/09/85 DISPATCH

3 Meat
Box

Dispatch Correspondent

PORT ELIZABETH — The Meat Board is to sell its surplus meat directly to the public at below cost price from tomorrow.

Announcing this in a statement from Pretoria yesterday, the general manager of the Meat Board, Dr Pieter Coetzee, said the deboned portion of the surplus — about 37 000 tons — would be made available to the domestic market.

He also gave details of how people could order the meat by telephone.

Consumers who want to benefit from the scheme must order meat from depots in Cape Town, Durban and Johannesburg.

Orders for Port Elizabeth, Pretoria, Kimberley, Bloemfontein and East London will be executed at least a week after they have been placed.

Dr Coetzee said no price difference would apply to meat orders from centres without depots, provided orders justified full truckloads (at least 800 cartons of 25 kg each).

A certain portion of the supply would be made available at a discount of 10 per cent to the meat trade so that the fresh meat market was not disrupted by the scheme, Dr Coetzee said.

Dr Coetzee said the Meat Board was anxious

that there should be no rush for frozen meat. Fairly large supplies of deboned beef were available and it was proposed to release these supplies onto the market gradually and as a supplement to fresh beef supplies.

To prevent the public from waiting unnecessarily to be served at the depots, the Meat Board suggests they place their orders by telephone at the following three Johannesburg numbers: 883-1010, 883-1011 and 883-1012. The code is 011.

Everyone who phones will be allocated an

order number and will be advised where and when to collect the order. The public must purchase a minimum of one carton (25 kg) and a maximum of two cartons at a time. Each carton consists of one type of cut only. Payment will be on delivery and strictly in cash.

The surplus was ascribed to the lengthy drought and poor economic conditions, which led to an oversupply of beef and emergency purchases of meat by the Meat Board.

Dr Coetzee said no restriction would be placed

on the trader's charges to the public for surplus supplies.

Sales to the public will consist of these cuts and will be sold at book value (less than cost price): 1, Blue cartons (ie., A and B grading): brisket R2,50/kg; crops/deboned forequarter R2,64/kg; fillet R7,52/kg; thick flank R3,53/kg; rump R5,75/kg; strip loin R5,79/kg; silverside R3,93/kg; topside R3,87/kg.

2, Red cartons (c grading) topside R3,49/kg; sirloin R5,14/kg; rump R5,15/kg; silverside R3,52/kg.

10/09/85
**Surplus meat
at cut prices**

JOHANNESBURG —
The Meat Board is to sell
its surplus meat directly
to the public at below
cost price from mor-
row.

3 Meat
Announcing the move
in a statement from Pre-
toria yesterday, the gen-
eral manager of the Meat
Board, Dr Pieter Coet-
zee, said the deboned
portion of the surplus —
about 37 000 tons —
would be made avail-
able to the domestic
market. — Sapa

Details page 2
DISPATCH

Frozen beef for sale in 25 kg cartons

Mercury Reporter

NATAL consumers who want to buy cartons of the frozen beef surplus being made available by the Meat Board must telephone the board's offices in Johannesburg to place their orders.

Delivery of the meat, each cut packed in 25 kg boxes, will take as long as two weeks.

The telephone numbers are (011) 88-31010, 88-31011 or 88-31012.

Yesterday Mr Koos Blignaut, public relations officer for the board, said 18 000 tons of deboned beef was available and he urged the public not to

indulge in 'panic buying', pointing out that there was 'more than enough to go around'.

Although the meat would be delivered in the main centres of Johannesburg, Durban and Cape Town, out-of-town buyers would have to club together so that a truckload could be delivered, or make arrangements to pick up the meat in town, he said.

The stockpile, built up over the past three years as a result of over-slaughtering because of the drought and the economic situation, is described as 'good quality' meat.

CAPE TOWN
11/19/81
Meat surplus confusion

Staff Reporter

CAPE TOWN is unlikely to feel the benefits of a Meat Board decision to sell its surplus to the public at below cost price, experts in the meat trade said yesterday.

Mr. G. Hawthorn, managing director of Blue Ribbon Corporation, exclusive distributors to the Pick 'n Pay chain, said yesterday that he offered to buy R10-million of surplus meat.

However, the Meat Board had declined to sell such a huge quantity because it would upset the market's balance.

Several meat wholesalers and traders said that there was some confusion about how to obtain the cut-price meat, but that if they could, they would pass this on to their customers here.

A spokesman for SVM Wholesalers, suppliers in the Peninsula, said yesterday that he was "in the dark".

The general manager of the Meat Board, Dr Pieter Coetzee, announced yesterday that the board would sell its surplus meat directly to the public at below cost price from today.

The deboned portion — about 37,000 tons — would be available to the domestic market.

Consumer groups welcome meat discount scheme

3 Meat

STAR 11/9/85

The meat discount scheme has been welcomed by consumer groups, but there are misgivings that the middle and upper income groups — and not the poor — will benefit.

The meat is available only in 25 kg packs.

A 25 kg pack of brisket, the cheapest cut available, will cost R62,50.

Mrs Betty Hirzel, chairman of the Consumer Union, said: "We are right behind the Meat Board and are aware that it has tried to work out the best possible scheme.

"We know there are endless problems and no perfect solution to getting the meat to the consumers.

"We put our heads together with the Meat Board and came up with what we hope is the best possible way to do it.

"Our only big objection is that it is going to make it possible for the middle income group to buy, but the people who really should be getting it are not going to.

"The Board is looking at a plan to get meat to the black consumer. I am going to keep nagging about that before the supplies are all gone. But I don't have the answer."

Boxes of deboned beef will be sold at cost price directly to consumers from board storage centres around the country.

Meat will also be sold to traders at a discount of 10 percent.

The Board has a surplus of about 210 000 deboned carcasses worth about R100 million.

Meat Board calls for patience

By Jackie Unwin

The Meat Board has been inundated with telephone calls from consumers anxious to buy surplus frozen beef at discount prices and has appealed to the public not to panic and to be patient.

"There is enough for everybody to place their orders. If everybody rushes now it can hamper the whole execution of the scheme," said Mr Koos Blignaut, the board's public relations officer.

He said the board hoped traders would pass the meat on to the consumer at lower prices.

"The public must compare prices. The traders get the prices at 10 percent discount."

He said the board could not send small quantities of meat to rural areas. "People there should club together and order a truckload of a minimum of 800 cartons. We are quite willing to deliver it to them provided they make it worthwhile."

The glut is the result of the prolonged drought which forced farmers to slaughter their stock.

The Board intends selling the surplus gradually so fresh meat sales are not disrupted.

Consumers can buy beef directly from storage depots, at these prices:

● Blue cartons (A and B grades): brisket R2,50, crop and forequarter R2,64, fillet R7,52, thick flank R3,53, rump R5,75, sirloin R5,79, silverside R3,93 and topside R3,87.

● Red cartons (C grades): topside R3,49, sirloin R5,14, rump R5,15, and silverside R3,52.

Consumers who buy directly should place their orders by telephone at (011) 883-1010, 883-1011 or 883-1012 between 8.30 am and 2.30 pm,

Monday to Friday. The public may buy up to two 25 kg cartons at a time and payment will be cash only. Each carton consists of only one type of cut.

"We are asking people to be patient, take their turn and make use of the opportunity to eat more meat and not disturb the market," said Mrs Hirzel.

She was not sure butchers would pass on the meat they obtained at discount prices to the consumer, she said.

Mr Jan Cronje, director of the Consumer Council, said the council welcomed the scheme but doubted it would stimulate meat consumption.

"Consumers are so hard pressed now they do not want to spend more money on meat," he said.

Traders slam Meat Board's surplus scheme

3-Meat

STAR

12/9/85

The Meat Board has been criticised by a leading supermarket for its "arbitrary and arrogant decision" to sell bulk meat packs to wealthy housewives in the northern suburbs of Johannesburg and Constantia in Cape Town, instead of helping the hard-pressed and poorer consumer.

It has also come under fire from the South African Federation of Meat Traders for competing with the private sector.

Under the Meat Board's surplus disposal scheme, consumers have to buy 25 kg packs. A case of rump steak costs R144.

Mr Gordon Hood, managing director of the OK, said: "This is no way to move a mountain of meat.

"We are dismayed and deeply concerned that the Meat Board has decided to bypass the wholesale and retail distributive trade in making the better grades of meat available to the public only from a limited number of Meat Board depots in certain centres.

"The Meat Board is only prepared to release third and fourth grade meat, which is manufacturing meat,

to the trade in general and very limited quantities of better grade meat in the form of less desirable cuts, such as trimmings and thick flank.

"This low quality is totally unacceptable to the OK and its customers and we are therefore not prepared to participate in the scheme as it is currently constituted," Mr Hood said.

Mr Clive Gegg, Transvaal buyer for Pick 'n Pay butcheries, said the supermarkets were not "boycotting" the Meat Board's discount scheme. "It is more like a lockout," he said.

Mr Tim Davidson, general secretary of the South African Federation of Meat Traders, said: "We feel that the action of the Meat Board in selling meat directly to the consumers is grossly irresponsible and will have a damaging effect on the trade.

"It is misleading to the consumer because he has to buy 25 kg of frozen meat at a price at which he can in some instances buy fresh meat. Several butcheries, especially in the uncontrolled areas, are selling meat cheaper than the Meat Board," he said.

Meat orders causing problems

Consumers are confused about the details of the Meat Board's scheme to deal with the meat surplus and this is causing problems when they phone in to place their orders. **3-Meat**

"It takes up to 20 minutes to explain to them the meat cuts available and the prices and this is jamming the three telephone numbers," said Mr Koos Blignaut, public re-

lations officer for the Meat Board. **STAR**

Consumers can buy beef directly from storage depots for these prices: **13/9/85**

● Blue cartons (A and B grades): brisket R2,50, crop and forequarter R2,64, fillet R7,52, thick flank R3,53, rump R5,75, sirloin R5,79, silverside R3,93 and topside R3,87.

● Red cartons (C grades): topside R3,49, sirloin

R5,14, rump R5,15 and silverside R3,52.

Consumers who buy directly should place their orders by telephone at (011) 883-1010, 883-1011 or 883-1012. Orders may be placed between 8.30 am and 2.30 pm, Monday to Friday. Customers will be given an order number and advised where and when to collect the meat.

Payment is cash only.

③ Meat FM 13/9/85

mits anyway."

Indeed, the industry has long-complained that there are many "grey permits" issued which allow police to interpret them as they like. The upshot is that it is costing private carriers dearly in legal fees, delayed deliveries and lost contracts.

But now they are making a special effort to reach a better understanding. Their hopes are pinned on the Public Carriers' Association (PCA), which has been holding talks with the Department of Transport and the National Transport Policy Study (NTPS) — currently considering options for changes to the freight transport system.

Also, PCA executive director Jack Webster recently held talks with Transport Minister Hendrik Schoeman. Webster was not available for comment, but the *FM* understands the official reaction was not sympathetic.

Sats' problem, of course, is that it needs the high-rated road freight business to cross-subsidise other, enforced loss-making services.

The PCA's next step will be to discuss hauliers' problems with the railways police direct. Grobler says association representatives will shortly meet SARP's Major General Robbertse to ask that the SARP stop impounding members' vehicles and interpreting permits.

And in the longer-term, relief could come from the NTPS which is considering four options.

The PCA hopes it will decide to recommend the one which would allow a Road Freight Quality System to be established under a revised National Road Transport Act. The same recommendation, in the words of an industry source, would call for Sats to "get off the roads and stick to the railways."

BEEF FARMING

Fat of the land

The days of the traditional bushveld farmer may be numbered.

Agriculture Minister Greyling Wentzel says SA's natural pastures are being overgrazed by the equivalent of some 3m-4m head of cattle. To conserve the veld, herds will have to be slashed and more stock produced on cultivated pastures in higher rainfall areas.

"I have in mind areas in our summer rainfall regions with an annual rainfall of 600 mm and more and where the potential exists for cultivated pasturage under dryland conditions," he adds.

Wentzel recently told the Transvaal Agricultural Union that a "terrible deterioration" of SA's natural veld and soil is taking place, jeopardising future generations. A drastic reduction in cattle numbers is needed to rectify the situation.

"The most important step is to make the numbers of cattle and game correspond with

the long-term grazing capacity of the pastures and to apply sound pasture control measures," he added.

Wentzel says he realises the removal of large numbers of cattle can cause serious financial problems for livestock producers in the short term and gravely dislocate the livestock farming industry.

"To reduce disruption to a minimum and to relieve the pressure on natural grazings, the production of livestock must be intensified in areas where the soil and climate are suitable."

Careful planning is needed for these adjustments.

"A cattle production strategy, in conjunction with the national grazing strategy launched by the Department of Agriculture and Water Supply, appears to be most important," says Wentzel. The national grazing strategy, a follow-up to government's 1984 White Paper on agriculture, has been in force for the past year and entails official restrictions on livestock over accepted grazing norms for specific areas.

Farmers are not allowed drought subsidies unless livestock populations are within limits, while there are also restrictions on other unacceptable farming practices.

But Wentzel can expect some opposition in devising a cattle production strategy.

Not only has the Meat Board been spreading the belief that SA is facing red meat shortages — in spite of the 220 000-carcass meat mountain — but farmers can be expected to dig their heels in against a drastic reduction in their livestock herds.

Organisation of Livestock Producers (OLP) executive director Roy van der Westhuizen believes new legal restrictions on livestock producers will not solve the problem. He also feels that it would be impossible to effectively determine the grazing capacity of all SA farms.

"Once again, the system is to blame. Farmers are encouraged by the meat scheme to have more stock on their farms than should be economically feasible. Short-term gains made possible by the system lead to long-term deterioration of the environment — and the industry." He says structural factors encourage them to seek short-term gains.

"For example, the floor price system's interference with the market mechanism — guaranteeing high minimum prices — encourages over-production while restricted

slaughter permits in drought periods prevents the off-loading of excess stock when the veld needs the rest."

But the agricultural tax and meat grading systems could be the worst offenders, says Van der Westhuizen.

"The tax system allows farmers to make expensive breeding and general stock purchases while showing nominal stock values in asset statements. Farming profits can, there-

fore, be written off against tax by buying stock. This leads to overstocking and overgrazing," he adds.

As the farmer has to pay tax on stock sales in droughts it is more economical to keep stock and apply for drought subsidies. "The system encourages overstocking and overgrazing," he says.

The meat grading system is also at fault.

"Beef grading and pricing is largely determined by the age of livestock, which is decided by the number of cut teeth. Farmers are encouraged to keep the maximum number of young stock. We should follow the US where meat quality, and not age, determines grade," Van der



Wentzel

Westhuizen adds.

Some instances have come to light where farmers pull the teeth of cattle to make them appear young, falling into a higher grade and price category. An improved grading system would encourage farmers to produce quality meat rather than the maximum number of young stock.

Van der Westhuizen's suggestion is simple: "Deregulation of the meat scheme would be the natural solution."

RETAILING

Still Game

Natal-based discounter Game is hitting the expansion trail at the height of what must rank as some of the toughest times SA retailers have yet experienced.

Turnovers are dropping sharply, margins have been squeezed, stock losses through shrinkage are climbing and, on top of it all, retailers are now faced with the new threat of consumer boycotts.

Shrugging aside the difficulties, Game opens a new 10 000 m² three-store complex in Durban's Umgeni Road next month, on which start-up costs have been estimated at R9m (see *Property*).


Cold shoulder for Meat Board

3-meat
by

Kashvina Jaga

STAR 14/9/85

WEEKLY SHOPPING BASKET

	PICK 'N PAY RANDPARK	CHECKERS CRESTA	OK BAZAARS CRESTA	STEVE'S SPAR BLACKHEATH	AVERAGE PRICE	AVERAGE PRICE SURVEYED ON SEPT 3 1985	PERCENTAGE DIFFERENCE
BREAD: White	63c	63c	63c	58c	62c	62c	—
Brown	43c	43c	43c	38c	42c	41c	+2,4
MILK: 1 l	79c	79c	79c	77c	79c	79c	—
EGGS: ½ doz large	66c	67c	68c	68c	67c	67c	—
MAIZE MEAL: 2,5 kg Iwisa	R1,59	R1,62	R1,62	R1,59	R1,61	R1,60	+0,6
MARGARINE: 500 g Rama	R1,29	R1,42	R1,42	R1,39	R1,38	R1,39	-0,7
CHEESE: 1 kg Elite Gouda	R6,79	R6,92	R6,92	R6,92	R6,89	R6,92	-0,4
JAM: 900 g Koo Smooth Apricot	R1,39	R1,59	R1,45	R1,59	R1,51	R1,51	—
SUGAR: 2,5 kg Huletts	R1,99	—	R2,09	—	R2,04	R2,08	-1,9
TEA: 100 tagless teabags Joko	R2,79	R3,05	R2,99	R2,79	R2,91	R2,86	+1,7
COFFEE: 250 g Nescafe Classic	R5,39	R5,69	R5,59	R5,35	R5,81	R5,46	+0,9
CEREAL: 500 g Kellogg's Cornflakes	R1,22	R1,25	R1,45	R1,35	R1,32	R1,29	+2,3
COOKING OIL: 750-ml Olé	R1,99	R2,09	R2,29	R1,99	R2,09	R2,12	-1,4
RICE: 1 kg Tastic	R1,69	R1,69	R1,75	R1,69	R1,71	R1,71	—
SALT: 1 kg bag Buffalo	46c	52c	53c	46c	49c	50c	-2
MEAT: 1 kg Chuck	R4,09	R4,59	R4,59	R3,98	R4,31	R4,31	—
1 kg Rump Steak	R8,38	R8,48	R6,45	R7,88	R7,80	R7,43	+5,0
1 kg Lamb Braai Chops	R7,88	R6,89	R6,98	R6,98	R7,18	R7,71	-6,9
1 kg fresh Chicken	R2,29	R2,39	R1,95	R2,29	R2,23	R2,36	-5,5
250 g Eskort streaky Bacon	R1,79	R1,84	R1,89	R1,79	R1,83	R1,83	—
1 kg Deep Water Hake Fillets I&J	R2,99	R3,59	R3,69	R2,99	R3,32	R3,32	—
VEGETABLES: 1 kg Potatoes	39c	69c	39c	49c	49c	54c	-9,3
1 kg frozen Peas Table Top	R3,39	R2,89	R3,59	R2,89	R3,19	R3,07	+3,9
CANDLES: 450 g Buffalo	92c	99c	95c	94c	95c	96c	-1,0
WASHING POWDER: 1 kg Surf	R2,19	R2,29	R2,25	R2,23	R2,24	R2,27	-1,3
SURVEY: SEPT 10 1985					PRICES EXCLUDE GST		

This week's Star survey establish that meat bargains were unchanged at four north-western stores: supermarkets were not buying and selling the Meat Board's surplus meat mountain.

Reports say the three biggest supermarket chains are not buying the Meat Board's surplus frozen beef.

One of the reasons given s supermarkets "are not prepared to sell sub-standard meat".

Meat bargains:

● Pick 'n Pay, Randpark — lamb leg chops R5 89, silverside roast R4 99, budget braai R2 59, regular ground beef R3 29, pork shoulder chops R3 99.

● Checkers, Cresta — chicken livers R3 27, pork ribs and rashers R3 44, leg of pork R3 48, pork chops R3 99, bulk braai pack R4 28.

● O K Bazaars, Cresta — lamb braai chops R5 98, bulk lamb pack R4 98, breakfast rashers R3 29.

DECREASES

● Steve's Spar, Blackheath — stewing beef R2 79, pork packs R2 98, beef mince R2 99, prime rib and chuck roast R3 29.

The price of rump steak increased this week by 5 percent while lamb braai chops went down by 6,9 percent. Chicken decreased by 5,5 percent.

The bargain price for rump steak was R6 45 at O K Bazaars, Cresta and R6 89 for lamb braai chops at Checkers, Cresta.

Margarine was a real bargain with two stores selling it at special prices of R1 29 and R1 39.

Sugar was also down: with Pick 'n Pay offering R1 99.

Potatoes were a bargain with two stores selling them at 39c a kilo.

Other items which decreased in price were cooking oil, potatoes, candles and washing powder.

Frozen peas, brown bread and cereal shot up by 3,9 percent, 2,4 percent and 2,3 percent respectively.

All survey items exclude the 12 percent GST payable on some items.

Walkout at abattoir as meat supply crisis looms

17/9/85 STAR

3-Meat

By Jackie Unwin and Colleen Ryan

The meat industry is heading for a crisis as dissatisfaction steadily mounts over the Meat Board's handling of the supply situation.

This morning meat traders walked out of auctions at the City Deep Abattoir and claimed the board was holding back supplies. There is speculation the board is unable to issue sufficient permits for slaughtering of stock and that a shortage of fresh meat could develop. Supplies at City Deep in the past few days have been considerably less than normal, said one source in the industry.

The Meat Board's scheme to sell its surplus frozen meat is also under fire.

Supermarkets and butchers have criticised the board's handling of the discount scheme which they claim is strangling the trade and benefiting only affluent consumers.

The country's 6 000 butchers, represented by country and city federations, are threatening to act against the board.

BUTCHERS MEET MINISTER

Yesterday the Federation of Country Butchers met the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, to discuss the crisis situation in country areas. Country butchers have been hard hit by the economic recession and recent consumer boycotts.

The SA Federation of Meat Traders, representing urban butchers, is also dissatisfied and likely to strongly back country butchers.

The major supermarket chains have also strongly criticised the Meat Board and refused to participate in the discount scheme.

The Meat Board launched the discount scheme in the urban areas last week in a bid to clear its 210 000 surplus of frozen, deboned beef carcasses. It is selling 25 kg boxes of meat direct to the public at cost price and has also promised to sell meat at discount prices to the trade.

Butchers claim that the Board is reserving the best meat for itself and is offering only low quality meat to the trade.

A Meat Board spokesman, Mr Koos Blignaut, said the scheme was intended to bring maximum benefit to farmers and consumers.

If consumers could not afford 25 kg cartons, they could buy in conjunction with friends.

Board is jeopardising trade, say butchers

18/9/85
STAR

By Jackie Unwin

3-Meat

Butchers are up in arms over the Meat Board's handling of the meat supply situation, claiming it has put the trade in jeopardy.

But the Meat Board says it is marketing the surplus frozen beef gradually not to disrupt the trade.

A shortage of fresh meat is also feared but the Board is issuing more slaughter permits to ensure there is sufficient meat available. The Board has, however, warned that because breeding stock had been slaughtered, there would be shortages in the future.

EMERGENCY MEETINGS

Two emergency meetings are to be held today by the Federation of Country Butchers and the SA Federation of Meat Traders to discuss the action they will take against the Board.

Butchers have reported a drop in turnover since the Meat Board started its discount sale of surplus frozen beef direct to the consumer.

Mr Eddie Bielovich, chairman of the Meat Traders' Federation, said his group was opposed to the principle of a quasi-government organisation such as the Meat Board competing directly with the retail private sector.

Meat buyers were buying meat at the City Deep Abattoir today, following yesterday's walkout when it was claimed only half of the slaughtered meat available was put on auction.

The rest of the meat was held back and butchers claimed this would have increased prices and stopped buying.

Mr Bielovich said there were sufficient supplies today with the 1 400 carcasses slaughtered on Monday and some meat brought it from neighbouring abattoirs.

"Prices were slightly up early this morning", he said, "but these should come down later today. Some butchers want to go back to their businesses early and are willing to pay extra."

The manager of the abattoir had no comment. But yesterday a spokesman for the Abattoir Corporation said the shortage and the decision not to slaughter cattle yesterday had nothing to do with the discount scheme. It was for economic reasons.

A total slaughter of 6 000 cattle is expected this week at City Deep, which is less than normal.

Dr P H Coetzee, general manager of the Meat Board, said a few farmers had cancelled their slaughter permits last week.

To supplement supply, a further 200 permits had been issued on Monday and yesterday to ensure there were sufficient cattle available for the fresh meat market.

"As far as is humanly possible we will supply the butchers with the same number of slaughtering cattle they have been taking up over the last two months," Dr Coetzee said.

STIMULATING CONSUMPTION

He said the discounting of the frozen meat was intended to stimulate the consumption of red meat "and we are doing that".

He said a number of consumers who had placed orders said they had stopped eating red meat because they could not afford it.

CHE Times

18/2/85

3 meat

Meat Board angers butchers

By ROGER WILLIAMS
Chief Reporter

ANGRY Western Cape butchers yesterday slated the Meat Board's "unrealistic" scheme to move the country's massive surplus of frozen meat, while the industry country-wide was reported to be heading for a crisis over the issue. The scheme was said to be not only short-circuiting the retail trade but also to be causing confusion and inconvenience among consumers, to whom the surplus meat is theoretically being made available direct, at below cost. The surplus of 210 000

carcasses, said to be worth R100-million, is a result of three years of drought, and of farmers having been forced to get rid of stock because of shortages of fodder and money.

A prominent Sea Point retailer, Mr Chris Joubert, who was for many years chairman of the Retail Butchers' Association of the Western Cape, said the way the Meat Board, through its general manager Dr Pieter Coetzee, was treating the public and the trade was "an absolute disgrace".

Mr Joubert said Dr Coetzee's scheme indi-

cated how "completely out of touch with the trade and with the consumer" the board was. "Under the board's scheme, a Cape Town consumer is required to dial one of three numbers, in Pretoria or Johannesburg, to then be allocated a number for presentation at the Meat Board's offices in Maitland, in exchange for the cash purchase of a maximum of two 25kg cartons of frozen meat.

'Distrust'

"This whole cumbersome procedure could have been avoided by allowing the retailer a 10 percent discount for fetching the cartons and selling the meat to the public in the normal way, at the same price. The fact that this has not been done indicates that the trade is being unjustifiably held in distrust by the board, and we find this disgraceful. In Johannesburg, supermarkets and butchers yesterday criticized the board's handling of the discount scheme, which they claimed was strangling the trade and benefiting only affluent consumers.

It was also reported that the country's 6 000 butchers, represented by country and city federations, were threatening to act against the board.

The Federation of Country Butchers met the Minister of Agricultural, Economic and Water Affairs, Mr Greyling Wentzel, to discuss the crisis in country areas.

Butchers claim the Meat Board is reserving the best meat for itself, and is offering only low-quality meat to the trade.

Shortage

A board spokesman, Mr Koos Blignaut, said the scheme was intended to bring maximum benefit to farmers and consumers. If consumers could not afford 25kg cartons, they could buy in conjunction with friends.

Sapa reports from Johannesburg that meat traders walked out of auctions at the City Deep abattoir yesterday, claiming the board was holding back supplies.

There is speculation that the board is unable to issue sufficient permits for slaughtering of stock and that a shortage of fresh meat could develop. Supplies at City Deep in the past few days have been considerably less than normal, one source in the industry said.

Meat Board manager must quit, say country butchers

19/9/85 3-MEAT STAR

In a shock announcement yesterday the 3 000-strong SA Federation of Country Meat Retailers called for the resignation of the general manager of the Meat Board, Dr Pieter Coetzee.

Yesterday the country retailers, who are strongly opposed to the board's sale of frozen meat directly to the consumer, said they would request Dr Greyling Wentzel, the Minister of Agriculture, Economics and Water Affairs, to ask for Dr Coetzee's resignation.

But the Minister told *The Star* last night: "Dr Coetzee is an official of the Meat Board, which is an autonomous body."

He said he had assured the Federation of Country Meat Retailers at its meeting on Monday that he would let the meat discount scheme continue for three weeks. If it was not a success it would be reviewed.

The federation proposed yesterday its members offer fresh meat for the next four months as cheaply as possible, starting

with a month-long discount scheme of 5 percent on 5 kg purchases.

Dr Coetzee said last night the announcement of the country butchers' discount scheme proved the Meat Board was achieving the target it had set "to make meat cheaper in South Africa".

But the federation said the Meat Board scheme endangered the livelihood of the small trader. It claimed consumers were holding back expecting to benefit from the discount scheme.

EXTREMELY DETRIMENTAL

In a separate Press conference the South African Federation of Meat Traders, which represents the urban retailers and has a membership of 3 500, said "the actions of Dr Coetzee have been extremely detrimental to the retail trade since he has been general manager for the last three years".

Although it could not join the country butchers at this stage in their call for the resignation of Dr Coetzee until after an ex-

ecutive meeting, it urged the Meat Board to end its scheme immediately.

The two organisations have criticised the board for competing with the trade and claim some butchers' turnover has dropped 60 percent since the scheme started.

The Federation of Country Retailers said Dr Coetzee was "no longer acceptable to the trade".

The executive committee of the federation said the situation "cannot be allowed to continue since the clashes and accompanying negative publicity are seriously affecting the long-term future of red meat as a consumer article".

It called for the Minister to appoint two leading figures in the industry to bring the principle of economics back into the scheme of selling red meat.

"It is our considered opinion that the scheme of selling red meat to the consumer in South Africa is outdated, creates conflict and cannot compete favourably with other products in the market."

EL butchers concerned about meat sale plan

3-Meat

DISPATCH

19/09/85

Dispatch Reporter
EAST LONDON — Local butchers yesterday expressed doubt and concern at the Meat Board's handling of its stockpile of frozen red meat recently released onto the market.

Most of the butchers were unsure if the meat, once ordered from the Meat Board, would arrive in East London.

A Quigney butcher said yesterday that he knew of several butchers who had already ordered some of the frozen meat stock from the Meat Board's surplus and who would, if the meat arrived here, sell it at a discount to consumers.

Commenting on the consumer demand for this discount stock, he said that when the Meat Board had released a stockpile onto the market previously the consumer demand for the

cut-rate meat had been "enormous".

He added though, 'that in the case of some meats which had to be thawed before selling, there was a definite loss in flavour and quality.

The chairman of the East London Meat Traders' Association, Mr D. Meyer, was unable to comment yesterday and said he would release a statement today.

Under the scheme, consumers can buy a minimum of one carton, and a maximum of two cartons of meat at a time, at less than cost price, direct from the Meat Board.

Each carton consists of about 25 kg of one cut of meat.

Consumers place orders for meat by telephoning a Johannesburg telephone number. They are later advised when and where to fetch their order.

A proportion of the stockpile has been made available at a discount to the meat trade.

Meanwhile, Sapa reports that the Country Meat Retailers said in Pretoria yesterday they disapproved of the method of sale of frozen meat by the Meat Board directly to the consumer because an undertaking had been given that this meat would be offered to the trade.

The retailers said the Meat Board had not, however, carried out this undertaking given by its chairman.

The retailers said only factory quality meat had been offered to the trade. The prices of the various cuts offered by the board were in some instances higher than the prices of fresh meat offered by the trade to the public. — Sapa

Agricultural Union defends Meat Board

(3-Meat) Pretoria Bureau STAR

The South African Agricultural Union has entered the squabble in the meat industry by publicly defending the Meat Board's beef discount scheme.

The SAAU says it deplores the "unjustified attacks on the Board and its general manager".

This week the SA Federation of Country Meat Retailers called for the resignation of the general manager, Dr Pieter Coetzee, claiming the board's direct meat selling scheme was endangering the livelihood of small traders.

The SA Federation of Meat Traders, which operates in the city areas, has also criticised Dr Coetzee.

DIFFICULT TIMES

The SAAU said in a statement yesterday that it fully supported the Board's discount scheme to provide cheaper meat to consumers.

"The union has sympathy with the meat trade, which is struggling like all enterprises in difficult times. However, the union deplores the unjustified attacks on the Meat Board and its general manager, who in a very sensitive situation has to deal with conflicting factors in the meat industry while subjected to pressure on all sides," the SAAU said.

"In the past, when similar projects were launched by the Board to make available meat at discount prices through the trade, there were complaints that the benefits did not reach the public."

'Meat Board has coped well with difficult situation'

3-Meat

STAR 20/9/85

The Meat Board has succeeded extremely well in coping with a situation which could be regarded as the worst in history, said the public relations officer of the board, Mr Koos Blignaut.

"I do not think any official of the board can be blamed for drought, recession and the inflation rate."

EXTREMELY DIFFICULT

Mr Blignaut was responding to the country butchers' call for the general manager of the Meat Board, Dr Pieter Coetzee, to resign.

He said the three-year period during which Dr Coetzee had been general manager had been extremely difficult for the meat industry.

"Yet the auction price of meat only increased by six percent over three

years. Is there any other product where the producers' price has risen so slightly with an inflation rate of 16 percent?

"It has never been necessary for any meat producer in this country to shoot their animals in their thousands and bury them. This happened in Australia as it was not economic for farmers to market their animals because there was such a surplus."

He said the problems the meat industry in South Africa was experiencing were similar to those faced all over the world.

"The EEC has the biggest surplus in history. But the only difference is our scheme within which framework the board must operate does not allow for any State subsidies."

He said the frozen meat surplus discount scheme, which triggered the meat traders' call for Dr Coetzee's resignation, was not meant to compete with the trade.

"We stated from the outset that we would make the meat available to the public with the specific intention of doing it gradually so as not to interfere with the normal trade."

"This is why we have only three telephone numbers countrywide through which the surplus meat can be ordered in spite of the demand for more telephones and postal orders and physical sales at the depots."

Mr Blignaut said the Meat Board was only selling about 15 tons of frozen meat a day. A conservative average daily consumption of meat in the country is about 1 500 tons. "This could hardly be called interference."

He said the board "applauded" the country butchers' move for their own five percent discount.

Meyer slams Meat Board sale scheme

Dispatch Reporter

EAST LONDON — The chairman of the East London Meat Traders' Association, Mr Dennis Meyer, has slammed the Meat Board's new meat sale scheme. 20/09/85

The scheme, which allows private consumers to buy meat at less than cost price from the board, was disruptive to the meat trade, Mr Meyer said.

"The State President emphasised in his Rubicon speech that the government supported private enterprise, yet the Meat Board has cut out the private sector and is supplying super, prime and 1A beef directly to the public. Is this an overnight change in government policy?" Mr Meyer asked.

He said the Meat Board had offered meat traders topside, silver-side, striploin and other cuts — all third grade meat — for which there was no public demand.

"It is also against the Meat Board's policy of

promoting the top grades of meat.

"What the board has done is offer the consumer the superior cuts and meat traders the inferior cuts at a 10 per cent discount," Mr Meyer said.

He said the super grade meat offered to butchers, such as hind quarter flank, was only used for mince and sausages. DISPATCH

Mr Meyer said: "Certainly the South African Federation of Meat Traders agreed that only two cuts would be released to butcheries each week. This was done in the interests of producers so as not to disturb the normal fresh beef market auctions.

"Yet, only third or first grade meat cuts which are not in demand are offered to the trade, such as third grade topside and first grade hindquarter flanks."

He said consumers ordering rump, fillet and striploins directly from

the Meat Board would have a detrimental effect on the market prices of beef at abattoirs.

"This will clearly disrupt the entire South African meat scheme," Mr Meyer said.

He emphasised that although the East London Meat Traders' Association was not against the consumer buying low priced meat, they felt it should be done in such a way that private enterprise was not detrimentally affected.

"East London meat traders are shocked that after two months of a boycott by black consumers, the board still insists on selling directly to the public," Mr Meyer said.

Under the scheme, consumers can buy a minimum of one carton and a maximum of two cartons of meat at a time directly from the Meat Board. Each carton consists of about 25 kg of one cut of meat.

Direct meat sales to go on into 1986

Mercury Reporter

THE scheme to get rid of a 37 000 ton meat mountain direct to the public will probably continue into next year, a Meat Board spokesman, Mr Koos Blignaut, said yesterday. The meat will continue to be sold at floor price which excludes the cost of deboning, usually about 20 c a kg; cold storage, 15 c a carton a week; a handling fee of 20 c a carton; and the abattoir levy.

The Mercury's home economics expert, Mrs Dorothy Reeves, who tested some of the surplus rump steak, has found that although the meat is a little tough from being frozen immediately after slaughter, it is 'juicy and has good flavour'.

'The meat can be marinated to tenderise it, otherwise it's perfectly acceptable. It would be better if it had been allowed to ripen before it was frozen,' she said.

But she criticised the selling of the meat in frozen 25 kg blocks.

'Not many housewives can tackle a large chunk of frozen meat without the proper equipment, and I doubt whether many would ask their butcher to do it.'

Turned down

Consumer advisers also expressed concern that housewives could be forced to defrost the meat entirely for cutting and then refreeze it, which causes the meat to lose its juices and gives bacteria time to settle.

Meanwhile, Mr Blignaut has slammed the 'holier than thou' attitude adopted by country butchers in criticising the scheme to sell the surplus.

They had been offered the meat but had turned it down and then later pushed to buy it at a 25 percent discount as soon as the board's scheme to sell direct to the public was announced, he said.

He also denied rumours that the head of the board, Dr Pieter Coetzee, would meet top butchers to discuss handing over the remainder of the surplus.

Meat sold so far has brought about R250 000 into the board's coffers.

Agricultural union backs up Meat Board

PRETORIA—The S A Agricultural Union, through its national meat committee, supported the project launched by the Meat Board to provide the consumer with cheaper beef, according to a SAAU statement issued yesterday.

In fact, the Meat Board had been asked to do so by the SAAU, the statement said.

In the situation of continuous marketing pressure that reigned as a result of the drought, the over-supply of beef had been bought in with the farmers' own stabilisation fund, it said.

Owing to the easing of marketing pressure these supplies could now be offered gradually, in such a way that the consumer benefitted from the lower prices and the flow of fresh meat was not interrupted.

In the past, when similar projects were launched by the Meat Board to make available meat at discount prices through the distribution trade, there had been much complaint that the benefits did not reach the public.

The union had sympathy with the meat trade, which was struggling like all enterprises in these difficult times, and in particular with the rural butcher, as the price of cattle was still rising, the statement said.

However, the SAAU de-

plored the unjustified attacks on the Meat Board and its general manager, who in a very sensitive situation had to deal with conflicting factors in the meat industry while constantly subjected to pressure on all sides, the statement added. — (Sapa)

Hurwitz slates meat scheme

Pietermaritzburg Bureau

SOUTH Africa's agricultural marketing system, characterised by price spirals that outstrip any other consumer price increases, has largely failed, the national chairman of the Housewives' League, Mrs Joy Hurwitz, said here yesterday.

Speaking at the Organisation of Livestock Producers' seminar, Mrs Hurwitz said the huge red meat stockpile, flagging consumer demand and continual high prices bore ample testimony to the faults in the present meat scheme.

In a recent national survey to gauge consumer opinion as a result of growing criticism of the meat industry, it was found that 90 percent of those interviewed said they had cut down on their consumption of red meat mainly because of its high price.

Restructuring

Mrs Hurwitz said housewives were struggling to maintain living standards.

In her address she said a drastic restructuring of the industry was urgently required.

The general manager of Stockowners, Mr Val Field, told the seminar South Africa's livestock marketing system had come under the most intense pressure and scrutiny over the past two years.

He said criticism of meat marketing was reaching 'near hysterical' proportions.

In the heat of the crisis one could not overlook the fact that the industry had just come through the worst drought in history during the longest depression in history and that the over-supply of red meat to the marketplace had resulted from a reduction of national livestock numbers.

The general manager of the Meat Board, Dr P Coetzee said the meat industry remained a large and vital one and probably because of this it was exposed to more criticism than many other industries.

Butchers report drop in sales as Meat Board scheme is slammed

By Maud Motanyane and Jackie Unwin
3-Meat

Consumer bodies and farming organisations agree that the discount scheme launched by the Meat Board does not provide an answer to the meat crisis, but they do not support a call for the resignation of the board's general manager, Dr Pieter Coetzee.

About 6 500 butchers are up in arms over a situation they described as "the worst yet experienced in the meat retail trade".

Since the scheme was launched recently, some butchers have reported drops in turnover of up to 60 percent.

This is despite efforts by the Meat Board to release the surplus gradually and not disrupt the trade. Last week, two of the federations representing

decent discount and let everyone have access to the meat," said Mr van der Westhuizen.

"I agree that this would upset the market, but to counter that, the board should allow fresh meat to drop to below floor price at the abattoir.

"What the farmer loses can be supplemented from the stabilisation fund."

Mrs Hurwitz criticised butchers for not taking part in the distribution of the surplus meat.

The fact that the meat was being sold only in 25 kg boxes was because the trade would not take part, she said.

"If it had participated in the scheme, we could have had the meat cut up and distributed it to the poor."

The butchers pointed out that:

country and urban retailers strongly condemned the Meat Board scheme and said it was threatening the small trader who was already struggling for survival.

The Federation of Country Butchers called for Dr Coetzee's resignation and the restructuring of the marketing system.

The country butchers are particularly furious because they, through levies on their sales of red meat, have contributed 39 percent of the stabilisation fund and have already partially paid for the "meat mountain".

Members of the Federation of Meat Traders, operating in controlled areas, do not have to pay levies to the stabilisation fund, but are equally incensed with the board's performance.

Both the Housewives' League and the Organisation

● A study had proved that butchers had to make a gross profit of 25 percent in urban areas and 20 percent in the rural areas just to break even.

This is why the trade had rejected the board's offer that it distribute the surplus at a discount of only 10 percent, because this would not have covered the distribution costs.

● Consumers, who were under the impression that they could buy the inexpensive frozen meat, had cut back on buying fresh meat.

● The involvement of a "quasi-government body" in the selling of meat was contrary to the Government's stated policy of deregulation and the promotion of small business.

● The board had an unfair edge on the trade because it did not have the same overheads.

of Livestock Producers (OLP) feel that Dr Coetzee should not be made a scapegoat of board decisions.

"He is an administrator and everything that is approved at board level is approved by a vote of the sitting members. What happens in the meat industry can be attributed to those members and not to the manager who only carries out policy," said the league's president, Mrs Joy Hurwitz.

The Livestock Producers' executive director, Mr Roy van der Westhuizen, said he did not believe the discount scheme could work.

He said the board was offering insufficient discounts and there were too many complications. This defeated the whole purpose, which was to get rid of the surplus to the benefit of the consumer.

"The whole thing should be thrown open — give a



From left: Johnny Chidrawi — "It is doing us an enormous amount of harm"; George McGregor — "It is not fair for the Meat Board to compete with the trade"; Barry Lockyer — "I feel the consumers are being misled".

Butchers hit out at Meat Board: prices up despite surplus

By Maud Motanyane and Jackie Unwin

Consumers are baffled by the increase in beef prices when they know surplus meat is being sold at a discount — and butchers fear their customers feel they are being "ripped off."

Butchers, who can buy the frozen meat only in limited weekly batches, have claimed that only low grade meat and some less popular cuts were offered to them by the Board.

Johannesburg butchers surveyed by *The Star* this week said they had rejected the low quality meat because it would not be acceptable to customers.

Checkers, which was allowed only 11 tons of frozen beef, processed it into poerwors sausages. "As a rule, we do not sell frozen meat on our

counters," a spokesman for Checkers said.

Mr Johnny Chidrawi, manager of the Meat Counter, Florida, said: "The public has been asking us for the surplus meat. When frozen surplus was offered two years ago, we sold a large quantity at the recommended price. We cut it into portions and packed it for our customers.

"We were prepared to do the same this time and people have automatically come back to us looking for the meat. The only meat made available to the trade is third grade beef. We do not sell that quality and our customers do not want that quality."

"If we do us an enormous amount of harm. We are in a position to sell the meat at a nominal profit to those who do not have the freezing capacity or the money to outlay on buying meat in bulk."

3-Meat

Mr Barry Lockyer, butcher at the Spar in Blackheath, said it was believed that the fresh meat was being held back deliberately. He said the price of meat had gone up and his turnover had dropped because of the increase in the fresh meat price.

"I feel the consumers are being misled. It's amazing the number of customers who come to me and ask for the cheap meat. Then they see that the meat in the counter is more expensive than usual."

Mr George McGregor of McGregor's Meat Market, Yeoville, said beef was between 80 cents and a R1 a kilo more expensive than about a month ago.

He felt it was not fair for the Meat Board to compete with the trade. "It does not have to maintain staff, obtain licences and it has no shop rent to pay. The machines in this shop cost R80 000."

'Drought' of beef is here, say butchers

The forecasted beef shortage appears to have arrived, with the numbers of cattle being sent to the abattoirs dwindling and fresh meat prices rising.

The Meat Board is still selling its surplus mountain of frozen meat direct to consumers, and only supplying rationed portions of meat, which butchers claim to be lower grade, to the trade.

An eventual shortage of meat was feared as during the drought farmers were forced to send their breeding cattle to be slaughtered. Now, because rains have fallen, farmers are holding back their stocks.

"It is a very disturbing situation," said Mr Eddie Bielovich, chairman of the South African Federation of Meat Traders.

"On the one hand the butchers cannot get enough fresh supplies and are paying through their noses for what they can get. On the other hand we cannot get the frozen surplus meat."

He said a number of farmers had cancelled their slaughter permits and stock was just not coming to the abattoirs.

SHORTAGES

Last week at City Deep abattoir, where normally there are between 7 000 and 7 500 carcasses, there were only 5 100. He said shortages were being experienced at other centres. In Benoni there was no beef at all on Friday and Monday and in Springs there was very little available.

"We have a situation where a few privileged consumers who can afford to buy this frozen meat in bulk are being subsidised by the poor consumers. Those who cannot afford to buy a box of meat but only their normal supplies are being forced to pay higher prices for their meat."

The Meat Board had rejected a proposal made at the butchers' recent congress in Port Elizabeth that the surplus meat be kept for the forecasted shortage. The Meat Board is satisfied its discount meat scheme is working according to plan. This week the board's general manager, Dr Pieter Coetzee, said that since the scheme started on September 11 more than 2 000 cartons had been sold to the public and approximately 114 tons to the trade.

● See Page 13.

Lamb at 'cut-throat' price as other meat goes up

by
Kashyina Jaga

The price of lamb dropped by 10 percent this week while other meat prices went up. The Star shopping-basket survey at four north-western stores has found.

All prices in the survey exclude the 12 percent GST payable on some items. 28/9/85

The drop in price can be attributed to the inclusion in calculations of the low price marked at Pick 'n Pay, Randpark Centre — R4,99 a kilogram for lamb braai chops. Butchery managers at other supermarkets claimed that this price was unusual, as the cost price of lamb was more than R4.

The butchery manager of O K Bazaars, Cresta, Mr Brian Barnes, said he did not understand how lamb could be marked so low as the cost price of lamb was R4,46 a kilogram.

SPOT CHECK.

"To sell super or first grade lamb at R4,99 would mean a very low profit margin," he said.

A spot check of another lamb price revealed that the prices at the four stores were similar.

Leg of lamb at Pick 'n Pay, Randpark — R6,98; Checkers, Cresta — R6,59; O K Bazaars, Cresta — R6,99, and Steve's Spar, Blackheath — R6,58.

The price of chuck increased by 3,2 percent and rump steak 2 percent. Chuck's best price was R4,05, and rump steak R8,28, at Steve's Spar.

Other items which dropped in price included eggs, margarine, jam, tea, coffee and cereal.

Significant price decreases were fresh chicken — 6,3 percent, tea 2,6 percent, and margarine 2,2 percent. The cheapest price for fresh chicken was that of the Rainbow brand, selling at R1,89 a kilogram. The best tea price was R2,79 and margarine R1,29.

Shortage of fresh beef? Not really, says Meat Board

3-Meat

STAR 28/9/85

— by —
Jackie Unwin

The general manager of the Meat Board, Dr Pieter Coetzee, has denied that there is a shortage of fresh meat, and says he cannot understand why the price has shot up — unless there has been “manipulation”.

Butchers walked out of the auction at the Pretoria abattoir yesterday because the prices were sky high, said Mr Marthinus Bester, chairman of the Pretoria and District Retail Master Butchers' Association.

Dr Coetzee has given to prove that there is no shortage of fresh meat.

He said that in Pretoria the quota for the five days this week was 2 178 beef carcasses. But farmers cancelled 231 of these.

“So we supplemented with 400 animals obtained from farmers who had cattle available. Altogether we eventually had 2 074,” said Dr Coetzee.

“Yesterday, we offered 357 carcasses. The trade bought 262, then walked away from the auction. We had to close it down.

“On Thursday the super-grade beef prices were between R2,73 and R2,84. Yesterday, when the trade walked away, there were carcasses still available. Yet the price shot up to R2,90 and R2,93.

“You should put the question: ‘Why are the prices so high?’ to members of the retail trade.

What sort of game are they playing?

“The normal rules of supply and demand should apply. If there is more supply than demand, the price must come down. But it went up.”

Mr Bester said: “We were having to pay nearly R3 a kg for super beef in Pretoria yesterday. I just bought a little and left.”

He said that before the Meat Board's discount meat scheme was launched four weeks ago, meat could be bought at R2,40 a kg — almost floor price.

“If I could still buy meat at that price, I could give the Meat Board a go at the prices they are selling the frozen meat.

“The board had to do something to get rid of the surplus. If you read between the lines, they may not be giving the full quota to the farmers to send in their beef. If there was enough fresh meat on the market at a reasonable price, they would not be able to sell the frozen meat.”

Mr Eddie Bielovich, chairman of the South African Federation of Meat Traders, said: “Butchers have been battling for two weeks to build up supplies. The markets have not been full. Only towards the end of this week did we get reasonable numbers of cattle. The trade cannot wait until Friday to buy.”

He denied that there was any “manipulation” from the trade side. “It is not in our interests to

manipulate the prices upwards. It is an auction sale.

“I fail to see how you can manipulate auction prices upwards unless there is massive collusion. There is too much competition for that.”

He said it was obvious that the frozen meat discount scheme was one of the major factors causing prices to rise.

Mr Bielovich said he had heard reports, from places such as Kimberley and East London, that slaughter permits had been cut by 15 to 25 percent.

But Dr Coetzee said in Kimberley last October that the board offered 163 carcasses to the trade daily. It bought an average of 146.

The board has given out permits provisionally for 160 animals a day — 16 more than the trade was taking during the corresponding period last year.

“I have said to members of the trade that if they want us to slaughter more, they must give a guarantee to take more. It is up to them,” said Dr Coetzee.

Pretoria butchers had a meeting this week and plan to make an offer to the Meat Board.

“If the board will supply us with the top grade frozen blue box meat at a 10 percent discount, we will add on 10 percent and sell it to the public at the same price the board is offering it to them,” said Mr Bester.

BUSINESS DAY, Wednesday, October 2 1986

The meat crisis that doesn't exist

3 Meat

THERE is no meat crisis yet the Meat Board wants to get rid of its surplus.

General manager Pieter Coetzee says the board is merely responding to demand by selling the surplus directly to consumers at cost. The only other pressure is the cost of cold storage. Signs point to a possible beef shortage in the near future, he tells *Business Day*, and there will still be a surplus then to keep down prices.

FRED STELINGH

For the past three years drought-hit farmers have been forced to slaughter. Locally, says Coetzee, there is no surplus, but trade agreements with Botswana, Swaziland, Lesotho and SVA have resulted in the situation where 100 000 tons of beef was imported over the same three years that farmers in SA have been making emergency slaughtering. Under "normal" conditions,

Coetzee says, SA is an importing country.

Why, then, all the criticism of the Meat Board? Coetzee seems to think attacks on the board are a combination of misinformation and excess emotion.

"I wish I knew what it was all about."

He quotes figures to support his contention that the board has done a good job.

Consumption of beef, he says, has increased by 15,5% over the past three years, while the auc-

tion price has risen by only 6%. "In real terms, with inflation taken into account, the price of red meat has gone down."

The recent call by the Federation of Country Meat Retailers for Coetzee to resign leaves him "embarrassed", but with no intention of acting on their suggestion.

Butchers are complaining about competition from the board but, says Coetzee, butchers are still supplied with their full fresh quota, "and we're not dictating the mark-up".



● Coetzee . . . dealing with the meat surplus

City butchers unable to match 5 percent discount

3-Meat

STAR

~~3-Meat~~

By Jackie Unwin

3/10/85

City butchers will be unable to follow country butchers' lead in offering a discount of 5 percent on 5 kg or more of fresh meat purchased in October.

This is because the auction cost of beef at the controlled abattoirs has risen so high, while the platteland butchers work on an "entirely different ball game", said Mr Eddie Bielovich, chairman of the South African Federation of Meat Traders.

He said the country butchers bought their cattle live and slaughtered on their own account, whereas city butchers bought through controlled abattoirs.

The price of beef in controlled areas has risen by about 20 percent during the past four weeks due to a shortage of cattle being sent to the abattoirs, claim the butchers.

The country butchers announced their discount scheme at a recent Press conference, when they called for the resignation of the general manager of the Meat Board, Dr Pieter Coetzee, following the launch of the discount scheme to sell frozen surplus beef in bulk direct to the consumer.

They claimed the scheme was in unfair competi-

tion with the trade and benefitted only the more affluent consumer.

Mr Willem Boshoff, of the Federation of South African Retail Meat Traders, representing about 3 000 platteland butchers, said: "We want to promote red meat. It is our business. The fact that the Meat Board is selling direct to the public in direct competition to us is wrong."

Mr Bielovich said: "With the price currently ruling in the controlled market, there is no way the consumer is going to be able to buy fresh meat cheaper when the market has risen more than 20 percent".

He blamed the frozen meat discount scheme for the fresh meat price rise, but pointed out the Minister of Agricultural Economics and Water Affairs, Mr Greyling Wentzel, had said he would let the scheme run for three weeks before reviewing the situation.

The trial period ended yesterday.

"We are waiting in anticipation," said Mr Bielovich.

The controlled meat areas are Cape Town, Port Elizabeth, East London, Bloemfontien, Kimberley, Durban (including Maritzburg and Pinetown) and the Witwatersrand, which includes Pretoria.

Minister to review marketing of beef

By Maud Motanyane

The marketing method used by the Meat Board to sell its frozen surplus beef is to be reviewed by the Minister of Agricultural Economics and Water Affairs, Mr. Greyling Wentzel.

A spokesman for Mr. Wentzel's office said the Meat Board was due to hand in a report today on the scheme which was launched three weeks ago.

Although it expressed concern that the frozen meat was not reaching the poorer consumers, the Housewives League urged the Board to continue with the discount scheme.

"We feel that it only benefits some consumers and our intention has always been to get the frozen meat out in small packs to enable poor consumers to buy it," the League's president Mrs Joy Hurwitz said.

"If the trade had participated when the scheme was still under discussion and not asked for a 25 percent discount, the problem would have been resolved," Mrs Hurwitz said.

Only butchers had facilities to cut and sell the meat in small quantities, she said.

Mr. Eddie Biloviech, chairman of the SA Federation of Meat Traders said the 25 percent discount requested by the trade was to cover operation costs.

● Butchers have reported shortages of red meat at the Witwatersrand abattoirs which have led to price increases.

● See story on Page 8.

Not reaching the needy

Meat mountain sparks criticism

3-Meat STAR 4/10/85

By Maud Motanyane

Consumer bodies have expressed concern that the surplus frozen meat being sold by the Meat Board at reduced prices is not reaching the underprivileged communities who need it most.

The board is still selling the surplus mountain of frozen meat in 25 kg boxes.

The Black Consumer Union (BCU) has accused the board of catering only for the rich and not considering the interests of those who do not have the money to buy in bulk or the transport to get to the abattoir.

Consumers have to place orders by phone before collecting the meat at the abattoir.

"A 25 kg box will cost a lot of money and there are not many Sowetans who can afford it," said the BCU's executive director, Mr Eldridge Mathebula.

Mr Mathebula said that few underprivileged consumers had the freezing facilities to store meat in large quantities.

The Meat Board's public relations of-

ficer, Mr Koos Blignaut, said the surplus meat had always been available to welfare organisations.

He said it was up those individuals who could not afford it to get together and share a box.

The board was doing all it could to distribute the meat fairly, he said.

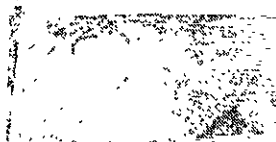
The two leading relief organisations, Operation Hunger and World Vision, have not distributed any of the surplus meat.

Operation Hunger's executive director, Mrs Ina Perlman, said she had been offered some meat but could not afford it.

"Buying the meat at the price I was offered would have worked out at 12c a meal for my people. I could only afford 6c," Mrs Perlman said. Operation Hunger feeds more than 600 000 people throughout the country.

Mr David Cuthbert, of World Vision, said he had turned down the meat offer because of lack of refrigeration facilities. World Vision feeds about 400 000 people in 200 areas.

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Beef exports to boost Zimbabwe economy

Dispatch Correspondent

HARARE — The Zimbabwean economy is all set to benefit from a breakthrough into the profitable European Economic Community beef market — probably worth over R100 million a year to the country in precious foreign currency.

The EEC's veterinary standing committee this week formally approved Zimbabwean beef imports after years of doubts about foot and mouth disease spread by game animals such as buffalo.

The EEC spent R25 million helping Zimbabwe meet its stringent animal health standards. Zimbabwe's cold storage commission will now receive a 8 100 tonnes a year basic export quota for top grade

boneless beef.

This alone is worth approximately R75 million in foreign currency at current exchange rates, and Zimbabwe will probably snap up unused tonnage in the unfulfilled EEC quotas granted to Botswana, Swaziland, Kenya and Madagascar.

All the exports will go direct to Europe by air, making them immune from present doubts about Zimbabwe's access to world markets should South Africa become subject to sanctions. Approximately 90 per cent of Zimbabwe's trade goes by road and rail through South Africa at present.

The EEC beef breakthrough is likely to cause a severe shortage of quality beef for local consumers, but in the

middle and long term may encourage tribal stock owners to fatten and sell their cattle instead of retaining them as draught animals. Over the past five years local peasant farmers have scored notable success in increasing grain and cotton production through increased receptiveness to agricultural advice and availability of "soft" loans.

While Mr Robert Mugabe's government will be keen to sell all the beef it can to gain foreign exchange, cattle men are unhappy that the national herd has been allowed to run down to its present level — 25 per cent of its peak under white rule. They fear for breeding programmes and long-term viability if female stock is slaughtered for quick returns.

DISPATCH 07/10/85
B-Meat

Butchers suggest wide changes in meat marketing

By Jackie Unwin

Butchers are to propose sweeping changes in the Meat Board's function and the formation of a Consumer Meat Institute to promote red meat as a consumer article.

Mr Frans Roelofse, chairman of the action committee of the SA Federation of Country Meat Retailers, said his federation and the SA Federation of Meat Traders, representing the city butchers, would meet in Johannesburg on October 22 to discuss the proposals.

Mr Roelofse said once a decision had been made a delegation would approach the various Ministers involved and the chairman of the Meat Board, Mr Philip du Toit.

He said they were no longer prepared to negotiate with Dr Pieter Coetzee, general manager of the Meat Board, as he was "not interested in the well-being of the small businessman".

Recently the country butchers called for Dr Coetzee's resignation.

"Our problem is that he is not interested in the livelihood or the long term survival of independent butchers. There are about 4 000 independent butchers.

"The whole Meat Board scheme is based on a construction which is now so ancient it is no longer a viable proposition."

He said there were two markets in

the red meat industry. The first, market "A", was where the producer sold his livestock in the uncontrolled and controlled areas to wholesalers and independent butchers.

The second, market "B", was the retail market where the retailer sold pieces of a carcass to the consumer.

"The Meat Board itself consists mainly of producers. But the Meat Board's functions extend to market 'B'.

"We say that is not right. The Meat Board's functions should stop at the point where the carcass goes from the producer to the wholesaler.

NEW STRATEGY

"The Meat Board can play its role in assisting the producer, but I do not think it understands market "B". It is not consumer orientated.

"We have devised a new strategy to promote red meat with the formation of a Consumer Meat Institute, which would become the authoritative body for the trade."

He said the functions of the Institute would be:

- To restore the image of red meat as a consumer article.
- To assist the small businessman in developing his business with better training and access to modern technology.
- To increase the consumption of red meat by moving more into the black market via black entrepreneurs.

Will red meat chicken out in face of opposition?

by

Jackie Unwin

3-Meat

A campaign to promote chicken, which is already strongly competing with the red meat market, is being launched in the Transvaal. 12/10/85

Five chicken producers have combined to advertise and promote their product.

"But it is by no means a Chicken Control Board," emphasised Mr David Kahn, a representative of one of the producers. "It is purely a marketing project."

"The poultry market works very much on a free enterprise system. There is to be no control of prices."

He said over the past eight years chicken prices had risen by 59 percent compared with other products which had risen in some cases by 400 to 500 percent.

Frozen chicken is selling at the moment between R1,79 and R1,89/kg.

Chicken meat is a threat to the red meat market, which is currently experiencing problems with consumer resistance to high prices.

Mr H J Ligthelm of the Directorate of Agricultural Economic Trends said a recent study on the per capita consumption of red meat and white meat over the past two decades showed that chicken meat consumption increased from 2,5 kg a year in 1960 to nearly 14 kg a year in 1981.

In contrast, beef consumption dropped from 28,86 kg a head a year in 1960 to 20,18 kg a year in 1981.

Mutton dropped from 8,53 kg a year in 1960 to 6,54 kg a year in 1981.

A cool look at sales of frozen beef

STAR

3-Meat

12/10/85

Pretoria Correspondent

The Meat Board will announce the future of its frozen beef scheme early next week.

According to a spokesman, the board sat this week to decide just how big a bite frozen beef sales had taken out of the fresh meat market.

Since the start of the scheme almost a month ago the public has bought up just more than 7 000 tons of frozen meat.

This leaves a little under 11 000 tons in the board's freezers.

The spokesman said these sales were minimal when compared to the country's fresh meat sales which average 100 tons a day.

On Wednesday, frozen meat trading was quiet, with only 12,5 tons being sold.

The spokesman said deboned forequarters had proved to be the most popular cut and had made up 22 percent of frozen meat sales.

Topside was next at 20,3 percent, with rump steak third at 18 percent.

Complaints

The general manager of the Meat Board, Dr Pieter Coetzee, said in an interview that depending on how the frozen meat sales affected the market, the board would step up or slow down the scheme.

Since the start of the scheme, butchers have complained about the handling of it.

They have blamed the board

for pushing up the market price of fresh meat.

In answer to the complaints, Dr Coetzee said beef prices had at times gone up as high as R2,90/kg, showing there was a demand for the meat at the market.

But, he added, it was strange that on the same day as the demand rocketed, 95 carcasses were not sold.

On another day, 581 carcasses were offered and only 521 sold, leaving 60 carcasses for the board to remove.

On that day the beef price dropped slightly, to between R2,75/kg and R2,82/kg.

He said if there was a surplus and butchers did not want all the meat offered, then the prices should be almost at the floor price of R2,30.

New deal for frozen meat surplus

THE Meat Board yesterday announced new measures to dispose of its frozen surplus.

In a departure from its earlier decision to sell direct to traders at a discount, it is to sell the surplus at regular meat auctions.

Private consumers are unaffected, however, and may still buy direct from the board.

The measures, which take effect immediately, come in the wake of severe criticism by traders of the board's attempts to dispose of its estimated 37 000 tons of surplus meat.

Protests culminated in a call by the Federation of Country Meat Retailers for the resignation of general manager Pieter Coetzee.

The reserve price on carcasses sold at auction will be fixed at 10% below book value.

Industrial Staff

"The trade may sell this meat to consumers at any price they wish," Coetzee said yesterday.

This is a major departure from the earlier scheme under which traders bought at a discount and were expected to pass on their savings.

Detailing the new measures, Coetzee denied trade accusations that the board was deliberately under-supplying the fresh-meat market to boost frozen meat sales.

He said limited weekly allocations of frozen meat had been arranged in conjunction with the trade to prevent disruptions in the fresh-meat market.

"A large number of producers who had been granted market access, failed to market the number of cattle allocated to them. By neglecting to inform the board

they would not be marketing, we were placed in the unenviable position of not knowing in advance how many cattle would be available for the day's slaughtering."

He said country butchers would be given the same opportunity to buy as other butchers.

"Country butchers will also have ample opportunity to buy. Frozen carcasses will be offered to them at the same price carcasses realise at the nearest market in the controlled area."

Since the introduction of its scheme on September 14, surplus stock had been reduced from 37 000 tons to between 30 000 and 35 000 tons.

The announcement brought only limited reaction yesterday.

A spokesman for the Agricultural Union declined to comment, "before we have time to study the full implications".

PRICE MOVES AT A GLANCE

REUTERS

KEY MARKET MOVEMENTS — OCTOBER 11 to OCTOBER 14										
Gold		JSE	Previous			Latest		Johannesburg Stock Exchange		
\$/oz	R/oz	Krugerrand	\$/R Commercial	\$/R Financial	DM/\$	£/R	3 months B A	All Gold BD Index	Industrial BD Index	JSE Overall Index
326,65	867,59	875	0,3790	0,3490	0,2685	0,2690	15,00	1 067,0	1 081,1	1 197,4
325,80	859,63	856	0,3765	0,3465	0,2657	0,2661	14,95	1 044,3	1 080,5	1 181,5

Butchers can buy frozen stocks on auction

Meat discount scheme revised

3-Meat
STAR
15/10/85

The Meat Board has reviewed its four-week-old meat discount scheme and is to allow butchers to buy meat previously reserved for the public on auction at the controlled abattoirs.

Announcing the revised scheme yesterday the general manager of the board, Dr Pieter Coetzee, said the frozen meat would be auctioned at a maximum discount of 10 percent. "The trade may sell this meat to consumers at any price they wish"

The Meat Board will discontinue selling to traders on weekly allocations, but will continue selling directly to the public.

Mr Tim Davidson, general secretary of the South African Federation of Meat Traders, said the trade welcomed the auctioning of the frozen meat, but was still opposed to the board "competing with the trade" and selling directly to the public.

Dr Coetzee said: "Messages received from individual consumers and consumer organisa-

tions reveal great appreciation and goodwill towards the board for its attempt to assist consumers

"Since the direct sales to the public represent only six percent of total beef sales since the scheme started, the board is satisfied that this could by no means affect the fresh market adversely and hence it is proceeding with this scheme," said Dr Coetzee.

CONCEDED

The board conceded that there was a shortage of fresh beef at the market over the past two weeks but denied that it had undersupplied the fresh market in order to boost sales of frozen meat.

"What has in fact occurred is that a large number of producers to whom market access had been granted failed to market the cattle allocated to them.

"The board was placed in the unenviable position of not knowing in advance how many cattle would be available for the next

day's slaughterings and from day to day had to supplement at the last minute."

To supplement shortages of fresh meat the board has decided, with the approval of the Minister of Agricultural Economics and Water Affairs, Mr J J G Wentzel, to offer some of its frozen carcasses for auction at the markets.

All available types of deboned meat will be offered and the offering will be limited to a small proportion of the relevant market's weekly beef requirements.

Mr Fanie van Rensburg, deputy chairman of the board, said there were clear indications there would be a shortage of fresh meat in the future.

"The cattle population is coming down by the day. Between 38 and 40 percent of cattle slaughtered during the past 18 months were female. Under normal circumstances 22 to 23 percent are females. This obviously must have an effect on the production of beef in years to come."

Meat prices now slightly higher than results of May survey show

by 3-Meat
Kashvina Jaga

Supermarkets in Florida were checked this week by *The Star* weekly shopping basket survey. Prices were surveyed at three stores: Checkers, O K Bazaars, and Pick 'n Pay

The survey noted that the price of certain meat cuts have increased since May this year. The survey done in May, where meat cuts were compared at nine supermarkets in the Johannesburg area, showed that rump steak used to cost around R7 to just over R8, and beef mince around R3 to R4.

At today's prices rump steak has shot up to over R9 a kilo and most supermarkets are selling beef mince at around R4 and above

RUMP STEAK

Florida's prices this week found rump steak selling at R878 at Pick 'n Pay, R915 at O K Bazaars, and R899 at Checkers.


Last week's rump steak prices in the Brixton area were also high. Rump steak cost R858 per kilo at Pick 'n Pay, and R945 at Checkers and O K Bazaars.

Beef mince prices in Florida cost R428 and R499, while last week's Brixton prices were R529 and R479.

The survey also found that prices compared favourably at Florida's three stores. Most items cost the same on average and several basic items like milk, bread and eggs did not differ in price.

Certain bargain items were also noted. Low prices were margarine at R129, coffee R397, cereal R119, salt 46c, and candles 95c.

All items in the survey exclude the 12 percent GST payable on some items.

WEEKLY SHOPPING BASKET				
	PICK 'N PAY FLORA CENTRE	OK BAZAARS FLORIDA	CHECKERS FLORIDA	AVERAGE PRICE
BREAD: White	63c	63c	63c	63c
Brown	43c	43c	43c	43c
MILK: 1 l ^{26/10/85}	79c	79c	79c	79c
EGGS: ½ doz large	66c	67c	67c	67c
MAIZE MEAL: 2,5 kg Iwisa	R1,59	R1,62	—	R1,61
MARGARINE: 500 g Sunshine D	R1,59	R1,29	R1,29	R1,39
CHEESE: 1 kg Elite Gouda	R6,92	R6,92	R6,92	R6,92
JAM: 900 g Koo Smooth Apricot	R1,49	R1,45	R1,59	R1,51
SUGAR: 2,5 kg	R1,99	R2,07	R2,05	R2,04
TEA: 100 Five Roses tagless teabags	R2,95	R2,85	—	R2,90
COFFEE: 750 g Ricoffy	R3,97	R4,29	R4,89	R4,38
CEREAL: 500 g Kellogg's Cornflakes	R1,24	R1,19	R1,39	R1,27
COOKING OIL: 750 ml Olé	R2,09	R2,29	—	R2,19
RICE: 1 kg Tastic	R1,69	R1,75	R1,69	R1,71
SALT: 1 kg bag Buffalo	46c	56c	52c	51c
MEAT: Beef 1 kg Mince	R4,99	R4,28	R4,28	R4,52
1 kg Rump steak	Super R8,78	Super A R9,15	Super A R8,99	R8,97
1 kg Lamb braai chops	A1 R4,99	Super R7,99	Super R7,20	R6,73
1 kg fresh chicken	R1,95	R2,59	R2,39	R2,31
250 g Eskort Rindless back bacon	R1,89	R1,99	—	R1,94
1 kg I & J Yankee Clippers	R1,79	R1,75	R1,69	R1,74
VEGETABLES: 1 kg potatoes	69c	69c	75c	71c
1 kg I & J frozen sliced beans	R3,26	R2,99	R3,05	R3,10
CANDLES: 450 g Buffalo	95c	R1,03	99c	99c
WASHING POWDER: 1 kg Surf	R2,29	R2,25	R2,29	R2,28
SURVEY: OCTOBER 22, 1985 PRICES EXCLUDE GST				

Meat Board gets 2-hats criticism

01/11/85
3-Meat
DISPATCH

While a strong groundswell against control in the meat industry was identified at the bi-monthly Koonap Farmers' Association meeting members seemed to find themselves in a double bind situation for which there seemed no easy answers.

Mr Ted Birch said they had no positive answers except in the Organisation of Livestock Producers (OLP). They must operate within the parameters of organised agriculture and in organised agriculture there was the old direction — control.

The chairman, Mr Geoff Brown, said the spirit among farmers was anti-control and in favour of a free market.

Mr Alf Johnson said farmers would be happy with the Meat Board if they agreed to

two bottom-line adjustments:

- The sale of meat, like chicken, in cafes
- Support for the OLP as an acceptable meat producers' organisation.

He said 1300 and 1500 small outlets throughout South Africa were allowed to sell red meat compared with the 50 000 cafes freely selling chicken.

Mr Johnson said many members of the Meat Board were wearing "two hats." They were also members or involved in co-operatives selling meat.

Members of the board should get off the co-operatives, while top people of the co-operatives should get off the board.

It was to the advantage of these members that red meat was not sold in cafes, Mr Johnson said.

Koonap will not send a formal resolution to the annual East Cape Agricultural Union meat congress at Queenstown in February, but will be represented by Mr Brown and Mr Johnson.

Mutton price up after ~~3~~ rains

DISPATCH
Dispatch Reporter

EAST LONDON — An increase in mutton prices here this week has been attributed to the problems experienced by farmers transporting their stock to the abattoir after the recent heavy rains. 08/11/25

The chairman of the East London Meat Traders' Association, Mr Dennis Meyer, said yesterday that mutton had increased about R1 per kilogram.

He said that many farmers couldn't get their trucks out because of the condition of roads here after last week's torrential downpours.

"The increase in mutton prices is mainly due to the fact that farmers are finding it difficult to load their mutton onto the market after the rains," he explained.

"This will hopefully right itself sometime next week when prices should normalise," he added.

City

News on the bone

ad (Awards 30/11/81)
3 meals

ROBERT HOUWING and HENRI du PLESSIS

Weak and Argus Reporters (CITY consumers will be hit where it hurts most this festive season... on their stoves and braai grids.

The price of meat has risen dramatically in the last month and there are fears of further increases before Christmas.

A spokesman for a department store in Cape Town, who asked that the price of lamb had climbed "considerably" since the beginning of November.

He said a leg of lamb sold for R8,59 a kg on November 2, compared with R8,39 a kg this week. The price of lamb loin chops soared from R7,59 to R9,99 a kg and braai chops from R6,59 to R9,19 a kg over the same period.

City butchers are furious about the exodus of meat from

the Matieland abattoir to other centres which, they feel, is the main cause of the steep increase.

Mr Chris Joubert, city councillor, former chairman of the Meat Traders' Association and a Sea Point butcher, with 30 years' experience, said the council had paid for a new slaughtering line at the abattoir with the object of increasing the slaughtering rate from 5 000 sheep a day to 7 000.

This was to cater for demand and keep local prices reasonable. "But now we have a disgusting situation where 2 000 carcasses daily are leaving Cape Town in cold trucks bound for other centres.

"There appears to be no real remedy to stop this, but it really is a legitimate situation for local butchers.

"Cape Town could comfortably have absorbed 7 000 car-

asses, but now there is a jump further available, and I fear some meat prices could reach unprecedented levels."

Mr Joubert said he did not believe consumers faced a steep rise in the beef price, but he feared certain grades of lamb which were currently selling at R9 a kg -- and were around the R8 mark in early October -- could exceed R10 a kg near Christmas.

"Although they are still buying, consumers are upset about the rise and I certainly feel for them."

He said the Meat Board could "save some" before Christmas by releasing better cuts from their stores to traders at reasonable prices, and providing a satisfactory balance between supply and demand. "The ball is in their court."

Some consolation for harassed consumers is the fact

that Cape Town is one of the areas least affected by the nationwide festive season meat price increase.

This was confirmed by the managing director of the Meat Board, Dr Pieter Coetzee.

He said from Pretoria this week that it had become an annual trend over the last few years for the price of meat to

rise during the festive season. "Unfortunately there is nothing we can do about it. We are trying to slaughter at maximum capacity."

Dr Coetzee said the price of beef had risen by about 40c a kg nationwide, but Cape Town's mutton and lamb increase had been "pretty minimal compared with the north."

Lean time for many as meat prices soar

Staff Reporter

MEAT prices have rocketed and even retail butchers are sizzling over the increases which promise many families a lean Christmas.

Some butchers have roasted the wholesale price rises as "unbelievable" and "ridiculous".

The wholesale price of super beef has shot up from about R2,60 to R3,85 a kilogram in the past two-and-a-half weeks. This means that retail prices have also risen sharply.

Sea Point butcher Mr Chris Joubert said the price of super cuts has risen by about 30 per cent.

Customers would have to pay R8,50 for topside mince and R5,20 for regular mince. Rump steak had soared to R9,80 a kg and fillet was being sold for R11,50 a kg.

This was caused by the demand for fresh, high-quality meat exceeding the supply, said Mr A Schietekat, manager of a wholesale meat supplier.

SENT TO REEF, DURBAN

"Times are hard. There is unemployment and general inflation — and now they want to make the public pay these astronomical prices," said a Long Street butcher.

The price of lamb also rocketed about five weeks ago.

Mr Joubert said the retail price of leg of lamb was R7,60 a kg, compared with R5,50 before the rise. Loin chops had risen from R7,50 a kg to R8,98.

This was because wholesalers were buying lamb in Cape Town and trucking it to Johannesburg and Durban — where prices were even higher, he said.

Mrs Joy Hurwitz, president of the Housewives' League, said she was "disgusted" that meat wholesalers should "take advantage" of the public. "This Christmas will be a lean one for many of us," she said.

Move to sign meat workers



Mrs EVELYN Seloro ... organiser.

SOWETAN Reporter

THE newly formed Meat Distributors and Allied Workers Union is ready to organise workers at butcheries, abattoirs and allied industries country-wide.

The union, formed in February this year with a membership of more than 400 in the PWV area, was registered by the industrial registrar in Pretoria this week, its general secretary, Mrs Evelyn Seloro, said yesterday.

Mrs Seloro said workers in this industry had been exploited for a long time, especially in black areas.

Mrs Seloro, who is also secretary of the Transvaal branch of the Textile Workers Union, said workers in black townships were not entitled to pension funds, they earned little, worked overtime without pay, were not registered and did not contribute to the Unemployment Insurance Fund (UIF).

SOWETAN 6/12/85

3 Meat



Cape Times 12/12/85
37 sat

Price of prime beef soaring

Staff Reporter

THE price of prime beef in Cape Town is "going through the roof", a City butcher said this week.

The butcher, who declined to be named, said that a few weeks ago the price of prime beef was R2,60 a kg. By Monday this week it had risen to R3,60 and at lunch time on Tuesday, it was R3,80 for prime and R3,95 for super.

He alleged that the reason for the increase was the Meat Board's "policy" of flooding the market during the Christmas season with inferior cattle.

"We can only absorb this price hike for a few weeks. If it continues we will be forced to pass some of the price increase on to the consumer."

'Normal'

Reacting to the Meat Board's statement to the Cape Times that the reason for the drop in quality was the recent drought causing the board to slaughter up to 40 percent of their breeding stock, he said: "That's a load of bull!"

A spokesman for the Meat Board, Mr Blignaut, said that while the price of red meat seemed high, it was a normal problem associated with this time of the year.

City Councillor Mr Chris Joubert, who is also a butcher, said this was due to restricted

slaughtering facilities at the abattoirs.

"Cape Town abattoirs slaughter 800 cattle a day, which is sufficient during the year but at Christmas shortages are experienced."

Mr Malcom Simpson, general manager of a supplier to a nationwide group of chain stores, said that when he contacted the Meat Board on Tuesday morning he found there was no stall-fed stock available.

In answer to the question of the possibility of red meat being siphoned off to consumers in the Transvaal, he said that as far as he was aware only mutton was being sent up to the Transvaal.

The Housewives' League of South Africa said yesterday it could "see no reason" why beef prices should increase so much.

"The Meat Board has assured us that there is no shortage of animals and we thank them for ensuring that the supply of beef to the abattoir will meet the festive season demand.

"Housewives will be forced to look for alternatives such as chicken.

"The lamb situation is even worse. Prices are exorbitant and higher than they have ever been. Avoid it at all costs: It is a bad buy. We are sympathetic towards the Muslim community which relies heavily on lamb."

Buy chicken, fish shoppers advised

Mercury Reporter

THE Housewives' League yesterday urged consumers to buy chicken and fish instead of highly-priced red meat.

And the Consumer Council appealed to the Meat Board to release its pile of frozen meat on to the market to keep prices down.

But Meat Board general manager Dr Pieter Coetzee said the board had been putting some of its frozen meat on the market since September in a bid to 'stabilise' prices and, in addition, 25 kg cartons of beef were still available to the public at bargain prices.

Housewives' League

president Joy Hurwitz said: 'We are disgusted that meat wholesalers should take advantage of us. You can be sure that prices will probably increase further.'

'The lamb situation is even worse than beef. Avoid it at all costs — it is a bad buy. Meat has become a luxury item.'

A major Durban wholesale and retail butcher, Mr Adonis Skordis, said the abattoir price of super beef had risen from R2,50 to R3,25/kg in less than three months.

'Mutton is also very high,' he added, citing an abattoir price of about R5,30/kg.

Consumer Council senior professional officer Lou van der Merwe said that because the drought had eased, farmers were holding back cattle from slaughter to keep prices up.

'Consumers are in no position to pay higher prices at the moment. Meat is one of the best-known sources of protein and I think we must have

Mercury 12/12/88
a serious look at the situation.'

Dr Coetzee said: 'We are slaughtering more now than in the same period last year. Above that we are releasing frozen stock every week.'

'It's not a question of not enough meat. From the middle of October until the week after Christmas prices are always up. I can give you no logical explanation.'

'It's illogical, for example, that yesterday we offered 7 000 carcasses of mutton and lamb and the trade bought only 5 000 — yet the price went up.'

'My explanation is that our people's whole outlook is free spending for the festive season. You can't blame the trade if the consumer is on a spending spree.'

Beef has been 'pricing itself out of market'

Pietermaritzburg
Bureau

BEEF has increasingly priced itself out of the market, in spite of the relatively stable prices in recent years, the Administrator of Natal, Mr Radclyffe Cadman, said yesterday.

Speaking at the Cedara Agricultural College diploma day, Mr Cadman said there had been a major shift from beef to poultry and there were large quantities of unsaleable red meat in cold storage.

Farmers would have to consider seriously whether to continue using such liberal quantities of high-cost feeds in the beef industry, he said.

As with red meat the per capita consumption of milk had fallen appreciably in recent times, one of the reasons being the greater use of milk substitutes. To control

Mercury
this, Mr Cadman said, milk prices would need to be based on what the market could pay and not on what it cost to produce if the industry was to remain viable.

Mr Cadman said that in the country's long history of various races living together, the periods during which people had lived in peace and accord with each other far outweighed the times when they had been in conflict.

Modern science had given the media, particularly television, unprecedented power with the result that this country was presented abroad as being aflame and virtually ungovernable.

In reality, while there was violence in certain isolated areas, by far the greater part of the country and its people were unaffected and continued with their peaceful pursuits, Mr Cadman added.

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'Alter meat buying plan'

③ **MEAT** FRED STIGLINGH

A SIMPLE alteration to the floor price system at meat auctions could result in major savings for producers, says Kevin Leo-Smith, of the Organisation of Livestock Producers (OLP).

In the latest Livestock Farming, he says that under the present system, the Meat Board buys up carcasses at the floor price as soon as bidding drops below that level. Money comes from a levy deducted from every carcass sold, accumulated in a stabilisation fund administered by the board.

Assuming the floor price is R2,40/kg, and half the meat presented at auction drops below this, it has to be bought up by the board. It is put in cold storage and, says Leo-Smith, butchers go home with fewer carcasses.

As a result, prices to the consumer stay high.

The Meat Board, meanwhile, de-bones and cuts up the meat, converting fresh meat into frozen meat.

Leo-Smith suggests the board buys up all the carcasses that drop below the floor price and makes up the difference to the trade.

A Meat Board spokesman said the board could not comment until the OLP system had been formally proposed.

AGRICULTURE — OTHERS

~~THE~~ MEAT — 1986

JAN. — DEC,

Meat Board chief replies to criticism

3 Meat Start 16/1/86

Your correspondent's thoughts are so engrossed with "free play" that it would appear that he has lost sight of fair play.

The fact that Australia is a net exporter of meat while South Africa is an importer — these imports moreover being compulsory because of Free Trade Agreements with neighbouring countries — puts Australia in an even better position when both countries have to cope with the same severe drought conditions and consequent emergency slaughtering stock surpluses.

EXPORTS

The reason: unlike South Africa, Australia with its regular exports is not totally dependant on its local market to dispose of drought-induced stock surpluses. What is more, Australia's export markets comprise mainly the rich oil countries of the Middle East, the United States and Japan.

Australia could, therefore, dispose of any drought stock surpluses via these well-developed export markets, whereas South Africa has to cope with its worst recession of the century together with severe drought problems and no foreign markets.

The General Manager of the Meat Board replies to the above letter criticising the marketing of meat in South Africa.

Despite all this, not a single meat producer in South Africa was compelled to sell sheep at 10c per head and cattle at R10 per head like their counterparts in Australia.

It is merely wishful thinking on your correspondent's part to maintain that a slight drop in prices would have resulted in increased consumption. It did not happen in Australia with the very low prices quoted above and, as far as I know, nowhere else in the world.

AUCTION

What is more, in real terms the average auction price of beef did, in fact, drop from 105c/kg in 1981 to 70c/kg in 1985. As far as the per capita consumption of beef is concerned, the commercial consumption (ie beef sold for consumption) did increase from 22,3 kg in 1981 (the pre-drought year) to 24,9 kg in 1984. (The figure for 1985 is not available as yet.)

Your correspondent's

charge that the owners of cold stores should be the losers and not the producers and consumers borders on the selfish.

Did he fail to realise that by slaughtering animals far in excess of the local demand and paying farmers prices which kept them on the land, the meat industry has also contributed in a large measure towards creating jobs at abattoirs, transport services and at cold stores?

Under the same depressed economic situation other industries simply cut back their labour force and in doing so aggravated the depressed state of affairs.

REMOVED

He is quite correct in stating that the Meat Board has not challenged the OLP's so-called "calculated costs of intervention". It is not worthwhile to dispute something which is obviously so far removed from reality that it can easily be branded as the great fairytale of the eighties.

The exact costs of the meat scheme are available for perusal by anybody who is prepared to order the audited statements of the Meat Board from the Government Printer in Pretoria.

Jan. 1986

③ MEAT

Meat price set to stay high in '86

MEAT prices are likely to remain high throughout the year, says the manager of the SA Agricultural Union (SAAU) Meat Commodity Organisations, Jan van der Walt.

He says January's high prices should stay constant "for at least the rest of the year, and they may even rise".

Van der Walt says meat production generally goes in eight-year cycles, which are in turn bound to economic and climatic cycles.

He ascribes present high prices to diminished slaughterings coupled to festive season demand.

He says supply will remain low for the rest of the year as farmers, inspired by high prices and good rains, invest in breeding stock and keep slaughtering to a minimum.

At 7,8-million animals, SA's cattle population is the lowest in 14 years.

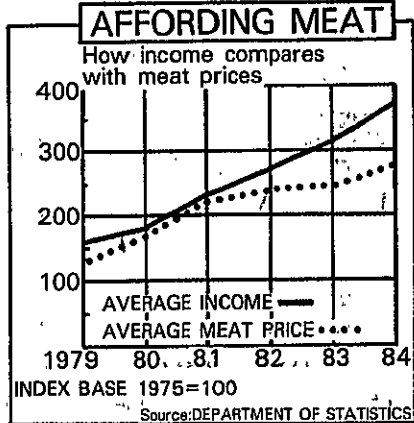
Forced slaughtering because of waning food supply has increased since the beginning of the drought in 1980, remaining more or less constant at around 2,2-million animals slaughtered each year.

Economic growth fell from 7,3% in 1980 to 4,7% in 1981, 1,1% in 1982 and 3,1% in 1983. Coupled to over-supply from forced marketing, prices stagnated throughout 1981-1983.

Van der Walt says an example of a positive economic/climatic cycle were the good rain years of 1975-1977. These prompted increased production, the effect of which was seen over 1978-1979.

A flourishing economy resulted in high demand, and consequently high prices.

Meat supplies eventually dried up because of demand, and prices virtually



FRED STIGLINGH

doubled, from 103c/kg in 1979 to 212c/kg in 1981.

Beef accounts for 70% of red meat consumption in SA, mutton makes up 20% and pork 10%.

The sheep population is down to 26-million from 30-million, where it has stood for the past 10 years.

Sheep farmers have been switching to goats because of a boom in the mohair price. High demand for mutton at the same time has pushed up the price.

Pork producers are likewise in the pound seats, because they are filling the gap created by the beef shortage.

Despite high prices, consumers have not been badly off for the past 10 years, Van der Walt says.

A table in the latest issue of *Red Meat*, official mouthpiece of the SAAU meat committee, shows that income for all population groups has more than kept pace with rising meat prices.

Meat mountain has been reduced

③ Pretoria Bureau
MEAT

The Meat Board's frozen "meat mountain" has been reduced from 38 000 tons to 17 000 tons as a result of the board's sale of frozen meat direct to the public, the President of the South African Agricultural Union, Mr Kobus Jooste, said yesterday.

Last year, *The Star* revealed that the board was keeping more than 100 000 frozen carcasses in costly storage while the price of fresh meat soared.

The Meat Board started its sale soon afterwards.

Mr Jooste told the Natal Beef Producers congress yesterday that the sale had worked out well and had not had any adverse effect on the day-to-day trade of fresh meat.

Mr Jooste said this sign of the industry's ability to absorb a larger than normal fluctuation in the supply position meant that the future outlook was positive.

Livestock producers suggest insurance plan

STAR 29/1/86

By Jackie Unwin

The Organisation of Livestock Producers (OLP) has suggested a change in the Meat Board's marketing scheme which it believes will give the producers security and benefit the consumer.

The OLP's suggestion, put forward at the Red Meat and Livestock Forum meeting yesterday, is to use the floor price scheme as voluntary insurance.

Funded by a levy on carcasses sold which goes to a stabilisation fund, this should be used to compensate farmers whose meat is sold below the floor price.

Mr Roy van der Westhuizen of the OLP said "costs of holding meat surpluses are huge". He estimated the cost of storing the recent 32 000-ton "meat mountain" was about R20 million a year.

Mr Bill Slater of the OLP pointed out the proposed system would iron out the fluctuations in price during periods such as Easter or Christmas.

"People who decide not to insure themselves would market animals when there was maximum demand."

REPORT ON THE "MEAT" ...

Livestock farmers are urged to modernise

28/2/86 (3) MEAT STAR

By Frank Jeans

Livestock farmers had to be encouraged to adapt to modern grazing techniques, but there also had to be greater communication from the experts down to the farm level.

So says Professor T J Bembridge, head of the Department of Agricultural Extension and Rural Development at the University of Fort Hare. He was addressing a grazing strategy conference organised by the Eastern Cape branch of the SA Society for Agricultural Extension.

"A recent study in the Stutterheim and Cathcart districts of the eastern Cape revealed that more than half the grazing areas were in poor condition and that they were stocked at 155 percent more than their assessed capacity," he said.

"It was also found that grazing management was poor.

"While legislation might be useful in making farmers aware of the problem, and for taking action against transgression of the Act, the long-term solution does not lie in coercion but in education, collaboration and participation of local farmers and farmer organisations."

Pointing out that many farms were still short of grazing camps, Professor Bembridge said that about 42 percent of existing camps did not have permanent watering points.

"This lack of basic development makes it difficult to apply recommended grazing management systems and principles."

Although technological advance in grazing management seemed a simple matter, workers were involved in complex social processes and considerably more was involved than one-way communication.

"There is a need to focus greater attention on farming communities in the initiation of research," he said.

"This would allow greater adaptation and management of technology by the farmers themselves rather than by staff extension and research institutes.

"Intensive inter-personal communication is essential to help farmers in the decision-making process. They require detailed information applicable to their own situation and they need to discuss questions such as what is involved, what are the benefits and problems and will the system work profitably."

Union asks for price freeze

3/3/86

3 NEWS BUS DAY

THE SA Agricultural Union has asked government to bring all prices into balance — and freeze them — as a drastic move to fight runaway inflation.

Speaking at the Afrikaner Breeders Association function, in Bloemfontein at the weekend, SAAU president Kobus Jooste said inflation was feeding on itself.

The authorities had been afraid for too

GERALD REILLY

afraid of the impact that strong and drastic action demanded, Jooste said.

Only drastic measures could help avoid a disaster. Jooste said the SAAU had appealed to government to bring all prices into balance and freeze them.

It was clear the anti-inflation plans of past years had failed and inflation was still spiralling.

HANSARD 17/3/86
 548. Mr D J N MALCOLM asked the Minister of Transport Affairs:

- (1) Whether emergency telephones have been installed on the national road between Somerset West and Cape Town; if so, (a) how many, (b) (i) what was the total cost of (aa) the equipment and (ii) by whom was it supplied and (c) in respect of what date is this information furnished;
- (2) whether tenders were called for in this regard; if so, how many tenders were received;
- (3) whether the lowest tender was accepted; if not, why not;
- (4) (a) (i) how many such telephones have been installed in the Republic to date and (ii) at what total cost and (b) in respect of what date is this information furnished?

The MINISTER OF TRANSPORT AFFAIRS:

- (1) Yes.
- (a) 34.
- (b) (i) (aa) R114 064,00.
 (bb) R131 635,00.
 (ii) Philips Telecommunications (Pty) Ltd.
- (c) 10 March 1986.
- (2) Yes, five companies submitted final tenders.
- (3) Yes.
- (4) (a) (i) 103.
 (ii) R712 533,30.
 (b) 10 March 1986.

HOA

Own Affairs:

HANSARD 17/3/86
 549. Mr A B WIDDMAN asked the Minister of Health Services and Welfare:

- (a) How many (i) State and (ii) privately administered children's homes there for Whites in the Republic, and (b) how many children were accommodated in these homes, as at the latest specified date for which figures are available?

The MINISTER OF HEALTH SERVICES AND WELFARE:

- (a) (i) Nil.
 (ii) 74.
- (b) 5 623 Children as at 30 September 1985.

Children's Act: adoption

28. Mr A B WIDDMAN asked the Minister of Health Services and Welfare:

How many White children were placed in adoption in terms of the Children's Act in 1985?

The MINISTER OF HEALTH SERVICES AND WELFARE:

Children's homes/foster care

29. Mr A B WIDDMAN asked the Minister of Health Services and Welfare:

- (1) How many White children were found to be in need of care in terms of the Children's Act in 1985;
- (2) how many of these children were placed in (a) foster care and (b) children's homes in that year?

The MINISTER OF HEALTH SERVICES AND WELFARE:

- (1) 2 802.
 (2) (a) 1 198.
 (b) 616.

TUESDAY, 18 MARCH 1986

Indicates translated version.

For oral reply:

General Affairs:

Questions standing over from Tuesday, 11 March 1986:

HANSARD 18/3/86
 550. Mr P H P GASTROW asked the Minister of Manpower:

- (1) Whether there is an unemployment office in Mitchell's Plain; if so, (a) where and (b) when was it opened; if not, (i) why not and (ii) where is the nearest unemployment office to Mitchell's Plain;
- (2) whether any member of his Department has been offered premises for an unemployment office in Mitchell's Plain; if so, (a) when, (b) by whom were the premises offered and (c) what were the (i) terms of the offer and (ii) was the response thereto?

The MINISTER OF MANPOWER:

- (1) No.
- (a) and (b) Fall away.
- (i) Suitable accommodation has not been readily available.
- (ii) Wynberg.
- (2) Yes.
- (a) On 8 July 1985 and 26 August 1985.
- (b) Pep Stores and the Cape Town City Council.
- (c) (i) The terms were considered by the Department of Pub-

lic Works and Land Affairs and are unknown to my Department.

(ii) Both offers were declined because the accommodation offered was considered inadequate and not suitable to meet the requirements.

HANSARD 18/3/86
 551. Mr M A FARR asked the Minister of Agricultural Economics:

- (1) Whether the National Marketing Council has conducted an investigation into the operation of the Meat Board; if so,
- (2) whether this investigation has been completed; if so,
- (3) whether the council has submitted a report on its investigation; if not, when is it anticipated that it will submit a report; if so,
- (4) whether this report will be made public; if not, why not; if so, on what date?

The MINISTER OF MANPOWER (for the Minister of Agricultural Economics):

- (1) No. The Meat Board's scheme has been investigated by the Committee of Investigation into the Supply Position of Red Meat under the chairmanship of Dr. A. S. Jacobs and is therefore excluded from the instruction to the National Marketing Board.
- (2) The Committee has completed its investigation.
- (3) The basic recommendations of the Committee are contained in a report handed in on 13 April 1983.
- (4) The report has been made available to the Meat Board and organised agriculture.

HOA

THE vital importance of blacks' rising buying-power to the red meat industry was stressed yesterday by Meat Board deputy GM Frans Pieterse.

He told the annual congress of the SA Feedlot Association in Johannesburg that whites remained 16th on the list of the world's biggest meat eaters.

However, by the year 2 000 the black population would consume 68% of available food compared with the current 48%.

Blacks' economic activity and urbanisation were increasing

Meat Board pins hope on black consumers

GERALD HEILLY

with rising educational levels.

And their earnings would continue to increase.

Referring to the drastic decline in red meat consumption, Pieterse said there was, nevertheless, a bright future for the

industry "especially with the eating habits of the black giant, which is only just waking up as far as red meat consumption is concerned".

Pieterse said the major increase in disposable incomes was forecast for the black sector.

"This increase, which is expected to be four times the rate of that for whites, will bring total consumption to the same level as whites by the end of the century."

Pieterse said the Meat Board was now exploiting the market potential, and was promoting campaigns "to bring red meat within reach of the black consumer".

However, the board's total strategy was to win back white, black, coloured and Asian consumers.

Meat boss optimistic

Industry Reporter and Sapa

SOUTH AFRICA's meat producers, who have gone through hard times, can look forward to a revival in their sector, says Veissentraal chairman Flip du Toit.

He hopes increased consumer buying-power will lead to increased demand for meat and meat processed products.

However, no dramatic upswing should be expected, he says.

Despite the difficult times experienced by the meat industry, Du Toit says Veissentraal had significantly improved its financial results in 1985.

A turnover of R1,35bn had been achieved, compared with 1984's R1,159bn, and Du Toit expects a good profit to be shown when the final results are announced at the AGM in June.

Veissentraal is involved in livestock agencies, cattle feedlots, the curing and processing of hides and skins, the wholesale and retail marketing of fresh meat and the manufacture of processed meat.

(3) Meat Bus Div /
Beef does not have it all

Industrial Staff

2/4/86

A MEAT marketing conference in Pretoria on April 14-15 will look at the problem of declining meat consumption.

According to figures provided by Koos du Toit, chief economist for the South African Agricultural Union (SAAU), per capita consumption of red meat has declined from 40,7kg in 1960/61 to 30,9kg in 1984/85.

Beef's market share declined from 67,1% to 44,5% in the same period, while chicken increased from 5,8% to 32,6%.

Meat price rockets: Call for inquiry

NOT TERS
5/4/86
3 meat
[Signature]

By RONNIE MORRIS

THE Chamber of Muslim Meat Traders (Commtra) has called for an inquiry into the affairs of the meat industry following an almost 100 percent increase in the price of lamb and mutton in less than a week.

In one instance the price of first-grade lamb rocketed from R3,20 a kilogram to R6,20.

Commtra represents about 400 Muslim Meat traders in the Western Cape.

Mr Adam Jaffer, chairman of Commtra and a butcher by trade, said the latest price increase from R3,20 last week to over R6 was unprecedented.

"It is a disgusting situation where a basic commodity like meat can fluctuate by margins of 100 percent in less than a week. Normal supply and demand dictates that after Easter prices are supposed to come down. Prices now are much higher than at Christmas," he said.

"It is time that a fully-fledged independent inquiry is launched into the ramifications of the meat trade. The farmers have been pampered too long by the Meat Board which guarantees them a price when prices are low."

He accused the Meat Board of passing the buck and said retail butchers were facing the brunt of public anger.

Sea Point butcher and City Councillor Mr Chris Joubert said retail butchers were upset by the price increase.

The Maitland abattoirs had a slaughtering capacity for 7 000 sheep but were slaughtering 1 000 sheep on some days. "I want to know why when the slaughtering capacity has been increased there is a shortage one day and enough meat to satisfy demand another day," he said.

The secretary of Commtra, Mr Latief Gaffoor, said: "Monopolies controlling the meat industry obviously treat a small retail butcher as a pawn in its aim of total control of the industry."

Housewives pay R9,60 per kilogram for chops in supermarkets but complain of paying R6 from retail

butchers thereby supporting the demise of the housewives' friend.

"It is in the interest of monopolies who invariably have a finger in the wholesale groups to fetch R6 per kilogram for meat as butchers pay a nine percent delivery charge.

"I find it strange whilst the full quota of lamb was slaughtered last week, the wholesalers, obviously disappointed at the low prices fetched, in order to strike a balance slaughtered fewer lambs this week. This caused prices to be the highest in the history of meat in the Cape."

Mr Rashid Paleker, a butcher in the southern suburbs, said it was scandalous that the price of meat could increase by such an amount. "Somebody is doing something somewhere which is not to the benefit of the consumer."

Decrease in turnover

Mr Frans Pieterse, the assistant general manager of the Meat Board, said from Pretoria yesterday there had been a decrease in meat prices before Easter which had been broadcast over the radio.

Traders reported a 15 percent decrease in turnover in what had been only four slaughtering days.

Because of the short week and the lowering of the market price, farmers had their stock because they had been spoilt and were waiting for higher prices, he said.

The Meat Board was worried about the fluctuations in the market but realized the farmer wanted a fair and reasonable price for his stock.

● A random sample at major supermarkets by the Cape Times yesterday showed that the price of first-grade frozen lamb ranged from R7,15 to R4,98 a kilogram.

containing 11/4/86 (3 meat)

Farmers deny they caused price hike

By **RONNIE MORRIS**

SHEEP farmers have denied they caused last week's meat price hike by withholding stock as alleged by the Meat Board.

The Meat Board claimed last week that farmers were responsible for the hike, which nearly doubled the meat price, by withholding stock because they were "spoilt" and were waiting for higher prices.

The auction price of lamb was R3,70 a kilo compared to R5,70 last week. Earlier, it was increased from R3,20 to R6,20 a kilo.

Farmers yesterday strongly denied this, saying they were issued with Meat Board permits controlling when they could market their animals.

Namaqualand farmer Mr Thys Beukes, of the Bovlei farm in Kamieskroon, said every farmer naturally tried to get the best price for his stock.

Meat prices were affected by the supply-and-demand principle, and there was no way they could keep prices artificially high, he said.

Because all farmers could not market their stock during this period, they were issued with Meat Board permits, which determined when, and how many, animals could be sent to market.

Farmers had no control over the issuing of permits, said Mr Beukes.

Mr R Archer, a Kamieskroon farmer and member of the meat committee of the Western Cape Agricultural Union, said the price of first-grade lamb was R2 more than the floor price for meat.

The floor price did not affect meat prices, he said. When issued with a permit, farmers could not withhold stock.

"Somewhere in the meat trade, the amount of meat for sale is being manipulated and an artificial shortage created," he said.

Dr Pieter Coetzee, general manager of the Meat Board, said from Pretoria yesterday that permits were issued only between September and January — the peak production period — after which a quota system was in operation.

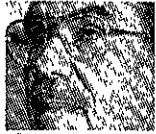
"If the meat trade could buy meat at a lower price and pay about 20 cents a kilo for transport, it would do so.

"The Meat Board does not interfere with the price of meat unless it drops to the floor price," he said.

The chairman of the Chamber of Muslim Meat Traders (Commtra), Mr Adam Jaffer, said they repeated their call for an inquiry into the affairs of the meat industry.

Farmers reel under drought

THE drought of the past four years was the biggest disaster to hit the meat industry for several decades, Agricultural Minister Greyling Wentzel said in Pretoria last night.



● WENTZEL

Opening the National Meat Congress, he said 1985 would be remembered as the industry's crisis year. Meat farmers had to contend with continued drought, a general decline in the national economy and huge increases in production

GERALD REILLY

costs as a result of high inflation.

He said the drought was still critical in some parts of the country, particularly in the northern Transvaal. The road ahead would be difficult — the farmers' major problem was their increasing debt burden which had to be financed at high interest rates.

The unhealthy combination of a big debt burden and declining income posed particular problems for the cattle industry. Even a relatively low debt level could mean serious cash-flow problems.

Wentzel warned producers that experts were unanimous that the rapid deterioration of the veld was not merely the result of droughts, but chiefly the wrong methods of utilisation, over-exploitation and maladjusted farming systems.

He advised stock farmers to reconsider the establishment of roughage reserves against emergencies.

He made it clear that he did not align himself with those agitating for a completely free economy. Free competition must be reconcilable with the national interest, he said.

Meat chief takes bull by the horns

THE red meat industry would have to fight to win back its share of the market, Meat Board deputy general manager Frans Pieterse said yesterday.

He added that in recent years red meat had had to forfeit its traditional place as a main dish on the menu of most consumers.

Red meat had top place in total gross value of agricultural products. The industry also provided employment for thousands of all races, he added.

Pieterse said consumers spent about R3,264bn on red meat last year — about 68% of total demand for meat and 19%

GERALD REILLY

of total consumer expenditure on food.

Red meat consumption had declined in 51 countries while poultry consumption had increased.

He said it was wrong to have a strategy to improve red meat's image. Instead of defending meat, by claiming it is not unhealthy, nutritional value and eating qualities should be emphasised.

"The consumer must be won back permanently. This is the challenge confronting the red meat industry today," Pieterse added.

Kiss of death for abattoirs

GERALD REILLY

PRIVATISATION of abattoirs was unlikely to lead to savings and greater efficiency, SA Abattoir Corporation director D J du Preez said in Pretoria yesterday.

He told a meat marketing conference it was improbable that producers would find it better to switch from the present system.

Outlining the advantages of the current system, Du Preez said the share capital of about R60m was provided free of charge by the State. This would be replaced by private capital and the cost recouped in the abattoir tariff.

The corporation was not a taxable entity — which would not be the case under privatisation.

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The corporation was not a taxable entity — which would not be the case under privatisation.

Higher prices are predicted

CONDITION of the national herd and the bleak outlook for grazing will cause a further decline in slaughter and higher meat prices this year.

This was said in Pretoria yesterday by Red Meat Producers' Organisation chairman S J J van Rensburg at the National Meat Congress.

He and other speakers stressed the importance to the industry of black consumers' increasing buying power.

Van Rensburg said higher prices did not help much if they were swallowed up by rising marketing and production costs.

He had high praise for the Meat Board's

handling of surpluses when the easiest way out would have been to halt slaughter.

He said Northern Transvaal farmers, who had stayed on their farms under bad conditions, had been compelled to become protectors of SA's borders. They should not be made to pay for this service, and should be kept on their farms at all costs, he added.

There are large areas where herds have been reduced sharply but, with reasonable economic and grazing conditions, normal herd populations should be restored by 1990.

He stressed that violent price fluctuations which took place within periods of 48 hours had to be eliminated.

Output costs blamed

ROCKETING production costs were crippling the red meat industry, Western Cape Agricultural Union's Piet van Zyl told the National Meat Congress in Pretoria yesterday.

Van Zyl said input costs had reached such astronomical heights that farmers were being forced off their lands. Reserves built up over years were fast disappearing. Farmers whose reserves were exhausted faced bigger and bigger debts.

Eastern Cape Agricultural Union's Dr E A Schoeman said that, in spite of repeated requests, the Meat Board had failed to do away with the policy of limited registration. It was dear and only formal registration could bring about a 65% saving.

STAR 16/4/86 11:30 12:30 1:30 2:30 MEAT

Ultimatum for abattoir strikers

About 100 black workers at the SA Abattoir Corporation in Bloemfontein have been given until today to return to work or face dismissal.

The workers, members of the unregistered Retail and Allied Workers' Union (Rawu), went on strike on Monday demanding union recognition. The corporation, a statutory body, does not recognise unregistered unions.

Rawu's Bloemfontein branch secretary, Mr Ronnie Petersen, said the union applied to the Department of Manpower in January for recognition but has not had a reply. He said the union represented 90 percent of the black workers at the plant.

He said production at the abattoir had been affected by the strike and local butchers were having to load and collect their own meat.

A spokesman for the employers said the corporation's board of directors had decided not to recognise unregistered trade unions and would not be "manhandled" into reversing that decision. The corporation had conveyed its position to Rawu and would be happy to discuss recognition with the union once it was registered.

The spokesman said the ultimatum to return to work had been issued because live animals could be affected by the strike. He said meat supplies to Bloemfontein had not and would not be disrupted.

16/5/86 (20) (Sheet) (242)

Butchers angry as meat prices soar by up to 100 pc

By HENRI du PLESSIS
Staff Reporter

MEAT prices have soared by up to 100 percent since October — one store charged R12,60 a kilogram for lamb chops this week — and the Meat Board dealt consumers another blow today with a warning that a 10 percent increase is on the way.

The rise in the maize price and higher input costs would push up the price of meat, a spokesman for the board said in Pretoria.

Butchers blame the already high Cape Town prices on suppliers who, they say, are manipulating the market to increase profits.

Mr Chris Joubert, a city councillor and the owner of a Sea Point butchery, said the main cause was the shortage of wholesale meat.

ABATTOIR

He said the abattoir had been enlarged to handle up to 8 000 sheep a day, but supply was between 2 000 to 3 000 carcasses.

"It's ridiculous. Farmers should be made to provide a more even supply to the market in Cape Town when they apply for licences.

"Where is the Meat Board? They call themselves a control board, so it is time they started controlling something."

Mr Peter Billings, owner of a butchery in Hout Bay, agreed.

"Meat should be a lot cheaper. What is the Meat Board doing about it?"

Mr W Gautche, chairman of the Cape Retail Meat Traders' Association, said there were shortcomings in the supply system, but people were quick to blame the Meat Board.

"Farmers always send their meat to the markets where the prices are right.

Mr P Fahrenfort, manager of the Cape Town branch of the Meat Board, confirmed the shortage but said there was nothing the board could do.

"We cannot do anything if producers do not deliver to markets."

Prices of lamb at the Sea Point branch of a national supermarket chain were described by butchers as "ridiculous" and a "disgrace".

The supermarket was charging R12,60 a kilogram this week for B1-grade lamb loin chops compared to an average of R9 at two city-centre stores and two butcheries.

Beef fillet was cheaper at R12,56 a kilogram.

The Sea Point store's price for super-grade braai chops (shoulder) was R11,40 and stewing chops were R8,49 a kilogram.

A spokesman said: "Our store bought a large quantity of stock last week when the prices were high. A lot of this meat was left over and had to be sold at the high retail price.

"Our stores have now marked down prices to R9,98 a kilogram for lamb loin chops."

10 percent STATE meat price 10/6/86 hike looms

MEAT
The price of meat is set to rise about 10 percent due to recent increases in the price of maize and farmers' input costs.

According to the Meat Board, however, the increase will be phased in gradually over the next year to 18 months.

A spokesman said the increase in the price of yellow maize was one of the major factors contributing to higher meat prices.

Livestock farmers also had to deal with soaring input costs which had to be recouped.

He added that the board had successfully sold off the 37 000 frozen carcasses it had recently bought up — without affecting prices. — Pretoria Bureau.

Sell sheep for slaughter, urges board

Staff Reporter

AKGMS 30/6/86

supply of sheep to markets.

(3 meat)

THE chairman of the meat committee of the Western Cape Agricultural Union has urged farmers to supply more sheep for slaughter to prevent the Meat Board having to import lamb and mutton at great cost.

Mr G A Aggenbach said: "Organised agriculture shares the concern of the Meat Board about the sharp drop in the

"If this continues the board may soon be forced to import mutton from overseas."

He appealed to farmers to market all sheep ready for sale.

The weekly supply of animals to Maitland abattoir in the past two months varied from 49 to 100 percent of the maximum number allowed.

Prices ranged from R3,81 to R4,79 a kilogram.

The drought in the Southern Cape, the start of the shearing season and a drop in stock numbers in the north-western Cape contributed to the shortage of sheep in the Western Cape, said Mr Aggenbach.

The shortage was even more severe in the rest of South Africa.

Wheat tender deal
TENDERS for the import of 70,000
tons of wheat from Australia, Canada
or the US close tomorrow.
Where the Wheat Board is con-
cerned, politics will play no part in
the award.
Weekend reports from Australia
were that Australia believed it had a
good chance of winning the contract
but only if the it abandoned its
plans to ban SA imports.

believes the free market-orientated Organisation for Livestock Producers.

"While we welcome the trend towards freer marketing, the industry requires radical steps to really free the market. Modifying control — a process of controlled decontrol — is not opening the market," says executive director Roy van der Westhuizen.

Government has accepted the following recommendations of the committee of enquiry into the abattoir industry:

- Control over slaughter and abattoir tariffs will be lifted from October 1, allowing owners to set their own charges;
- No State assistance will be granted to public abattoirs operating in uncontrolled areas;
- The National Marketing Council and the Meat Board will investigate ways of ensuring a freer two-way flow of meat between uncontrolled and controlled areas;
- Re-inspection fees, now levied at uncontrolled abattoirs, will be abolished from October 1;
- Privatisation of abattoirs is to be encouraged;
- Approval for new municipal abattoirs will be granted only in "highly exceptional" cases; and
- Expansion of abattoirs will only be allowed if existing facilities are fully used.

Van der Westhuizen says that with some 60% of the industry under its direct control, the Abattoir Corporation (Abakor) has "site monopoly" in the major markets.

"And while we welcome government's commitment to the privatisation of abattoirs, this will have little practical effect unless specific sales proposals are put on the table. Prohibitive building costs for abattoirs mean the private sector will not find it economic to buy these meat palaces, even at cost," he tells the *FM*.

What is needed is "rapid and sensible" privatisation and the free movement of meat, says Van der Westhuizen. Government should actively encourage private sector participation.

He says the recommendation that capacity extension only be permitted if existing capacity is fully used will protect Abakor's surplus capacity in certain controlled areas. It also goes against the principle of allowing free flow of meat between uncontrolled and controlled areas.

"This boils down to further intervention in the market place and is totally unacceptable. Private-sector abattoirs in rural areas will be prevented from competing with these protected abattoirs. That is directly against the principle of free competition," he argues.

He summarises radical steps needed to put

the industry in order: the floor price system should be changed to a voluntary insurance scheme, with farmers receiving repayments once market prices fall below the floor price. And market prices should be allowed to drop below floor prices.

This would alleviate the need for quotas or permits in controlled areas, because farmers would be protected by the insurance. Finally, it could lead to the abolition of the distinction between controlled and uncontrolled areas. ■

FIN MAIL (3) MEAT

MEAT DEREGULATION

11/3/86
More is needed

This week's move to reduce control over SA's R1,75 billion a year abattoir industry is a step in the right direction. But much more is needed to see the industry come right, be-

Minister rejects plea for meat-price probe

Staff Reporter

CLAIMS that meat marketing at abattoirs is to blame for the extreme fluctuations in the price of meat to the consumer have been discounted by the Minister of Agriculture, Mr Greyling Wentzel.

Responding to a request for a full inquiry into the meat industry and a maximum floor price for meat made by the Chamber of Muslim Meat Traders (Commtra) and backed by the Progressive Federal Party, Mr Wentzel said in a letter to Commtra the floor price at meat auctions was the "most free price-forming system as price is determined by supply and demand."

Price stability

"Whereas butchers are able to determine their own selling prices and price margins, this is not possible for farmers. They require a minimum measure of price stability as protection against extreme price fluctuations."

A memorandum submitted to Mr Wentzel by Commtra asked that a maximum floor price be set at abattoirs at a level not exceeding 10 per cent above the present floor price.

Mr Wentzel said in a letter to the chamber that the floor price had been introduced "primarily to provide a measure of price stability". Because market prices were "so much higher" than floor prices, they could not be influenced by the floor price.

A demand that every abattoir slaughter enough to cover the demands of the area it served to prevent shortages and higher prices at weekends, month-ends and festive seasons, was also discounted by Mr Wentzel.

Buying patterns

Basically, the problem is vested in increased demand and shorter slaughter weeks. However, the severity of these problems could, to a certain extent, be reduced by butchers timeously buying sufficient supplies at lower prices in the preceding period."

Commtra Press spokesman Mr A L Gaffoor said in a statement that this would influence housewives' buying patterns and could not be a solution.

"We will make further representations to the Minister because short-term financial benefits accrued as a result of short slaughtering at abattoirs would in the long term destroy the entire meat industry."

"Housewives will turn to alternative sources of protein, something which is already happening."

Recession

"Added factors, like the recession and unemployment, adversely affect the consumer's ability to pay the present high prices," he said.

"Consumers are also forced to pay a 3c levy on meat to finance increased slaughtering facilities anticipated in the near future."

"Commtra reaffirms its earlier demand for a maximum floor price to protect an already exploited consumer."

Arkans 16/7/86 3meat

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"Whereas butchers are able to determine their own selling prices and price margins, this is not possible for farmers. They require a minimum measure of price stability as protection against extreme price fluctuations."

A memorandum submitted to Mr Wentzel by Commtra asked that a maximum floor price be set at abattoirs at a level not exceeding 10 per cent above the present floor price.

Mr Wentzel said in a letter to the chamber that the floor price had been introduced "primarily to provide a measure of price stability". Because market prices were "so much higher" than floor prices, they could not be influenced by the floor price.

A demand that every abattoir slaughter enough to cover the demands of the area it served to prevent shortages and higher prices at weekends, month-ends and festive seasons, was also discounted by Mr Wentzel.

Buying patterns

"Basically, the problem is vested in increased demand and shorter slaughter weeks. However, the severity of these problems could, to a certain extent, be reduced by butchers timeously buying sufficient supplies at lower prices in the preceding period."

Commtra Press spokesman Mr A L Gaffoor said in a statement that this would influence housewives' buying patterns and could not be a solution.

"We will make further representations to the Minister because short-term financial benefits accrued as a result of short slaughtering at abattoirs would in the long term destroy the entire meat industry."

"Housewives will turn to alternative sources of protein, something which is already happening."

Recession

"Added factors, like the recession and unemployment, adversely affect the consumer's ability to pay the present high prices," he said.

"Consumers are also forced to pay a 3c levy on meat to finance increased slaughtering facilities anticipated in the near future."

"Commtra reaffirms its earlier demand for a maximum floor price to protect an already exploited consumer."

Diamond in the rough



For a decade Californian John Matar and his brother have been exchanging bizarre birthday presents. This year Sam buried a 2½-carat diamond in a nine-ton block of concrete in John's front garden. The sign behind John, from Sam, says: John, here's a little diamond in a big box. Have fun opening it. Happy birthday."

Minister backs meat price system

While the meat industry's system of floor and support pricing is not without flaws, it has a number of advantages, the Deputy Minister of Agricultural Economics and Water Affairs, Mr Gert Kotze, said yesterday.

"Proof of this is found in the relatively stable prices which have been maintained in recent years in spite of the problems which dominated the red meat industry when even breeding stock had to be slaughtered," he told a seminar held in Pretoria by the Organisation of Livestock Producers (OLP).

Mr Kotze was referring to the situation last year when the drought and a lack of grazing forced farmers to slaughter animals in large numbers.

The result was a "meat mountain" of hundreds of thousands of carcasses and the Meat Board launched its "big meat sale" of frozen beef.

Mr Kotze added that there was "always room for new ideas, thoughts and plans in the marketing of agricultural products". He hoped the OLP's conference would produce such ideas.

Turning to abattoir hygiene, Mr Kotze said basic standards would never be relaxed.

"One often hears that we must scale down our hygiene standards. It must not be forgotten that we are dealing with a relatively expensive edible product where quality is an important factor.

"The consumer is very interested in the cleanliness surrounding the handling of this very perishable product. Meat under suspicion is not bought by the consumer."

Nevertheless, he added, the law as it affected abattoir hygiene was due to be reviewed shortly.

THE red meat industry needs some form of control to give producers price stability and the necessary bargaining power, says Deputy Minister of Agriculture and Water Affairs Gert Kotze.

Opening an Organisation of Livestock Producers seminar in Pretoria yesterday, he said he did not agree with groups agitating for a completely free economy.

It was expressly stated in the White Paper on agriculture that the pursuit of orderly marketing, as well as the obser-

Meat industry needs control?

GERALD REILLY

vance of free-market principles, was a policy goal.

Free competition also had to be reconcilable with the national interest. An absolute free-market system would not be in the interests of the agricultural industry, "but we should strike towards a

marketing system which is free"

Kotze said it was often claimed the poultry industry functioned well without control, and that control over red meat was therefore unnecessary. He said the poultry industry was not vulnerable to changing production conditions and seasonal demand.

One of the red meat industry's main

problems was that many farmers produced independently from each other, and supplied according to climate, price expectations and producers' cash needs.

Outlining the size of the red meat industry, the deputy minister said total consumer spending on red meat amounted to R5,5bn last year. The country had 312 abattoirs where 2,4-million cattle, 105 000 calves, 8,7-million sheep and goats, and 1,6-million pigs were slaughtered, during 1984-85.

24/1/86
BUS DM
B MEAT

MICK COLLINS

SHARP fluctuations in red meat prices are causing chaos as farmers continue to withhold livestock for slaughtering.

In an appeal to farmers at the weekend, Meat Board chairman Flip du Toit said the board was concerned at excessive price moves.

"Although market prices are a function of supply and demand, the price fluctuations not only cause an uneven flow to markets, but also make cost-

effective slaughtering difficult."

For the week ending July 24, 20% less cattle were slaughtered than had been granted access by the Meat Board.

"At present no control measures in respect of sheep and

lambs are in force as a result of under-supply.

"Because of this reduced supply, producers offered only 40% of normal requirements for slaughter for the weeks in question."

Supply has dropped despite

relatively high prices being offered at present.

Control measures administered by the Meat Board are aimed at ensuring early slaughtering turns for producers transporting animals over long distances.

"The supply position is expected to improve from September, particularly in respect of sheep and lambs.

"Consumers should take note that at present beef and pork are still well supplied and buy accordingly."

4/8/86 BUDDAY.
Fluctuating red-meat prices cause chaos

BUDDAY 2/8/86
A battoir-building gets the chop

PERMISSION for the erection of new abattoirs would, in future, be granted to local authorities only in exceptional circumstances, Deputy Agriculture Minister Gert Kotze said in Johannesburg yesterday.

Privatisation, he told the SA Federation of Country Meat Retailers congress, would not be forced on those abattoirs not yet privatised.

LINDA ENSOR

Kotze said he could not go along with the strong support for privatisation recommended by the Van Rensburg committee of inquiry into some aspects of the abattoir industry. "There may be instances which justify the erection of public abattoirs," he said.

Red meat will be scarcer and dearer

15/8/86 SPK (3) MEAT

It can be expected that red meat will become scarcer and more expensive, the Deputy Minister of Agriculture, Mr Gert Kotze, said at a recent country meat retailers' conference in Johannesburg.

Mr Kotze said the number of sheep and cattle in the country had decreased between February 1985 and February 1986 — cattle by 280 000 to 7,99 million and sheep by 980 000 to 25,62 million.

Over the same period, however, the number of pigs had increased from 1,04 to 1,08 million.

"Seen against the expected population increases, these decreases in livestock numbers can be expected to lead to scarcer, more expensive meat supplies," Mr Kotze said.

SURPLUS BEEF

Surplus beef supplies were not as large as generally thought, he added.

For example, the Meat Board had a 6 000 ton surplus on July 24, but this was only enough to meet the country's needs for 4½ days.

Mr Kotze also said that, following an investigation, controls over abattoir tariffs would be lifted from October and abattoir owners allowed to determine their own prices.

A major issue discussed at the conference was the deregulation of meat hygiene in South Africa.

Slow turn

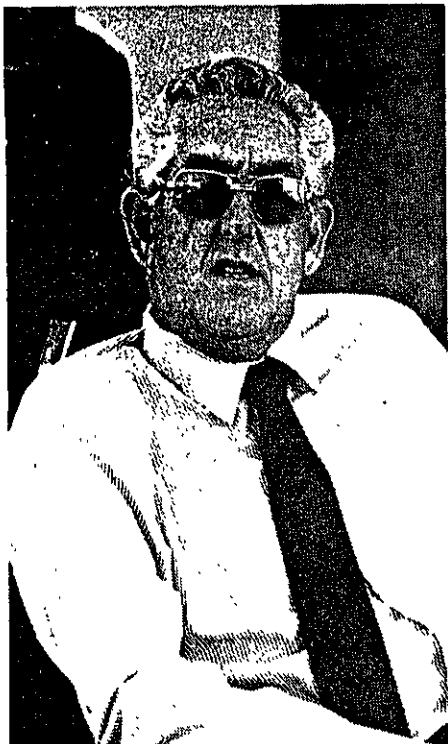
22/8/86

Kanhym has turned the corner in announcing its first profit since 1982, but the legacy of previous years' losses will linger on for ordi-

FINANCIAL MAIL AUGUST 22 1986

nary shareholders who must wait at least another three years for a dividend. The arrear dividend on the cumulative preference shares, amounting to R10,5m (168,44c a share), has first claim on profits, and it remains to be seen if the group can return to a strong profit position next year, bearing in mind the tough conditions in the meat market and the ever-increasing competition from white meat.

Kanhym expects to break even in 1986, and the hard-won interim profit shows this target is a tough one. Sales rose 7%, but volumes were lower, owing to reduced con-



Kanhym's Masson . . . hopes to break even this year

sumer demand for fresh and processed meat. The operating margin fell to 2,5% (4,6% in 1985 interim) as operating income plunged 41,2% to R6m.

Kanhym MD Donald Masson says the single biggest disappointment has been the feedlot operation's loss, which resulted from the rising costs of calves and cattle feed overtaking meat price increases. Prices received by Kanhym have now improved and the feedlot is expected to be profitable by year end. Kanhym would like to see margins in this business rise at least 6%, adding R6m to operating profits. As the number of animals slaughtered in SA is falling, some increase in meat prices is likely.

A successful maize crop and maintained performances from the auctioneering and mining operations countered the poor contribution from meat in the first six months of the year, while October's R74m rights issue saved Kanhym from debilitating finance charges. Interest-bearing debt dropped to R98m (R176,5m at June 1985) and this, with lower interest rates, led to the 73% decline in financing charges. Short-term

KANHYM FATTENS UP

Six months to	Jun 30 '85	Dec 31 '85	Jun 30 '86
Turnover (Rm)	222,7	238,9	237,7
Operating profit (Rm)	10,3	6,9	6,0
Attributable profit (Rm)	(11,5)	(11,3)	0,2
Earnings (c)	(93,5)	(31,8)	0,1
Dividends (c)	—	—	—

debt will be cut further this year as the R15m proceeds from the sale of the interest in the Eikeboom coal mine is expected in October. Kanhym's interest in the export-orientated Middelburg Coal is still for sale at R35m, but the sanctions threat must be discouraging buyers.

Competition from white meat

While Masson says he is confident of at least breaking even this year, Kanhym moved into the red in July as volumes dropped, and benefits of the past two years' rationalisation will only be seen next year. "We don't have many assets that we still want to get rid of, and at year end Kanhym will be clean," he says.

Masson says the group will then formulate new long-term objectives, taking into account the strong competition coming from white meat producers. Value-added red meat products are planned, and Masson says a move into competitive areas must be looked at, although there is no way the group could spend millions on a new venture at this stage.

A food analyst says he will find it difficult to recommend the share until there is proof that Kanhym is firmly back into profits. He says it is necessary to take a view on the time scale for a real recovery in the group, and this could be lengthy. At 230c, the ordinary share is at a small discount to December year end net worth of 235c and is likely to stay about these levels until preliminary results confirm the recovery. The preference share, up at 510c this week from October's 280c, could still have some running in it as the arrears dividends mount. *Kerry Clarke*

SA BIAS

Binding listing

The listing of SA Bias Holdings subsidiary Merhold, originally planned for early 1987, has been postponed, but there should still be a listing in the group within 12 months.

Management plans to list clothing supply company SA Bias Binding (SABB) by a reverse takeover, if that company clinches a deal currently under negotiation to buy a large UK manufacturing concern. If the deal materialises, export turnover of SABB should overtake its SA turnover within a reasonable period.

SA Bias group MD Christopher Seabrooke says the group plans to list other subsidiaries

as they develop, while the holding company would become a pyramid enabling directors to maintain their 51% controlling interest. Also in the industrial division, apart from SA Bias Binding, are six manufacturers of products allied to the clothing and footwear industries and a seatbelt manufacturer.

Seabrooke says the Merhold listing has been postponed for about 18 months because the group currently has no need for additional capital. There are also plans afoot to restructure Merhold, which comprises two main businesses — Merchant Shippers and Mertrade. Merchant Shippers ranks with Reichmans as one of the largest shipping/confirming businesses in SA, while Mertrade specialises in exports to African countries.

SA Bias has a strong profit record — the only time in the last 10 years when earnings



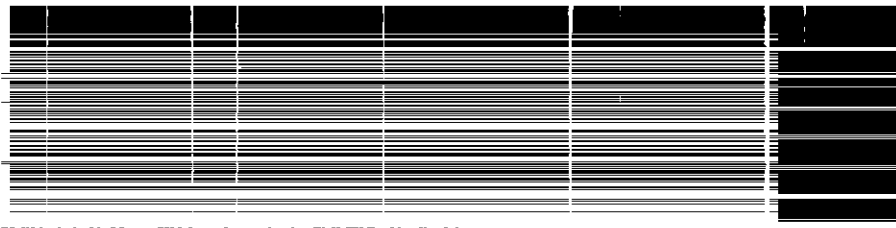
SA Bias' Seabrooke . . . still planning listings

and dividends failed to rise was in 1982 when they were maintained. I understand the group looks on target for earnings growth in excess of 30% in the year to December, due mainly to the strong performance of the industrial division, which is experiencing strong demand from local retailers and export markets.

Seabrooke says while the local clothing industry has picked up, he is concerned there is a false boom under way, as happened in 1983. "I don't think the consumer is buying much more, but the retailer is being forced to buy after a period of de-stocking," he says. Merhold is expected to increase its profit contribution for the year by 5%.

After a 32% rise in the SA Bias group interim earnings, an increase of at least 35% looks within reach for the full year, especially as losses from discontinued operations (R480 000 at interim) should decline in the current six months.

After the sale of the packaging and wholesale divisions in 1985, the group was left with



a 10 000 m² unused property in Springs which was costing about R600 000 a year. A tenant has been found, and this will help reduce costs in the current six months; another method the group is considering to further reduce the burden is to make an acquisition in a field allied to existing business, which would fill the space. The group's tax bill will remain low until the end of 1987 thanks to tax losses from Marathon Packaging.

At 185c, and based on estimated earnings of 32c and a dividend of 10c, SA Bias is on a prospective p:e of 5,78 and dividend yield of 5,4%, versus the sector average p:e of 14,3

and dividend yield of 4,2%. Take into account the earnings outlook and the group's strong overseas contacts and representation which should be useful should sanctions eventuate, and the share looks attractive.

Kerry Clarke

Meat Board, butchers in a stew over sheep

ARGUS 2/9/86

3 meat

Staff Reporter

A ROW has erupted between city butchers and the Meat Board over a shortfall in sheep auctioned at the Cape Town abattoirs.

The total of 1 828 slaughtered sheep put on auction at the abattoirs yesterday was 5 672 fewer than a proposed 7 500 mutton carcasses daily from September 1.

The new quota was not met today either, when 4 624 slaughtered sheep were put up for auction — 2 876 below the quota in the new system.

Criticised

The Chamber of Muslim Meat Traders (Commtra) has criticised the Meat Board for not keeping its undertaking to auction 7 500 sheep carcasses daily from the beginning of September.

Mr Paul Fahrenfort, branch manager of the Meat Board in the Cape Town area, said the board had made no promise to butchers.

Mutton auctioned yesterday was from sheep slaughtered last Friday and was still from the August slaughtering quota.

Mr Fahrenfort said 4 628 sheep were slaughtered for today's auction.

The Meat Board, he said, had issued permits to farmers to send 7 500 sheep from Mondays to Thursdays and 6 500 on Fridays for slaughtering at the abattoirs from September 1 until the beginning of January.

There was no guarantee that farmers would meet expected quotas on their permits.

The abattoirs had facilities to slaughter 5 300 sheep. Spe-

cial arrangements would have to be made to extend the figure to 7 500.

Mr A L Gaffoor, secretary of Commtra, said that in the first two days there had been a huge shortfall in the total of 15 000 sheep that should have been slaughtered.

Farmers were guaranteed a minimum "floor" price of R3,08 a kilogram on slaughtered sheep auctioned.

The retail price of mutton accordingly would spiral and a sheep carcass could easily fetch up to R6 a kilogram on the retail market.

Commtra raised the issue of the shortage of slaughtered meat at the abattoirs a few months ago.

Complaints

At the time farmers complained they were not being issued with enough permits by the board to send sheep for slaughter.

The board claimed the permit system was temporarily suspended.

Mr Gaffoor said: "A three-member Commtra delegation met Mr Fahrenfort last Thursday and he was very sympathetic.

"We were told the new system would come into operation from September 1," Mr Gaffoor said.

"The board and the farmers owe the consumer an explanation why there were only about 1 800 sheep on sale in Cape Town yesterday and only about 4 000 slaughtered for today."

Shortages, unrest affected industry

SMP ③ HZST 16/9/86

Problems such as supply shortages, labour unrest, boycotts, frozen meat sales and constantly spiralling overhead costs had affected the meat industry during the last year, said the chairman of the South African Federation of Meat Traders, Mr E M Bielovich.

Speaking at the opening of the Federation's 46th congress which

began in Johannesburg yesterday, Mr Bielovich said he hoped the industry would survive and become stronger in the future.

The prospects of co-operation between the South African Federation of Meat Traders and the Meat Board had "appeared very gloomy" at the beginning of the period under review, but

they had improved. "It is no secret that we opposed the intention of the Meat Board to dispose of its stock of frozen meat directly to the consumer.

"Our opposition stems from the principle that the distributive trade is there to do the job," he said.

"If there had been a little more flexibility on both sides we would have arrived at a better solution to this problem.

Call on Meat Board 'to cease retail competition'

The South African Federation of Meat Traders yesterday proposed a resolution requesting "the Meat Board to cease trading in competition with the retail trade" when they met in Johannesburg for their 46th congress.

"We must try to avoid what has happened in the past," said a statement from the Cape Retail Meat Traders' Association.

"While the Meat Board has been authorised by the Marketing Council to 'trade', it was never intended that it should do so in competition with the retail meat trade. The Marketing Council should be requested to define and limit this authorisation."

The federation will vote on the resolution today. In another resolution, the congress requests the withdrawal of the policy regarding surplus red meat.

"The policy that all meat that is taken over by the Meat Board on the sales at floor prices must be removed by the board and not resold, has caused the board to accumulate stocks with colossal financial losses to the producer.

"The policy was introduced to support the market prices, and it is generally agreed that it must be changed.

"Various suggestions have been made to market this surplus in the fresh state which would have the same effect and also make these carcasses available for prompt distribution," said the statement.

CO-OPERATION

"At this stage one can only be thankful that the people concerned were bigger than the problems confronting them and we progressed from this impasse to co-operate in other areas of concern."

He said he was also involved with a sub-committee, appointed by the Meat Board, to investigate and make recommendations on:

- The proposed new regulations governing the composition and labelling of meat products.
- The regulations governing emulsifiers, stabilisers and thickeners and the amounts thereof
- The regulations governing the labelling and advertising of foodstuffs, cosmetics, disinfectants and incidental matters.
- The regulations relating to transport.

RED MEAT

3 MEAT

FUNNY
19/9/85

Back to basics

Agriculture is really coming to grips with market realities. Now the heavily regulated R4 billion/year red meat industry is showing signs of following the maize sector's tentative deregulation.

Apparently reacting to the loss of market share to cheaper chicken, Meat Board strongman and chairman of the South African Agricultural Union's red meat committee Fanie van Rensburg made a surprising offer to retailers at this week's annual congress of the SA Federation of Meat Traders in Johannesburg.

Commenting on the suspension of the R9m a year generic advertising campaign, Van Rensburg said the board is now investigating the possibility of subsidising "trademark" advertising by individual or corporate retailers as a means of increasing consumption.

"We still have to devise an acceptable formula for allocating advertising funds to individual applicants, but in principle we favour the departure from generic advertising," says Van Rensburg.

Welcoming the move, Consumer Union chairman Betty Hirzel says generic advertising always met with consumer resistance. But "co-operative" advertising would go down well with consumers.

The Meat Board also made strong overtures for closer co-operation between producers and traders by inviting meat retailers to a joint conference next year to devise new strategies for increasing sales.

This is another important departure from the body's take-it-or-leave-it attitude, and it was also welcomed by traders.

But the board still came in for strong criticism for competing with butchers by selling surplus frozen meat direct to the public. Chairman Flip du Toit explained that special circumstances at the time, overflowing cold storage facilities, the lack of export markets and pressure from government forced the sale.

"But the sales generated tremendous goodwill for the trade," says Meat Board GM Pieter Coetzee. This is shown by the jump in sales in the January-September period to 440 000 t from 395 000 t in the same period in 1985. Sales of frozen stocks accounted for only 0,72% of total sales, he adds.

The board's new deputy GM, Frans Pieterse, a former top executive of the Kanhym meat group, has played a major role in cementing links between the producer body

and the retail trade at a series of meetings over the past year. This has paved the way for the board's increased awareness of the market, prices and the consumer.

"The consumer is the most important link in the distribution chain," says Pieterse. "His needs and desires must take precedence in the whole production and distribution process."

Pieterse also warns producers they will have to ensure prices stay within reach of consumers.

The board's increased sensitivity comes none too soon. According to Bloemfontein agricultural economist Kobus Laubscher red meat is now seen by many consumers as a luxury. Per capita consumption is still decreasing while cheaper chicken sales are still showing strong growth. ■

2/19/86 BUS > DM

3 NEWS

Truce on red meat declared

Business Day Reporter

THE Heart Foundation and the Meat Board have decided to declare a truce in their running fight on whether red meat is healthy or unhealthy — saying they would cooperate "to the advantage of the consumer."

Board deputy-general Frans Pieterse and foundation director Rika de Ruiter said greater co-operation would enable them to make a meaningful contribution, particu-

larly in the field of health education.

De Ruiter said "The SA consumer is totally confused as a result of contradictory viewpoints regarding the role of red meat in a balanced diet. The foundation's viewpoint is not that consumers should

cut-out meat entirely.

"We are merely saying use it in moderation and avoid an excessive intake of fats."

Pieterse agreed, adding the board's task was to market red meat as well as educating the consumer on the product's qualities and correct use.

Hotline help for SA cattle farmers

30/9/86

East Rand Bureau

Two young Eastern Transvaal stock farmers have set up a computer-aided "hotline" in Boksburg to assist South African farmers in diagnosing stock diseases.

Mr David Dooley (28) and his twin brother, Peter, took about eight months to devise a computer programme which they said could diagnose any known South African stock disease.

They have been manning a 24-hour "Data Cure" hotline, to which farmers can report their animals' symptoms.

These were punched into a computer, which came up with a diagnosis.

Farmers from South Africa and the neighbouring states may subscribe to Data Cure on a monthly basis.

Mr Dooley said he and his brother made a detailed study of stock diseases.

"Instead of wading through volumes on stock diseases, a farmer can get a diagnosis from us within minutes.

NOT VETERINARIANS

"But I must stress we are not trying to be veterinarians. We will tell a farmer if his animal should be seen by a vet.

"We do not prescribe treatment either, but only tell the farmer where he can get information on the relevant disease."

Farmers will be told if the disease was required by law to be reported.

Data Cure will tell subscribers of a high incidence of a particular disease in their area.

"We will continually update the programme," said Mr Dooley.

The hotline telephone number is (011) 894-2582.

Concern ^② over meat ^{DD 7/10/61} prices ⁽²⁵⁾

PORT ELIZABETH — Butchers have been urged to unite and take stronger action in fighting soaring meat prices.

The call was made at the weekend by the chairman of the Port Elizabeth and Uitenhage Meat Traders' Association, Mr "Peppie" Lochner.

Mr Lochner said last night soaring and fluctuating meat prices were making it impos-

sible for butchers to stay in business.

Beef prices had increased about 80 per cent compared to a year ago and yesterday's price of R3,55 a kilogram for third grade beef was probably an all-time high, he said. A 400 kg carcass, of which 25 per cent was bone, was now selling for R1 600.

Soaring costs apart, butchers had also been

landed with inexplicably large price swings. The price of mutton had increased by 80c a kilogram to R4,70 a kilogram in the space of four days last week.

Added to the high prices, butchers were also having to pay loading levies to the abattoir since the introduction of a regulation barring butchers from loading their own vehicles, he said. — DDC

Price of beef leaps by a third in Durban

Mercury Reporter

THE price of beef rose dramatically at the Cato Ridge Abattoir yesterday, with the lower grades increasing by about 35% and the top grades by about 30%.

However, the abattoir prices will only affect retail prices next week when butchers buy meat.

A spokesman for the Livestock and Meat Industries Control Board said the average price of grade three beef was R3,86 per kilogram yesterday while it was R2,87 last week.

Top-grade beef was R4,22 per kilogram yesterday, up on last week's price of R3,23.

The rise has been attributed to a national shortage of cattle which has come about due to drought and economic reasons that have seen farmers reduce their herds over the past four years.

Mr Bill Delpont, abattoir division manager of Stockowners, which handles most of the cattle slaughtered in Natal, said the national herd had decreased from 9 300 000 to 7 000 000.

18 months

'Higher beef prices are here to stay for at least the next 18 months as to increase the herds will take this amount of time, if not more,' said Mr Delpont.

Mr Delpont said another reason for the rise was the greater demand caused by the influx of holiday-makers in Durban.

Although beef prices have escalated, the price of lamb, mutton and pork decreased slightly yesterday, but were still relatively high compared with prices last year.

'All types of meat are undersupplied at the moment and this has had its effect on prices,' Mr Delpont said.

Handwritten notes:
10/10/12
H.M.S.

End-of-year prices could put it out of buyers' reach

Beef price rocketing

By DENNIS CRUYWAGEN
Staff Reporter

BEEF has gone up in price by a whopping 27 percent in the past three months and the meat industry has warned that seasonal end-of-year increases could put red meat out of the reach of consumers.

There is an acute shortage of beef caused by the prolonged drought and wholesalers have appealed to the Meat Board to import supplies to prevent meat becoming a rich person's luxury.

The Chamber of Muslim Meat Traders (Commtra) warned in a statement today that beef was being priced out of the reach of ordinary people.

Three weeks ago beef was selling at R2,90 a kg at the municipal abattoir; the current price is R3,70.

Mr Frikkie van Rensburg, general manager of a meat retail firm, said the meat industry was facing a crisis. Increased beef prices had a ripple effect on other meat.

"If one commodity, like beef, is increased, other meat prices are increased as well."

Pork, once much cheaper than beef and mutton, was already selling for almost R7 a kg.

Resistance

He said consumers, faced with rising beef and pork prices, were showing their resistance by buying chicken and fish.

"This places a question mark over our future. Where are we to go if there is a pronounced consumer swing to chicken and fish?"

The Meat Board must offer us some relief by importing fresh beef because increasing prices will take our product off the shelves," Mr van Rensburg said.

The abattoir price of lamb and mutton had dropped to about R4,50 a kg from a high of about R5,50.

The Red Meat Producers' Association has announced that small supplies of red meat will be imported.

But Mr van Rensburg said that this would benefit only the meat processing industry because the imports would be frozen.

Appeal refused

Commtra said that the Minister of Agriculture, Mr Greyling Wentzel, had turned down its appeal in January to investigate the meat industry.

A survey by The Argus showed that prices of red meat differed from butcher to butcher. Popular cuts were sold at varying prices as follows:

Fillet sold for between R14,02 and R10,90 a kg, rump for between R18,98 and R8,98, stewing steak ranged from R5,98 to R7,98, topside from R8,35 to R6,28 and mince from R5,48 to R5,98.

Argus 15/10/86 (3 heat)

SMC T-10 14/10/86

nion

ATV attack was distortion of facts

SABC's Network programme on liberation theology", produced by Cliff Saunders, was described yesterday in a statement by 11 professors of the-ology as a despicable attack on Archbishop Desmond Tutu.

despicable attack on Archbishop Desmond Tutu during the SABC's Network hatchet-job of liberation theology on Sunday evening signals, the depths to which its so-called document-casting has sunk.

Saunders, now an authority on the church, and religion in general, cannot be expected to other than indulge in half-truths and distortion of the facts.

it appears, can we expect any better from the charge of the Network programme on liberation theology.

SATV. have clearly embarked on a crusade against those churches who oppose apartheid and the church. One senses they are now preparing a assault on the churches.

comments on Saunders' pseudo-evangelical liberation theology should be made for the

TLX, with the exception of Rosemary Radcliffe Ruether and a representative of the Anglican Bishops Conference in the USA,

THE signatories of the statement are: Professor Godfrey Ashby, Department of Religious Studies at the University of Witwatersrand.

Professor David Bosch, Dean of the Faculty of Theology at the University of South Africa. Professor G D Cloete, Professor of New Testament at the University of Western Cape. Professor Calvin Cooke, Dean of the Faculty of the Rhodes University. Professor J J F Durand, vice-rector of the University of Western Cape. Professor John de Gruchy, professor of

Christian Studies at University of Cape Town. Professor Simon Maimela, Professor of Systematic Theology at the University of South Africa.

Professor Martin Prozesky, Department of Religious Studies at the University of Natal. Professor W Saayman, head of Department of Missiology of University of South Africa. Professor John Suggitt, Professor of New Testament at Rhodes University. Professor Charles Villa-Vicencio, head of the Department of Religious Studies at the University of Cape Town.

— talk about liberation theologians mixing religion with politics!

Saunders was desperately trying to show us glib South Africans that the vast Christian public in the US, particularly black Pentecostals, the heirs of Martin Luther King jr, reject liberation theology and the social witness of the likes of Desmond Tutu.

Right-wingers like Jerry Falwell are now portrayed as the interpreters, indeed, supporters of Martin Luther King.

What incredible and arrogant nonsense! Where were they and their friends during the civil rights struggle?

FOURTHLY, what Saunders and company are really after is to further divide those churches in South Africa who have discerned that apartheid is contrary to the gospel and must be opposed.

Concomitantly, they want to give media support which either boosts the status quo or in remaining silent, think they are not being political.

Also, if they were really concerned to oppose communism they would be in the struggle to root out injustice and everything else which inevitably spawns revolution.

But, finally, we return to their attack on Desmond Tutu.

He does not need us to rush to his defence but let this be said: Long after Saunders and the SATV have ceased to indulge in this kind of thing, names of people like Tutu will be remembered for their prophetic witness and their struggle for that justice which alone can prevent a bloodbath in South Africa.

No liberation theology we have read or known was recognizable in what was said.

If they were quoted, they were quoted out of context and the images that flashed across the screen together with the organ music in the background ensured that the gospel according to Saunders was faithfully communicated as the eternal truth according to the Bible.

THIRDLY, the real purpose behind the programme had nothing to do with trying to be faithful to the scriptures or the lordship of Jesus Christ.

Whatever Saunders' own religious convictions, his intentions were purely and blatantly political

Pronounced consumer swing to chicken and fish noted

Soaring meat prices worry traders

Own Correspondent

CAPE TOWN — The price of red meat has rocketed in the past three months and the meat industry has warned that seasonal end-of-year increases could put red meat out of the reach of consumers.

The prolonged drought has caused an acute shortage of beef and wholesalers have appealed to the Meat Board to import supplies to prevent meat becoming a luxury for the wealthy.

"Failing this, it will be very difficult for the man in the street to afford meat," warned Mr. Frikke van Rensburg, general manager of Renown.

The Chamber of Muslim Meat Traders (Commtra) said in a statement this week that beef was being priced out of the reach of ordinary people.

Kanlym general manager Mr. Sakke Saaiman said the price of beef had increased by 27 percent in the past three months.

Three weeks ago beef was selling at R2,90/kg at the municipal abattoir and the current price was R3,70, he said.

Mr. van Rensburg said that increased beef prices had a ripple effect on other meat.

Pork, once much cheaper than beef and mutton, was already selling for almost R7/kg.

He said consumers, faced with rising beef and pork prices, were showing their resistance by buying chicken and fish.

"This places a question mark over our future and the meat industry is facing a crisis. Where are we to go if there is a pronounced consumer swing to chicken and fish? The Meat Board must offer us some relief by importing fresh beef because increasing prices will take our product off the shelves," Mr. van Rensburg said.

No longer buying boerewors

Boerewors, a favourite item in most South African homes, was being sold at about R6/kg.

"Many people no longer buy boerewors. This shows how hard consumers are being hit."

Mr. van Rensburg said the prices of mutton and lamb, high a month ago, had decreased because more sheep were reaching the market.

The abattoir price of lamb and mutton had dropped to about R4,50/kg from a high of about R5,50.

Mr. Saaiman agreed that the Meat Board should increase fresh red meat imports but only as a short term measure.

"There is an acute shortage of fresh red meat and it would be in our own interest if beef were imported as a short term measure. But I do not know if this will solve the crisis permanently," Mr. Saaiman said.

The Red Meat Producers' Association has announced that small supplies of red meat will be imported.

But Mr. van Rensburg and Mr. Saaiman said this move would benefit only the meat processing industry because the imports would be frozen.

Commtra said the Minister of Agriculture, Mr. Greyling Wentzel, turned down its appeal in January for an investigation of the meat industry.

Agricultural unions had expressed grave misgivings about the meat marketing structure and many farmers in the Free State were bankrupt, Commtra said.

A city butcher claimed that rocketing red meat prices were driving small butchers out of business.

"The beef prices are going through the roof. It is difficult for customers to buy beef. The small butcher is going out of business. Very soon only supermarkets will be able to sell meat," he said.

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Soaring meat prices worry

traders

Own Correspondent

SMN 16/10/88

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Meat price rise worries board

PORT ELIZABETH — There is near-panic in the Meat Board and red meat industry at the alarming increase in the prices of red meat products of recent months.

The deputy general manager of the Meat Board, Mr Frans Pieterse, said yesterday the board was offering its stockpile of frozen carcasses in order to lower soaring prices that were pushing meat out of the reach of the average consumer.

The board and the SA Agricultural Union had also obtained permission from the Department of Agriculture to import 1 000 tons of lower-grade manufacturing beef for processed products in a bid to contain rocketing prices.

"We are looking into the matter to see if there's anything else we can do — it's a big worry to the Meat Board and the whole industry. We want red meat to stay within the average consumer's spending power," said Mr Pieterse.

The rise of more than 25 per cent in the consumer price of red meats in the last three months had been in-

duced by a shortage caused by the recent droughts. ^{3 Meat}

"The price over the next few months will be a function of supply and demand — and of whether there will be early rains or not.

"If there are no early rains there will be great pressures on the market.

"The price will drop temporarily as farmers are forced to sell off livestock, but later there will be greater shortages and worse price rises.

"At this stage we are waiting to see what will happen with the rains over the next few weeks. If it rains we will make adjustments to meet the market demands and any short-term meat shortages that may result," he said.

Although there was not much more the Meat Board could do at present, there was a lot that the consumer could do to keep down the monthly meat bill, such as buying meat in the middle of the month when prices were lower than at the end of the month, Mr Pieterse said.

"People must plan their meat budgets carefully to avoid paying more."

DO NOT WRITE

THERE is near-panic in the Meat Board and red meat industry at the alarming increase in the price of red meat products.

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The board and the SA Agricultural Union had also obtained permission from the Department of Agriculture to import 1 000 tons of lower-grade manufacturing beef for processed products in an attempt to contain rocketing prices.

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③ MEAT.
Red meat price triggers alarm

Own Correspondent

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"And if there are no early rains, there will be great pressures on the market. The price will drop temporarily as farmers are forced to sell off livestock, but later there will be greater shortages and worse price rises.

Although there was not much more the Meat Board could do at present, there was a lot the consumer could do to keep down the monthly meat bill, such as buying meat in the middle of the month when prices were lower than at the end of the month, he added.

best time to build up animals for better grades in the feedlots.

Van Rensburg says these imports will be necessary for at least five more months. However, there isn't an end in sight. He believes there will be a general shortage of red meat next year, even higher grades, because of a fall off in the calving rate.

More concern

"During the drought farmers slaughtered into their capital — culling female animals. We expect this will lead to a 5%-10% drop in the calving rate this year. This is why we have already seen a rise in the liveweight price of feedlot cattle from 130c/kg to 220c/kg and why retail consumers can certainly expect even higher prices."

A 10% fall in the calving rate would mean about 200 000 less cattle available for slaughter, based on the 2m head sent to the abattoirs in the past year. The amount of red meat produced for the market was 440 889 t, which could mean imports of some 44 000 t next year. Similarly, a 5% drop would represent 22 000 t, and the real figure probably lies between the two.

Whatever happens, the whole question of imports is causing concern to the Organisation of Livestock Producers (OLP). Executive director Roy van der Westhuizen says imports should be considered only when wholesale prices reach 550c/kg for mutton and 400c/kg for beef. In August, the wholesale prices for local produce were 436,2c/kg for mutton, 295c/kg for beef and 278c/kg for pork.

He is also worried by the fact that imports are not agreed in an open system, and that the differentials between the price of imports and local produce are not going into the farmers' stabilisation fund.

"The OLP," says Van der Westhuizen, "doesn't argue that there should not be imports, particularly if there is a need to stabilise the market."

Putting sectoral interests first, however, he says he would like to see an open tender system "otherwise it's open to abuse, with the possibility of the importer pocketing the difference on each carcass. If we look at a landed price of imports of something like 300c/kg and a 400c/kg local wholesale price, there is R1 000 to be made on each ton of imported meat.

"We're also concerned that the Meat Board might get locked into long-term supply contracts which would mean we end up in another surplus situation. This is particularly important when one considers that there is a worldwide glut of red meat, some of which could easily be dumped here."

RED MEAT IMPORTS

Out for blood

SA has begun another round of meat imports — and precipitated another industry row. Some 700 t of meat destined for canners has already arrived this month and another 400 t is due to follow shortly.

This, according to Red Meat Producers' Organisation chairman Fanie van Rensburg, is to make up a shortfall in the supply of red meat to the factories. He calculates the shortage at some 1 300 t out of a total consumption by the sector of 2 000 t a month.

There are two reasons for the undersupply. One is that farmers in areas where there has been some rain are attempting to build up herds after the wholesale slaughter during the drought. The other is seasonal. There is usually a shortage of third grade meat from August to November because winter is the

Deputy Meat Board GM Frans Pieterse tells the *FM* it is policy at the moment not to comment on the import situation because of the sensitivity of the issue.

CAW - Times 12/10/86

High meat prices 'killing' butchers ^{2 meat}

By PETER DENNEHY

BUTCHERS complained yesterday that the small operator in the meat trade was being "killed off" in the toughest market in memory. Prices have already risen 25 percent in three months, and are still rising.

Insolvencies were at an unprecedented level, said Mr Faizal Sungay, chairman of the Muslim Butchers' Association, which has more than 450 members.

"In the past two months, seven butchers that I know of have gone under, and earlier this year two butcheries in Long Street had to close down. One of them, Goolams Meat, had been established for 36 years."

He claimed the "floor price" of meat was being kept artificially high by the Meat Board. This was vehemently denied by Mr Frans Pieterse, deputy general manager of the Meat Board.

"The prices are not so high that the meat does not move," he said. "If that were the case, we would be buying up the excess, but we have not bought a hoof carcass for months."

He also denied a claim that the Meat Board was moving carcasses from Cape Town to other markets to get better prices.

No limit was being placed on the amount farmers were allowed to slaughter, he said.

Mr Werner Gautschi, chairman of the Cape Retail Meat Traders' Association, said prices had shot up so long before Christmas because many people had freezers and the run on red meat started earlier and earlier.

He said the beef shortage was due to depleted stocks after the drought, but complained that pig producers had either planned poorly or were manipulating the market.

"Consumers should not panic, as it only drives up the prices," he advised. Sea Point butcher Mr Chris Joubert also advised consumers not to panic, but to stock up well in advance of Christmas.

A city butcher said last year's Christmas peak in prices had already been surpassed this year.

If prices did not improve, the average family would eat meat only once in two weeks, and butchers would not survive in the market, he said.

One butcher said that only 600 cattle were being slaughtered in the Greater Cape Town area daily, while the demand was for 800 a day.

Meat and potato prices to rocket?

Handwritten: @ MEAT

Handwritten: DD 18/10/86



Dispatch Reporter EAST LONDON — The prices of red meat and potatoes are expected to rocket during the next few weeks and one supermarket buyer said he expected a pocket of potatoes to cost about R20 by December.

Mr. Dave noted that meat prices were not the only prices to have gone up during the past few months. "Every commodity is costing more."

He attributed the high prices being paid at the abattoir to the fact that farmers were holding on to their stock in the hope of getting higher prices in December.

A spokesman for the East London office of the Meat Board said he was "not prepared" to comment.

A Vincent supermarket's regional buyer, Mr. Dave Ramsden, said the fluctuation in the potato price (up to R13.99 a pocket yesterday) was due to the rainy weather, which had prevented farmers from pocketing and transporting their potatoes.

Another supermarket buyer, Mr. B. Johnson, said that most people expected the potato price to rise to R20 a pocket around Christmas time.

"However, this depends on the weather," he said.

● Spokesmen for the Meat Board in Pretoria could not be contacted for comment yesterday.

2. In die Afrikaans version:

(a) Substitueer die wording "Departement van Gesondheidsdienste en Welsyn" vir die wording "Departement van Nasionale Gesondheid en Bevolkingsontwikkeling".

(b) Substitueer die wording "Die Minister van Gesondheidsdienste en Welsyn" vir die wording "Die Minister van Nasionale Gesondheid en Bevolkingsontwikkeling".

DEPARTMENT OF AGRICULTURAL ECONOMICS AND MARKETING

No. R. 2185
24 October 1986
LIVESTOCK AND MEAT CONTROL SCHEME.—
AMENDMENT

1. Jacob Johannes Greyling Wentzel, Minister of Agricultural Economics, acting under section 14, as applied by section 15 (3), of the Marketing Act, 1968 (Act 59 of 1968) hereby—

(a) publish the amendment set out in the Schedule, of the Livestock and Meat Control Scheme published by Proclamation R. 200 of 1964, as amended; and

(b) declare that the said amendment shall come into operation on the date of publication hereof.

J. J. G. WENTZEL,
Minister of Agricultural Economics.

SCHEDULE

Section 13D of the Livestock and Meat Control Scheme published by Proclamation R. 200 of 1964, as amended, is hereby further amended by the substitution in subsection (2) for the expression "nine" of the expression "ten".

No. R. 2187
24 October 1986
AGRICULTURAL PRODUCE EXPORT ACT, 1971
(ACT 51 OF 1971)

REGULATIONS RELATING TO THE GRADING, PACKING AND MARKING OF APRICOTS INTENDED FOR EXPORT FROM THE REPUBLIC OF SOUTH AFRICA.—AMENDMENT

The Minister of Agricultural Economics has under section 4 of the Agricultural Produce Export Act, 1971 (Act 51 of 1971), made the regulations in the Schedule.

SCHEDULE

Definitions

1. In this Schedule "the Regulations" means the regulations published by Government Notice R. 103 of 28 January 1983, as amended by the regulations published by Government Notice R. 502 of 11 March 1983, R. 1005 of 13 May 1983, R. 2857 of 28 December 1984 and R. 2752 of 13 December 1985.

Amendment of regulation 1

2. Regulation 1 of the Regulations is hereby amended by the substitution for the definition of "Department" of the following definition:

"Department" means the Department of Agricultural, Economics and Marketing."

2. In die Engelse gedeelte:

(a) Vervang die woorde "Department of National Health and Population Development" met die woorde "Department of Health Services and Welfare".

(b) Vervang die woorde "The Minister of National Health and Population Development" met die woorde "The Minister of Health Services and Welfare".

DEPARTMENT VAN LANDBOU- EKONOMIE EN -BEMARKING

No. R. 2185
24 Oktober 1986
BEMARKINGSWET, 1968 (WET 59 VAN 1968)
VEE- EN VLEISREËLEINGSKEMA.—WYSIGING

Ek, Jacob Johannes Greyling Wentzel, Minister van Landbou-ekonomie, handelende kragtens artikel 14, soos toegepas by artikel 15 (3), van die Bemarkingswet, 1968 (Wet 59 van 1968)—

(a) publiseer hierby die wysiging in die Bylae uiteengesit, van die Vee- en Vleisreëlingskema gepubliseer by Proklamasie R. 200 van 1964, soos gewysig; en

(b) verklaar hierby dat genoemde wysiging op die datum van publikasie hieraan in werking tree.

J. J. G. WENTZEL,
Minister van Landbou-ekonomie.

BYLAE

Artikel 13D van die Vee- en Vleisreëlingskema gepubliseer by Proklamasie R. 200 van 1964, soos gewysig, word hierby verder gewysig deur in subartikel (2) die uitdrukking "nege" met die uitdrukking "tien" te vervang.

No. R. 2187
24 Oktober 1986
WET OP DIE UITVOER VAN LANDBOUPRODUKTE, 1971 (WET 51 VAN 1971)

REGULASIES MET BETREKKING TOT DIE GRADEERING, VERPAKKING EN MERK VAN APPELKOSE BESTEM VIR UITVOER UIT DIE REPUBLIEK VAN SUID-AFRIKA.—WYSIGING

Die Minister van Landbou-ekonomie het kragtens artikel 4 van die Wet op die Uitvoer van Landbouprodukte, 1971 (Wet 51 van 1971), die regulasies in die Bylae uitgevaardig.

BYLAE

Woordomskrywing

1. In hierdie Bylae beteken "die Regulasies" die regulasies gepubliseer by Goewernementskenningswysing R. 103 van 28 Januarie 1983, soos gewysig deur die regulasies gepubliseer by Goewernementskenningswysing R. 502 van 11 Maart 1983, R. 1005 van 13 Mei 1983, R. 2857 van 28 Desember 1984 en R. 2752 van 13 Desember 1985.

Wysiging van regulasie 1

2. Regulasie 1 van die Regulasies word hierby gewysig deur die omskrywing van "Departement" deur die volgende omskrywing te vervang:

"Departement" die Departement van Landbou-ekonomie en -bemarking."

Wysiging van regulasie 10

3. Regulasie 10 van die Regulasies word hierby gewysig—

(a) deur paragrafe (a), (i), (m) en (p) van die tabel in subregulasie (2) onderskeidelik deur die volgende paragrafe te vervang:

Quality factor	Destination		
	A	B	C
(a) Cultivars.....	Surface transport	Air transport	Destination A
(i) Colour			
(i) Pezta, Piet Cillie and Royal	Pezta, Piet Cillie (marked as Imperial), Piet Cillie (marked as Imperial), Pezta, Royal and Super Gold	Bulida, Palsey (marked as Imperial), Pezta, Piet Cillie (marked as Imperial), Pezta, Royal and Super Gold	Alpha, Bulida, Palsey (marked as Imperial), Pezta, Piet Cillie (marked as Imperial), Pezta, Royal and Super Gold
(ii) Palsey	Yellow to dark yellow with only a light green tinge	As for Surface Transport	As for Destination A
(iii) Super Gold	Light yellow to yellow	As for Surface Transport	As for Destination A
(iv) Bulida	—	Predominantly yellow but firm	As for Destination A
(m) Danener (mammam)	—	43 mm	38 mm
(p) Bulida	—	38 mm	38 mm
(i) Ober cultivars.....	38 mm	As for Surface Transport	As for Destination A
(p) Maturity.....	Fully developed and mature, but not overripe, with flesh firm but juicy with some that separate easily from the flesh, without any flesh adhering to the stone when two halves of fruit are wrung in opposite directions	As for Surface Transport	As for Destination A

Gehaliefaktor	Bestemming		
	A	B	C
(a) Cultivars.....	Oppervlakvervoer	Lug vervoer	Bestemming A
(i) Kleur			
(i) Pezta, Piet Cillie en Royal	Palsey (gemerk Imperial), Pezta, Piet Cillie (gemerk Imperial), Pezta, Royal en Super Gold	Bulida, Palsey (gemerk Imperial), Pezta, Piet Cillie (gemerk Imperial), Pezta, Piet Cillie (gemerk Imperial), Pezta, Royal en Super Gold	Alpha, Bulida, Palsey (gemerk Imperial), Pezta, Piet Cillie (gemerk Imperial), Pezta, Royal en Super Gold
(ii) Palsey	Groen-geel tot geel	As vir Oppervlakvervoer	As vir Bestemming A
(iii) Super Gold	Liggel tot geel	As vir Oppervlakvervoer	As vir Bestemming A
(iv) Bulida	—	Oortersend geel maar ferm	As vir Bestemming A
(m) Danener (mammam)	—	43 mm	38 mm
(p) Bulida	—	38 mm	38 mm
(i) Ander kultivars.....	38 mm	As vir Oppervlakvervoer	As vir Bestemming A
(p) Ryptyd.....	Ten volle ontwikkel en volwasse, maar nie oorryp nie, met vlees ferm maar sagging met pit wat maklik van die vlees skei, sonder dat enige vlees aan die pit bly vasleë of swaam twee helms van vrug in teenoegestelde rigtings gewring word	As vir Oppervlakvervoer	As vir Bestemming A

(ii) hardbord being 4 mm thick, 288 mm long and shall be 91,5 mm high where the internal depth of the container is 93 mm, and shall be 101,5 mm high where the internal depth of the container is 104 mm, and complying with Decisions No. 2-6/0579.

(2) *Type L1*.—A container manufactured from B-flute double faced corrugated cardboard or any other suitable type of material with external dimensions of 400 mm in length and 300 mm in width and an internal depth of 93 mm or 104 mm, and that is supplied with a suitable lid.

Amendment of regulation 13

6. Regulation 13 of the Regulations is hereby amended by the substitution for paragraph (c) of subparagraph (4) of the following paragraph:

“(c) A white polythene fibre foam top sheet that conforms to the Decisions Fruit Board material specification number 12456/0779 and with dimensions of 355 mm x 270 mm x 3 mm shall be placed on top of each layer of fruit, except the upper layer upon which at least two foam top sheets shall be placed, before the carton flaps are carefully folded down.”

Amendment of regulation 15

7. Regulation 15 of the Regulations is hereby amended—

(a) by the substitution for paragraph (b) of subparagraph (1) of the following paragraph:
“(b) the appropriate cultivar in letters of at least 6 mm in height. Provided that the cultivars *Palsieyn* and *Piet Cille* shall be marked “*Impress*” and “*Empress*” respectively.”

(b) by the substitution for paragraph (d) of subparagraph (1) of the following paragraph:
“(d) the identity number allocated by the Decisions Fruit Board to the consignor concerned in letters of at least 6 mm in height. Provided that in the case of a person in possession of a valid export permit issued by the Decisions Fruit Board, be marked with the name and address or trademark of such a person, in letters of at least 3 mm in height.”

(c) by the substitution in paragraph (e) of subparagraph (1) for the expression “*three figure code*” of the expression “*four figure code*”;

(d) by the substitution for paragraph (f) of subparagraph (1) of the following paragraph:
“(f) a fully completed identification card shall, if required by the Director, be affixed to every pallet containing apricots that is presented for inspection;” and

(ii) hardbord moet wees waar die binnediepte van die houer 93 mm is, en 101,5 mm hoog moet wees waar die binnediepte van die houer 104 mm is, en wat aan Sagrevingeramateriaalspesifikasienommer 2-6/0579 voldoen.

(2) *Type L1*.—’n Houer vervaardig van B-groef dubbelvlakkeelkarton of enige ander geskikte materiaal met binnediepte van 400 mm lank, 300 mm breed en ’n binnediepte van 93 mm of 104 mm, en wat van ’n geskikte deksel voorsien is.

Wysiging van regulasie 13

6. Regulasie 13 van die Regulasies word hierby gewysig deur paragraaf (c) van subregulasie (4) deur die volgende paragraaf te vervang:

“(c) ’n Wit poli-uretaanekskunbovel wat voldoen aan Sagrevingeramateriaalspesifikasienommer 12456/0779 met afmetings van 355 mm x 270 mm x 3 mm moet bo-op elke laag vrugte geplaas word, uitgesonderd die boonste laag waarop minstens twee skunbovelle geplaas moet word, voordat die kartonflappe versigtig ingevou word.”

Wysiging van regulasie 15

7. Regulasie 15 van die Regulasies word hierby gewysig—

(a) deur paragraaf (b) van subregulasie (1) deur die volgende paragraaf te vervang:
“(b) die toepaslike kultivar met letters minstens 6 mm hoog. Met dien verstande dat die kultivars *Palsieyn* en *Piet Cille* onderskeidelik as “*Impress*” en “*Empress*” gemerk moet word.”

(b) deur paragraaf (d) van subregulasie (1) deur die volgende paragraaf te vervang:
“(d) die identiteitsnommer wat deur die Sagrevingeramateriaalraad aan die betrokke afseerder toegewys is met letters minstens 6 mm hoog. Met dien verstande dat in die geval van ’n persoon wat oor ’n geldige uitvoerpermit beskik wat deur die Sagrevingeramateriaalraad uitgereik is, die naam en adres of handelsmerk van so ’n persoon, met letters minstens 3 mm hoog, gemerk moet word.”

(c) deur in paragraaf (e) van subregulasie (1) die uitdrukking “*tresyferkode*” deur die uitdrukking “*viersyferkode*” te vervang;

(d) deur paragraaf (f) van subregulasie (1) deur die volgende paragraaf te vervang:
“(f) ’n volledige ingevulde identifikasiekartjie moet, indien die Direkteur dit vereis, aan elke pallet geheg word wat appeltjies bevat wat vir ondersoek aangebied word;” en

(e) deur subregulasie (2) te skrap.

No. R. 2189

WINE, OTHER FERMENTED BEVERAGES AND SPIRITS ACT, 1957 (ACT 25 OF 1957)

24 October 1986

REGULATIONS RELATING TO THE PRODUCTION OR MANUFACTURE, IMPORT, EXPORT AND LABELLING OF WINE, OTHER FERMENTED BEVERAGES AND SPIRITS.—AMENDMENT

The Deputy Minister of Agricultural Economics, acting on behalf of the Minister of Agricultural Economics under section 39 of the Wine, Other Fermented Beverages and Spirits Act, 1957 (Act 25 of 1957) has made the regulations in the Schedule.

No. R. 2189

WET OP WYN, ANDER GEESTIGE DRANK EN SPIRITUALIE, 1957 (WET 25 VAN 1957)

24 Oktober 1986

REGULASIES BETREFFENDE DIE PRODUKSIE OF VERVAARDIGING, INVOER, UITVOER EN ETIKETTERING VAN WYN, ANDER GEESTIGE DRANK EN SPIRITUALIE.—WYSSIGING

Die Adjunk-minister van Landbou-ekonomie, handelname name die Minister van Landbou-ekonomie kragtens artikel 39 van die Wet op Wyn, Ander Geestige Drank en Spiritualie, 1957 (Wet 25 van 1957), het die regulasies in die Bylae uitgevaardig.

SCHEDULE

Definitions

1. In this Schedule “the Regulations” means the regulations published by Government Notice R. 2544 of 19 December 1980, as amended by the regulations published by Government Notice R. 385 of 20 February 1981, R. 407 of 10 July 1981, R. 2162 of 9 October 1981, R. 407 of 12 March 1982, R. 1064 of 4 June 1983, R. 2321 of 21 October 1982, R. 1032 of 15 February 1985, R. 1627 of 3 August 1984, R. 856 of 19 April 1985, R. 1499 of 28 June 1985, R. 357 of 28 February 1986 (as corrected by Government Notice R. 1269 of 27 June 1986) and R. 1630 of 1 August 1986.

Amendment of regulation 18

2. Regulation 18 of the Regulations is hereby amended by the substitution for paragraph (a) of subparagraph (1) of the following paragraph:
“(18 (1) (a) Except where expressly provided otherwise in these regulations or authorised thereunder, an indication may only be used in connection with the sale and export of wine if the wine concerned is certified in relation to such indication.”

Amendment of regulation 19

3. Regulation 19 of the Regulations is hereby amended—

(a) by the substitution for paragraph (d) of subparagraph (1) of the following paragraph:
“(d) subject to the provisions of the Trade Metrology Act, 1973 (Act 77 of 1973), the capacity of the receptacles of the wine concerned does—
(i) in the case of wine of the vine cultivar *Muscat de Frontignan (Muscatdel Muskatel)* which is certified as a cultivar wine before or on 31 December 1986, not exceed 5 litres;
(ii) in the case of sparkling wine, not exceed 3 litres; and
(iii) otherwise not exceed 2 litres or, where such receptacles are exact magnifications according to scale of the traditional claret, hock or burgundy bottle and are provided with cork stoppers, not exceed 5 litres;”

(b) by the substitution for paragraph (dA) of subparagraph (1) of the following paragraph:
“(dA) such receptacles, in the case of wine which is presented for certification in terms of regulation 33 on or after 1 January 1990, are glass receptacles.”

Amendment of regulation 50

4. Regulation 50 of the Regulations is hereby amended—

(a) by the substitution for paragraph (b) of subparagraph (3) of the following paragraph:
“(b) The particulars referred to in paragraph (a) shall not be used on a label in a manner which—
(i) can or may create a false or misleading impression in relation to an indication or the expression “*superior*” or “*superieur*”, irrespective whether such indication or expression has actually been certified in respect of the wine concerned;
(ii) qualifies or is in conflict with an indication of “*superior*” or “*superieur*” which has been certified in respect of the wine concerned.”

Woordomskrywing

1. In hierdie Bylae beteken “die Regulasies” die regulasies gepubliseer by Goewernementskennisgewing R. 2544 van 19 Desember 1980, soos gewysig deur die regulasies gepubliseer by Goewernementskennisgewings R. 385 van 20 Februarie 1981, R. 407 van 10 Julie 1981, R. 2162 van 9 Oktober 1981, R. 407 van 12 Maart 1982, R. 1064 van 4 Junie 1983, R. 2321 van 21 Oktober 1982, R. 1032 van 15 Mei 1985, R. 1627 van 21 Februarie 1985, R. 1499 van 28 Junie 1985, R. 357 van 28 Februarie 1986 (soos verbeter by Goewernementskennisgewing R. 1269 van 27 Junie 1986) en R. 1630 van 1 Augustus 1986.

Wysiging van regulasie 18

2. Regulasie 18 van die Regulasies word hierby gewysig deur paragraaf (a) van subregulasie (1) deur die volgende paragraaf te vervang:
“(18 (1) (a) Behalwe waar uitdruklik in hierdie regulasies anders bepaal of daartreëns gemaak, mag ’n aanduiding slegs in verband met die verkoop of uitvoer van wyn gebruik word indien die betrokke wyn met betrekking tot so ’n aanduiding gesertifiseer is.”

Wysiging van regulasie 19

3. Regulasie 19 van die Regulasies word hierby gewysig—

(a) deur paragraaf (d) van subregulasie (1) deur die volgende paragraaf te vervang:
“(d) behoudens die bepalinge van die Wet op Handelsmetrologie, 1973 (Wet 77 van 1973), die inhoudsmaat van die houers van sodanige wyn—
(i) in die geval van wyn van die druifkultivar *Muscat de Frontignan (Muskatdel Muskatel)* wat voor of op 31 Desember 1986 as ’n kultivarwyn gesertifiseer is, nie 5 liter oorskry nie;
(ii) in die geval van vonkelwyn, nie 3 liter oorskry nie; en
(iii) andersins nie 2 liter, of waar sodanige houers presiese vergrotings volgens skaal van die tradisionele klaret, hock of boer-gonjleboel is en van kurksluitingsvoorsien is, nie 5 liter oorskry nie;” en

(b) deur paragraaf (dA) van subregulasie (1) deur die volgende paragraaf te vervang:
“(dA) Sodanige houers, in die geval van wyn wat op of na 1 Januarie 1990 ingevolge regulasie 33 vir sertifisering aangebied word, geshouers is;”

Wysiging van regulasie 50

4. Regulasie 50 van die Regulasies word hierby gewysig—

(a) deur paragraaf (b) van subregulasie (3) deur die volgende paragraaf te vervang:
“(b) Die besonderhede in paragraaf (a) bedoel, mag nie op ’n etiket gedruk word op ’n wyse waarmee—
(i) ’n vals of misleiende indruk met betrekking tot ’n aanduiding of die uitdrukking “*superieur*” of “*superior*” kan of mag skep nie, ongeag of sodanige aanduiding of uitdrukking wel ten opsigte van die betrokke wyn gesertifiseer is;
(ii) ’n aanduiding of die uitdrukking “*superieur*” of “*superior*” wat ten opsigte van die betrokke wyn gesertifiseer is, kwalifiseer of in stryd daarmee is nie;”

(iii) in relation to an indication or the expression 'superior' or 'superior' which may be certified in respect of wine, is untrue, derogatory, inaccurate or vague; "

(b) by the substitution in paragraph (a) of subregulation (4) for the words preceding subparagraph (i) of the following words:

"(a) Except for the particulars referred to in subparagraphs (1) and (3), any other particulars relating to an indication or the expression 'superior' or 'superior' may only with the approval of the board and subject to such conditions as it may determine, appear on a label of a receptacle in which wine is certified, is to be sold or exported. Provided that such approval shall not be granted in respect of —; and

Amendment of regulation 60

5. Regulation 60 of the Regulations is hereby amended by the substitution for subregulation (2) of the following subregulation:

"(2) The provisions of subregulation (1) shall not apply to the export of a consignment to Angola, Ascension, Botswana, the Canary Islands, Lesotho, Malawi, Mauritius, Mozambique, the Seychelles, South West Africa, St Helena, Swaziland, Tristan da Cunha, Zaire, Zambia, Zimbabwe or a state the territory of which is wholly or partly situated in the territory of the Republic."

Amendment of regulation 61

6. Regulation 61 of the Regulations is hereby amended by the substitution for paragraph (b) of subregulation (2) of the following paragraph:

"(b) A sample referred to in paragraph (a) (ii) shall not be required in respect of an application for an export certificate if the consignment concerned—

- (i) Consist of white wine, rosé wine, blanc de noir wine, sparkling wine or perle wine which has been certified and is contained in receptacles which comply with the requirements set out in regulation 19 (1) (d), and the application concerned is submitted in terms of paragraph (a) (i) within six months of the date on which that wine has been certified, or such longer period as the board may at the request of the applicant concerned approve;
- (ii) consists of noble late harvest wine, red wine, dessert wine or liqueur wine which has been certified and is contained in receptacles which comply with the requirements set out in regulation 19 (1) (d), and the application concerned is submitted in terms of paragraph (a) (i) within 12 months of the date on which that wine has been certified, or such longer period as the board may at the request of the applicant concerned approve;

(iii) is intended for export for use by Heads of State or diplomatic representatives: Provided that the administering officer may in his discretion revoke this exemption in respect of a particular consignment; or

(iii) met betrekking tot 'n aanduiding of die uitdrukking 'superieur' of 'superior' wat ten opsigte van wyn gesertifiseer kan word, onwaar, nie-natuurlik, onakkuraat of vage is nie."

(b) deur in paragraaf (a) van subregulasie (4) die woorde wat subparagraaf (i) voorafgaan, deur die volgende woorde te vervang:

"(a) Behalwe die besonderhede in subregulasies (1) en (3) bedoel, mag enige ander besonderhede wat in verband met 'n aanduiding of die uitdrukking 'superieur' of 'superior' staan, slegs met die goedkeuring van die raad en onderworpe aan die voorwaardes deur hom bepaal, verskyn op 'n etiket van 'n houër waarin wyn wat gesertifiseer is, verkoop of uitgevoer sal word. Met dien verstande dat sodanige goedkeuring nie verleen word ten opsigte van —; en

(c) deur subparagraaf (ii) van paragraaf (a) van subregulasie (4) te skrap.

Wysiging van regulasie 60

5. Regulasie 60 van die Regulasies word hierby gewysig deur subregulasie (2) deur die volgende subregulasie te vervang:

"(2) Die bepalings van subregulasie (1) is nie van toepassing nie op die uitvoer van 'n besending na Angola, Ascension, Botswana, die Kanariese Eilande, Lesotho, Malawi, Mauritius, Mosambiek, die Seychelle, St Helena, Suidwes-Afrika, Swaziland, Tristan da Cunha, Zaire, Zambië, Zimbabwê of 'n staat waarvan die grondgebied voorheen deel van die Republiek uitgemaak het."

Wysiging van regulasie 61

6. Regulasie 61 van die Regulasies word hierby gewysig—

- (a) deur paragraaf (b) van subregulasie (2) deur die volgende paragraaf te vervang:
- "(b) 'n Monster in paragraaf (a) (ii) bedoel, word nie vereis nie ten opsigte van 'n aansoek om 'n uitvoersertifikaat indien die betrokke besending—
- (i) bestaan uit witwyn, roséwyn, blanc de noir-wyn, vonkelwyn of perlewyn wat gesertifiseer en in houers bevat is wat aan die vereistes in regulasie 19 (1) (d) uitengesluit, voldoen, en die betrokke aansoek binne ses maande na die datum waarop daardie wyn gesertifiseer is, of sodanige langer tydperk wat die raad op versoek van die betrokke applikant goedgekeur, ingevolge paragraaf (a) (i) ingedien is;
- (ii) bestaan uit edel laat-oeweryn, rooiwyn, dessert-wyn of likeurwyn wat gesertifiseer en in houers bevat is wat aan die vereistes in regulasie 19 (1) (d) uitengesluit, voldoen, en die betrokke aansoek binne 12 maande na die datum waarop daardie wyn gesertifiseer is, of sodanige langer tydperk wat die raad op versoek van die betrokke applikant goedgekeur, ingevolge paragraaf (a) (i) ingedien is;

(iii) beoog word vir uitvoer vir gebruik deur Staatshoofde of diplomatieke verteenwoordigers. Met dien verstande dat die betrekende amptenaar na goeddunke hierdie vrystelling ten opsigte van 'n bepaalde besending kan ophêf; of

(iv) is intended for export as a free gift or a *bona fide* trade sample: Provided that such exemption shall only apply if the application concerned relates to the intended export per occasion of not more than 18 litres of a particular brand, class and type or grade of wine, other fermented beverages, alcoholic beverages referred to in section 7 (2) of the Act, or spirits."

Amendment of regulation 62

7. Regulation 62 of the Regulations is hereby amended by the substitution for subregulation (3) of the following subregulation:

"(3) Notwithstanding the provisions of subregulation (2) the board may after consideration of a fully motivated written request by the applicant concerned, approve that an export certificate may be issued in respect of a consignment which does not in all respects comply with the requirements set out in paragraphs (a) and (b) of that subregulation."

Amendment of Table 2

8. Table 2 of the Regulations is hereby amended—

- (a) by the insertion in column 1 after the word "Nirongen" of the word "Pimaricin"; and
- (b) by the insertion in column 2 opposite the last mentioned word of the expression "All classes, types and grades."

No. R. 2208 24 October 1986
ANIMAL DISEASES ACT, 1984 (ACT 35 OF 1984)

ANIMAL DISEASES REGULATIONS.—CORRECTION

The Animal Diseases Regulations published by Government Notice R. 2026 of 26 September 1986, is hereby corrected by the addition after Table 2 of the following Table:

3 KEAT

(iv) beoog word vir uitvoer as 'n vry geskenk of 'n *bona fide* handelsmonster. Met dien verstande dat sodanige vrystelling slegs van toepassing is indien die betrokke aansoek betrekking het op nie meer as 18 liter van 'n bepaalde handelsmerk en klas, tipe of graad wyn, ander gesterkte drank, alkoholiese drank in artikel 7 (2) van die Wet bedoel, of spirituele."

Wysiging van regulasie 62

7. Regulasie 62 van die Regulasies word hierby gewysig deur subregulasie (3) deur die volgende subregulasie te vervang:

"(3) Ondanks die bepalings van subregulasie (2) kan die raad na oorweging van 'n behoorlik-gemotiveerde skriftelike versoek deur die betrokke applikant goedgekeur dat 'n uitvoersertifikaat uitgeveel word ten opsigte van 'n besending wat nie in alle opsigte aan die vereistes in paragraaf (a) en (b) van daardie subregulasie uitengesluit, voldoen nie."

Wysiging van Tabel 2

- 8. Tabel 2 van die Regulasies word hierby gewysig—
- (a) deur in kolom 1 na die woord "Natriummetabissulfiet" die woord "Pimarisin" in te voeg; en
- (b) deur in kolom 2 teenoor laasgenoemde woord die uitdrukking "Alle klasse, tipes en grade" in te voeg.

No. R. 2208 24 Oktober 1986
WET OP DIERESIEKTES, 1984 (WET 35 VAN 1984)

DIERESIEKTEREGULASIES.—VERBETERING

Die Dieresiekteregulasies gepubliseer by Goewernementskennisgewing R. 2026 van 26 September 1986, word hierby verbeter deur die volgende Tabel na Tabel 2 by te voeg:

"TABLE 3
MARKS TO BE MADE ON CERTAIN CONTROLLED ANIMALS
(Regulation 29)

Purpose of mark	Mark	Place on body where mark has to be made
To indicate tuberculosis infection in a bovine	T	Left side of neck.
To indicate brucellosis infection in a bovine	C	Right side of neck.
To identify an animal with regard to which a foot and mouth disease control measure applies	F	Right side of neck.
To identify an animal— (a) that is infected with a disease other than tuberculosis or brucellosis; or (b) to which a control measure other than a foot and mouth disease control measure applies	V	Right side of neck.
To indicate tuberculosis infection in a bovine		Two symbols that respectively indicate the month and year of removal of the animal concerned and which consists of L for 1, J for 2, T for 3, F for 4, V for 5, > for 6, A for 7, < for 8, U for 9, > for 10, N for 11 and C for 12

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(iv) is intended for export as a free gift or a *bona fide* trade sample: Provided that such exemption shall only apply if the application concerned relates to the intended export per occasion of not more than 18 litres of a particular brand, class and type or grade of wine, other fermented beverages, alcoholic beverages referred to in section 7 (2) of the Act, or spirits."

(iv) beoog word vir uitvoer as 'n vry geskenk of 'n *bona fide*-handelsmonster: Met dien verstande dat sodanige vrystelling slegs van toepassing is indien die betrokke aansoek betrekking het op die beoogde uitvoer per geleentheid van hoogstens 18 liter van 'n bepaalde handelsmerk en klas, tipe of graad wyn, ander gegiste drank, alkoholiese drank in artikel 7 (2) van die Wet bedoel, of spiritueelieë."

Amendment of regulation 62

7. Regulation 62 of the Regulations is hereby amended by the substitution for subregulation (3) of the following subregulation:

"(3) Notwithstanding the provisions of subregulation (2) the board may after consideration of a fully motivated written request by the applicant concerned, approve that an export certificate may be issued in respect of a consignment which does not in all respects comply with the requirements set out in paragraphs (a) and (b) of that subregulation."

Wysiging van regulasie 62

7. Regulasie 62 van die Regulasies word hierby gewysig deur subregulasie (3) deur die volgende subregulasie te vervang:

"(3) Ondanks die bepalings van subregulasie (2) kan die raad na oorweging van 'n behoorlik-gemotiveerde skriftelike versoek deur die betrokke applikant goedkeur dat 'n uitvoersertifikaat uitgereik word ten opsigte van 'n besending wat nie in alle opsigte aan die vereistes in paragrafe (a) en (b) van daardie subregulasie uiteengesit, voldoen nie."

Amendment of Table 2

8. Table 2 of the Regulations is hereby amended—

- (a) by the insertion in column 1 after the word "Nitrogen" of the word "Pimaricin"; and
- (b) by the insertion in column 2 opposite the last mentioned word of the expression "All classes, types and grades".

Wysiging van Tabel 2

8. Tabel 2 van die Regulasies word hierby gewysig—

- (a) deur in kolom 1 na die woord "Natriummetabisulfit" die woord "Pimarisien" in te voeg; en
- (b) deur in kolom 2 teenoor laasgenoemde woord die uitdrukking "Alle klasse, tipes en grade" in te voeg.

No. R. 2208

24 October 1986

ANIMAL DISEASES ACT, 1984 (ACT 35 OF 1984)

ANIMAL DISEASES REGULATIONS.—CORRECTION

The Animal Diseases Regulations published by Government Notice R. 2026 of 26 September 1986, is hereby corrected by the addition after Table 2 of the following Table:

(3) MEAT

No. R. 2208

24 Oktober 1986

WET OP DIERESIEKTES, 1984 (WET 35 VAN 1984)

DIERESIEKTEREGULASIES.—VERBETERING

Die Dieresykteregulasies gepubliseer by Goewermentskennisgewing R. 2026 van 26 September 1986, word hierby verbeter deur die volgende Tabel na Tabel 2 by te voeg:

"TABLE 3

MARKS TO BE MADE ON CERTAIN CONTROLLED ANIMALS

(Regulation 29)

Purpose of mark	Mark	Place on body where mark has to be made
1	2	3
To indicate tuberculosis infection in a bovine.....	T	Left side of neck.
To indicate brucellosis infection in a bovine	C	Right side of neck.
To identify an animal with regard to which a foot and mouth disease control measure apply	F	Right side of neck.
To identify an animal—	V	Right side of neck.
(a) that is infected with a disease other than tuberculosis or brucellosis; or		
(b) to which a control measure other than a foot and mouth disease control measure applies		
To identify a bovine to be removed from the foot and mouth disease control area east of 28° eastern longitude, and that has not already been marked with "F"	Two symbols that respectively indicate the month and year of removal of the animal concerned and which consists of L for 1, J for 2, 7 for 3, F for 4, V for 5, > for 6, A for 7, < for 8, U for 9, □ for 10, ∩ for 11 and c for 12	Right side of neck".

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"TABEL 3
MERKE WAT OP SEKERE BEHEERDE DIERE AANGEBRING MOET WORD
 (Regulasie 29)

Doel van merk	Merk	Plek op liggaam waar merk aangebring moet word
1	2	3
Om tuberkulose besmetting in 'n bees aan te dui	T	Linkerkant van die nek.
Om brucellose besmetting in 'n bees aan te dui	C	Regterkant van die nek.
Om 'n dier met betrekking waartoe 'n bek-en-kloueerbeheermaatreël van toepassing is, te identifiseer	F	Regterkant van die nek.
Om 'n dier te identifiseer—	V	Regterkant van die nek.
(a) wat met 'n ander siekte as tuberkulose of brucellose besmet is; of		
(b) waarop 'n beheermaatreël anders as 'n bek-en-kloueerbeheermaatreël van toepassing is		
Om 'n bees te identifiseer wat uit 'n bek-en-kloueerbeheerde gebied ten ooste van 28° oosterlengte verwyder word en wat nie reeds met 'n "F" gemerk is nie	Twee simbole wat onderskeidelik die maand en jaar van verwydering van die betrokke dier aandui, en wat bestaan uit L vir 1, J vir 2, I vir 3, F vir 4, V vir 5, > vir 6, A vir 7, < vir 8, U vir 9, D vir 10, N vir 11 en C vir 12	Regterkant van nek".

No. R. 2215

24 October 1986

MARKETING ACT, 1968 (ACT 59 OF 1968)

WINTER CEREAL SCHEME.—SELLING PRICES OF CERTAIN WINTER CEREAL PRODUCTS—CORRECTION NOTICE

Government Notice R. 2079 of 26 September 1986 published in *Government Gazette* 10473 of the said date is hereby corrected—

- (a) by the substitution in Part I of the Afrikaans text of the table—
- for the figures "608,29" where it occurs in column 6 opposite the entry "50-kg-katoenhouders" in column 2, of the figures "608,39"; and
 - for the figures "657,24" where it occurs in column 6 opposite the entry "1-kg-papierhouders" in column 2, of the figures "657,80";
- (b) by the substitution in Part I of the table for the figures "1 158,13" where it occurs in column 8 opposite the entry "500-g-papierhouders" in column 2, of the figures "1 184,15";
- (c) by the substitution in Part II of the table for the figures "782,05" where it occurs in column 4 opposite the entry "65 kg jute bags" in column 2, of the figures "782,08"; and
- (d) by the substitution in Part II of the Afrikaans text of the table for the figures "838,32" where it occurs in column 7 opposite the entry "25-kg-katoenhouders" in column 2, of the figures "878,32".

No. R. 2216

24 October 1986

MARKETING ACT, 1968 (ACT 59 OF 1968)

REGULATIONS RELATING TO APPEALS AND INSPECTION FEES.—AMENDMENT

The Minister of Agricultural Economics has under section 89 of the Marketing Act, 1968 (Act 59 of 1968), made the regulations in the Schedule.

No. R. 2215

24 Oktober 1986

BEMARKINGSWET, 1968 (WET 59 VAN 1968)

WINTERGRAANSKEMA.—VERKOOPPRYSE VAN SEKERE WINTERGRAANPRODUKTE—VERBETERINGSKENNISGEWING

Goewermentskennisgewing R. 2079 van 26 September 1986 gepubliseer in *Staatskoerant* 10473 van vermelde datum word hierby verbeter—

- (a) deur in Deel I van die tabel—
- die syfers "608,29" waar dit in kolom 6 teenoor die inskrywing "50-kg-katoenhouders" in kolom 2 voorkom, deur die syfers "608,39" te vervang;
 - die syfers "657,24" waar dit in kolom 6 teenoor die inskrywing "1-kg-papierhouders" in kolom 2 voorkom, deur die syfers "657,80" te vervang;
 - die syfers "1 158,13" waar dit in kolom 8 teenoor die inskrywing "500-g-papierhouders" in kolom 2 voorkom, deur die syfers "1 184,15" te vervang;
- (b) deur in Deel II van die Engelse teks van die tabel die syfers "782,05" waar dit in kolom 4 teenoor die inskrywing "65 kg jute bags" in kolom 2 voorkom, deur die syfers "782,08" te vervang; en
- (c) deur in Deel II van die tabel die syfers "838,32" waar dit in kolom 7 teenoor die inskrywing "25-kg-katoenhouders" in kolom 2 voorkom, deur die syfers "878,32" te vervang.

No. R. 2216

24 Oktober 1986

BEMARKINGSWET, 1968 (WET 59 VAN 1968)

REGULASIES BETREFFENDE APPELLE EN INSPEK-SIEGELDE.—WYSIGING

Die Minister van Landbou-Ekonomie het kragtens artikel 89 van die Bemarkingswet, 1968 (Wet 59 van 1968), die regulasies in die Bylae uitgevaardig.

BYLAE

I Item	II Tariefpos en Beskrywing	III Mate van Korting
460.07	Deur tariefpos No. 39.01 deur die volgende te vervang: "39.01 (1) Poliëterpoliote, vloeistof of pasta, met 'n hidroksiëlnommer van minstens 20 mg KOH/g maar hoogstens 300 mg KOH/g, in die hoeveelhede en op die tye wat die Direkteur-generaal: Handel en Nywerheid by bepaalde permit toelaat (2) Plate, velle, film, foelie en reep, van poliëtileentereftalate, drukgevoelig, met wegdoenbare rugkant, in die hoeveelhede, op die tye en onderworpe aan die voorwaardes wat die Direkteur-generaal: Handel en Nywerheid, op aanbeveling van die Raad van Handel en Nywerheid, by bepaalde permit toelaat	Volle reg Volle reg"

Opmerking.—Voorsiening word gemaak vir 'n volle korting op reg op drukgevoelige plate, velle, film, foelie en reep, van poliëtileentereftalate, met wegdoenbare rugkant, in die hoeveelhede, op die tye en onderworpe aan die voorwaardes wat die Direkteur-generaal: Handel en Nywerheid, op aanbeveling van die Raad van Handel en Nywerheid, by bepaalde permit toelaat.

MINISTRY OF LAW AND ORDER

No. R. 2239

3 X 10 24 October 1986

GRANTING OF SEARCH POWERS TO AUTHORISED OFFICERS OF THE SOUTH AFRICAN ABATTOIR CORPORATION

By virtue of the powers vested in me by section 2 (2) (g) of the Control of Access to Public Premises and Vehicles Act, 1985 (Act 53 of 1985) it is hereby determined that authorised officers of the South African Abattoir Corporation may search persons for the purpose of granting permission to enter or enter upon premises which are the property of, or are occupied or used by, or are under the control of the South African Abattoir Corporation.

Signed at Pretoria on the 11th day of September 1986.

L. LE GRANGE,
Minister of Law and Order.

MINISTERIE VAN WET EN ORDE

No. R. 2239

24 Oktober 1986

VERLENING VAN DEURSOEKINGSMAGTE AAN GEMAGTIGDE BEAMPTES VAN DIE SUID-AFRIKAANSE ABATTOIRKORPORASIE

Kragtens die bevoegdheid my verleen by artikel 2 (2) (g) van die Wet op Beheer van Toegang tot Openbare Persele en Voertuie, 1985 (Wet 53 van 1985) word hierby bepaal dat gemagtigde beamptes van die Suid-Afrikaanse Abattoir-korporasie persone mag deursoek vir die doel van verlening van toestemming tot die binnegaan of betreding van persele wat die eiendom is van, of geokkupeer of gebruik word deur of onder die beheer is van die Suid-Afrikaanse Abattoirkorporasie.

Geteken te Pretoria op die 11de dag van September 1986.

L. LE GRANGE,
Minister van Wet en Orde.

DEPARTMENT OF MANPOWER

No. R. 2192

24 October 1986

WAGE ACT, 1957

AMENDMENT OF WAGE DETERMINATION 409.—COAL TRADE, CERTAIN AREAS

I, Pieter Theunis Christiaan du Plessis, Minister of Manpower, hereby, in terms of section 15 (6) of the Wage Act, 1957, amend Wage Determination 409, Coal Trade, Certain Areas, published under Government Notice R. 1189 of 5 June 1981, as amended by Government Notice R. 1916 of 2 September 1983, in accordance with the Schedule hereto and fix the third Monday after the date of publication of this notice as the date from which the said amendment shall be binding.

P. T. C. DU PLESSIS,
Minister of Manpower.

SCHEDULE

"1. AREA AND SCOPE OF THE DETERMINATION

(1) This determination shall apply to every employer, other than a small employer as defined in subclause (3), after he has been engaged for 12 months in the aggregate in the Coal Trade as defined in subclause (2), and to all his employees, other than managers as defined in subclause (4), in the following areas:

Cape Province.—The Magisterial Districts of Bellville, East London, Goodwood, Kuils River, Paarl, Port Elizabeth, Simon's Town, The Cape, Uitenhage and Wynberg;

Natal.—The Magisterial Districts of Chatsworth, Durban, Inanda, Pietermaritzburg and Pinetown and the municipal areas of Ladysmith and Newcastle;

DEPARTEMENT VAN MANNEKRAG

No. R. 2192

24 Oktober 1986

LOONWET, 1957

WYSIGING VAN LOONVASTSTELLING 409.—STEENKOOLEDRIEF, SEKERE GEBIEDE

Ek, Pieter Theunis Christiaan du Plessis, Minister van Mannekrag, wysig hierby kragtens artikel 15 (6) van die Loonwet, 1957, Loonvaststelling 409, Steenkoolbedryf, Sekere Gebiede, gepubliseer by Goerwermentskennisgewing R. 1189 van 5 Junie 1981, soos gewysig by Goerwermentskennisgewing R. 1916 van 2 September 1983, ooreenkomstig die Bylae hiervan en bepaal die derde Maandag na die datum van publikasie van hierdie kennisgewing as die datum waarop genoemde wysiging bindend word.

P. T. C. DU PLESSIS,
Minister van Mannekrag.

BYLAE

"1. GEBIED EN OMVANG VAN VASTSTELLING

(1) Hierdie vasstelling is van toepassing op elke werkgewer, uitgesonderd 'n klein werkgewer soos in subklousule (3) omskryf, nadat hy altesaam 12 maande lank by die Steenkoolbedryf soos in klousule (2) omskryf, betrokke was, en op al sy werknemers, uitgesonderd bestuurders soos in subklousule (4) omskryf, in die volgende gebiede:

Kaapprovinsie.—Die landdrosdistrikte Bellville, Die Kaap, Goodwood, Kuilsrivier, Oos-Londen, Paarl, Port Elizabeth, Simonstad, Uitenhage en Wynberg;

Natal.—Die landdrosdistrikte Chatsworth, Durban, Inanda, Pietermaritzburg, Pinetown en die munisipale gebiede van Ladysmith en Newcastle;

F I N M A I L
MEAT PRICES 24/10/85

Another spiral

There seems to be little comfort for consumers hit by rising food prices. The soaring price of red meat because of the current shortage (*Business* October 17) has led to greater demand for chicken, but even the price of that has jumped between 20%-30% in the past month, according to industry sources.

The spill-over demand is not, however, the only reason for higher chicken prices.

Maize prices have been steadily rising by R5/t each month since May, and yellow maize, which now costs some R300/t and will reach R320/t by next April, makes up about 65% of producers' feed costs, says SA Poultry Association general secretary Zac Coetzee.

Although they operate in a free market environment, chicken producers say they cannot absorb escalating costs. "Although we have no individual details, prices have been rising across a broad front in sympathy with red meat," Coetzee tells the *FM*.

Ironically, the red meat shortage could be exacerbated by good rains, says Meat Board GM Pieter Coetzee. If general rains fall, farmers will hold back more breeding stock to build up herds. On the other hand, below-normal rains could lead to an off-loading of stock and an easing of prices.

In the year to June 1985, some 580 000 head of cattle were slaughtered and the total jumped to 596 000 in the following year. "This is a positive spin-off from the drought," says Coetzee.

But in the short term, the shortages still remain, with super grade A/Z beef selling at 406c/kg in the week ending October 12, compared with 309c/kg in the week ending January 13.

Beef shortages are reflected by the fact that only some 30% of slaughter permits have been utilised at major abattoirs in some weeks, adds Coetzee.

Nevertheless, average prices on October 21 were again down to 385c/kg, because of consumer resistance to high prices. "I think super beef prices have reached their peak," says Eddie Bielowitz, chairman of the SA Federation of Meat Traders.

He says there is now a genuine shortage of

slaughter beef, but he's optimistic that the position will stabilise in the next few months between 350c-360c/kg. Mutton supplies should also start evening out over the next few months, after a late lambing season. He expects mutton prices to stabilise at 400c-450c/kg.

Coetzee says mutton prices have already come down off their peak earlier this year. Johannesburg super X lamb prices have fallen from their January high of 542c/kg to 499c/kg on October 3, while average countrywide prices have dropped from 495c/kg to 468c/kg.

□ See *Economy*

2. In the Afrikaans version:

- (a) Substitute the wording "Departement van Gesondheidsdienste en Welsyn" for the wording "Departement van Nasionale Gesondheid en Bevolkingsontwikkeling".
- (b) Substitute the wording "Die Minister van Gesondheidsdienste en Welsyn" for the wording "Die Minister van Nasionale Gesondheid en Bevolkingsontwikkeling".

2. In die Engelse gedeelte:

- (a) Vervang die woorde "Department of National Health and Population Development" met die woorde "Department of Health Services and Welfare".
- (b) Vervang die woorde "The Minister of National Health and Population Development" met die woorde "The Minister of Health Services and Welfare".

X

DEPARTMENT OF AGRICULTURAL ECONOMICS AND MARKETING

No. R. 2185

24 October 1986

3) **MARKETING ACT, 1968 (ACT 59 OF 1968)**

LIVESTOCK AND MEAT CONTROL SCHEME.—AMENDMENT

I, Jacob Johannes Greyling Wentzel, Minister of Agricultural Economics, acting under section 14, as applied by section 15 (3), of the Marketing Act, 1968 (Act 59 of 1968) hereby—

- (a) publish the amendment set out in the Schedule, of the Livestock and Meat Control Scheme published by Proclamation R. 200 of 1964, as amended; and
- (b) declare that the said amendment shall come into operation on the date of publication hereof.

J. J. G. WENTZEL,
Minister of Agricultural Economics.

SCHEDULE

Section 13D of the Livestock and Meat Control Scheme published by Proclamation R. 200 of 1964, as amended, is hereby further amended by the substitution in subsection (2) for the expression "nine" of the expression "ten".

No. R. 2187

24 October 1986

AGRICULTURAL PRODUCE EXPORT ACT, 1971 (ACT 51 OF 1971)

REGULATIONS RELATING TO THE GRADING, PACKING AND MARKING OF APRICOTS INTENDED FOR EXPORT FROM THE REPUBLIC OF SOUTH AFRICA.—AMENDMENT

The Minister of Agricultural Economics has under section 4 of the Agricultural Produce Export Act, 1971 (Act 51 of 1971), made the regulations in the Schedule.

SCHEDULE**Definitions**

1. In this Schedule "the Regulations" means the regulations published by Government Notice R. 103 of 28 January 1983, as amended by the regulations published by Government Notices R. 502 of 11 March 1983, R. 1005 of 13 May 1983, R. 2857 of 28 December 1984 and R. 2752 of 13 December 1985.

Amendment of regulation 1

2. Regulation 1 of the Regulations is hereby amended by the substitution for the definition of "Department" of the following definition:

" 'Department' means the Department of Agricultural Economics and Marketing; "

**DEPARTEMENT VAN LANDBOU-
EKONOMIE EN -BEMARKING**

No. R. 2185

24 Oktober 1986

BEMARKINGSWET, 1968 (WET 59 VAN 1968)

VEE- EN VLEISREËLINGSKEMA.—WYSIGING

Ek, Jacob Johannes Greyling Wentzel, Minister van Landbou-ekonomie, handelende kragtens artikel 14, soos toegepas by artikel 15 (3), van die Bemarkingswet, 1968 (Wet 59 van 1968)—

- (a) publiseer hierby die wysiging in die Bylae uiteengesit, van die Vee- en Vleisreëlinskema gepubliseer by Proklamasie R. 200 van 1964, soos gewysig; en
- (b) verklaar hierby dat genoemde wysiging op die datum van publikasie hiervan in werking tree.

J. J. G. WENTZEL,
Minister van Landbou-ekonomie.

BYLAE

Artikel 13D van die Vee- en Vleisreëlinskema gepubliseer by Proklamasie R. 200 van 1964, soos gewysig, word hierby verder gewysig deur in subartikel (2) die uitdrukking "nege" met die uitdrukking "tien" te vervang.

No. R. 2187

24 Oktober 1986

WET OP DIE UITVOER VAN LANDBOUPRODUKTE, 1971 (WET 51 VAN 1971)

REGULASIES MET BETREKKING TOT DIE GRADERING, VERPAKKING EN MERK VAN APPELKOSE BESTEM VIR UITVOER UIT DIE REPUBLIEK VAN SUID-AFRIKA.—WYSIGING

Die Minister van Landbou-ekonomie het kragtens artikel 4 van die Wet op die Uitvoer van Landbouprodukte, 1971 (Wet 51 van 1971), die regulasies in die Bylae uitgevaardig.

BYLAE**Woordomskrywing**

1. In hierdie Bylae beteken "die Regulasies" die regulasies gepubliseer by Goewermentskennisgewing R. 103 van 28 Januarie 1983, soos gewysig deur die regulasies gepubliseer by Goewermentskennisgewing R. 502 van 11 Maart 1983, R. 1005 van 13 Mei 1983, R. 2857 van 28 Desember 1984 en R. 2752 van 13 Desember 1985.

Wysiging van regulasie 1

2. Regulasie 1 van die Regulasies word hierby gewysig deur die omskrywing van "Departement" deur die volgende omskrywing te vervang:

" 'Departement' die Departement van Landbou-ekonomie en -bemaking; "

REPUBLIC
OF
SOUTH AFRICA



REPUBLIEK
VAN
SUID-AFRIKA

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Vol. 256

PRETORIA, 31 OCTOBER 1986
OKTOBER

No. 10502

PROCLAMATION

by the

State President of the Republic of South Africa

No. R. 201, 1986

ASSIGNMENT OF THE ADMINISTRATION OF CERTAIN PROVISIONS OF THE PHYSICAL PLANNING ACT, 1967 (ACT 88 OF 1967), TO THE ADMINISTRATORS OF THE VARIOUS PROVINCES

Under and by virtue of the powers vested in me by section 13B of the Physical Planning Act, 1967 (Act 88 of 1967), I hereby assign the administration of the provisions of sections 2, 4, 9 (1) and 9 (4) of the Physical Planning Act, 1967 (Act 88 of 1967), which assign powers, duties and functions to the Minister of Constitutional Development and Planning, or the execution of which has been conferred upon that Minister, to the Administrators of the various provinces with effect from 1 November 1986.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria this Twentieth day of October, One thousand Nine hundred and Eighty-six.

P. W. BOTHA,
State President.

By Order of the State President-in-Cabinet:

J. C. HEUNIS,
Minister of the Cabinet.

GOVERNMENT NOTICES

DEPARTMENT OF AGRICULTURAL ECONOMICS AND MARKETING

No. R. 2268 ^{(3) HEMT} 31 October 1986

MARKETING ACT, 1968 (ACT 59 OF 1968)

REGULATIONS REGARDING APPEALS AND
INSPECTION FEES.—AMENDMENT

The Minister of Agricultural Economics has under section 89 of the Marketing Act, 1968 (Act 59 of 1968), made the regulations in the Schedule.

102—A

PROKLAMASIE

van die

Staatspresident van die Republiek van Suid-Afrika

No. R. 201, 1986

OPDRA VAN DIE UITVOERING VAN SEKERE BEPALINGS VAN DIE WET OP FISIESE BEPLANNING, 1967 (WET 88 VAN 1967), AAN DIE ADMINISTRATEURS VAN DIE ONDERSKEIE PROVINSIËS

Kragtens die bevoegdheid my verleen by artikel 13B van die Wet op Fisiese Beplanning, 1967 (Wet 88 van 1967), dra ek hierby die uitvoering van die bepalings van artikels 2, 4, 9 (1) en 9 (4) van die Wet op Fisiese Beplanning (Wet 88 van 1967), wat bevoegdhede, pligte en werksaamhede aan die Minister van Staatkundige Ontwikkeling en Beplanning toewys, of waarvan die uitvoering aan daardie Minister opgedra is, met ingang van 1 November 1986, op aan die Administrateurs van die onderskeie provinsies.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Pretoria, op hede die Twintigste dag van Oktober Eenduisend Negehonderd Ses-en-tagtig.

P. W. BOTHA,
Staatspresident.

Op las van die Staatspresident-in-Kabinet:

J. C. HEUNIS,
Minister van die Kabinet.

GOEWERMENSKENNISGEWINGS

DEPARTEMENT VAN LANDBOU- EKONOMIE EN -BEMARKING

No. R. 2268 31 Oktober 1986

BEMARKINGSWET, 1968 (WET 59 VAN 1968)

REGULASIES BETREFFENDE APPËLLE EN INSPEK-
SIEGELDE.—WYSIGING

Die Minister van Landbou-ekonomie het kragtens artikel 89 van die Bemarkingswet, 1968 (Wet 59 van 1968), die regulasies in die Bylae uitgevaardig.

10502—1

SCHEDULE**Definitions**

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

“Republic” means the Republic excluding the territory.

Application of regulations

2. These regulations apply to persons who import margarine into the Republic or intend to thus import margarine.

Applications for permits

3. (1) An application for a permit for the importation of margarine into the Republic in terms of section 15 (3) of the Act shall be made on a form that is obtainable for this purpose from the Department.

(2) An application form referred to in subregulation (1), shall—

- (a) be completed and signed by the person requiring the permit; and
- (b) after it has been thus completed and signed, be submitted to the Director-General, Department of Agricultural Economics and Marketing, Private Bag X250, Pretoria, 0001.

(3) The particulars that are to be completed on an application form referred to in subregulation (2), shall, in addition to any other particulars that are required to be completed, also reflect particulars in relation to—

- (a) the quantity and value of the margarine that the applicant intends to import into the Republic;
- (b) the country of origin of the margarine concerned; and
- (c) the purpose for which the margarine concerned is to be imported; and
- (d) the kind or type of the margarine concerned.

DEPARTMENT OF EDUCATION AND TRAINING

No. R. 2281

31 October 1986

REGULATIONS REGARDING THE REGISTRATION OF AND FINANCIAL GRANTS TO PRIVATE SCHOOLS.—PRIVATE SCHOOLS ACT (HOUSE OF ASSEMBLY), 1986

The Minister of Education and Culture has under section 9 of the Private Schools Act (House of Assembly), 1986 (Act 104 of 1986), made the regulations set out in the Schedule hereto.

SCHEDULE**Definitions**

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

“Committee of Heads of Education” means the Committee of Heads of Education established by section 6 of the National Education Policy Act, 1967 (Act 39 of 1967);

“compulsory school age”, in relation to a child, means the age between the limits of which the child is by law subject to compulsory education;

BYLAE**Woordomskrywing**

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

“Republiek” die Republiek met uitsluiting van die gebied.

Toepassing van regulasies

2. Hierdie regulasies is van toepassing op persone wat margarien in die Republiek invoer of van voorneme is om margarien aldus in te voer.

Aansoek om permitte

3. (1) 'n Aansoek om 'n permit vir die invoer van margarien in die Republiek ingevolge die bepalings van artikel 15 (3) van die Wet, moet op 'n vorm wat vir dié doel by die Departement verkrygbaar is, gedoen word.

(2) 'n Aansoekvorm in subregulasie (1) bedoel, moet—

- (a) deur die persoon wat die permit verlang, ingevul en onderteken word; en
- (b) nadat dit aldus ingevul en onderteken is, by die Direkteur-generaal, Departement van Landbou-ekonomie en -bemarking, Privaatsak X250, Pretoria, 0001, ingedien word.

(3) Die besonderhede wat op 'n aansoekvorm in subregulasie (2) bedoel, ingevul moet word, moet, benewens enige ander besonderhede wat op die vorm verlang word om ingevul te word, ook besonderhede weergee met betrekking tot—

- (a) die hoeveelheid en waarde van die margarien wat die aansoeker voornemens is om in die Republiek in te voer;
- (b) die land van herkoms van die betrokke margarien;
- (c) die doel waarvoor die betrokke margarien ingevoer word; en
- (d) die soort of tipe van die betrokke margarien.

DEPARTEMENT VAN ONDERWYS EN OPLEIDING

No. R. 2281

31 Oktober 1986

REGULASIES BETREFFENDE DIE REGISTRASIE VAN EN GELDELIKE TOEKENNINGS AAN PRIVATE SKOLE.—WET OP PRIVATE SKOLE (VOLKSRAAD), 1986

Die Minister van Onderwys en Kultuur het kragtens artikel 9 van die Wet op Private Skole (Volksraad), 1986 (Wet 104 van 1986), die regulasies in die Bylae vervat, uitgevaardig.

BYLAE**Woordomskrywing**

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

“beheerliggaam”, met betrekking tot 'n geregistreerde private skool die liggaam by wie die beheer en bestuur van die private skool berus;

“die Wet” die Wet op Private Skole (Volksraad), 1986 (Wet 104 van 1986);

“eienaar”, met betrekking tot 'n private skool, die persoon aan wie die private skool behoort en wat dit onderhou;

RUNNING 7/11/86 OUT OF JOINT (3) MEAT (2/2/86)

Rocketing meat prices have forced the giant co-operative Vleissentraal to cut operations at its Vanderbijlpark processing plant to a third of former levels.

Some 300 workers — 10%-15% of them white — have already been laid off. The co-operative says it has made every effort to place as many as possible at other plants in the group.

Deputy senior GM Derrick Bartie says the forced scaling-down is the result of "a combination of economic circumstances," but high raw material costs are paramount. He adds that rationalisation comes after recurring losses on the plant's processed meat products.

"There's a market out there for processed polonies, bacon and vienna sausages, but at prices we are forced to charge, sales have dried up," says Bartie. The cutting back operation will be completed by November 15.

On the brighter side, the problem seems to be regional. Vleissentraal is now investing R8m to expand its Spekenham plant in the Cape, which specialises in pork-based products.

Bartie says work there is 90% complete, and the plant will cater for the Cape market's growing needs as well as for the national market for tinned pork products.

28/11/68
BWSM
(3) MEAT

Board will beef up red meat supplies

Industrial Staff

IN spite of shortages of red meat, the Meat Board announced yesterday that it would make arrangements to ensure there were enough stocks for the holiday season.

Meat Board chairman Flip du Toit said it was making every effort to ensure that sufficient beef, mutton and pork would be available.

"Although there are currently shortages of all three of these red meats, especially after the recent rains, the board is confident all interested parties will co-operate in ensuring that adequate supplies will be available.

"A special appeal is being made to the distribution trade to make supplies available to consumers as cheaply as possible this year."

But Du Toit said consumers should bear in mind that greater demand during the Christmas season usually led to price increases.

He appealed to the public to buy their red meat requirements in good time.

"Although abattoirs are planning to slaughter on overtime or even Saturdays, it could happen that, despite all efforts, the same number of animals slaughtered during normal weeks, cannot be slaughtered."

Du Toit emphasised that the joint effort by the board, the distribution trade and consumers would fail if red meat producers did not make optimal use of the market access granted them.

Aussie mutton ^{Direct}angers' farmers

Dispatch Reporter
EAST LONDON — The importing of Australian mutton by the Meat Board has angered East Cape farmers who have described the decision as "autoeratic" and warned of an imminent price war between local butchers.

The Meat Board said it began importing Australian mutton because of a shortage of red meat in the country.

The board's general manager, Dr Pieter Coetzee, said the imported mutton was cheaper than local mutton on last week's auctions, even though the price of the imported meat included import duty — and a surcharge.

The imported meat was auctioned in Durban last week and prices ranged from R3,15 a kg to R3,45 a kg.

Dr Coetzee said the Ciskei Government had also imported a certain tonnage of Australian mutton, but had given assurances at a government level that it would be distributed only in Ciskei.

He said the auction prices of South African mutton and lamb had gone down at the end of the week, when the normal price trend was for it to go up.

"I would not say that it was the influence of the imported meat, but rather the biggest supply of local meat at the auction for many weeks which caused the drop in price.

"The Australian carcasses are very lean, and were mainly imported for the Indian market in Natal."

Dr Coetzee would not comment on how much Australian mutton was being imported, as the boycott and sanctions against South Africa made the situation "a bit sensitive".

A sheep farmer near Mofleno, Mr Henry Vermaak, said that prices had gone down by about R1 a sheep at the sale in Burgersdorp last week. He attributed this to the importing of Australian mutton which he said was equivalent to local B and C grade mutton.

He and other farmers had heard that the board had imported 100 tons of Australian mutton, at approximately 52 carcasses to the ton, and that a further 100 tons would be imported.

"We are sceptical of the Meat Board because the farmers were not consulted at all. It was a very autoeratic decision — they could have at least consulted the local board," Mr Vermaak said.

He said farmers were unhappy because the price of mutton had gone down.

The manager of commodity services for the East Cape Agricultural Union, Mr A. Purchase, confirmed that the board had imported 100 tons of Australian mutton, but said it was a "trivial amount." It was equivalent to less than one day's slaughtering in the Cape, and it was not cheaper because it was sold by auction and not at a fixed price.

"The Meat Board has the ability to retain the

market and the best prices possible," Mr Purchase said.

"The imported mutton will not affect Eastern Cape farmers."

"Only a few individual farmers who had heard rumours about the imported mutton were dissatisfied," he added.

A Ciskei butcher, Mr Andre Linde, last week advertised Australian mutton and lamb at R4 a kg. He said it was top grade meat and fairly popular.

After Mr Linde's advertisement appeared, an local butcher, Mr Des Oberem, began selling top grade South African mutton for R3,94 a kg.

Mr Linde said he could not say whether he would get involved in a mutton price war with local butchers.

Mr Oberem said he was lucky because he managed to obtain a fair quantity of mutton while there was a drop in the price, which he had gladly pushed over to the public.

He said he could see the sale of imported mutton coming, and he was "not prepared to let a Ciskeian butchery sweep the market."

"The South African goods are fresh compared to the frozen imported mutton, and I will play it (the price) as I see it," Mr Oberem said.

8115044 12/12/76 (3) KEM (2)

Red-meat prices decline by 5%

GOOD news for Christmas shoppers — red-meat prices, which traditionally rise with the advent of the holiday season, have dipped 5% over the past week.

Industry sources say retailers are brimming over with holiday spirit because the price moves were unheralded.

Meat Board Deputy GM Frans Pieterse believes the trade is absorbing a higher market price.

"I would like to thank the trade for this gesture. The board originally re-

quested the move and is delighted with the response."

He says beef prices, which last week were lower in Durban than in the Transvaal, have levelled out and are holding at R3,60/kg for Super Grade A.

"I would still advise housewives to shop around. There are bargains to be had."

He says the market is buoyant, but that farmers are not making use of the permits granted them.

By MICHEL DESMIDT
GOOD news for Christmas shoppers is that the price of mutton and lamb has dropped this week, but a seasonal shortage has caused the price of pork to rocket.

This corresponds with the Meat Board's predicted drop in prices in the Eastern Cape.

The board's assistant manager, Mr J E van Zyl, said prices had already dropped in Johannesburg, Pretoria and Durban and he advised housewives to buy now.

The manager of a hypermarket butchery, Mr Ian Crooke, said yesterday that the market price of mutton had dropped to R4 a kilogram from R4,60 a kilogram a week ago. Lamb had similarly come down from

Buy now, says Meat Board, as prices fall

③ Meat

about R5 a kilogram a week ago to R4,45 a kilogram at yesterday's auction.

A price survey of six Port Elizabeth supermarkets and hypermarkets, conducted this week by professional market researchers, revealed the following highest and lowest prices for various cuts of red meat.

The outlets were OK Bazaars Greenacres (OK1) and Main Street

branches (OK2), Grand Bazaars in Newton Park (GB), Pick 'n Pay Hypermarket (PH) and Newton Park branch (PNP) and Checkers Hypermarket (C).

● The Housewives League of South Africa said prices always rose during the festive season but never to such heights and she questioned whether the Meat Board was fulfilling its function of ensuring the orderly marketing of meat.

	LOWEST	HIGHEST
Leg of pork	R4,99/kg (C)	R5,98/kg (GB)
Loin chops	R7,88/kg (PH)	R8,99/kg (OK1)
Topside roast	R6,48/kg (PH)	R8,49/kg (C)
Rump steak	R9,29/kg (OK2)	R11,68/kg (GB)
Filet steak	R8,97/kg (OK2)	R14,08/kg (GB)
Tenderised steak	R7,88/kg (PH)	R8,99/kg (OK1)
Brisket	R5,38/kg (PNP)	R6,28/kg (OK2)
Chuck	R5,79/kg (GB)	R6,29/kg (C)
Lean mince	R7,79/kg (OK1)	R6,98/kg (PNP)
Regular mince	R5,68/kg (PH)	R6,29/kg (OK1)
Topgrade wags	R6,39/kg (PH)	R7,29/kg (C)
Economy wags (soya)	R3,99/kg (uniform price)	
Leg of lamb	R5,98/kg (PNP)	R8,29/kg (OK1)
Loin chops	R9,78/kg (PH)	R12/kg (OK1)
Stewing lamb	R4,78/kg (PH)	R7,59/kg (OK2)
Schnitzel	R8,78/kg (PH)	R9,80/kg (GB)

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Hatching hopes 9/12/86

The continual clucking by food company chairmen about the poor performance of their chicken divisions could soon be a thing of the past. For the first time in years, the broiler business looks like becoming profitable.

Buoyed by the rising price of red meat — a consequence of recent severe droughts and farmers' efforts to rebuild herds after the good start to this season — wholesale chicken prices have risen to a level which processors believe makes the industry far more viable.

Chicken processors have long bemoaned the fact that the demand and price elasticity of white meat, coupled with rising input costs, have made broilers a marginal business. As a result, they have been reluctant to expand broiler operations — although demand for chicken has increased as the price of other meat has risen.

If, however, the wholesale price holds firmly above the R3/kg level now being realised, it could well provide the spur that is needed to stimulate new investment.

Already Rainbow Chickens, the largest producer, has invested R44m on a process plant and ancillary chicken farms in the Rustenburg area. The plant has the capacity to process 1m birds a week, although it is currently only producing 200 000 a week.

The company's chief executive, John Geoghagan, says they will expand the operation as demand for white meat grows.

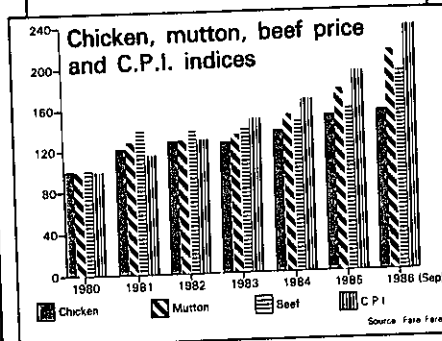
Most chicken processors believe that white meat prices are on an uptrend, at least in the medium term. Farm Fare's Rick Warren, who has made a study of the market, feels that in the last few months chicken prices have made a "base change" and will now trade at a price around 20% higher than that prevailing a year ago.

For chicken processors squeezed by rising input costs that can only be encouraging. As Warren points out, chicken processors have not had it all their own way in recent years.

Figures he provides show that in the past six years the chicken price has risen by 56%, against a beef price increase of 90% and a rise in mutton prices of 110%. That, in turn, must be compared with a total CPI increase of 136% over the same period.

At the same time, feed costs have jumped by 120%, farm wages have increased by

Cooking the figures



135%, and process plant wages by 208%. The cost of feed, for example, constitutes 50% of the processed price of the bird. If it had not been for improved efficiency, he says, "chicken processors would be out of business."

While the consensus among chicken

processors is that prices have indeed taken a turn for the better, there is no guarantee that they will remain around the R3/kg mark. Demand is extremely price-sensitive and competitive — the lowest unit cost producer, Rainbow, has 40% of the market and is heading for total weekly production of 2m birds.

As Warren says, chickens are a commodity — and, like any commodity dealing, "it's a volatile business."

Retail price of lamb may top R10 a kg this week

By Claire Robertson

The price of wholesale lamb has soared to a high of more than R7 a kilogram — and this could push the retail price to R10 a kilogram by the end of this week, wholesalers said.

"Why the trade paid that amount I cannot guess," Meat Board spokesman Mr Frans Pieterse said.

The high wholesale price of R7,04 reached yesterday could push the price of the better cuts in the butchery to more than R10 a kilogram, Kanhym wholesale distribution manager Mr Rudolph Boatard said yesterday.

"I can only hope that some of the buyers are prepared to absorb some of the markup and not pass it on to the consumer," he said.

The price of red meat usually rises during a short week, when a public holiday cuts the number of killing days, wholesalers said.

Dealers speculated that this, coupled with a short supply on Monday, may have caused panic buying. Mr Pieterse rejected this.

At the City Deep markets yesterday lamb opened at R5,88 a kilo — 20 cents up on the previous day's price. Within half an hour it had made a "huge jump" to R6,35, said Mr Boatard.

On Monday, lamb sold for between R5,68 a kilogram, for super grade, and R4,08 for grade 3 lamb. Wholesale mutton prices ranged between R5,45 and R2,78 a kilogram, a Meat Board statistician said yesterday.

The manager of a retail chain's meat counter said he "trembled to think what he would have to charge for lamb today". Good quality, halaal Australian lamb was selling for R4,99 a kilo — less than half the expected price of super South African lamb, he said.

AGRICULTURE - MEAT

1987

JAN - OCTOBER

Depleted herds pose big problem

Soaring meat prices set to fuel inflation

3 MEAT

5/1/87

BUS DAY

153
244

IN what is seen as the start of a deadly inflation spiral, an acute shortage of red meat now seems certain to send prices of lamb and beef rocketing in 1987.

The price of super beef is expected to breach the 550c/kg mark — now at 400c/kg — and lamb is expected to retail at around 650c/kg and higher.

Spokesmen say supplies will dry up after drought-stricken farmers slaughter off hungry stock. As well, many farmers will be restocking depleted herds. And many farmers have seemingly aban-

MICK COLLINS

doned stock farming, saying cyclical price movements make it uneconomical to continue.

The industry now fears prices will soar still higher with a resultant stiffening of consumer resistance.

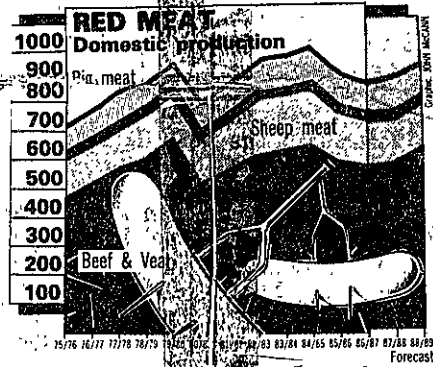
Farmers and retailers have been warned the consumer backlash will be coupled with fierce competition from poultry, fish and cheese.

A spokesman says: "These products will be poised to grab a larger share of the total animal protein market."

Sheep herds have been overslaughtered since 1982 and cattle numbers have been falling since 1976, with only a brief respite in the boom years of 1981/82.

The December issue of *Effective Farming* says: "Such is the price that farmers (and consumers) must pay for economic policies that retard national growth."

"Farmers' organisations have been foremost in demanding that government impose production quotas restrict ac-



● To Page 2

Meat prices set to rocket

3 MEAT

BUS DAY

cess to market through single channels and divert scarce supplies of land, labour and capital to sub-optimal use."

Meat Board deputy GM Frans Pieterse says all indications pointed to sharp increases.

He says: "We must expect that for 1987 beef prices will go higher, especially in the second half of the year. In the case of lamb and mutton, the situation should not be as critical as it is easier and quicker to restock depleted herds."

He says market prices paid for lamb just before new year had shocked the industry and adds: "We are worried. In Pretoria, the trade paid 704c/kg for lamb. We don't know the reasons yet but it could be butchers were without supplies for four days over Christmas."

And Pieterse says if wool prices rise farmers will be tempted to withhold sheep from slaughter.

The industry is also anticipating a dra-

matic increase in SA's population and says that, as of now, there are 15% more mouths to feed than was the case during the last red meat boom of the early '80s.

Effective Farming says: "Had living standards not been slipping steadily the demand for meat would have been much greater now than it is."

"Even if poultry had continued to gain at the expense of red meat in percentage terms, it is probable consumer expenditure on red meat would have been between 10% and 30% greater than it is now."

The industry expects the gross value of meat sales to rise by 20% on average in each of the next three years.

But with supplies shrinking, spokesmen say prices will have to rise sharply between now and Christmas 1988 to keep supply and demand in balance.

● From Page 1

IN BRIEF

protectionism 'on the rise'

— There is a greater protectionist trend in this year than there was last year, says Representative Clayton Yeutter. He said, in a weekend interview with Japanese newspaper Yomiuri Shimbun, said many of the elected members of Congress were more protectionist than those in the old Congress.

Officials deny link with hotel fire

JUAN — Puerto Rican union leaders have denied responsibility for the New Year's Eve hotel fire which killed at least 95 people. One leader said management was to blame. Puerto Rican government officials said the

Meat prices set to rocket

5/11/87
access to market through single channels and divert scarce supplies of land, labour and capital to sub-optimal use."

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From Page 1

Meat prices expected to drop before increases in mid-1987

247
31/11/87
S113

Meat prices are expected to drop to pre-Christmas levels this week as the demand for red meat eases, a spokesman for the Meat Board in Pretoria said today.

Mr Frans Pieterse, deputy manager of the board, said the price of red meat was expected to increase by 10 to 15 percent this year, but consumers would have a respite from excessive prices until mid-year.

The price of lamb and mutton in particular soared to a new high over the Christmas-New Year period as public holidays reduced output from abattoirs around the country.

Demand was also high and "the meat price is very much a function of supply and demand", Mr Pieterse said.

Beef should cost about R3,80/kg for super grade, and super lamb should settle back to about R4,80 or

R5/kg, he said.

The price of lamb rose to over R7/kg last week.

The Meat Board was "a bit worried" about the condition of grazing lands in the Western Transvaal where not enough rain had fallen, but it and the Department of Agriculture would consider importing meat if necessary, Mr Pieterse said.

In Durban the increased demand for mutton over the festive period was supplemented with imports, and Australian lamb was sold in some Johannesburg stores last week.

The general manager of the Meat Board, Dr Pieter Coetzee, said yesterday it was normal for meat prices to start rising in October, as they did last year. Even though the amount of meat available was normal, and in some places even increased, the prices continued to rise.

Machel crash probe ^{S113} ~~247~~ _{31/11/87} nears end

The investigation into the air crash which killed President Samora Machel is nearing completion and the board of inquiry into the crash is expected to begin in Pretoria later this month.

Mr Ronnie Meyer, Deputy Director-General of the Department of Transport, said today that South African investigators involved in the inquiry met with the Soviet and Mozambican teams in Komatipoort yesterday for a "routine discussion" of the draft report.

"These meetings are aimed at drawing up a single report, on which every-

one agrees, for presentation to the board of inquiry," Mr Meyer said.

He said he did not have details of the discussions, but added that the report was at an advanced stage and would probably be completed by the middle of the month.

"Indications are that the board of inquiry will start from the third week in January and that the overseas members will be here a week before to allow them time to investigate the scene of the crash and the aircraft remains," Mr Meyer said. ● See Page 8.

Sapa reports that the president of the Housewives' League, Mrs Lyn Morris, was concerned the price of meat would contribute to rampant inflation.

Mrs Morris said the high meat prices were the result of an overkill during the drought.

Dr Coetzee said the results were the opposite. Although stock numbers had been reduced, the overkill was of weaker animals.

TV TV
FAMOUS BRAND
66 cm COLOUR

BROADLANDS

CAPE TOWN 6/11/84
3 meat

Spiralling meat prices might drop this week

JOHANNESBURG. — The cost of meat was expected to drop this week following a cost spiral over the festive period, the general manager of the Meat Board, Dr Pieter Coetzee, said yesterday.

However, the president of the Housewives' League, Mrs Lyn Morris, was concerned the price of meat would join the sugar price spiral this year and contribute to rampant inflation.

Dr Coetzee was prepared to predict that meat supply and prices would be stable until mid-year but was not prepared to predict further.

Cattle farmers were relying on summer rains to continue to feed their animals. In some areas, especially the Vryburg prime cattle-breeding area, below-average rains have not given way to steady rainfall.

Dr Coetzee said it was normal for meat prices to start rising in October, as they did last year. Even though the amount of meat available was normal, and in some places even increased, the prices continued to rise.

One example was that the mutton price on auction in Pretoria after Christmas rose to over 700 cents a kg. On that day, 8 000 lamb and mutton carcasses instead of the normal 6 000 were supplied to the market. It had been rumoured there were new buyers on the market that day, he said.

In Durban, the increased demand for mutton over the festive period was supplemented with imports, Dr Coetzee said.

Mrs Morris said the present high meat prices were the result of an overkill during the drought. Cows, some even found to be in calf, had been slaughtered, reducing production capacity. The board should

have foreseen the shortage and imported meat for the shortfall over the latter months of 1986.

Dr Coetzee said the results were the opposite. Although stock numbers had been reduced by 5 000, from 8,4 million to 7,9 million, in the five-year drought period, the overkill was of weaker animals.

Breeding stock was kept on the farms and their calving percentage had risen from 60 percent to 70 percent. The quality of local meat would continue to increase, he said.

The board was importing industrial-grade beef, for canning, in October last year because of a 28 percent increase in demand. The starting price of the imports was 395 cents a kg. This pushed up the price of higher-grade meats. The increased demand for canned meat could not be explained, said Dr Coetzee. — Sapa

Red meat price rise 'won't be drastic'

Pietermaritzburg
City Bureau

INCREASES in the price of red meat were still well below the rise in food prices generally, which had gone up by more than 100% over the past five years, Mr V B Field, general manager of Stockowners in Durban, said yesterday.

Commenting on reports that the price of red meat was set to 'rocket' this year, Mr Field said he believed prices would increase in line with inflation but he

did not foresee any drastic price rises unless there was a sudden substantial upswing in the economy.

Mr Field quoted statistics which showed that while general food prices had increased by more than 100% between November 1981 and November 1986, the price of mutton and lamb at Cato Ridge abattoir had increased by only 85% over the same period, and that of beef by 63%.

Mr Field said there had been a dramatic increase

in red meat prices in October last year which could be directly attributed to the effects of the recent drought, but any increases this year would be purely due to inflation.

During the drought farmers had been forced to sell their cattle and sheep because they were unable to feed them and consequently there had been an over-supply of red meat on the market. This had kept the meat price increases to minimal levels.

Mr Field said the national beef population had been reduced from 9 200 000 in 1978 to 7 800 000 in 1986. Over the previous 40 years the beef herd had averaged around 8 200 000, he said. The national sheep population had dropped to 26 million in 1986 compared with 31 million in 1982.

The recent good season meant that farmers were withholding their animals from slaughter as they attempted to build up their herds, and this had led to the dramatic increase in the prices in October, he said.

REGISTRATION OF STUD BOOK STOCK BRAND/REGISTRASIE VAN 'N STAMBOEKVEERBRANDMERK

Brand/Brandmerk	Name of owner/Naam van eienaar	Address/Adres	Date of Registration/Datum van Registrasie
PJ1	Fourier D. J. en Seno	Chalet des Fleurs, Pk. Colbyn, 0083	1986-08-04
RJ1	Rand, R. J.	Postbus 904-231, Farms Glen, 0043	1986-12-05

BRANDS CANCELLED/BRANDMERKE GEROEIER

Brand/Brandmerk	Name of previous owner/Naam van vorige eienaar	Address of previous owner/Adres van vorige eienaar	Date of Cancellation/Datum van roeping	Remarks/Opmerking
27V	De Clerk, P. H.	Skinnerstr., Klipkull 104, Wolmaransdal, 2630	1986-10-24	
3	Du Plessis, F. A.	Stammeester, Geluk 56, Brix, 0290	1986-11-03	Opheffing van staat

(16 January 1987)/(16 Januarie 1987)

DEPARTMENT OF AGRICULTURAL ECONOMICS AND MARKETING

ANIMAL SLAUGHTER, MEAT AND ANIMAL PRODUCTS HYGIENE ACT, 1967 (ACT 87 OF 1967)

PROPOSED AMENDMENT OF STANDING REGULATIONS

1. André Jaak van Niekerk, Deputy Minister of Agriculture, acting on behalf of the Minister of Agriculture under section 38 (6) of the Animal Slaughter, Meat and Animal Products Hygiene Act, 1967 (Act 87 of 1967) hereby—

(a) intimate that I intend to further amend after expiry of four weeks from the date of publication of this notice, the Standing Regulations under the above-mentioned Act, as published by Government Notice R. 3505 of 9 October 1969 and amended by the regulations published by Government Notices R. 98 of 16 January 1970, R. 1501 of 11 September 1970, R. 813 of 18 May 1973, R. 1809 of 5 October 1973, R. 1925 of 25 October 1974, R. 537 of 7 April 1977, R. 2671 of 30 November 1979, R. 1629 of 3 August 1984 and R. 599 of 27 March 1986 by the substitution for Schedule 10 thereof of the Schedule hereto; and

(b) invite interested persons to submit any objections to or representations concerning the proposed amendment to the said Standing Regulations in writing to the Director, Directorate Veterinary Services, Private Bag X138, Pretoria, 0001, within four weeks from the date of publication of this notice.

A. I. VAN NIEKERK, Deputy Minister of Agriculture.

*SCHEIDULE 10

FEEBS

1. The fees for meat inspection services rendered by the Department shall be inclusive of ante mortem and post mortem inspections and shall be as follows:

(i) Carcasses

Per bovine or a portion thereof 84 cents each.
Per calf with a mass exceeding 40 kg or a portion thereof 84 cents each.
Per calf with a mass of 40 kg or less or a portion thereof 42 cents each.
Per pig or a portion thereof 42 cents each.
Per sheep, lamb, goat or a portion thereof 18 cents each.

DEPARTEMENT VAN LANDBOU-EKONOMIE EN BEMARKING

WET OP HIGIENE BY DIERSLAG, VLEIS EN DIERLIKE PRODUKTE, 1967 (WET 87 VAN 1967)

VOORGENOME WYSIGING VAN STANDE REGULASIES

Ek, André Jaak van Niekerk, Adjunk-minister van Landbou, handelende namens die Minister van Landbou kragtens artikel 38 (6) van die Wet op Higiene by Dierslag, Vleis en Dierlike Produkte, 1967 (Wet 87 van 1967)—

(a) maak hierby bekend dat ek van voorneme is om die Standaard Regulasies ooreenkomstig Bouvernelde Wet, soos gepubliseer by Goewernementskennisgewing R. 3505 van 9 Oktober 1969 en gewysig deur die regulasies gepubliseer by Goewernementskennisgewings R. 98 van 16 Januarie 1970, R. 1501 van 11 September 1970, R. 813 van 18 Mei 1973, R. 1809 van 5 Oktober 1973, R. 1925 van 25 Oktober 1974, R. 537 van 7 April 1977, R. 2671 van 30 November 1979, R. 1629 van 3 Augustus 1984 en R. 599 van 27 Maart 1986 na verstryking van vier weke na die datum van publikasie van hierdie kennisgewing te wysig deur Skedule 10 daarvan deur die Skedule hierby te vervang; en

(b) nooi belanghebbende persone hierby uit om besware teen of vertoe aangande die voorgestelde wysiging van genoemde Standaard Regulasies binne vier weke na die datum van publikasie van hierdie kennisgewing skriftelik aan die Direkteur, Direksionaal Veersteriensy-diens, Private-sak X138, Pretoria, 0001, voor te lê.

A. I. VAN NIEKERK, Adjunk-minister van Landbou.

*SKEDULE 10

GELDE

1. Die gelde vir vleisinspeksiedienste wat deur die Departement gelewer word, sal beide voor- en nadoordes ondersoek instuur en is as volg:

(i) Karikasse

Per bees of 'n gedeelte daarvan 84 sent elk.
Per kalf met 'n massa bo 40 kg, of 'n gedeelte daarvan 84 sent elk.
Per kalf met 'n massa van 40 kg of minder, of 'n gedeelte daarvan 42 sent elk.
Per vark of 'n gedeelte daarvan 42 sent elk.
Per skaap, lam of fok of 'n gedeelte daarvan 18 sent elk.

Per annual of the equine family or a portion thereof 84 cents each.
Per head of poultry or a portion thereof 1.3 cent each.
Per ostrich or a portion thereof 42 cents each.
Per animal declared by the Minister to be an animal for the purposes of the Act, and not specified above 0.64 cents per kg of the carcass mass.

(ii) **Dobored meat**

Beef, mutton, goat's meat, veal and pork 0.64 cents per kg or portion of a kg

The above fees shall be paid to the Department before the 8th day of each month following and shall accompany the monthly return in terms of Schedule 8 or Schedule 9, as the case may be. Provided that the Minister may enter into an arrangement with any person liable to pay fees under these regulations for the payment by that person of a lump sum in respect of any period in satisfaction of the fees payable by such person in respect of that period. Subject to such person making payment of the amount so arranged, the Minister may waive the excess over the amount so paid of the fees payable by that person under these regulations in respect of the period covered by the arrangement.

2. Every application for a certificate of approval submitted by the owner of an abattoir to the Chief Meat Hygiene Officer shall be accompanied by a fee of R5.00. The fee which shall accompany an application for the renewal of an existing certificate of approval shall be R1.00 if submitted prior to the date of expiry and R5.00 if submitted after the date of expiry.

3. Fees for laboratory services rendered by the Department shall be as specified by the Chief Meat Hygiene Officer from time to time in consultation with the Treasury (16 January 1987)

NOTICE 33 OF 1987 DEPARTMENT OF TRANSPORT AIR SERVICES ACT, 1949 (ACT 51 OF 1949), AS AMENDED

Pursuant to the provisions of section 5 (a) and (b) of Act 51 of 1949 and regulation 5 of the Civil Air Services Regulations, 1964, it is hereby notified for general information that the applications, details of which appear in the Schedule hereto, will be heard by the National Transport Commission.

Representations in accordance with section 6 (1) of Act 51 of 1949 in support of, or in opposition to, an application should reach the Director-General, Transport (Directorate Civil Aviation), Private Bag X193, Pretoria, 0001, and the applicant within 21 days of the date of publication hereof stating whether the party or parties making such representations intend to be present or represented at the hearing.

The Commission will cause notice of the time, date and place of the hearing to be given in writing to the applicant and all parties who have made representations as aforesaid and who desire to be present or represented at the hearing.

SCHEDULE A LICENCES

(A) Name and address of applicant. (B) Name under which the air service is to be operated. (C) Particulars of air service. (i) Area to be served. (ii) Route(s) to be served. (iii)

Per diert van die penfemilie of 'n gedeelte daarvan 84 sent elk.
Per stek pluimvee of 'n gedeelte daarvan 1.3 sent elk.
Per volstruis of 'n gedeelte daarvan 42 sent elk.
Per diert wat deur die Minister tot 'n diert vir die doeleinde van die Wet verklaar is, en nie hierbo gespesifiseer is nie 0.64 sent per kg van die karikasse-massa.

(iii) **Onoedende velle**

Beesvels, skaapvels, bokvels, kalffvels en varkvels 0.64 sent per kg of gedeelte van 'n kg

Bogenoemde gelde is voor die 8ste dag van die volgende maand aan die Departement betaalbaar en moet die maandelikse opgawe ooreenkomstig Skedule 8 of Skedule 9, na gelang van die geval, vergesel; Met dien verstande dat die Minister 'n ooreenkoms mag aangaan met enige persoon wat ooreenkomstig hierdie regulasies vir die betaling van gelde aanspreeklik is, om 'n globale beding te betaal ten opsigte van enige periode en ter bevrediging van die gelde wat ten opsigte van so 'n periode deur so 'n persoon betaalbaar is. Ondertewig aan die betaling van so 'n beding soos getel, mag die Minister afstand doen van die verskil tussen die beding so betaal en die gelde wat deur so 'n persoon ooreenkomstig hierdie regulasies ten opsigte van die tydperk deur die ooreenkoms getel, betaalbaar is.

2. Elke aansoek om 'n sertifikaat van goedkeuring wat deur die eienaar van 'n abattoir aan die Hoog Vleisinspeksie-beampte voorgelê word, moet van 'n fees van R5.00 vergesels word. Die fees wat 'n aansoek om hernuwing van 'n bestaande sertifikaat van goedkeuring moet vergesels, sal R1.00 bedra indien dit voor die verstrykingstermyn ingedien word en R5.00 indien dit na die datum van verstryking ingedien word.

3. Gelde vir laboratoriumdienste deur die Departement gelewer sal van tyd tot tyd deur die Hoof Vleisinspeksie-beampte gespesifiseer word in ooreleg met die Tresourie. (16 Januarie 1987)

KENNISGEWING 32 VAN 1987 DEPARTEMENT VAN VERVOER WET OP LUGDIENSTE, 1949 (WET 51 VAN 1949), SOOS GEWYSIG

Hierby word ingevolge die bepalings van artikel 5 (a) en (b) van Wet 51 van 1949 en regulasie 5 van die Regulasies vir Burgerlugdienste, 1964, vir algemene inligting bekendgemaak dat die Nasionale Vervoerkommissie die aansoekke waarteen besonderthede in die Bylaes hieronder verskyn, sal aanhoor.

Vertoe ingevolge artikel 6 (1) van Wet 51 van 1949 ter onderkenning of bestyding van 'n aansoek moet die Direkteur-generaal, Vervoer (Direksionaal Burgerlugvervoer), Private-sak X193, Pretoria, 0001, en die aansoekke binne 21 dae na die datum van publikasie hiervan bereik en daarin moet gemeld word of die persoon of persoon wat aldus vertoe rig, van plan is om die vertigings by te woon of om daar verteenwoordig te word.

Die Kommissie sal reel dat kennis van die datum, tyd en plek van die vertigings skriftelik gegee word aan die aansoekker en al die persone wat aldus vertoe getig het en wat verlang om aldus verteenwoordig of teenwoordig te wees.

BYLAE A LISENSIES

(A) Naam en adres van applikant. (B) Naam waaronder die lugdiens geëksploteer gaan word. (C) Besonderthede van lugdiens. (i) Gebiede wat bedien gaan word. (ii)

FINANCIAL 23/1/87
MEAT PRICES

31/2/87

Kindly cuts

Scare predictions that red meat prices are on a sharply upward curve — with super beef set to breach 550c/kg and lamb retailing at 650c/kg and higher — seem unrealistic.

These increases would have meant retail price jumps of 75% and 42% respectively. But, in reality, prices are already slipping.

Experts agree that super beef prices should not top 20c-425c/kg for the year, while mutton prices have already started falling from the Christmas high of R6,50-R7,00/kg to a current range of R4,60-R4,70/kg.

While prices will probably firm at higher levels just before Easter, they should soon level off again once consumers revert to normal buying patterns. Exceptional demand over the Christmas season led to top grade beef auction prices rocketing to a high in the R6,50-R7,00/kg range, while super lamb hit similar levels.

Up to 10 000 sheep were slaughtered daily at Johannesburg's City Deep abattoir during December. But this fell rapidly to some 5 100 on January 5 against availability of 5 753, says Kassie Carstens, an MB representative at City Deep. He adds that supplies are sufficient to meet demand.

This has led to a visible downtrend in City Deep auction prices, which are sometimes taken as indicative of national red meat price trends. Although prices fluctuate daily, super beef fell from R4,19-R4,33/kg on January 9 to R3,80-R4,00 on January 16. At the same time, super lamb fell from R5,01-R5,27/kg to R4,62-R4,69 in the same period.

MB deputy GM Frans Pieterse does not expect average red meat prices to rise by more than 10%-15% above last year's average levels — well below the inflation rate. In the case of super beef, Pieterse predicts auction price levels will average R4,20-R4,30/kg for the year, while super lamb

should not exceed an average of R4,80-R5,00/kg for the year.

"Whatever the exceptional price levels over the Christmas season, this proves that consumers still like red meat and are prepared to pay for it," Pieterse tells the FM.

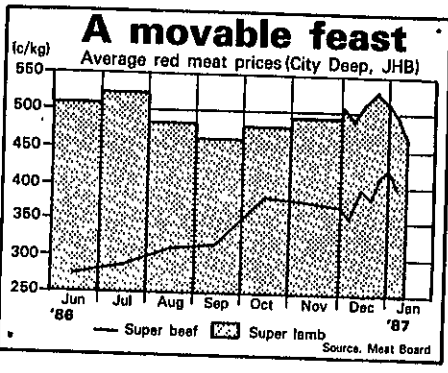
Others tend to disagree. Chicken producers especially have taken advantage of high meat prices to lift their own prices. SA Poultry Association general secretary Zac Coetzee says chicken demand was boosted by soaring red meat prices and by black consumers who are buying more white meat.

Pick 'n Pay director Richard Cohen says poultry wholesale prices firmed to their "highest levels ever" of R3,00/kg over Christmas, more than 50% above last year's low of R1,85-R1,90/kg.

Another meat trade spokesman claims the current Dutch auction system at City Deep has a lot to do with the sharp escalation of prices. The technique was introduced at the abattoir about 10 years ago.

"The system is highly inflationary," says the official. "It starts high on the computer clock and then runs down to lower price levels. The first buyer stops the clock, which puts the price at the highest, rather than the lowest level. Another practical problem is that if one agent refuses to sell because bids are too low, he can stop the whole market."

While this is not market manipulation, it fosters higher prices — to the detriment of buyers and consumers. As he says: "The system stinks."



Price of beef will stay high

Pietermaritzburg
Bureau

BEEF prices throughout the country would remain relatively high and supplies relatively low, particularly during holiday periods, the chairman of Natal Beef Producers (NBP), Mr Arthur Hambly, said yesterday.

Speaking at the NBP congress at Tweedie, Mr Hambly said prices had steadied at about R3/kg over the past three months, peaking during the holiday periods at close to R3,50/kg for all grades.

The price average was not expected to drop much during the so-called 'off season'.

Campaign

Mr Hambly said that with good rains in most of South Africa's cattle areas, supplies would remain low while farmers rebuilt their herds. The national breeding herd was 15% below strength.

Meanwhile the Meat Board has decided to concentrate its efforts this year on a red meat 'image-building' campaign on behalf of producers, according to the deputy general manager of the board, Mr Frans Pieterse.

The campaign, to be launched by mid-April, would aim to create a positive climate for red meat.

Beef prices could be 50% higher ^{2 Post} in 1987 ^{3 MEAT} — report

By DAWN
BARKHUIZEN

BEEF prices in the first five months of 1987 could be 50% higher than last year, according to a report released by the University of the Orange Free State.

This, said Professor Kobus Laubscher of the university's Agricultural Economics Department, would follow a slight decrease — the seasonal drop — which should last until March.

But even this seasonal drop was not as low as in 1986 and January's

prices were, on average, 14% higher than last year, he found.

Port Elizabeth's prices, however, showed a 20% increase over last January.

The steepest increase, up to 50%, was expected in supergrade beef, with the most dramatic increase expected around May, according to the report.

This week prime beef prices in Port Elizabeth were already over R4 a kg — 50% higher than last January's prices.

Black dependence on SA basis of top talks

~~SAK~~ ~~HS~~ E. Post 5/2/87

GABORONE — Southern Africa's black states, struggling to shake off their economic dependency on South Africa, tomorrow open key talks with Western backers buoyed by widening support as the

threat of sanctions hangs over the region.

The two-day meeting, which will be attended by 300 senior delegates, is the annual get-together of the Southern African Development Coordination Conference (SADCC)

and its 34 aid-donor nations to review the past year and define new goals.

SADCC includes Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia and Zim-

babwe

Nearly all depend heavily on SA for and transport routes. SADCC's efforts to those links have given added urgency. Pretoria has threatened to pass on the effect international economic sanctions to its neighbours.

SADCC has drawn \$2 billion (R4,4 billion) development programme and has received, pledged, funds for more than half the programme.

● President Reagan is proposing a \$100 million (R194 million) increase in aid to of impoverished nations

Customs beef about alleged meat scandal

By Robin Drew,
The Star's Africa News Service

HARARE — South African meat traders are allegedly involved in an elaborate fraud over shipments of Irish beef to South Africa.

The alleged fraud concerns claimed misappropriation of European Community (EC) export refunds amounting to millions of rands.

The beef in question is said to have been shipped to South Africa, re-exported from there to Zimbabwe, and sent from Zimbabwe in tinned form back to Europe through a deal with Italy.

News of the scandal which has rocked beef traders in the meat industry here through the British *Meat Trades Journal*

A report in the January 22 issue says a big proportion of Irish beef shipped to South Africa in 1985 and 1986 found its way back into the Common Market through Zimbabwe and Italy.

The journal explains that meat companies which regularly export to countries outside the EC are paid subsidies because the community is anxious to reduce food surpluses.

According to the journal, subsidies worth R39 million are being withheld from five major Irish meat companies following police investigations into the alleged fraud.

The companies, acting as a group, claim their trading links with South Africa and with Canada (from where beef is also said to have been routed by a roundabout series of deals back to Europe)

were correct and that they are entitled to the export refunds.

Last month two Irish meat exporters were arrested and charged with conspiracy to defraud the State.

The *Meat Trades Journal* said it was alleged that South African customs stamps had been forged by a British printing firm.

The forged documents were reportedly intercepted by Irish customs officers, who took down the details and then released them for delivery to the suspects.

Customs investigators were sent to South Africa to check details from that end.

Meat trade circles here said they understood the tinned meat had been sent to Italy by a Bulawayo-based canning concern.

Meat congress focuses on realistic prices

13/2/87
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Dispatch Reporter
GRAHAMSTOWN — Concern for realistic prices for their product, coupled with fears of frightening consumers into buying substitutes, were examined at yesterday's provincial meat congress.

The most time was accorded to a resolution dealing with fluctuating prices and whether the present "tramline" system (of floor and ceiling prices) was as effective as it might be.

Farmers, it was felt, would like the floor prices raised more often than once a year.

The chairman of the National Red Meat Producers' Organisation, Mr S. J. J. van Rensburg, said the issue was "really academic" and had little relation to market prices.

He cited a case where the floor price for lamb was 301 cents with a 60 cents play within the tramline, yet it fetched R5 at an auction.

Mr P. van der Merwe for the Willows Farmers' Association and

Middelburg Farmers' Union, was the only delegate to receive spontaneous applause for a meticulously researched resolution.

He noted that the Meat Board had been reducing the price of offal annually for the past three years and required it be sold by public auction.

It was attacked, however, by the congress opening speaker, Mr E. N. Bielovich, the chairman of the South African Federation of Meat Traders, who said that offal did not freeze well and that the pres-

ent system was the best yet devised for producers.

Unanimous support was given to a resolution requiring congress to give urgent attention to the high marketing costs of red meat in the light of increasing production costs and the increase in the consumption of substitutes.

Mr Van Rensburg said it was high time the whole cost structure was questioned.

"Bush slaughtering" however, should not be considered, he added.

Call for meat trade inquiry

CAPE TOWN — The Chamber of Muslim Meat Traders (Commtra) has called for abolition of the Meat Board and an inquiry into the meat industry which, it says, is controlled by monopolies.

Mr A Gaffoor, Commtra's secretary, said monopolies were inflating meat prices and forcing small retailers and stock farmers out of business.

"Cape Town abattoir is slaughtering about 500 oxen a day although their quota is 800," he said.

The abattoirs blamed the drought for the short supply but, as far as Commtra was aware, the drought was broken last year and supplies should be back to normal.

"A year or two ago the Meat Board's freezer was stocked with beef but retail butchers didn't benefit — prices stayed high."

Commtra had been told by the Meat Board that although the drought was over stock farmers were replenishing stocks, causing a meat shortage.

Mr Gaffoor said Commtra suspected the Meat Board was being used by the monopolies to further entrench their hold over the trade and called for board to be abolished and a board of inquiry into the meat industry.

Meat Board general manager Dr P Coetzee said the shortage of slaughter stock was owing to overkill during the drought. "Drought stocks were used from October 1985 to December 1986 to supplement shortages. Nobody could expect this surplus to last forever."

Dr Coetzee said the Meat Board was unaware of monopolies as no group had more than 10 percent.



A strange-looking carcass? Not to European immigrants living in Port Elizabeth. Mr WILLIE MEYER, owner of a Newton Park butchery, said he sold about 20 rabbits last week. He expects sales to pick up once word gets around that rabbit meat is available.

PE butcher doing hopping good trade in rabbit meat

SWBAT
Eve. Post
27/2/87

By BARBARA ORPEN
THOSE with more conventional tastes need have no fear... rabbit meat will not become a cheaper substitute for the more familiar beef and mutton.

But it is considered a delicacy by the rich and finds favour among Continentals living in Port Elizabeth.

So says Mr Willie Meyer, owner of a Newton Park butchery and delicatessen, who has been selling rabbit meat at R9,25 a kilogram since last month.

Said Mr Meyer: "South Africans do not normally buy the meat, but it is very very popular with the Dutch, Belgians, Germans, Austrians and French who live here."

"I sold rabbits for a number of years until about two years ago.

"At that time there was a rabbit abattoir in the area, but it closed down because there was a glut on the market and they could no longer sell enough.

"However, I recently discovered I could get rabbits from Cape Town, but with the cost of trans-

port, the lack of feeding and the fact that they are not so freely available, the price has gone up considerably."

Asked why South Africans did not go in for rabbit meat in a big way, he said: "I really don't know. Maybe some people have had rabbits as pets in the past and cannot bear the thought of eating the meat."

Lambs to the slaughter

No one likes to see animals suffer, least of all the farmers who have spent years breeding, feeding and tending them.

Why then do farmers of the Cape and Free State send so many of their sheep on 1 000 km journeys in double- or triple-decker trucks during the last few days of their lives? Why are the lorries crammed so full?

The answer to these questions are straightforward:

□ The main markets for sheep meat in SA are well removed from the dry areas best suited for mutton and wool production. Natal, in particular, has an enormous demand for mutton because most of the Indian population is prevented by religious taboos from eating beef and pork. Older, tougher and more highly flavoured Karoo sheep are preferred for curries. The few pasture-fed lambs produced in Natal are too tasteless and tender for stewing;

□ For reasons which are partly historic but mainly political, SA's abattoirs have been concentrated in the areas where meat is consumed instead of the areas where it is produced. Large commercial undertakings which have grown up around those artificially centralised abattoirs now have a vested interest in keeping them there. They use every political lever they can pull (and they have their hands on many) to ensure that the abattoir business does not return to smaller-scale privately owned operations in the producer areas where it rightfully belongs — and to which it would undoubtedly gravi-

tate in a free market since it is much cheaper to transport meat than live animals; and

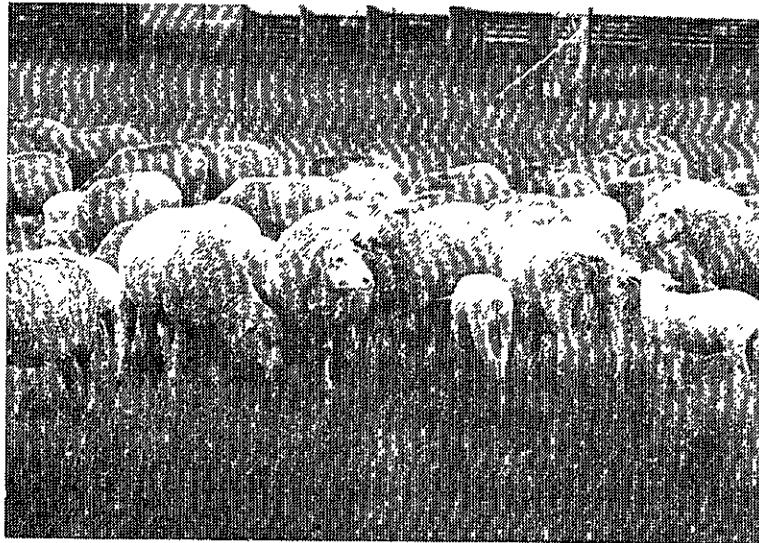
□ Partly because the existing abattoirs are sited in the wrong places, partly because of the costly political chewing gum and red tape used to keep them there and partly because the protected commercial undertakings which benefit from these distortions are (in consequence) able to extract "monopoly profits" along the way, the cost of sheep meat to the end consumer has been artificially raised while the value of the sheep to the farmer has been artificially reduced.

The consumer suffers from higher prices. Demand for mutton is curtailed. The produc-

er then suffers from lower prices. The unfortunate sheep are downvalued. And because they are downvalued they must suffer too.

The cheaper the sheep the less the farmer can afford to spend on them and their comfort. The Cape and Free State farmers are unable to afford "first class tickets" to send their sheep on the long and unnecessary journeys which the politicians force them to make, hence the cramped three-deck lorries which offend the concerned citizens who are now aligning themselves behind Glyn Bricknell in her campaign to get the system changed.

Initially many of Bricknell's colleagues in Silsat (Stop Inhuman Long Distance Animal Transport) were of the opinion that a tightening of legislation would quickly solve the problem. It is to Bricknell's credit that she soon saw this would not effect a cure.



Meat production . . . going to the markets

Far from it. In fact tighter rules on road transport are as likely to increase as decrease the sum total of hardship the average Karoo sheep must suffer.

The lorries on the road would be made to look more comfortable but the full cost of any added comfort would automatically be deducted from the value of each sheep before its departure from the Cape. Knock 10% off the value of a sheep and you knock at least 10% off the incentive to its consigner to see that it is comfortable before it leaves — and that it is still alive, kicking and unbruised when it arrives.

No, the problem must be tackled at its

source. Treating minor symptoms will never cure the disease. Legislation needs to be changed to allow sheep be slaughtered where it is economically logical and not where it is politically expedient. Fortunately that legislation can be changed very easily and quickly because no new rules are needed. All that is required is a repeal of bad legislation which should never have been permitted in the first place. It wouldn't cost the government any money either.

Indeed the taxpayer would benefit through having an industry which would decentralise itself without government aid. First the Meat Board should be told to scrap its archaic rulings that currently prevent the overflow of meat (as opposed to live animals) from rural abattoirs to the main consumer areas.

Second, the Department of Transport should scrap remaining legislation which still makes it difficult for private operators to move commodities (like meat) around the country in response to short term fluctuations in demand.

Anyone investing in an abattoir in the Karoo would need to be assured in advance that he could divert carcasses (and pre-packed TV suppers) from Pretoria to Durban and back again without falling foul of the government.

Third, the Departments of Veterinary Services and of Health and the Abattoir Commission should all relax (or, better still, tear up) the rules which now make it prohibitively expensive to run

small abattoirs.

The logical size of an abattoir is far smaller than anything the Abattoir Corporation has built or owns.

Fourth, the Abattoir Corporation itself should be disbanded forthwith and its assets sold (one castle at a time) by public tender. Scrap merchants and demolition contractors as well as meat companies and farmers' co-operatives should be invited to tender. The Agriculture Ministry has already admitted that most of our largest abattoirs have been built in the wrong places. It needs to be reminded that its job is to look after farmers and not white elephants. ■

As food costs bite into budgets . . .



Rising price of meat set to beef up inflation rate

3 meat

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SOARING food prices — especially meat, which represents 36,5% of the food price index — will continue to have a negative effect on the inflation rate over the next few months.

In Sanlam's latest economic survey, chief economist Johan Louw says meat comprises more than 9% of the total consumer price index, and food prices remain one of the major obstacles in SA's efforts to cut the inflation rate.

"Owing to the large weight of food expenditure in the total spending of consumers — it represents approximately 25% of the consumer price index — it has an appreciable effect on the course of the inflation rate."

His views are borne out by agricultural industry sources, who say auction prices for higher-grade fat cattle are likely to remain sensitive to erratic supplies until next month.

The latest edition of Effective Farming says the shortage of manufacturing grades forecast for the second half of 1987 made itself felt as early as April. "Much higher prices are likely to

MICK COLLINS

materialise for lower-grade cattle from July onwards," the magazine says.

Agri-Africa is forecasting 400c/kg and more for grade 3 in the spring, Effective Farming says, and there is a risk the Meat Board will flood the market with cheap imports to please the canners.

"But we doubt whether it will allow enough foreign beef to interrupt the rise in super-grade prices, which surely must follow."

Forecasting that the 500c/kg barrier will be breached before year-end, the magazine says consumer resistance could, however, be firm at that level.

Meanwhile, meat traders in Natal are experiencing one of the worst shortages of lower-grade meat in years.

SAPA reports Durban and District Meat Traders' Association chairman Dudley Thompson as saying supplies have reached a low point. "The meat-processing industry would experience difficulty if it were not for the supplies of imported beef and mutton that arrive in Durban at regular intervals."

7/8/87

Manipulating prices?

The Meat Board (MB) is catching flak following this week's announcement that a weekly "base price" has been instituted to eliminate "inexplicable and unforeseeable" fluctuations in red meat prices.

Controlled markets

③ Meat

The new base price, applicable to the MB's eight controlled urban markets, will be about 10% below the previous week's average price for specific cuts at the market in question. It will operate in conjunction with the floor price system, which is currently some 25% below beef prices and 40% below mutton.

MB spokesman Frans Pieterse says "price trends" will also be taken into consideration when determining the base price. Although he does not spell it out, this implies that if price trends for the week are pointing up, the gap between market averages and the base price might be *less* than 10%. And as the new base price will act as a *minimum* level below which sales cannot take place, consumers will lose the benefit of potentially falling prices the next week.

"We are very unhappy with the new system. While the MB denies this, it looks suspiciously like the discredited and discarded support price system which was a disaster for consumers. While the MB avers that consumers receive no benefits from the 'tremendous fluctuations' in meat prices and that traders and retailers are the principal beneficiaries, we will watch developments carefully," notes Housewives League president Lyn Morris.

Morris says the MB maintains it will not buy in meat when prices fall below base price levels, but will merely retain stocks for a few days before pushing these back on to the market. But the suspicion remains that this could lead to price manipulation.

Consumer Union spokeslady Betty Hirzel agrees. "While we are trying to move away from controls and even the MB has suggested that consumers should shop around for better prices, this new system will impinge on the price-forming mechanism. We do not disagree with the need for a measure of price stability, but price manipulation would be dangerous," she says.

Consumer Council director Jan Cronje says he has nothing against the principle of stabilisation, as too heavy fluctuations could

drive away consumers. As long as the system retains sufficient flexibility to allow downward price moves, he could accept it in principle.

MB's Pieterse says while the new base price system should not affect consumer price trends at all, the new system will be reassessed after a trial period. "This is merely an attempt to see if we can eliminate the tremendous auction price fluctuations to the benefit of producers and consumers."

With average meat prices firmly appreciating — City Deep weekly average beef prices moved from 384,5c/kg in the first week of July to 400,5c/kg in the last week, while mutton firmed from 482,6c/kg to 506,2c/kg — there does not seem to be any reason for MB intervention at this stage.

Chicken catching up

But with chicken consumption steadily catching up on red meat, it could well be that red meat producers are trying to squeeze even more from the system than the R1,342 billion earned by beef producers last year and the R502m earned from mutton production.

Meat Board introduces base price

HELEN WISHART

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Meat

THE Meat Board introduced a national "base price" for meat from August 3 to minimise fluctuations in market prices.

Meat Board MD Pieter Coetsee says: "The base price sets the market value for a classification and grade of meat at a particular auction venue.

A computer determines the base price over a 42-week period, taking into consideration prices, supply of that particular meat to the market, and indications of future supply."

Coetsee says the base price could fall by a maximum 10% on the previous week's "fixing", after which the board would buy in extra supplies. These supplies would gradually be released back onto the market, when prices began rising. Supply would effectively be increased to meet the demand and prices would again level out.

Housewives League president Lynn Morris says the base price "fills me with horror".

"There is a strong possibility that it is just a sophisticated form of the old support price. This was introduced to minimise fluctuations but it effectively denied consumers the benefit of buying in at cheaper rates, when the price dropped below the support price."

Consumer Council spokesman Paul Roos says the base price ensures that prices will not fluctuate as much or as quickly as previously.

Halaal row over ^{(3) Meat} Aussie meat

A HALAAL row looms over mutton which the meat board plans to import from Australia and New Zealand.

The Chamber of Muslim Meat Traders' Association (COMMTRA) and the Muslim Judicial Council (MJC) warned that Muslims could not accept imported meat as halaal without knowing how the animals had been slaughtered.

The Meat Board has announced that mutton from New Zealand and Australia would be imported from next month.

Mr Latief Gaffoor of COMMTRA said only meat imported from Ireland had been certified halaal.

The country was experiencing a meat shortage. "But unless we are quite sure which foreign council certified the meat as halaal, it would be unacceptable."

Gaffoor said meat was being imported from New Zealand to Middle East countries. But the Middle East also wanted confirmation from "reliable sources" whether the Australian meat was in fact halaal.

COMMTRA had asked the Meat Board not to put the Australian meat on the shelves until it had been proved and guaranteed that the meat was halaal.

Critical shortage

Gaffoor said the country would not have experienced such a critical shortage of meat if it were not for the Group Areas and Land Acts which had removed many black farmers from their farms.

"These blacks were prospective cattle farmers and they lost everything to white farmers," he said.

The General Manager of the Meat Board, Mr F Pieterse, said mutton was imported with the necessary halaal certificates issued by the country of origin.

On the shortage of meat, he said the prolonged drought had resulted in increased slaughtering of poorer quality animals and as an aftermath of the drought, farmers were rebuilding stocks.

Since September last year, 15 000 ton beef and about 600 mutton carcasses were imported.

The shortage, he said, were mainly for manufacturing purposes and amounted to 1 500 ton per month.

Imam Yassiem Harris of the Muslim Judicial Council (MJC) said he could not confirm the halaal status of all the meat plants in Australia although they were aware that some facilities catered for halaal meat in that country.

"But we will want to know first from which plant the meat comes before it could be certified halaal," he said.

SOUTH REPORTER

THE Chamber of Muslim Meat Traders Association (COMMTRA) has intervened in the Spekenam strike, now in its fifth week.

Last week the Food and Allied Workers Union (FAWU) and representatives of the Congress of S.A. Trade Unions (Cosatu) met COMMTRA to discuss support for the striking meat workers.

About 600 workers are presently on strike in response to management's refusal to include union

officials in wage negotiations. All have been dismissed by Spekenam.

According to a spokesperson, COMMTRA has held discussions with Sams Foods, a meat wholesale company. No Muslim butcher has any dealings with Spekenam itself, but several butchers buy their meat from Sams

Meat traders take a stand

Foods.

Sams Foods and Spekenam are subsidiaries of the holding company, Vleissentraal, which controls more than 70 percent of South Africa's meat industry.

A COMMTRA delegation this week met representatives of Sams Foods to discuss the situation.

On Tuesday morning, Mr A Jaffer, of COMMTRA, said: "We have been informed by Sams Foods that the union has taken legal action and that therefore Sams Foods would not be negotiating further."

"We wish to express our disappointment that our intervention has been of no avail."

A spokesperson for FAWU said: "We have instituted legal proceedings against Spekenam on the grounds that the workers were unfairly dismissed."

There is going to be an awful lot of hard talking each issued at a price of 75c. It is proposed

The president of the Meeting was necessary

h. 99

DENIMS Sizes 33-42

10/9/87

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Meat practices create outcry

by RICHARD LOUW

EAST LONDON — Over 32 000 people have signed a petition calling for a halt to the long-distance transportation of livestock, a spokesman for Stop Inhumane Long-Distance Slaughter Animal Transport (Silsat), Mrs G. Bricknell, said in a statement.

"A national campaign and public outcry is the only way to expose the monopolies, manipulations and system control which exist within the framework of the one-billion-rand red meat industry in South Africa.

"The nine government-owned and controlled abattoirs are in consumer areas and not in producer areas and legislation states that the carcasses of livestock slaughtered in controlled or consumer areas can be sold in the controlled or uncontrolled (producer) areas.

"However, the carcasses of livestock slaughtered in producer areas may only be sold in that area. Red meat may only be moved from a producer area in live form — which means that a farmer may not slaughter in a producer area, freeze the carcasses and transport them to a consumer area.

"It costs 67 per cent more to transport a live animal than a carcass and of the 70 000 sheep slaughtered at Cato Ridge a month, 8 965 come from Natal, 19 938 come from the Cape, 36 650 from the Free State and 5 279 from Transvaal."

Mrs Bricknell said that producers were unanimously in favour of smaller, private-owned abattoirs in producer areas and that 68 per cent of the producers were dissatisfied with the current livestock marketing scheme "because of unfairness, inflexibility, costliness, instability, uncertainty and complexity."

A spokesman for the Meat Board, Mr France Pieterse, said: "There are over 30 000 red meat producers in South Africa, producing animals under intensive and extensive conditions.

"There is also a wide variety of

different meats being produced and it is necessary to have control areas to maintain the high-quality grade of meat that the consumer is used to buying.

"Animals must be collected from all parts of South Africa and, although we are flexible, we must maintain a certain amount of discipline to ensure orderly marketing of the end product," he said.

"The big abattoirs in the nine control areas are all located in the intensive producer areas, with the exception of Cape Town.

"If private abattoirs were built in extensive producer areas, this would mean that the existing abattoirs would close down and money would have to be found to build the new abattoirs.

"However, we would welcome any meat marketed under a specific brand name from a private abattoir but that abattoir would have to guarantee the supply and quality of the meat to make a success of the brand name.

"In my opinion and also in the light of current prices, the end consumer would have to pay much more for a kilogram of meat if this system were introduced," Mr Pieterse said.

"We at the Meat Board are concerned about animals travelling long distances and we are continually looking at ways and means to allocate quotas and permits in such a way as to alleviate the amount of travel for the animal.

"We are continually asking farmers to become more involved in the loading, unloading and transporting of their own livestock as any damaged animal is downgraded and the farmer loses out financially," he said.

A spokesman for the Ministry of Agriculture said: "If the present system of marketing meat, transporting of livestock and the system of abattoirs is not acceptable, then it is up to the farmers themselves to change the system.

"It was the farmers who 50 years ago started the existing system."

URGENT

Meat price hike due to abattoir's mid-week closure?

Daily Dispatch Reporter

EAST LONDON — The recent increase in local meat prices could be attributed to the abattoir's decision not to slaughter animals every day, the assistant general manager of Industry for the Meat Board in Pretoria, Mr J. E. van Zyl, said.

The new system means that the local abattoir will not be open in the middle of the second and third weeks of each month.

"Prices will stabilize when the local meat traders get used to the new schedule, so there is nothing to worry about," Mr Van Zyl said.

The chairman of the South African Federation of Meat Traders' Association, Mr Dennis Meyer, said the prices had been aggravated by the mid-week closure of the abattoirs but could also be attributed to a shortage of beef.

"Because lamb and mutton are seasonal, the prices always go up at this time of the year, but other meat prices have also increased."

"When you look at the way everything else is increasing, meat prices are still reasonable," Mr Meyer said.

The chairman of the East London Meat Traders' Association, Mr Ivan Dawe, said that it was still too early to know if it was a definite upward trend.

"Prices have gone a bit crazy this week and I think this is because of the abattoir closure and a genuine shortage of beef," Mr Dawe said.

Local price increases include beef and veal.

On Saturday the price of Super A beef was 400,7c per kg and this had increased to 443,8c per kg by Tuesday. The price of Grade One Veal rose from 272,5c/kg on Saturday to 280c/kg on Tuesday.

Former EL pupil on RAU council

EAST LONDON — A former Clarendon Girls High School pupil, Miss Maria Chiara Marchetti, has been elected to the Rand Afrikaans University's students' rep-



MISS MARCHETTI

MEAT SIZZLER!

An eyeful for sailors



What do boardsailors do to stop becoming bored sailors, when the wind doesn't blow in Port Elizabeth? Well, for one thing they can consider the other local attractions, like studying the form of **CHANTAL PARRY**, who yesterday visited Hobie Beach, where the national boardsailing championships are being held. See Page 15.

By **DEBBIE MARCH**
MEAT prices — which have seen beef rise 32% in a year — are expected to rocket between now and Christmas, say **PE** butchers.

The chronic shortage of red meat is mainly to blame.

The price rise of the various beef grades has averaged 32% in the year, and lamb and mutton 22%.

And it was not going to stop there, butchers said today.

"As long as there is a shortage of meat, prices will continue to go up and up," a butcher for a leading chain store said. The meat business was very much one of supply and demand, he said.

The national shortage of meat, especially of beef, had already seen the local abattoir cut its slaughter time back to four days a week. And butchers did not see the shortage abating in the near-future.

Earlier this year butchers predicted beef on average would cost R5 a kilogram at Christmas. It had already reached that level.

They were not prepared to quote probable prices, but did say they would be "very high".

"It's frightening, but we're doing our best to keep prices down," another chain store butcher said today.

He said their average price for beef had risen by 19%, but the market price had risen by 32%.

Fillet steaks had gone up from a supermarket selling price of R10,98 a kilogram to R14,58 from this time last year, and rump from R9,18 to R11,98 a kilogram — price hikes of 33% and 31%.

A top side of roast now

Prices will rocket
 by Christmas,

say **PE** butchers

we lost
 sold for R8,58 a kilogram compared with last year's R7,19.

"The rise has been such that the lowest grade of beef is now selling for the price that the top grade of beef sold for last year," a butcher said.

The top grade of lamb had increased from R6,98 to R7,58 a kilogram and lamb chops from R9,78 to

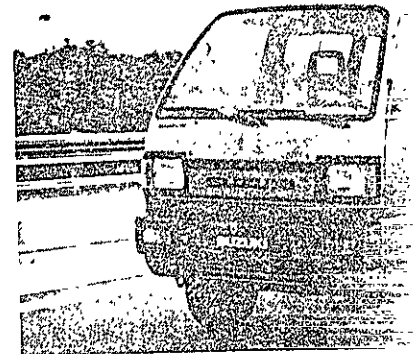
R10,58.

"We're going through hard times in the red meat game. And it's going to be harder at Christmas," Mr Hennie de Lange, the regional meat manager for a supermarket chain in the city, said.

Prices for poultry were also expected to increase.

ANOTHER
 Williams
 EXCLUSIVE

THE NEW FULLY IMPROVED
 SUZUKI SUPER CARRY



IT'S MOM'S TAXI, DAD'S C
 THE FAMILY'S HOLIDAY

D/D 26/11/87

Meat prices uncertain over Christmas season

(3)
OK

Daily Dispatch
reporter

EAST LONDON — Meat dealers here are uncertain whether or not the price of meat will rise over the Christmas period.

The chairman of the Eastern Province Livestock Auctioneers Association, Mr Bertie Moorcroft, said that particularly in coastal cities like East London there was a bigger demand for meat at Christmas because they filled up with holidaymakers and people had extra money from bonuses to buy more meat than usual.

At the same time, due to a number of public

holidays, slaughtering time was shortened, resulting in less meat and an increase in demand.

The usual logical result of this is an increase in price.

However, it was not possible to predict with absolute certainty whether or not the price would go up.

"I have been in the meat industry for 35 years and in 33 of those the price increased during the festive season, but who knows — this year may be one where the price does not rise," he said.

The chairman of the South African Federation of Meat Traders'

Association, Mr Dennis Meyer, said that he was confident about the season and would answer an unqualified yes to the question of whether there would be enough meat available.

He could not predict whether the price would go up, but said people should take advantage of the prices now.

The chairman of the East London Meat Traders Association, which is a member of the SA Federation of Meat Traders' Association, Mr. Ivan Dawe, said that it was his guess that there would be no increase in the meat price since there was sufficient stock to meet demand.

A lot of big concerns had stored items, such as gammon, during the past few months so that they would have sufficient meat for the Christmas period.

The manager of the East London abattoir, Mr G. Gibbon, said that there had been a 75 per cent increase in the number of animals being slaughtered at the abattoir since the beginning of November and he was waiting to see if the slaughtering rate would hold out during the Christmas season as it had in previous years.

He said the shorter weeks caused by the public holidays would increase the demand for meat.

Meat

MEAT - 1988

Six held for stealing maize

MAPUTO — Six people have been arrested in the northern Mozambican port of Nacala and charged with stealing about 20 tons of maize in food aid, Radio Mozambique reported yesterday. The maize belonged to the government's relief body, the Disasters Control Office. — The Star's Africa News Service.

Star 29/1/89
3 1030
68/11/6

Abattoir privatisation on hold during probe

3 Meat *TANIA LEV (RPO)*

PRIVATISATION of the state's 10 abattoirs is unlikely to take place in the next year following an announcement by the Red Meat Producers Organisation (RPO) that it has appointed an internal task group to investigate the matter.

In a statement at the weekend RPO chairman Jan Lombard said the group would present its report in 1991.

Lombard said reports by the Abattoir Corporation (Abakor) on privatisation and the Meat Board had made it clear to the RPO the implications of privatisation were so far-reaching as to affect the entire character of the meat scheme.

Privatisation would have important effects on important underlying elements of meat marketing such as price formation and market access. *8/10/89*

The RPO also felt the issue of producer control over abattoirs was inadequately addressed in the abattoir report, Lombard said.

3 MEAT

Final 17/11/89

RED MEAT

The futures option

Both producers and consumers in SA's R4,5bn-a-year red meat industry would benefit if SA instituted a futures market for red meat, Kanhym executive chairman Dirk Jacobs claims.

Jacobs says such a market could be brought about if the Meat Board's main function was transformed from regulating the industry to operating a futures exchange.

"I think the meat industry in SA is mature enough to warrant an unfettered, competitive marketing mechanism, similar to the Chicago Mercantile Exchange. This will allow supply and demand factors to play a determining role in price formation."

Food producer Kanhym, part of the Malbak group, has an annual turnover of R860m. If implemented, Jacobs' ideas would lead to almost complete liberalisation of the highly regulated red meat industry — SA's single biggest farming enterprise — removing much of the acrimony from it in the process.

"The board could fulfil a similar function to the Johannesburg Stock Exchange, where market factors operate freely, within the ambit of the rules of the market floor," Jacobs says. "Meat agents' functions would be similar to those of brokers on the exchange floor, buying and selling on behalf of their principals. The whole process will be based on free market forces and less subject to the possible manipulation of market conditions."

Not only meat but also live weaners and feeder animals could be sold on the proposed meat exchange. And, by introducing a futures mechanism, both producers and buyers could hedge their dealings — and ensure a greater stability in supply, demand and price-forming.

"Feedlot operators will be able to buy and sell their animals on this market, while meat retailers, planning future promotions, could ensure the prices they would have to pay months in advance," he says. "This will enhance marketing of red meat and would also reduce the cyclical price shocks that have long hampered the development of the meat market in SA."

Farmers would also be "guaranteed" future prices, so they would be able to budget and plan their cash flows more scientifically.

"All parties would be able to better plan their costing and revenues, so the base of the industry would become more secure. This will also reduce the feature of risk for

farmers and the trade and could help both parties to bypass uncertainty created by the current auction system."

The proposed system would still entail a substantial role for the board, other than just generic promotional activities and the compilation of statistics, Jacobs says.

He says he does not advocate abolition of the floor price support mechanism now administered by the board. "Floor prices play an important role in stabilising the cyclical nature of the industry, especially if implemented in conjunction with the surplus removal scheme as operative in the European Community and the US."

"And a futures market will give clear signals, well in advance, of potential surpluses or shortages arising. Resultant corrective action in terms of planned imports or exports will contribute to further structural stability in the red meat industry."

Most notably, a futures market will allow clear market indicators to develop that will be a far better reflection of price and market trends than the current system.

But there is one potential problem — the proposed privatisation of the State abattoir corporation, Abakor. Plans now call for giving producer interests a 75% share in the privatised body.

"We must avoid perpetuating the costly, single-channel marketing system that logically might flow from current privatisation ideas," Jacobs says.

Jacobs foresees a "conflict of purpose" should producers have a controlling stake on the body. "Producers would see Abakor as a utility and would prefer to limit the cost element of using Abakor facilities, while other shareholders, invited to participate as minorities by taking up shares, again would only invest if they can get a return on their funds. But the strongest voice will undoubtedly prevail."

The other danger is that if co-operative interests through producer bodies get control of Abakor, the result would be effective single-channel control of marketing, with competition reduced and cost inefficiencies increased.

Vleissentraal senior GM Jan Lombard,

who is also CE of the representative Red Meat Producers' Organisation, says: "I would personally like to see Abakor privatised as a utility that would fit in with the proposed market floor operated by the Meat Board, with agents and brokers operating on behalf of producers and the trade. And, to protect the existing Abakor utility, a moratorium should be declared on the erection of further abattoirs for an appropriate time to ensure effective capacity utilisation of existing slaughter facilities."

"Time has come," Jacobs says, "for producers, the trade and consumers alike to take hands in ensuring a future dispensation devoid of 'price shocks' which will again see red meat as the traditional central ingredient of the main meal of the day." With the board's costly red meat system abolished and replaced by an effective market-orientated scheme, the result would certainly benefit all three parties.



Jacob ... let's have a meat exchange

Less for the farmer 'but housewives pay same'

B Day 6/10/89

13/9/89

EDYTH BULBRING

MEAT producers would receive up to R150 less for each beast slaughtered, but it was unlikely the price benefit would be passed on to consumers, Organisation of Livestock Producers (OLP) chairman Sandy Speedy said in a statement yesterday.

This development was the result of a decision by the Meat Board at the end of August, Speedy said.

He said the board recently revised the meat grading system to counter confusion that existed in the market. It also conducted a survey which indicated that consumers preferred lean beef.

These moves led to the board's decision to downgrade "super" carcasses, which have a relatively high fat content, to an "A2" lean meat grading.

The OLP was a voluntary organisation of producers which believed the red meat industry should operate in a free market environment, Speedy said.

"When producers became aware of the Meat Board's decision, we con-

veyed our dissatisfaction to the board. We were told that the decision to downgrade "super" carcasses would be reversed for one month and implemented from October 27."

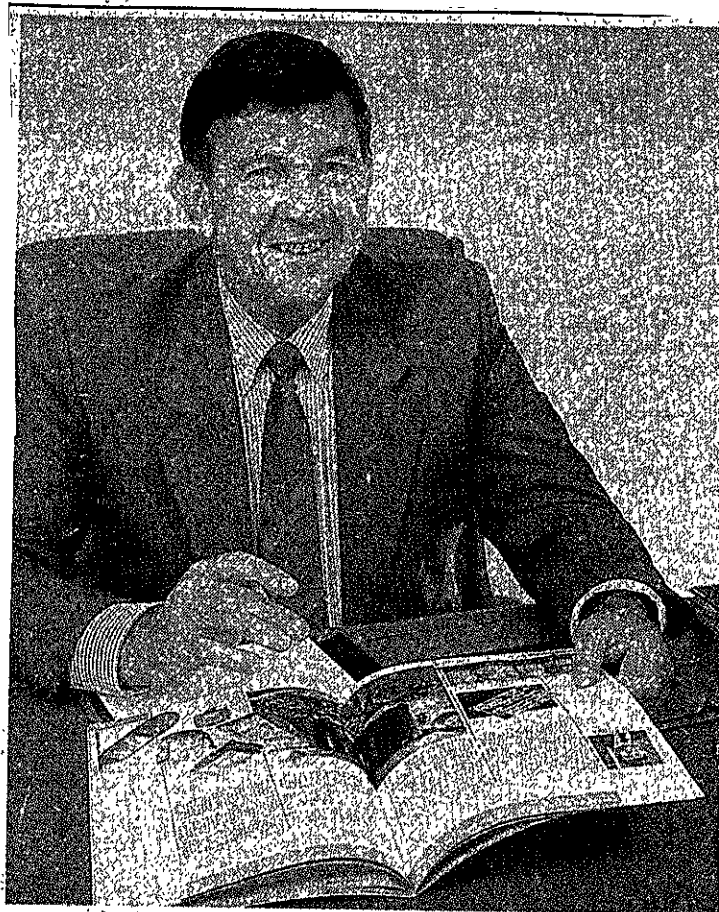
This has led to most feed-lotters and some producers selling off cattle that would fetch a lower price from October 27.

It had become difficult to obtain permits to sell, which meant that the market was now over-supplied and that there would be an unplanned shortage of red meat in the near future, Speedy said.

3 Meo Consumers

This would lead to increased consumer prices, most probably over the Christmas period.

Speedy stressed that to the best of the OLP's knowledge, the price benefit was not likely to be passed on to consumers, nor had consumers been informed of the new classification of "super" grade meat.



DIRK JACOBS ... beefing up the Kanhym books

Kanhym brings home shareholders' bacon

STW 15/10/89 (3) Meat

KANHYM has brought home the bacon for shareholders with 300% jump in dividend payout to 20c in the year to August 1989.

The huge meat company was on the brink of disaster only a few years ago. Chairman and chief executive Dirk Jacobs reflects that there were many who believed Kanhym would sink. Not only did it keep afloat, it is now positively buoyant.

Kanhym's most radical reform has been a shift in focus from meat as a commodity to branded and value-added products. This helped to lift the operating margin from 4% of turnover to 5,3%. In 1986 it was hardly 2%.

So, even though turnover rose only 8% to R862-million, operating profit jumped 44% from R32-million to R46-mil-

By Julie Walker

lion. Finance charges were a touch lower than last year's at R11,8-million. Mr Jacobs is particularly pleased with the results of Kanhym's tighter fiscal management.

"Gearing is down from 48% to 19% at the year end. Although this will climb above 30% when the balance of the Hanni acquisition and the dividend have been paid, it is still a big improvement."

In December Kanhym's preference shares — which had been issued to help the company through a tough patch — were converted to ordinary shares. On a fully converted basis, earnings a share were beefed up by 71% to 62,6c.

Malbak is the major share-

holder with 84% of the equity. Mr Jacobs attributes Kanhym's about-turn to Malbak's financial prowess as well as to the efforts of management and staff.

During the year Kanhym found a buyer for its coal-mining investment, which hardly fitted in with food. It bought the balance of up-market leather upholstery maker Hanni for R14,5-million. The two transactions gave rise to an extraordinary profit of R5,2-million.

Kanhym farms 25 000 hectares from which it produces 185 000 cattle — 41 000 tons of beef — 95 000 pigs, 40 000 tons of maize and 260 000 tons of silage.

Mr Jacobs likens the farms to a pantry for Kanhym. The raw materials are sold either as fresh or processed products. Kanhym Fresh Meat has reduced emphasis on carcase sales to value-added cuts.

The rapidly growing Enterprise range of foods has increased its market share from 27% nationally three years ago to 44% now.

Like-It-Lean has been a success from day one for Enterprise. Endorsed by the Weightless diet-watch group, Like-It-Lean markets food trimmed of excess fat.

Shareholders and consumers both like the new lean look of Kanhym. From a head office which cost R8-million to run in 1987, all the

SI Times 15/10/87

Kanhym

● From Page 1

③ Meat

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costs were recovered in the latest financial year by a bit of prudent dealing.

Kanhym's management took a turn on the division's funding and made a profit on the difference between the prime and Bankers' Acceptance-rates.

There is good asset backing underlying the current 415c share price. Including property revaluation done in 1983, the net asset value a share is 379c. Return on average funds hit 23% — up from last year's 15%.

At the current price, Kanhym shares trade at 6.7 times historic earnings and on a dividend yield of 4.8%. The food sector's average PE is 9.4 and dividend yield 3.6%.

It takes the stock market a long time to forgive companies which blot their copy books, but Kanhym's solid showing is a signal — it deserves to be back on investors' shopping lists.



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Bas Kardol, chairman of Investec, says the contested bid for the Board of Executors will go ahead in spite of Liberty's apparent rescue of BoE. Investec Holdings was unchanged at 350c, and BoE shed 50c to 575c.

UBS was again active, with nearly 1.7-million shares trading on Thursday at 550c, 5c off on the week.

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RED MEAT INDUSTRY

3 MEAT 11/8/89

Making consumers mincemeat

The pending privatisation of the State-owned Abattoir Corporation (Abakor), which operates 10 abattoirs in SA's major urban meat markets, has led to fears that control of SA's R4,5bn/year red meat industry might be further consolidated in a few powerful hands.

The Organisation of Livestock Producers (OLP) suggests that giant meat co-operative Vleissentraal, closely linked to the Meat Board and the official Red Meat Producers' Organisation (RPO), may get effective control of Abakor.

This would give the co-op immense power and could virtually eliminate free market forces from the price-forming process in the urban, controlled red meat markets, says OLP chairman Sandy Speedy.

The red meat industry is notoriously over-regulated. The board's "meat scheme," operated in terms of the Marketing Act, limits slaughter permits in the controlled markets — although the system is more liberally administered during times of red meat shortages.

Further sewing up the bureaucratic control is the fact that only meat slaughtered at Abakor's 10 abattoirs (and the Maitland municipal abattoir in the Cape) can be sold in the large urban markets. This has added sharply to red meat costs in SA, as farmers have to pay costly slaughter fees and board levies to keep the two institutions going.

The development of huge urban abattoirs during the Sixties (while the board simultaneously forced many rural abattoirs to close down by increasing hygienic requirements) flew directly in the face of developments overseas. Here slaughter facilities were developed in rural areas, as transport costs of processed meat are well below that of livestock.

Abakor's costly abattoirs have been termed "meat palaces." They were devised and built to strict EEC hygiene requirements — even though SA has never been a meat exporter. They are also uneconomically operated as they work on single-shift or reduced throughput. The result? Both producers and consumers are forced to pay the higher costs of running a costly bureaucratic system.

Government has now decided to rid itself of this albatross — but it may end up moving from the fat into the fire.

OLP's Terence Conroy says Vleissentraal could get a substantial stake in a privatised Abakor. It already runs a huge, vertically integrated "meat empire" that operates some of SA's biggest feedlots, hides and skins sales, agencies selling meat for farmers and buying it for its own processing oper-

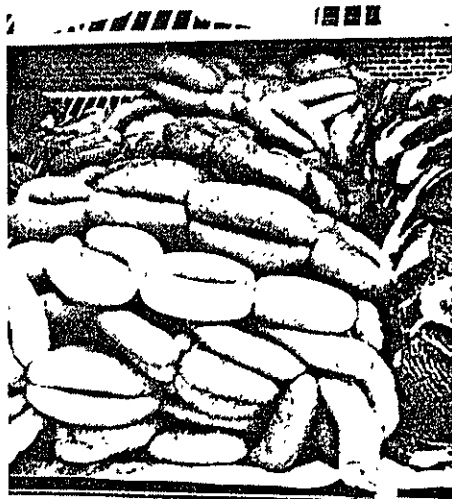
ations, and meat wholesaling and retailing through its Sam's butcher outlets.

Conroy refers to a statement by previous RPO chairman Manie Schoeman quoted in SAAU's July 1989 *Red Meat* publication:

"If the producer in SA were to be given the opportunity to obtain a controlling interest in the privatised Abakor, he would be in a uniquely favourable position. And there is no reason to believe that he would not be offered this opportunity," said Schoeman in his 1989 RPO chairman's address.

The RPO is the only officially recognised red meat producer body. Farmers "automatically" become members — but are often not consulted in decisions made on their behalf by the SA Agricultural Union's "producer" bodies.

What does this have to do with Vleissentraal? The fact is that Schoeman has resigned as RPO chairman and that Vleissentraal senior GM Jan Lombard is the new chairman. Given the linkage of these two powerful positions — and considering individual producers have very little power or



Meat ... why prices are so high

influence outside the official channels of bureaucratized agriculture — the co-op could strongly influence RPO's decisions on the effective running of a privatised Abakor.

Abakor GM Frans van der Vyver denies that Vleissentraal could effectively control Abakor. He says this would go against government's privatisation policy "and I will resign if this should happen." He also disputes allegations that Abakor operates a monopoly, saying that it only accounts for 42% of all slaughterings of cattle, sheep and pigs in SA.

But, in urban markets like the PWV, Durban-Pinetown, Port Elizabeth, East London,

Bloemfontein, Kimberley and elsewhere, virtually only meat slaughtered at Abakor's abattoirs may be officially sold.

Lombard tells the *FM* that Vleissentraal is "not directly involved" in planning Abakor's privatisation and that speculation is "premature. No specific planning has been finalised at this stage."

A spokesman for Agriculture Minister Greyling Wentzel says Abakor's report, together with the Meat Board's recommendations, has been referred to government's privatisation committee for "further investigation."

FCI INDEX

Roelof Botha

The mood improves

The mood in manufacturing industry continues to be positive. In the Federated Chamber of Industries (FCI) latest index, none of the regions recorded scores below 100 which marks the border between optimism and pessimism.

While Maritzburg's expectations for manufacturing production in July were on the 100 mark (thanks to unrest, boycotts and strikes), manufacturers remained very optimistic (134) for the year ahead. Similarly East London, hit by motor industry strikes, was only mildly optimistic for July (104) but felt buoyant about the year ahead (140).

Port Elizabeth, seemingly in terminal economic decline only two years ago, was the most confident of all the regions both for the month of July and the year ahead (144 in both cases). The buoyant mood is attributed to the strong export performance of its pharmaceutical, textile and tyre industries — and Mossgas.

But perhaps most significant was the increased confidence in the country's southern Transvaal economic heartland. The outlook in the region for the year ahead improved by 10 points (110 to 120). Nationally, the outlook for the year ahead improved from 116 to 122.

Says FCI chief economist Roelof Botha: "It seems that the shock of the May 5 economic austerity measures has dissipated. Several sectors seem to have absorbed these measures without serious impact on activity levels."

Botha says SA should benefit from the strong growth in the economies of her trading partners — Japan at 4,5% and Western Europe at more than 3% — even though unbeneficiated metals and minerals would gain more than the manufacturing sector.

He adds that capital expenditure has been

11/8/89

Red tape choking farmers

3 MEAT
6/1/89
PMAL

Sandy Speedy is a Vryburg cattle farmer and chairman of the independent Organisation of Livestock Producers (OLP).

I'm leader of a group of sheep and cattle farmers who are puzzled: we hear the economy's low growth is blamed on sanctions, but it seems to us that many of our problems are homegrown. Judging by what we go through to market our animals, we think growth would soar if Pretoria's own red tape was cut.

The meat marketing system in SA's large cities (different rules apply to rural areas) is a costly mess. It effectively insulates producers from consumers, so the former have practically no idea what the latter prefer.

The OLP would like to see the cattle market controlled by economic forces, not political forces. We're lobbying for the free movement of meat, so a butcher or trader in, say, Johannesburg could come to us on the farm, or at local auctions, and buy animals of his choice directly, on terms voluntarily negotiated between us. This sort of competition is not allowed by the government's marketing scheme.

The current system regulates the flow of stock to the market. Even in times of short supply, a farmer has to register with the Meat Board (MB) as a producer. He then has to apply two months in advance for permits to sell his animals, and for three months at a time — say 30 animals for January, 30 for February and 10 for March.

The MB chooses which of the abattoirs

controlled by the government's Abattoir Corporation the farmer must use. Animals may not be slaughtered at home, though there are many well-equipped, but under-used, country abattoirs.

I have calculated it costs twice as much to transport live animals as it costs to transport meat. On top of this, there are losses due to injury and stress which become more severe the further the animals are transported.

After slaughter, carcasses are graded by government officials. Details such as grade, weight, age and colour of fat are entered into a catalogue. The auction is done by the "Dutch Clock" method, by which the bidding begins high and moves lower. The same agents who receive stock from the farmers compile the catalogues, operate the auction and then double as buyers, wholesalers and retailers. What chance does an independent butcher have?

Similarly, the offal of the slaughtered animals is pooled and sold at a price set by the MB.

The hides are also sold at prices set by the board, which maintains auctions of hides are not in the interests of the hides and skins industry. But what about the interests of producers?

Though designed to stabilise prices, the MB's marketing scheme actually destabilises them. The board collects a levy on each animal slaughtered in both urban and rural areas. It uses the money to administer its functions, including implementing floor,

base and ceiling prices — which all run concurrently!

Ceiling prices lead to shortages. Floor prices lead to surpluses. What does the board want?

In this time of short supply, the board has initiated a ceiling price scheme while still keeping all the trappings of its floor price scheme in place — such as permits and quotas which restrict entry to the market. Can farmers be blamed for wondering whether their money is being spent wisely?

We would like to see a channel that could bypass this whole circus. We're told that this is the best system for marketing meat. If so, why does it need protection?

If another method can compete successfully and at lower cost, why should it be prohibited?

We think farmers should be able to use local abattoirs to serve big city butchers as well. The hide and offal would then be the property of the butcher who bought the live animal, to dispose of as he sees fit. The offal of a high quality animal is worth far more than that of a low quality animal.

Moreover, free of government regulations, farmers could determine the method and time for selling which suits them best. Middlemen, abattoirs and processing plants are necessary, but farmers and butchers should be able to arrange this for themselves. There is no need for statutory institutions to intervene. We are certain costs can be slashed and better service offered.

A shortage of animals caused high meat prices

By Clare Harper

The increase in the price of meat over the festive season was temporary. It was caused by a shortage of animals, the general manager of marketing and trade at the Meat Board, Mr Frans Pieterse, said today. The traditional red meat auction prices moved upwards during the Christmas period and stabilised at a lower level from the New Year.

Supply of meat to the Johannesburg City Deep abattoir was 59 percent less than expected, he said, and, according to a spokesman for the abattoir, there would be no slaughtering today as a result of the shortage.

This was attributed to the good rains which prompted farmers to hold back their animals to fatten them and the poor maize crop in the Free State.

The Meat Board warned consumers to plan their meat purchases carefully this month as January was normally a month of fluctuating supply and auction prices.

Mr Pieterse said it was not clear at this stage how the supply position would develop, which made it difficult to predict meat price movements during the next three months.

Dramatic increase angers Irish trade unions

Row over meat exports to SA

Star 26/1/89

③ meat

The Star's Foreign News Service

DUBLIN — A political row has developed in Ireland over a dramatic increase in the country's beef exports to South Africa.

For the first nine months of last year, the exports reached more than 20 000 tons, double the figure for the whole of 1987.

Meat sales to South Africa have increased sevenfold in the past two years and now account for half of all Irish trade with the Republic.

The Irish Congress of Trade Unions has demanded an urgent meeting with Prime Minister Mr Charles Haughey to

ask how this expanding trade can be reconciled with the government's stated policy on sanctions and apartheid.

"Our position has always been that there should be no economic ties with South Africa and we want these exports stopped," said the congress general secretary, Mr Peter Cassells.

Shortages

The South African Meat Board has added to the controversy by predicting that Irish beef exports will increase even more over the next two years because of shortages caused by drought in South Africa.

The Irish Livestock

and Meat Board, which is a state agency, says government regulations do not allow it to promote or develop the South African market for Irish meat and that it has not played any role in the increased exports.

A board official, however, had outlined market opportunities at a "private press occasion" for the Irish industry.

Mr John Bruton, a deputy leader of Fine Gael, the main opposition party, said: "Any ban on Irish meat sales would have to include countries like Libya, which exports explosives used to kill Irish people, and Iraq, which uses chemical weapons against the Kurdish minority."

Red meat auctions get the green light

Star. 10/2/89

Meat

By Peter Fabricius,
Political Correspondent

CAPE TOWN — The Grove committee into red-meat pricing has found that the sharp increase in red meat prices is not because of the Meat Board's controversial auction system.

The committee found no irregularities in the selling method and price arrangements, the Minister of Agriculture Mr Greyling Wentzel said yesterday.

Dr Bart Grove, chairman of the committee, had found:

- The auction system functions efficiently and meets the requirements of buyers and sellers.
- The sharp rise in producer prices at carcass auctions during the past few years could not be directly linked to the auction system as such.
- The introduction of meat from class 2 abattoirs in the outside areas to the controlled areas did not have a marked detrimental effect on prices at carcass auctions.
- That there was justification for the floor and basic price system.
- But there should be further evaluation of the ceiling price system which

came into effect last October.

Mr Wentzel said the increase in red-meat prices during the last few years was mainly "attributable to a combination of circumstances to which both physical and economic factors contributed."

"The committee consequently found no irregularities with regard to the selling method and price arrangements."

NOT WHOLESALE

Mr Wentzel stressed that the committee had not investigated red meat pricing at wholesale and retail levels.

Its brief was to investigate:

- The effectiveness of carcass auctions in the eight controlled areas of the Meat Board.
- The effect on auction prices of meat coming from class 2 abattoirs in the outside areas to the controlled areas.
- The effect on prices of the various price-control regulations.
- The basic and ceiling prices aimed at curbing excessive price fluctuations above and below auction prices on a weekly basis.

'Toxic wheat' ^{covered} imported at ⁽³⁾ a cost of R8,6m

Feb. 1989

Political Staff

CAPE TOWN — The Wheat Board paid R8,6m to import wheat which was contaminated with a toxin and not fit for human consumption, Auditor-General Jaap de Loor said yesterday.

He also disclosed government had financed in full the deficit of R71,8m in the financing of the board's foreign loans for imported feed wheat.

In his report on the accounts of the board between October 1986 and September 1987, tabled in Parliament yesterday, De Loor said that with the approval of the Minister of Agriculture, the board "imported a consignment of wheat to replace the wheat exported".

He said: "Contrary to contract provisions, the imported wheat was contaminated with a toxin and not fit for human consumption.

"Steps are being taken by the board to recover the possible loss of R2,6m it may suffer as a result of breach of contract.

"By September 30 1987, the board had already paid an amount of R8 567 880 to the import agents for the wheat as well as harbour and landing costs."

De Loor said the foreign loans negotiated to finance the imported feed wheat for the replacement of maize imports were paid in full.

"The final deficit on the import account amounted to R71 826 571 which was financed in full by government."

Losses of R2,3m were written off against the wheat reserve fund for losses on wheat exported or sold locally at target prices.

A net subsidy of R163,6m was paid out by the board on behalf of government during the year to maintain the price of bread at a pre-determined level.

Report into red meat pricing incomplete

Star 4/2/89
By Sally Sealey
Consumer Council president Mr Jan Cronje said the body accepted the Grove Committee report into red meat pricing, but questioned the fact that all aspects forwarded by the Consumer Council were not investigated.

The Grove Committee found that the sharp increase in red-meat prices was not because of the Meat Board's controversial auction system.

They found no irregularities in the selling method and price arrangements.

Mr Cronje said that before the report was commissioned, organisations were asked to voice their concerns about the red-meat pricing process.

Mr Cronje pointed to three aspects which were not covered by the report.

- The red-meat price forming process on the wholesale and retail level.
- Re-inspection fees. (3) Meat
- The role of agents in the price forming process during auctions.

Mrs Jean Tatham of the Housewives' League said they would only be able to issue a full statement once the report was made public.

"What we can say is that according to the Meat Board's rules and regulations, auctions function efficiently, but according to consumers the rules and regulations should be changed."

Meat producers hail findings

THE findings of the Grove committee of inquiry into red meat pricing confirmed the Red Meat Producer's Organisation viewpoint that producer price fluctuations were the result of market forces, RPO chairman Manie said yesterday. ~~and~~ ³ ~~meat~~

He said the red meat price increases of a while ago could not then be ascribed to the red meat marketing system.

Schoeman welcomed the committee recommendation for further evaluation of the ceiling price system, since this was a controversial issue in producer circles.

However, the trade and consumers found the ceiling price system more acceptable.

Schoeman said it was significant the inquiry was restricted to producer prices. Sapa

Privatisation, futures market may revive red meat industry.

B/Dam 13/3/89
KANHYM executive chairman Dirk Jacobs has proposed privatisation of the Meat Board and the establishment of a futures market for red meat as a means of stabilising the meat industry.

In the National Sheep Shearing Championships keynote speech in Bloemfontein, Jacobs said SA's meat industry would have to find a long-term solution to the problem of steadily shrinking demand for red meat.

③ meat Review

While the Meat Board had addressed one of the two major causes of this decline — health fears — through an effective promotional campaign, the other — consumer resistance created by price shocks — still required urgent attention.

Solving the price shock problem would, in turn, require a review of the present price control mechanism, as the meat industry was too cyclical to completely dispense with controls.

Excessive control was, however, inefficient and philosophically irreconcilable with a general commitment to free market principles. The solution lay somewhere between these two extremes. — Sapa.

How to meat market needs

3 MEAT



Dirk Jacobs is executive chairman of Kanhym Investments. He recently argued in favour of changes to the red meat marketing and pricing system. This is an abridged version of his speech.

Per capita consumption of red meat in SA has been declining for more than 30 years — from more than 40 kg in the Fifties to about 23 kg today. We lost these consumers mainly because of their steadily growing revolt against what they see as excessive increases in red meat prices.

The Meat Board (MB) recognises this consumer reaction and warns against further price escalation. Imports are used to bring prices down and the result is that nobody is satisfied.

Consumer perceptions of red meat as extravagantly expensive are based on emotion rather than fact. In real terms, red meat prices have remained remarkably constant since the Sixties. Price increases over this period can be related directly to the consumer price index. Why then does red meat have the undeserved reputation that price increases are “out of control”?

Other food prices rise regularly and incrementally. Due to the cyclical nature of the meat industry, and the way it is controlled, red meat prices rise irregularly but in large, dramatic, newsworthy jumps — as happened last year, when it increased by more than

38%.

Consumers cannot be blamed for getting upset. They do not have an historical perspective of price trends and feel that meat prices are increasing to unaffordable heights. Product substitution — buying chicken and fish — results in a shrinking red meat market. I think the price mechanism that allows excessive price moves is largely responsible for wrong consumer perceptions.

Removing all control and allowing unbridled market forces to operate, is not the answer. The industry is too cyclical to allow this. But a system of total control is also unacceptable and goes against free enterprise.

The solution must lie between the two extremes. A moderating influence to reduce cyclical highs and lows is needed. The industry should look beyond short-term price benefits and find long-term solutions in the interests of the red meat market.

Long-term stabilisation of the red meat market could be made possible by privatising the control body and creating a futures market — similar to the well-known Chicago Commodities Exchange.

As in the case of the Johannesburg Stock Exchange, the shareholders in the new controlling body would be registered producers, agents and traders in red meat. Applicable rules, monitoring transactions on an ongoing basis, would apply within the framework of legislation protecting all interest groups.

The agent would — similar to a JSE broker — facilitate daily and futures floor transactions and bring buyers and sellers

together. Contracts to deliver meat over periods of as long as three years could be entered into and prices published.

Not only would this serve as a market for producers and as a supply mechanism for wholesalers and retailers, but clear market signals of expected price trends over the short-, medium- and long-term would be sent out. The price mechanism would be clearly based on the free market system of demand and supply, while prices would also find a natural equilibrium.

The need for floor, base and ceiling prices would disappear, while emotion would no longer play a role in the price-forming mechanism. Long-term price trends would send a powerful signal to the producer, who can adapt his production to expected price returns. This would have a moderating influence on prices and excessive price moves would be reduced.

Even imports or exports could be rationally determined and planned.

The greatest benefit would be eliminating the “price shocks” which have greatly jeopardised red meat in the consumer’s eyes — and which could further harm the industry in future unless we find a solution to the problem.

Producer and agent, wholesaler and butcher — we can no longer afford vested short-term interests and outdated views to chase away our consumers.

It is clearly in everyone’s interest to cooperate so that red meat can retain its place as the most important component on the consumer’s table. ■

Consumers pay 42% retail mark-up on meat

PRETORIA — Consumers last year paid a massive R4,453bn for red meat, based on a retail mark-up of about 42%, marketing consultant Jim Linsell said in Vanderbijlpark yesterday.

Speaking at the SA Feedlot Association congress, he said wholesalers worked on an 8% gross profit basis.

Abattoir revenue amounted to R2,877bn, and when the wholesalers' margin was added, this amounted to R3,136bn.

GEBALD REILLY

The Meat Board's levy last year amounted to R73,04m.

Of the total meat bill paid by consumers, 37% went into marketing coffers, mark-ups, and the levy.

The bush butcher had a highly profitable business because he had no refrigeration, no tiles, no stainless steel equipment, no meat inspectors, no licence fees, and sometimes, no walls, said Linsell.

This was primitive, profitable, but undesirable.

He said said free market forces should be allowed to dictate far more in terms of price.

SA Feedlot Association chairman Dirk van Reenen said close attention had to be paid to how privatisation and deregulation would affect the feedlot industry.

The current meat scheme had advantages, but it cost a great deal of money to maintain, Van Reenen said.

Cattle glut forces beef prices down

Cape Times 24/3/89
3/24/89

By PETER DENNEHY

BEEF prices have plummeted at the Cape Town abattoir this month partly because Namibian farmers are sending far more cattle to be slaughtered here.

Mr Horst Krest, manager of the Meat Board in Windhoek, said yesterday that the price drop could be partly because of Namibian farmers' fears of future border problems.

However, he added, these fears were not very widespread and there were several other reasons why more cattle were being sent down now.

"Our marketing season starts about March," he said. "In January and February we hardly reached 50% of our 1 000-a-week on-the-hoof quota (of cattle that may be sent to South Africa), but from this month the quotas have been virtually full.

"Also, a new tax year begins on March 1, and many farmers wait for that."

Fears of difficulties with exporting

to South Africa were unfounded, he said. Eighty percent of Namibia's beef and mutton was exported and South Africa would remain the best market for it.

Dr Pieter Coetzee, senior general manager of the Meat Board in Pretoria, said the number of cattle being slaughtered could make a big difference to the price.

There was a limit to how many live cattle could be sent from Namibia, he said. He suspected that Cape Town's beef price fall was due rather to frozen beef moving from one region to another without restrictions.

"A few weeks ago Cape Town's prices were well above those in the rest of the Republic, but now prices in Cape Town are going down and elsewhere they are going up," he said.

Prime B beef prices at wholesale level fell from R5 a kilogram at the beginning of the month to R3.50 this week, though the sharp fall has not yet filtered through to most retail outlets.

10/14/51

Meat producers seek price probe

3 Meats
GERALD REILLY

PRETORIA — Agriculture Minister Greyling Wentzel has been asked to appoint a commission to inquire into the price forming process in the fresh meat trade and the meat manufacturing industry.

Red Meat Producers' Organisation chairman Manie Schoeman said the producers' share of consumers' rands had not increased satisfactorily in recent years.

This was in spite of higher producer prices and a relative increase in marketing costs. It appeared gross trade margins were becoming bigger.

"Earlier investigations were made by the National Marketing Council and Pretoria University's Bureau for Financial Analysis on profit margins in the wholesale and retail trade, but the time has come for a broader investigation."

Price forming after the sale of the carcass needed investigation, Schoeman said. He added the Groves Committee had found no irregularities in price forming among producers.

Schoeman said: "Our organisation believes the time has arrived for the fresh meat and manufacturing industry to be subjected to a comprehensive scientific investigation regarding price-forming and trade margins," he said.

PREDETERMINED "rules" for economic policy, as distinct from ad hoc discretionary reaction by the authorities to economic events, have long been recommended by Milton Friedman and other monetarists. In particular, they recommend a money supply rule.

This takes the form of a predetermined target for the growth of the money supply over some extended future period. According to the rule, the rate of growth of the money supplied to the system will accommodate a certain real growth rate of the economy and a low inflation rate, ideally zero.

It follows that, if the monetary rule is strictly adhered to, the central bank would lose any influence over interest rates and the exchange rate. This loss of authority is understandably not well received by central banks, who are generally accustomed to wielding great power in the money and exchange rate markets, and have thus resisted such strictly applied money supply rules.

Central bankers, including SA's, nevertheless acknowledge the importance of money supply and the interdependence between money supply and interest and exchange rates. They therefore regard money supply controls as helpful to their purpose, but instead of a rigid rule for money supply they prefer to choose their own money supply targets on an annual basis in the light of expected economic developments.

Such discretion is a far cry from the monetarists' desire for a rigid monetary rule, but is perhaps better than no targets at all.

Unfortunately, in SA the monetary targets set by the Reserve Bank since 1986 have not been adhered to in practice. When the economy was in recession, these targets were understated and recently during the boom — not coincidentally — the targets were grossly overstated.

Governor Gerhard de Kock ("It's spending, not money supply, that

Governor De Kock must try playing by economic 'rules'

BRIAN KANTOR and GRAHAM BARR

B/Barr 13/4/89

causes inflation," Business Day, March 8) explains "that while money supply policies last year were on balance too accommodative and expansionary during most of 1988," had the targets been hit "monetary policy would almost certainly have been too restrictive".

The reason for such serendipity was that (according to De Kock) "effective money supply" defined as money (M3), multiplied by its velocity of circulation, grew more slowly than actual money supply. Or in other words, extra demands for money rather than extra demands for goods absorbed some of the potentially excessive growth in money supply.

De Kock's effective money is of course simply nominal income, and by focusing on this he avoids the essential issues of how increases in money translate into increases in real income on the one hand and price charges on the other.

He admits that any large increase in money will lead to an automatic decrease in its velocity of circulation as prices lag behind monetary growth. This short-term automatic compensating decrease in velocity does not, however, in any way dilute the ultimate effect of the money supply increase on prices and cannot be

used to explain away excessive monetary growth.

The excessive or otherwise growth in money supply must be judged by its impact on prices now, and especially in the future. De Kock's notion of effective money would preclude any such judgments.

For example, were money supply growth of 26.5% in 1988 10% higher at 36.5%, and were this also accompanied by a further compensating 10% decline in velocity at 17.3% rather than the 7.3% that occurred, then the effective money supply would have demonstrated the same rate of increase.

Presumably, on the basis of De Kock's reasoning, this would have been equally acceptable, even though the implications for inflation would be even more serious.

De Kock and his staff would do well to recognise the real causes of their failure to meet their own money supply targets. Had they observed their target range for money in 1988, the economy would have experienced less demand, enjoyed a firmer rand and suffered from less inflation in 1989.

Meeting the targets in 1988 required, in fact, higher interest and exchange rates, as early as mid-1987.

De Kock wished to avoid such increases for fear of jeopardising the recovery and the growth in his stock of foreign exchange reserves. Had he known how strong the recovery would be, he would certainly have acted differently.

The truth is that the Reserve Bank management of interest, exchange rates and money supply growth has not worked in the past, and will not work well in the future because of the great difficulty in anticipating economic developments accurately enough.

The South African economy is simply too exposed to the impact of dramatic surges in, or losses of confidence. More or less confidence encourages or discourages borrowing, lending and monetary accommodation.

Interest rate increases, or decreases introduced by the Reserve Bank, are inevitably too little too late, and the politicians will prevent any dramatic increases in interest rates that just might be large enough to deter enough spending and bor-

There is also the danger of interest rate increases being excessive late in the business cycle. When attempts are made to fine-tune an economy, timing is everything and the timing surely isn't going to be good enough.

The most recent failure of money supply policies in SA provides further evidence for the case of substituting money supply rules for discretion and fine tuning. What is required is a radical reform that would not allow banks automatic access to the Reserve Bank discount window at an interest rate that the Reserve Bank hopes is consistent with its money supply targets and its other objectives for the economy.

Strict adherence to a money supply rule, well chosen to satisfy non-inflationary demands for money, would mean early and automatic — but gradual — adjustment of interest and exchange rates to the changes in confidence that influence demands for credit and the balance of payments.

It is at the earliest stages of recovery, or a collapse in demand, that stabilising action in the form of interest and exchange rates need to be taken. Such action would occur automatically if a money supply rule were adhered to. And low inflation means low — not high — nominal interest rates.

De Kock may say that such policy reforms are politically impossible. This is arguable, but De Kock has never indicated that he believes that fundamental reform of the kind that has long been suggested is desirable, albeit perhaps unobtainable.

De Kock may also say that the imposition of direct controls over demands for credit represents the more dangerous and likely alternative to his market-orientated discretion. Nevertheless, poor excuses are not going to hold off the direct controllers and poor management of the money supply will continue to encourage them.

□ Professor Kantor and Associate Professor Barr are with the School of

Enterprising innovation

11/01/1989
KANHYM's management is confident that innovation in the company's processed meat division, Enterprise, and tight control of the group's cattle feedlots and pig stud-farm will broaden market share and increase profits.

This month Kanhym will launch an advertising campaign to introduce its range of leaner Enterprise processed meat products, including bacon, sausages and viennas, which have been endorsed by national slimming organisation Weigh-Less.

Kanhym executive chairman Dirk Jacobs said yesterday he believed the new products will help to broaden Kanhym's market share for a number of reasons:

- The processed meat products will have great appeal and a high level of credibility for Weigh-Less's members, which number more than 75 000;
- Weigh-Less training personnel will help to sell the products in shops;
- The Weigh-Less membership is made up mainly of women, who will buy the product

3 Meat
BRUCE ANDERSON

for their whole family, not just themselves; □ Enterprise has a contract with Weigh-Less which ensures that Weigh-Less will only endorse Enterprise processed meat.

Enterprise division chief Danie Venter says that Enterprise has a current market share of 42% against Escort's 28%, Renown's 15% and 16% for other products. In the PWV area it is nearer 50%.

Venter says that Enterprise recently gained an advantage over its competitors by purchasing a new electronic grading device for pigs, which automatically calculates bone, meat and fat content.

Maize farming

On a tour of the Kanhym Estate near Middelburg this week, the Press heard the estate had a total capital investment of R97m with a yearly turnover of R200m.

The estate's activities include maize farming, a cattle feedlot, and a pig farm.

Call for education of meat consumer

CAC 71-715
5/5/89

3 meat

Own Correspondent

PORT ELIZABETH. — The time has come for the consumer to put his foot down to prevent him from being further exploited by butcheries, says the chairman of the South African Red Meat Producers' Organisation (RPO), Dr Manie Schoeman.

Speaking from his farm in the Cradock district, Dr Schoeman said consumers had to be educated regarding price-forming in the meat industry, as well as on what they actually have to pay for when they buy their meat.

He said producers and consumers lose out because of the widening gap between producer prices and consumer prices, which had been steadily widening since 1986.

Dr Schoeman said he has found that many butchers tended to keep quiet when there was excessive fat on a carcass and let the consumer pay for it.

Where there was excessive fat the consumer had the right to have it removed without having to pay for it, Dr Schoeman said.

He also referred to advertisements

that could mislead consumers. "There was an instance recently where a PE butcher advertised half lambs at R5,98/kg on his shop windows, but when consumers inquired inside they were told that the carcasses were frozen and could not be sold as halves."

He said the RPO was still awaiting a reply from the Minister of Agriculture on the recent call by the organisation for an investigation into the price-forming process in the red meat industry.

Dr Schoeman said producer prices — especially for sheep — were still dropping, but there was no downward change in consumer prices.

He said the RPO welcomed the finding of the committee into the price-formation process of meat up to the auction, that the auction system operates effectively and that the floor price system should be retained.

The RPO agreed entirely with the important recommendation of the committee that with regard to the registration of trading factors, measures to do away with restrictive aspects should be continued.

This would contribute greatly to a better perception of free competition in the meat trade, Dr Schoeman said.

MEAT PRICES (MEAT)

More red herrings?

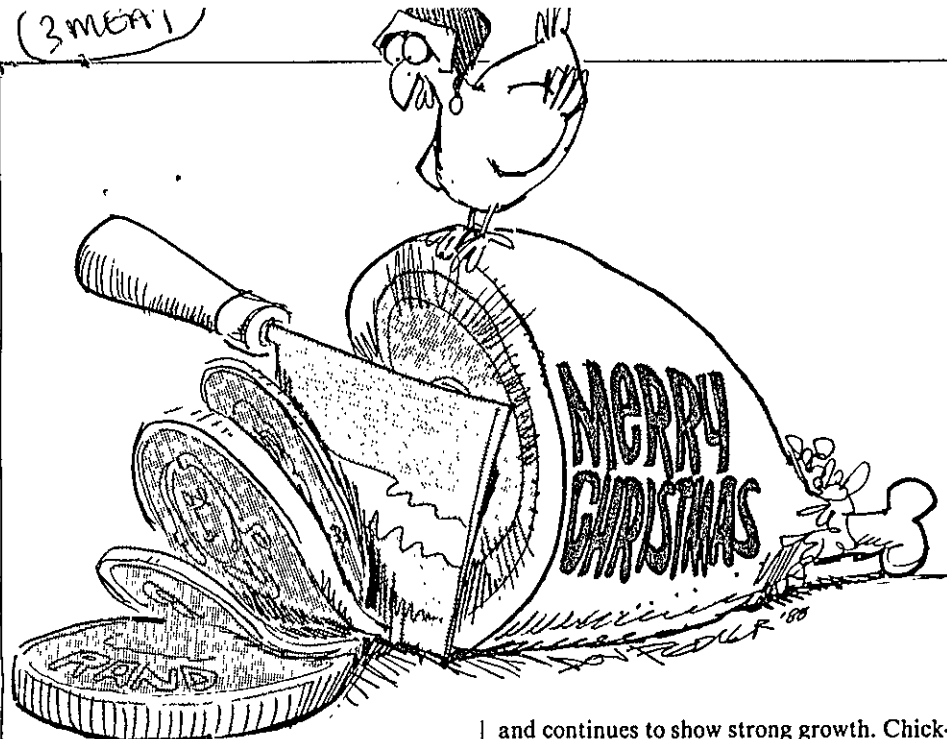
Meat Board (MB) statements that the price of red meat will increase by only 7% in 1989, should be taken with a pinch of salt, based on the experiences of some Johannesburg butchers.

Despite statements that lamb and mutton are in over-supply and prices are bound to level off over Christmas (or even come down), the reality may be different.

Over the past 10 days, lamb wholesale prices paid by one Johannesburg butcher increased from R6/kg to R6,77/kg — a rise of almost 13%. Others tell a similar story. The stock argument is that prices “traditionally” increase over the Christmas season.

FINANCIAL MAIL DECEMBER 9 1988

(3 MEAT)



But this seems to have less to do with supply-and-demand factors than with an ingrained "tradition" that farmers, wholesalers and retailers make maximum profits during the festive season, when bonuses are paid and outdoor braais abound.

Judging by supermarket prices, the poultry industry is also cashing in. Chicken prices have surged to R5,19/kg in some supermarkets — 79% above the R3/kg average retail price at the beginning of the year.

Charges of profiteering are increasingly being levelled at the R2bn/year poultry and broiler industries. Industry spokesmen hotly deny the existence of a cartel situation.

Yet, with turkey retailing at R4,29/kg — almost R1/kg below some chicken prices — something is surely amiss, even in the traditional free enterprise poultry market.

"During the whole of 1988, we have had problems obtaining sufficient chicken supplies. We cannot meet customer demand, and have now also been effectively barred by government from importing cheaper chicken supplies from Europe," says OK Bazaars GM Mervyn Kraitzick.

On November 11, government gazetted against chicken imports at less than R4,40/kg, following tariff applications from the SA Poultry Association (Sapa).

In its submission to the Board of Trade and Industry, Sapa stated: "During the period February-June, when the effects of imports from France were felt, the average price dropped by 30c/kg, which meant that several producers made operating losses and the majority failed to make any significant profit. The lost profit to the industry was about R51m, based on a weekly production of 6m chickens at an average dressed mass of 1,3 kg."

Broiler sales in the year to end-June fell by 17,8% to more than 300m, based on figures supplied by the Egg Board. The poultry industry is now the third biggest farming sector in SA — after red meat and maize —

and continues to show strong growth. Chicken has already overtaken beef volume sales in the meat market.

Where beef has gone, could chicken follow? The Egg Board says sales are already booming, as a substitute for increasingly expensive red and white meat, especially in the black market.

Red meat has already felt the heat of consumer reaction to high prices, and chicken could be next — unless prices return to more reasonable levels. ■

GOLD JEWELLERY

Italian bluster?

Reports that Italian jewellers could stop annual purchases of about 200 t of SA gold don't impress the local market.

The London *Guardian* reported this week that union representatives of the Italian gold jewellery industry want gold to be bought

from alternative sources. The theory is that unwanted SA gold would have to be "discounted." The suggestion seems impractical, says a senior Reserve Bank official.

Firstly, SA does not sell its gold direct to manufacturers, but to wholesale dealers, who re-refine the gold into the form required by foreign retailers. Identifying the gold source is very difficult.

Secondly, even if the source can be identified, it is doubtful if the international gold jewellery industry, which operates on tight profit margins, would be prepared to pay extra for non-SA gold.

Even if that happened, a profitable market in "cheaper" SA gold would develop, says the Bank official.

"One cannot take the report seriously. Maybe gold from other sources could become available at a premium, but our gold will definitely not be sold at a discount. Sourcing our gold as 'Made in SA' could be virtually impossible once it reaches the distribution chain."

Mintek president Aidan Edwards agrees the Italian threat has little substance.

Jewellery Council outgoing executive director Tim Davidson isn't so sure. He sees the threat as further proof of the need to strengthen the local jewellery industry.

"The promised leasing of gold to jewellers has yet to take place. Government must seriously address the local jewellery industry as a possible solution to any embargo on SA gold," he says.

The proposed leasing system would enable jewellers to obtain supplies, without the heavy financial outlays of buying stock outright, before manufacture and eventual sales.

But the Bank spokesman says no local jewellers have officially asked the Bank to lease any of its gold supplies, adding that any requests would be handled on merit.

"This matter is now in the hands of the Treasury, which is devising the details of the proposed leasing system," he tells the *FM*. ■

AID TO COST-CUTTING

Companies are wasting millions of rands a year on unsuitable medical aid schemes because they aren't aware of the alternatives, says medical aid consultant Lyn Blignaut.

She says that despite the Medical Schemes Act, which is intended to ensure uniformity in medical aid packages, there is considerable variation in cost and services. Some companies could save more than R1m a year and increase benefits at the same time.

She says company directors "often don't realise the range of options available. The scheme they join may not be best for the members." As companies grow, schemes can offer them more attractive packages but often these com-

panies are unaware of the option to upgrade benefits.

Representative Association of Medical Schemes (Rams) executive director Rob Speedie says: "There is a significant variation in patterns, depending on the profile of the membership. There are non-statutory services available such as paediatrics and speech therapy, which aren't brought to the immediate attention of members."

Blignaut says schemes are being reassessed. The 100% scheme, in which medical aids pay the entire bill, will become less common. Rams and the Medical Association of SA have agreed that medical aid societies should be given the option of paying doctors only 70% of fees, leaving the patient to pay the rest.

(Handwritten signature) MAIL 9/12/88

'No reason' for 9% mutton price hike

34c
Own Correspondent
CAPE TIMES 23/12/81

JOHANNESBURG. — The price of lamb and mutton has increased 9% in the space of a week, despite the fact that supply has exceeded demand, according to the general manager (production and operations) of the Meat Board, Mr Pieter Kempen.

This week super lamb was selling at an auction price of R7,40/kg, as against R6,73 last week. Prime mutton was selling at R6,70/kg against R6,09.

This is a substantial increase over prices last year, which rose a mere 34c in the week before Christmas.

"There's no reason for the price hike. There is an ample supply of lamb and mutton," said Mr Kempen.

"It's difficult to say why the price has gone up, but it could be because traders are taking advantage of the Christmas period, when consumers generally receive salary bonuses."

Prices of beef, pork and bacon have tended to remain stable this month, he said.

2 MGA 7

6/29/88

Rise in price of meat expected before New Year

MEAT retailers yesterday said they were expecting a price increase on red meat before New Year but could not say how much.

Auction prices increased considerably at the beginning of December but only pork sales rose this festive season over last year while the other prices fell, a Meat Board spokesman said.

However, Blue Ribbon Butcheries, which trade under Pick 'n Pay Hypermarkets, have seen consumer demand on meat rise by 65% compared with last year's Christmas sales in the PWV area, director Allan Ford said. Demand nationwide had increased by 60%.

EDWARD WEST

Ford said the retail price for beef went up 60c a kg and lamb 70c a kg, and he expected the price of meat to rise slightly in the next few days.

Blue Ribbon had managed to absorb the retail price increase of red meat in the first three weeks of December and thus curtailed a consumer price increase over the Christmas period.

A Meat Board spokesman said for the first three weeks of December sales in beef carcasses decreased by 4.7% compared with last year. Beef prices were 8% up on meat

prices last year during the same period, which was well below the inflation rate, he said.

Lamb and mutton sales decreased by 7.9% compared with last year. The auction price had increased by 18.8%.

There was an increase in pork sales of 18.1% compared with last year even though the auction price of pork increased by 17.4%.

He said these figures were for the major metropolitan areas only. The meat board had an annual 3% demand increase which he attributed to the population increase and real income increases.

Leo DeJane of Checkers head office said it had been impossible to cushion meat price increases and the consumer inevitably had to pay a higher price for meat in the festive period.

He said Checkers' sales on red meat were up mainly in the coastal divisions of his company during the festive period compared with last year.

He expected a price increase for January and the New Year but could not be sure of price hikes in the long term.

Ford said the price for red meat would probably go up in the next few weeks as people returned from holidays.

Business Report

Earnings beefed up 37%

Kanhym's bumper performance

*Chart Times
19/10/88
34 cent*

JOHANNESBURG. — Kanhym has produced a bumper performance in the financial year to end-August, beefing up earnings a share by 37% and reducing its loans by 32%.

Income before tax rose 42% to R20,2m. Attributable income increased by 38% to R19,7m and turnover by 23% to R801m.

Earnings a share rose from 27c to 37c.

In spite of the increase in turnover and a total rise of 38% in red meat producer prices, net current assets were reduced by 11% to R12,4m.

Close attention to the employment of funds resulted in the gearing being reduced from 76% to 49%.

All outstanding preference dividends were cleared in the course of the year and the only preference dividend remaining before compulsory conversion will be paid in December as scheduled.

An ordinary dividend of 5c, covered 4 times by earnings, has been declared.

Commenting on the results, executive chairman Dirk Jacobs said a major factor in Kanhym's good performance had been its success in boosting

operating margins by 10% from 3,7% to 4%.

Strict cost control, evidenced by a R2,4m reduction in head office costs, greater internal efficiency resulting from management decentralisation, and the targeting of operational effort on profitable markets had also contributed to growth.

"Prospects for the new year are mixed, but on balance we expect to notch up another satisfactory profit increase," said Jacobs.

"On the one hand, we'll have to contend with a possible rise in grain prices which will squeeze margins in our feedlot operation, as well as continuing inflationary pressures in our cost structure which will militate against greater profitability in our livestock auctioneering and agency business,

"On the other hand, we expect a further reduction in financing costs as well as substantial savings in head office costs. In the fresh and processed meat divisions, profitability will grow through a management structure which is considerably more cost-effective and increased market shares of those target areas in which our value-added products can support a premium." — Sapa

Disappointing results from Ohio

RED MEAT

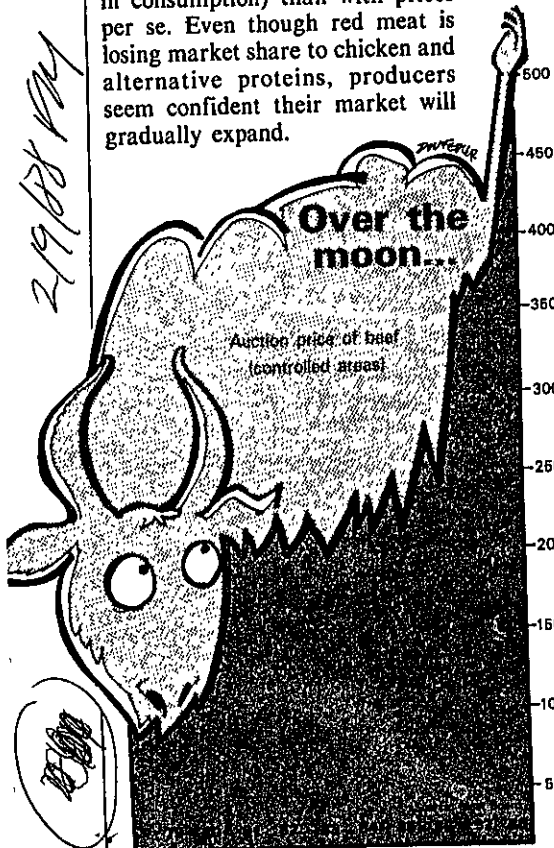
Structural inflation

Is the Meat Board (MB) really concerned about high meat prices or the falling *per capita* consumption of red meat?

Last week's call by the Consumer Council (CC) for an investigation into the red meat pricing structure by the Harmful Business Practises Committee unless sharply increasing meat prices come to an end, has so far failed to elicit a clear response from the MB — or any other meat producer lobbies for that matter.

It seems the MB is more concerned with retaining its captive market (normal population growth should ensure a steady increase in consumption) than with prices *per se*. Even though red meat is losing market share to chicken and alternative proteins, producers seem confident their market will gradually expand.

219/88 PM
③ Meat
MB



Says an industry spokesman: "Red meat will always be the Rolls-Royce of meat products, and white meat the Volkswagen — cheaper and more popular."

Suggestions that the market is rigged to keep prices high are strongly denied. But statistics supplied by MB GM Pieter Coetzee raise questions why normal supply and demand factors do not come into play at red meat auction sales. Coetzee last week strongly defended the "free market" meat sales system — but the facts seem to indicate the market is far from free.

According to Coetzee, 1 985 cattle were offered on auction at City Deep on August 15, but only 1 152 were sold with super beef fetching 466c-495c/kg. On August 16, 2 000 cattle were offered and only 1 054 sold, but prices remained in the 464c-499c/kg range. The oversupply therefore had virtually no downward impact on prices.

Blue Ribbon Meat MD Gavin Hawthorne has little doubt about the structural problem in the market.

"The Dutch clock auction system is highly inflationary and forces prices up, even with an oversupply of meat. The system operates on the principle that the clock starts at the highest possible price and that buyers are forced to bid high before they lose out on stock as the clock moves downwards.

"As we have to ensure that our shelves are stocked, we are forced to buy high to ensure that competitors don't clean out the supply. But manipulation of the system is possible, with either sellers' agents or competitors in a position to punch in high prices and leave the clock at that position, thus forcing others to buy in at inflated prices," says Hawthorne.

But Coetzee is adamant the system works "very well," saying that it was introduced from Holland, where it is used in the huge flower markets. But Hawthorne's experience is that the system works against both consumers and producers, as the latter lose market share due to inflated prices.

"I suggest greater freedom for buyers to circumvent this system and to negotiate direct with farmers. This would save costs for both parties and allow supermarket chains to plan special sales promotions," he says.

Another "emergency" option is to increase the floor price to more realistic levels (inducing more regular supplies) and creating a ceiling on daily auction price movements. This will bring greater "artificial" stability to the market, says Hawthorne.

CC director Jan Cronje says meat prices have, since 1985, increased an astonishing 93% above the average price of all items in the Consumer Price Index (CPI). According to Central Statistical Services (CSS) information, the inflation rate (as measured by the CPI) index for red meat increased by 24,65% over the past year, while inflation itself went up by only 13,32%.

"Since 1985, meat prices have risen by 103,1%, while the prices of all items only rose 53,6%. We do not blame producers for these increases, but feel that the meat scheme, as administered by the MB in terms of the Marketing Act, should be investigated — in the interests of consumers and producers — if meat prices continue unchecked," says Cronje.

CC research officer Ian Mountain says the CCS weighting for food in the overall CPI is 22,72%, of which meat alone makes up 7,71%. Red meat price increases, therefore, have a disproportionate effect on the total CPI and the inflation rate — and a negative impact on the economy as a whole.

"In June, 1988 the meat price CPI inflation was 24,5%, compared with a total inflation rate of 12,4% over the preceding year. In June, 1987 the position was even worse, with meat inflation at 35,2% and total inflation at 17,2%. Meat is a highly inflationary component of the total index," he says.

Frans Roelofse, chairman of Country Retail Butchers' action committee, suggests three "radical changes" to solve the problem.

"First, privatise the meat scheme, including the MB, and hand over its control on an equal basis to producers, traders and consumers. The system must be run on business principles. Then, stabilise supply and prices by allowing the privatised industry to freely import whatever cuts might be needed, if there is a shortfall in local supply.

"Lastly, deregulate the industry — cut the size of the MB bureaucracy, reduce costly regulations applying to abattoirs, lower costly MB levies and allow more outlets to sell meat freely and cheaply," he says.

Roelofse says costly, wasteful and time-consuming procedures of applying for butchers' licences — or even to move an existing butchery — must be done away with. In addition, unnecessarily strict hygiene requirements applying to abattoirs cost more than any perceived benefits to the industry.

"And why can't a butcher sell meat on Saturday afternoons and Sundays, when general dealers can freely sell meat? These ridiculous restrictions and costly levies are against the interests of producers and consumers alike," he says.


RED MEAT

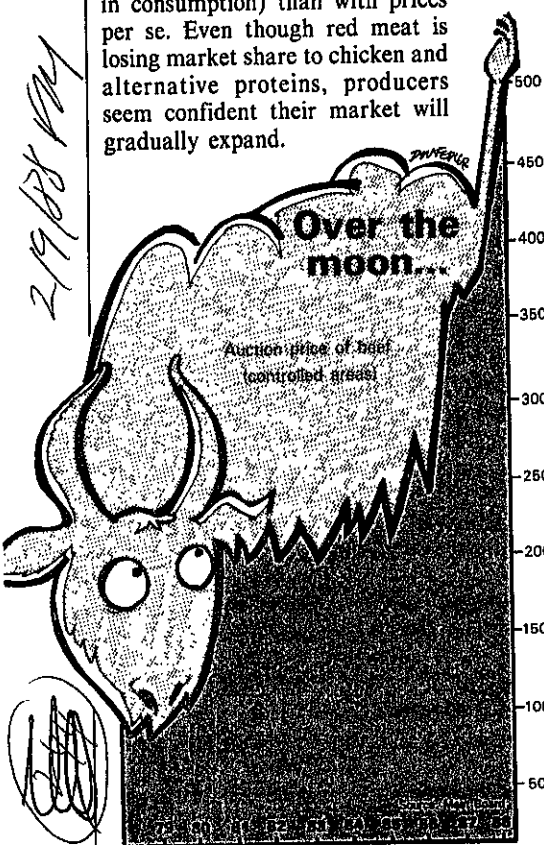
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Meat
 219/88 PM




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What a bloody mess

③ Meat

■ The systems devised for red meat marketing are to blame for soaring costs

When the price of red meat took off — up and away over the past two years — something unprecedented happened. The government-sponsored Consumer Council (CC) put the Meat Board (MB) in the dock — and the board is administered in terms of government's own Marketing Act (*Business* September 2). So it was a case of dog biting dog.

The council threatened to invoke the newly-created Harmful Business Practices Act, to call upon the committee constituted by it to look at the administration of the meat marketing system. *Unless*, that is, prices stabilised. So the public eye is very much on the massive R4,5bn red meat industry — the largest agricultural sector of them all.

Agricultural prices have a certain cyclicity — but only in the sense that steep price increases, well in excess of inflation, tend to be followed by periods of more gradual movement. The trend is always up — certainly for meat. Apologists blame droughts, economic cycles and product substitution in the market.

Certainly, the drought has caused shortages. Farmers have held back slaughter stock to rebuild depleted herds. But it is the

red meat marketing system which primarily restricts free access to the market, induces higher prices, limits the licensing of retail outlets and adds to marketing costs.

For the public, it is the farmer and his board who are responsible for price increases. But given the extended production and distribution chain, many (sometimes invisible) operators reap profits at the expense of the consumer — and the producer.

It works like this: while the retailer or butcher obviously ensures that he gets his cut

— the MB's system of limited registration ensures that he operates a "regional monopoly" — a large portion is absorbed by shadowy middlemen.

Distorted or not, the market continues to work. Red meat (beef, mutton and pork) is losing the battle against the mighty chicken (see graph). Chicken sales mushroomed as per capita red meat consumption slumped because of consumer resistance. And SA's six major chicken producers have not been slow to catch on — their prices have increased substantially and are currently around R4/kg at retail level.

Meat prices have a direct impact on the nation's food cost inflation rate and, since it is a staple, the issue is an emotional one. While MB GM Pieter Coetzee strongly defends the system — he would, of course — the board's control and regulation structure is in critical need of overhauling.

Projections show a gradual increase in red meat volume sales as the population expands, notwithstanding falling per capita consumption — so no wonder the meat lobbies remain less than enthusiastic when it comes to deregulation of the system. But

Van der Westhuizen ...
meat system imposed



9/9/88 Meat

despite this incremental growth in the market, the farmer's best interests — along with the consumer's — lie in the abandonment of controls.

Privatisation of the MB — entailing handing it over to a combination of producers, traders and consumers — has been punted. And deregulation of the MB bureaucracy and its affiliates at the Abattoir Corporation (Abakor) is put forward as part of the solution. A deregulated industry should obviously include a strong element of competition.

The risks in this are obvious: they lead to the question — why not simply abolish the board? A look at the real culprits in the food cost chain gives strength to this proposition — that the structure creates the problem.

The farmer is often singled out as to blame. Not so. Johan Willemse, Maize Board economist, says in the year to end-June, producer prices in agriculture increased 9,8%, while food prices jumped 14,2%. With farmers on average getting only 47,4% of the consumer rand, Willemse suggests that the actual effect of producer price increases on food prices in 1987-1988 (to June) was only 4,6%.

"The 9,6% balance of the increase in food prices must be ascribed to processing, packaging, labour and other inputs, as well as retail and wholesale margins," he says.

What then are the structural problems that cause consumers to turn away in droves from a once-favoured staple food, now priced out of many pockets?

"Central to the issue is the nationalised abattoir industry, administered by Abakor, which today controls the seven major abattoirs in the controlled meat market. These are at City Deep (Johannesburg), Cato Ridge (Durban), Pretoria, Port Elizabeth, East London, Bloemfontein and Kimberley. The only exception is Cape Town, which still operates a municipal abattoir," says Symond Fiske, an independent consultant to agriculture.

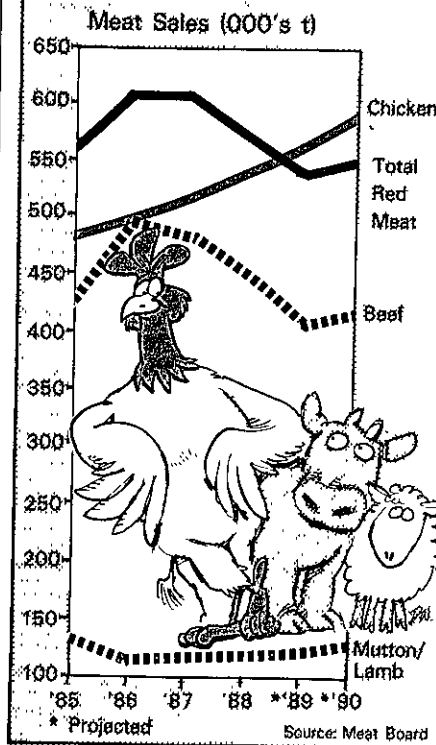
Markets are strictly regulated by the MB, with only limited access allowed to producers from outside these areas. The abattoir system plays a major role in this structure, as only meat slaughtered at Abakor's seven major abattoirs can freely be sold there.

Abakor forms part of the huge interlocking chain of command in the red meat industry, which includes the MB, the SA Agricultural Union's Red Meat Producers' Organisation (RPO) and the giant meat co-operative Vleissentraal. (MB chairman Fanie van Rensburg is a past senior executive at Vleissentraal; as well as past chairman of both Abakor and of the RPO.)

Abakor's stranglehold on virtually all slaughterings in the major urban areas ensures that its regulations and strict hygienic requirements, administered by the Department of Health (DoH), apply to all red meat offered for sale in urban centres (except Cape Town).

"It is difficult to be cost-effective when Abakor refuses to operate over long weekends and during public holidays," says

Chickening out



Fiske. "This regularly leads to meat shortages, bottlenecks and sharp price increases — and there is nothing the consumer or the farmer can do about it."

Past executive director of the Organisation of Livestock Producers (OLP), Roy van der Westhuizen, says farmers have no real say in the administration of the meat scheme. "The system was imposed on them and the bureaucrats and politicians run the show. This is totally undemocratic and farmers should be allowed to air their views by way of a referendum on any proposed changes to the red meat system."

During the Seventies, Abakor decided — against world trends — to site all major abattoirs in the urban centres. Through imposition of strict hygienic standards, existing municipal abattoirs were forced to close and Abakor gradually extended its control countrywide.

The result of all this centralisation was that farmers now have to pay costly transport fees to get livestock to the controlled markets, adding to the price spiral.

"The existence of these publicly-owned abattoirs, together with the regulatory powers of the MB and of the DoH, effectively prevent efficient private sector abattoirs



Van Rensburg

Coetzee

from competing with Abakor," Fiske comments.

During 1985, the OLP calculated that farmers and consumers could save more than R600m if the centralised system of meat slaughterings was deregulated and country abattoirs allowed to provide meat to controlled areas. Taking into consideration the sharp increases in red meat prices over the past three years, the savings could now amount to over R800m a year.

At the abattoirs the MB's Dutch Clock system regulates the auction process. This system determines that bidding between a restricted number of buyers (who must qualify to be there) and powerful livestock agents (acting on behalf of the farmer and often also for one of the major meat wholesalers like Vleissentraal, Karoo-Osche or Imperial Cold Storage) starts at the highest possible price.

Blue Ribbon Meat Corporation MD Gavin Hawthorne says this system forces prices up — notwithstanding an eventual oversupply of stock on the day. He suggests that the costly agency and Dutch Clock system be sidestepped by allowing supermarket chains to buy direct from producers, bringing prices down.

Fiske adds: "There is a potential for collusion at these sales, due to restricted entry and arrangements which could exist between sellers' agents and major wholesalers. The agent is in the position to control the flow of carcasses and small buyers can find themselves sidelined by the big groups."

Possible cartels and ringforming at the auctions are often quoted as one reason for price increases and structural inflation. But, while this system is unacceptable, it is the R300m hides and skins sector that provides reason for real concern, Fiske believes, as the farmer is forced to let agents act on his behalf. "The ideal position would be for hides and skins be sold to the highest bidder at an open auction, but in practice the agents sell to whom they choose. Farmers don't get the best deal and huge profits are made by other parties."

Annual profits as high as R50m from the sale of hides and skins could possibly be made by parties other than the farmer. With 1,2m hides sold every year, it is small wonder that vested interests fight to retain the existing system. Fiske says this has allowed some groups to subsidise both their livestock agencies and meat wholesaling operations from the proceeds of sales of hides and skins. What is the solution?

Fiske says three steps must be taken:

- Throw the abattoir business wide open by removing most regulations except essential health standards;
- Allow the free movement of meat throughout the country (this would include issuing more butchers' licences to increase availability and competition and bring prices down, and deregulating shop hours);
- If the MB and Abakor are retained, board officials should have no interest in meat wholesaling, or in hides, skins, offal or live-

MEAT PRICES

B Meat

Calling a "fowl"

One of the best measures of the failure of the R4.5bn red meat scheme (*Leaders* September 9) is the fact that chicken sales jumped by 15% in 1987.

From R287m in 1986, chicken sales climbed to R330m in 1987. The figure is likely to increase further this year as consumers move away from more costly red meat.

But the swing doesn't seem to be helping consumers. Predictably, chicken prices are rising as the price gap between red and white meat widens. Ironically, while chicken pro-



Clive Weil ... meat-ing of minds

ducer lobbies fight to keep out cheap chicken imports, supermarkets claim there is a chicken shortage.

SA's six major chicken producers have a vested interest in keeping prices high. At the same time supermarket chains are suggesting the shortage is pushing up prices. SA Poultry Association executive secretary Zac Coetzee maintains 1988 production is more than 10% above 1987 levels. "Imports are coming into the country via

the national states. Some supermarkets may be building up stock and blaming the industry for alleged shortages, but there is no shortage. Increased consumption has led to higher prices."

OK Bazaars marketing GM Mervyn Kraitzick says resistance to red meat prices has caused poultry sales to soar. The oversupply of chicken has disappeared as a result.

Meanwhile, attacks on the Meat Board (MB) continue. Checkers MD Clive Weil contends the control system leads to higher prices. His group has experienced "a marked drop in consumption," and cheaper cuts like mince, burger patties and boerewors feature strongly in purchases. Calling for broadly based representation on the MB, Weil says while vested interests focus on short-term gains, it could lead to the longer-term destruction of the industry.

"Current red meat imports are too little, too late. More timely action is needed to cushion the market against sharp price surges which chase consumers away. Red meat is a traditional food but it is fast disappearing from the tables of SA consumers," he says.

Agricultural consultant Symond Fiske says the MB monopolises current meat imports — and keeps the profits to itself. Imported shipments are "dumped" on markets at specific times. "Up to 12 000 carcasses may be dumped on a single day at City Deep, against total weekly sales of 16 000-20 000 carcasses," he says.

Weil says a reconstituted MB should include equal representation between producers, processors, consumers and traders. The "interlocking interests" between Vleisen-tral, Imperial Cold Storage, the MB and other vested interests must be changed, he asserts.

OK Bazaars' Kraitzick says four issues must be addressed:

- Review the auction system and allow retailers to buy direct from producers;
- Investigate the role of agents and fees;
- Review the need for inspection fees at

abattoirs, because inspectors are salaried municipal officials; and
 Wholesalers and retailers should be allowed to import meat.

149/87

63% rise in attributable profits

Cape Times 24/3/88

Kanhym back in the black

3/1 meat 24/3/88

JOHANNESBURG. — Kanhym has got itself firmly back on to the profitability road.

This is reflected in the results for the six months to February released yesterday, which show a 63% increase in attributable profits for the half-year, compared with the same period of 1987.

Pref dividends

Turnover rose by 38% to R342,5m while operating profit was up 40% to R16,2m (R11,6m).

Attributable income before extraordinary items amounted to R11,6m (R7,1m) and earnings per share, after taking into account payments of preference dividends, were 8,7c against an earnings per share loss of 1,8c previously.

The directors comment in the interim report that the contribution of the coal mining operation declined by R1,2m in the review period, "which underlines the profit achievement of Kanhym's core activities".

"Kanhym Estate benefited from improved margins in its feed operation,

while the increase in cattle prices more than compensated Karoo-Ochse for a drop in volumes," they state.

"The Enterprise processed meat division increased its market share significantly and also improved its production efficiency.

"However, Kanhym Fresh Meat still had to contend with unsatisfactory low margins."

Future prospects

Discussing future prospects, the directors say a programme of increasing decentralized management of operating divisions is being implemented which is expected to lead to substantial head office savings in the current financial year.

"Kanhym's recovery momentum is now firmly established and, given current conditions, the existing level of profitability should be maintained in the second half of the year."

Until all dividends on the preference shares had been paid, the payment of ordinary dividends would not be resumed. — Sapa

stock agencies. "The players should not be the referees," says Fiske. "There is no need for Abakor — and the MB should focus on providing statistics and preventing foreign dumping. But, while everyone criticises the MB, it is the whole structure of the meat scheme that must be attacked."

Apart from the MB's administration, the agency system, in possible collusion with large groups, needs to be properly investigated. Government has a duty to producers and consumers alike to see to the speedy and effective deregulation of the antiquated meat scheme. If that means abolition of the an-

cient structures of control — and the FM believes it does — then the political risks are well worth taking.

Once this is done and competition freely allowed, meat prices will find their natural levels. The market will decide — as it should always have been allowed to do.

MEAT company Kanhym turned in beefier results with attributable earnings for the six months to February up 63% to R11,6m, or 8,7c a share.

Kanhym recorded a loss of 1,8c a share at the interim stage last year after 10% cumulative preference dividends of R7,9m had been paid.

Executive chairman Dirk Jacobs said yesterday all preference dividends were up to date, with just two more due to be paid in June and December, after which full conversion would take place. Until then, the board does not regard it as prudent to resume the payment of ordinary dividends.

Turnover in the period rose 38% to R342,5m.

Jacobs said the sharp improvement could be attributed to better margins, increased market shares and improved efficiencies in most of Kanhym's operating divisions.

The coal mining operation, which the

Beefy results for Kanhym

3 MERT 24/3/88

HELENA PATTEN

company is still trying to sell, is the only sour note in an otherwise impressive performance. In fact, without the contribution of coal, which dropped R1,2m in the period, the rise in attributable earnings would have been 96%, instead of 63%, and operating income would have risen 56% instead of 40%.

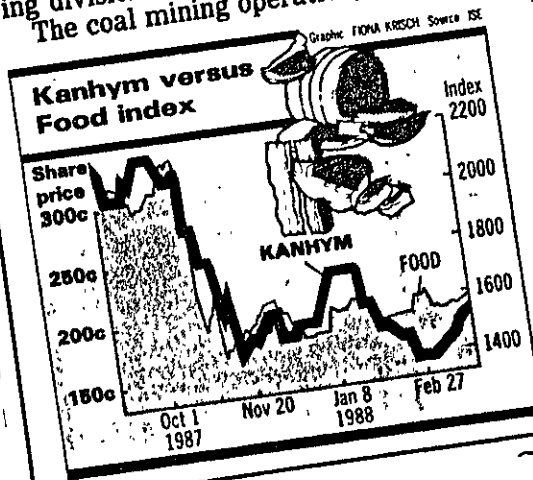
The directors say the Kanhym estate benefited from improved margins in its feedlot operation, while the rise in cattle prices more than compensated the Karoo-Ochse auctioneering division for reduced volumes. The Enterprise processed meat division increased its market share significantly to a position of clear market leadership and improved its production efficiency.

The fresh meat division, however, still struggled with margins that were unrealistically low.

"Current assets increased as a direct result of, but less than proportionally to, the steep rise in red meat prices."

Jacobs said: "Management is at present giving concentrated attention to the application of funds in Kanhym. We expect the new perspective and the strong emphasis it is receiving will produce results in the current financial year."

● To Page 2



Beefier performance by Kanhym earnings

He said the ratio of borrowings to permanent capital dropped from 53,6% to 51,5% and the company was working hard to reduce gearing further in view of rising interest rates.

"We are also engaged in the further implementation of a programme of in-

creasing decentralised management in the operating divisions. This process should lead to substantial head office savings in the 1989 financial year."

● From Page 1

3 MERT 24/3/88

Beef imports should not push up price

South Africa's beef production is dropping and the country may have to import 76 000 tons to meet local demand, but this is not expected to have any effect on prices to the consumer.

This figure is more than three times higher than last year's, when 24 500 tons of beef were imported.

Dr Pieter Coetzee, general manager of the Meat Board, says the drop in local supplies is due to farmers rebuilding their herds.

"With the end of the drought, farmers are building up their stocks, and cows and heifers, which in the drought years would have been sent for slaughtering, are now being kept for breeding purposes," he said.

The drop in supply is expected to last until the end of the year.

Dr Coetzee says the importation of meat is being done in a responsible manner.

"We gauge demand from month to month and import accordingly. If demands remain at last year's level we will have to import about 76 000 tons of beef."

"Lamb, mutton — especially heavy carcasses — and pork will also have to be imported, but less than last year as local supplies have improved slightly," he said.

Last year 0,8 tons of lamb and mutton were imported and 1,5 tons of pork. Mainly pork spare ribs were imported as these are extremely popular and local supply cannot meet the demand.

Dr Coetzee said the importation of meat does not have an adverse effect on the consumer price. Imported meat is sold at auctions alongside local meat and prices have remained constant.

● Mr E Roux, general manager of the Dairy Board, says butter is likely to be the only dairy product imported this year. He expects between one and two tons costing about R4 million to R4,5 million to be brought into the country. Last year powdered milk, cheddar cheese and exotic cheese were also imported, but this should not be necessary this year as there are sufficient carry-over stocks from last year.

● A spokesman for the Cotton Board says a record cotton crop of 360 000 bales is expected this year. This is in spite of the floods which caused severe damage to plants in the lower Orange River area. He says a limited importation of 40 000 bales — 10 percent of our consumption — will be imported this year, compared to 120 000 bales last year.

SA's red meat imports set to cost R100m

PRETORIA — SA's red meat imports this year could double to 50-million tons at a cost of about R100m.

Meat board GM Pieter Coetzee said this would be done only if a decision were taken to maintain the kind of supply-demand equilibrium that pertained in 1985.

Last year's imports of 24,5-million tons were mainly for the manufacturing industry, he said.

However, should it be decided to increase the volume of imports, other cuts would be included, for sale to the trade.

He said beef and pork imports came mostly from European Community countries and mutton from Australia.

According to the existing trade agreement quantities of beef were imported from Botswana, Namibia and Swaziland.

These were not classified as imports.

Franchise threat to meat giants

3 Meat
5 Times
29/6/08

A CHAIN of 300 franchised butcheries is to be launched.

It is expected to put pressure on meat departments of supermarkets.

The International Food Corporation (IFC) plans to introduce the scheme before December.

Checkers marketing director Ernie Smit says he has not heard of the scheme, but

Business Times Reporter

if it comes off it will be serious for retailers.

IFC is trying to advance independent butcheries through the Foodlife Market chain and is training black entrepreneurs.

IFC operations director Murray Bennett says research shows that in the black market the ratio of consumers to butcheries is 10 000 to one.

"Compare this to the white market where the ratio is about 1 000 to one, and the need for action is evident.

"IFC's activities in the white-meat and red-meat arena should contribute to correcting these imbalances."

Identity

IFC director Thabang Maketha says his organisation will offer franchises in existing butcheries.

"They will have a corporate identity, financial assistance if necessary and all the training and support needed," he says.

The prospectus for the scheme has yet to be released, but Mr Maketha is confident that once it is understood it will have the full support of the black community.

"The project will be supported, owned and run by blacks. It will inject money into our community. There will be co-operation with whites."

Mr Bennett says independent butcheries have a lot going for them.

"They invariably offer better quality, contrary to popular belief they are often cheaper than supermarkets and they give personal service."

school sports facilities on school grounds:
— Primary R98 519,00
— Secondary R1 196 127,00
R1 294 646,00

Sports education, training courses and meetings in schoolsports R1 467 970,39
Out-of-school sport R2 762 616,39
Training, training courses and sports R944 702,28 meetings

(iii) Community facilities R2 737 546,00
Sports facilities: Out-of-school — facilities in the community for the community
(iv) Central Sports and Recreation fund R2 537 770,53
R8 982 635,20

Eskom: postponed payments of amounts due
989. Mr C J DERBY-LEWIS asked the Minister of Administration and Privatisation:

With reference to the reply to Question No 752 on 29 March 1988, (a) how many of the 313 large consumers which exceeded the period of grace allowed for payment of amounts due to Eskom in respect of bulk electricity were municipalities; (b) what was the total amount outstanding and (c) in respect of what 12-month period is this information furnished?

The MINISTER OF ADMINISTRATION AND PRIVATISATION:

- (a) Of the 313 bulk supply points which were in arrears at one or other time during the 12-month period 1 April 1987 to 31 March 1988, 197 were municipal accounts of which most were in rural areas.
(b) and (c) At the end of January 1988 there was an amount of R5 173 712,48 outstanding in respect of accounts rendered to municipalities for electricity for the month of December 1987. All municipalities are however paying on a regular basis and by the end of March 1988 this amount has been reduced to nil.

HOUSE OF ASSEMBLY

Vegetable oil: importing/exporting
1014. Mr W J D VAN WYK asked the Minister of Agriculture:

- (1) Whether any vegetable oil was imported in the first quarter of 1988; if so, (a) why and (b) how many tons;
(2) whether part of the new season's production of vegetable oil is to be exported; if so, (a) why, (b) how many tons and (c) to which countries;
(3) whether any such oils has been or is to be carried over to the new season; if so, how many tons?

The MINISTER OF AGRICULTURE:

- (1) Yes;
(a) to supply the shortage which resulted from the drought during the 1987/88 season and to meet the demand for special oils which are not available locally;
(b) approximately 30 045 tons;
(2) yes;

- (a) as a result of an expected surplus production of groundnuts and sunflower seeds;
(b) it is still too early in the new season to make an estimate of the quantities which could be available for export;
(c) oil exporters will decide themselves to which countries they are going to export;

- (3) yes, but the quantities cannot be determined at this stage.

Meat: quantities imported

1017. Mr R W HARDINGHAM asked the Minister of Agriculture:

- (1) Whether any (a) beef, (b) lamb/mutton and (c) pork has been imported since 1 January 1988; if so, (i) what quantities of each as at the latest specified date for which figures are available and (ii) for what purpose in each case;
(2) whether the conditions relating to these importations are being adhered to; if so, under whose scrutiny; if not, why not;
(3) whether any action is being taken against

HOUSE OF ASSEMBLY

offenders and possible offenders in this regard; if not, why not; if so, what action; (4) whether he will make a statement on the matter?

The MINISTER OF AGRICULTURE:

- (1) Yes, since 1 January until 30 April 1988;
(a) (i) approximately 5 629 tons;
(ii) approximately 5 135 tons for the manufacture of meat products and approximately 494 tons for sale by auction to registered butchers;
(b) (i) 600 tons;
(ii) 500 tons for sale by auction at the Cato Ridge market only and 100 tons for the manufacture of meat products;
(c) (i) 414,5 tons;
(ii) the manufacture of port products;

- (2) yes, the Meat Board;
(3) yes, criminal as well as administrative actions in terms of the Marketing Act 1968 (Act 59 of 1968), and the Livestock and Meat Control Scheme;
(4) no, a statement is not considered necessary.

Mogas project: tender documents

1027. Mr C J DERBY-LEWIS asked the Minister of Economic Affairs and Technology:

Whether tender documents in respect of the Mosgas project are written to favour specific products; if so, (a) why and (b) which products are involved?

The MINISTER OF ECONOMIC AFFAIRS AND TECHNOLOGY:

- (a) and (b)
The general tender documents are not written to favour specific products but they are written to specify the technical and operational requirements of the project.

Bophuthatswana: Eskom electricity

1038. Mr C J DERBY-LEWIS asked the Minister for Administration and Privatisation:

Whether Eskom supplies electricity to Bophuthatswana; if so, on what basis?
The MINISTER FOR ADMINISTRATION AND PRIVATISATION:

Yes. Electricity is supplied at Eskom's standard tariffs at 29 points of supply in Bophuthatswana. The total supply amounted to 2 124 million-kilowatt hours in 1987.

Mmamaisuwe power station, Bophuthatswana: cost of construction

1039. Mr C J DERBY-LEWIS asked the Minister for Administration and Privatisation:

- (1) Whether his Department contributed towards the cost of constructing the Mmamaisuwe power station in Bophuthatswana; if so (a) to what extent and (b) (i) what was the total cost involved and (ii) in respect of what date is this information furnished;
(2) whether his Department was involved in the tender procedure in respect of this power station; if not, why not; if so,

- (3) whether his Department was furnished with any details regarding the company to which the tender for this power station was awarded; if so, (a) to which company was the tender awarded, (b) in which country is this company registered and (c) (i) who are the directors of the company and (ii) what are their nationalities?

The MINISTER FOR ADMINISTRATION AND PRIVATISATION:

- (1) No
(a), (b) (i) and (ii) fall away.
(2) No, because the Department of Mineral and Energy Affairs nor Eskom was approached for advice on the tender procedure of this independent state.

- (3) No
(a), (b), (c) (i) and (ii) fall away.

Booklet: South Africa at a Glance
1065. Mr P G SOAL asked the Minister of Information, Broadcasting Services and the Film Industry:

- (1) Whether the Bureau for Information was responsible for the compilation and distribution of a booklet entitled "South Africa

HOUSE OF ASSEMBLY

Meat Board denies price manipulation

Spoke Times 29/8/88 (3 meat)

Own Correspondent

PRETORIA. — There is no way the Meat Board can manipulate prices and anyone who says there is, is talking nonsense, Meat Board general manager Mr Pieter Coetzee said at the weekend.

Mr Coetzee was responding to claims by the Consumer Council that beef prices had rocketed by 25% in the first half of the year against a rise of 13% in the Consumer Price Index (CPI).

He was reacting, too, to Checkers MD Mr Clive Weil's statement that the board was capable of stabilizing prices, but had failed to do so.

In an official statement, the board said: "Although there have been short-term increases in

meat prices, the auction price, which is the price the producer receives for his product, dropped by 3% from January to June 1988 in the case of beef. Mutton auction prices did increase by 28% but mutton constitutes only 18% of the red meat basket.

"With regard to the retail price of red meat, Meat Board surveys on the Witwatersrand from January to June 1988 reveal the beef consumer price increased by only 4% which is less than the 6,5% increase in the CPI.

"The increase in red meat prices was therefore much lower than the 24,6% quoted in the press statement by the Consumer Council, presumably because the percentage change as from the previous year was used erroneously instead of the increase in

the consumer price index."

Commenting on a Consumer Council warning of a full-scale investigation into the board's "monopolistic practices", and the threat that the issue might be taken to the Business Practices Committee, Mr Coetzee said: "We would welcome a full investigation into claims of monopolistic practices. We have absolutely nothing to hide."

SA Federation of Meat Traders' chairman Eddie Bielowich claimed the highly competitive situation in the wholesale and retail meat trade broadly eliminates the possibility of excessive profits.

However, he added, overtrading in the butchery business had led in some instances to traders "upping" prices in an effort to survive.

Council *Star* to quiz Meat *③ Meat* Board

By Michael Chester

The Consumer Council warned the Meat Board yesterday that a full-scale investigation will be urged into its handling of monopoly control of the market if meat prices continue to rise.

The council announced in Pretoria that if meat price increases continued unchecked, it planned to refer the whole issue to the new Business Practices Committee, created last month and given wide disciplinary powers by Parliament to protect consumers from exploitation.

Council director Mr Jan Cronje said the rate of meat price increases "reflects a shocking state of affairs".

The Minister of Agriculture was being asked to order far bigger shipments of imported meat to end the shortages that had followed the prolonged drought and which were often blamed for high prices.

The attack on the Meat Board may be made the first in a series of test cases calling for the intervention of the new watchdog committee.

The Consumer Council, according to inside sources, also intends to ask the committee to investigate the spiralling cost of motor vehicles and medicines if producers and retailers fail to justify the recent price increases.

The council now intended to take a far tougher stance in its battle to curb inflation.

The Meat Board was the first to be asked to supply answers to soaring prices because of revelations that meat prices had been rising at almost twice the rate of overall inflation.

Price increases 'turning people away'

26/8/88

B/Day

Meat Board is given a roasting

GLEN SHELTON and
GERALD REILLY

THE Meat Board has come under fire from industry, consumers and the Consumer Council for its monopoly practices and alleged mismanagement.

Clive Weil, of Checkers, said the board was neglecting its long-term strategies and allowing consumer confidence to dwindle to the point where the market was dropping off.

He said: "The huge increase of about 100% during the past couple of years has turned consumers away from red meat and this sort of confidence is difficult to restore."

The market was losing a "generation of consumers" because of the inefficiency of leaders in the meat markets who allowed huge peaks and valleys in the price range, which in turn further eroded consumer confidence.

The board was capable of stabilising meat prices but had avoided doing this, causing the unpredictability in meat prices so the "consumer has reacted rationally in an irrational market — and demand is falling".

The council warned the board that a full-scale investigation into the board's monopolistic tendencies was proposed. It said unless meat prices regained bal-

ance, it would refer the issue to the newly formed Business Practices Committee, a business watchdog given disciplinary powers by government to protect buyers from exploitation.

Red Meat Producers Organisation manager Jan van der Walt, responding to claims by the council that meat prices had risen by nearly 25% in the first six months of the year, said: "Average producer's price for beef in January was R472/kg, and in June, R458,7/kg — an increase of only 2,8%."

Van der Walt said the cause of the gap between the producer and consumer prices had to be found in the distribution chain, mainly in the wholesale and retail sectors.

Imported

On the council request that more beef be imported, Van der Walt said individual producers were opposed to imports as it tended to drag down prices.

However, producer organisations supported the importation of beef to protect beef's share of the market.

Beef imports to make up shortfall

PRETORIA — The Meat Board would import 50 000 tons of beef this year to compensate for the local shortfall, board manager Pieter Coetsee said yesterday. The cost at current prices would be around R120m, he said.

This month alone 5 000 tons of imported beef would be marketed to supplement local supplies.

Only a small quantity of imported

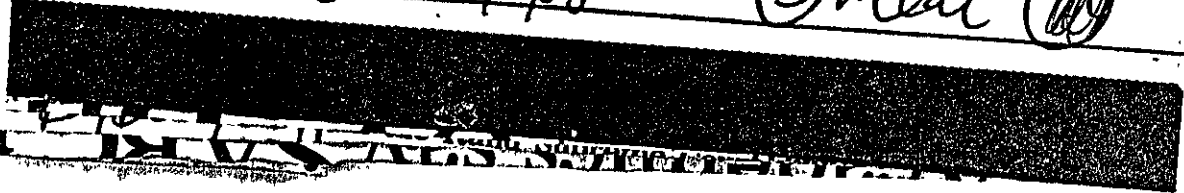
GERALD REILLY

beef was quality hind quarter; the rest was forequarter used mostly in the beef manufacturing industry.

In spite of the local shortage, caused mainly by heavy forced slaughterings during five drought years, Coetsee did not expect prices to rise spectacularly during the rest of the year.

B/Day 1/8/88

(3) Meat (10)



3 MEAT 8/day
15/9/88⁵
Wednesday, September 15 1988

Red meat demand set to increase

GERALD REILLY

PRETORIA — The biggest challenge facing the red meat industry was the development of the black consumer market, Red Meat Producers' Organisation chairman E A Schoeman said here yesterday.

Speaking at a red meat symposium, Schoeman — also vice-chairman of the Meat Board — said this was closely related to an expected rise in living standards and bigger incomes.

Schoeman stressed SA would be a net importer of red meat for a long time.

The problem of supplies had been accentuated by drought, floods and the rising price of vying commodities such as wool. This had resulted in farmers withholding stock from market.

It was estimated this year 20% of red meat needs would have to come from external sources. Traditionally this need had been around 5%.

Review

"If we are to survive as a predominantly Western economy it is a socio-political imperative to create a broad middle-income group. This could result in an immense increase in demand."

By the year 2000 double the present 1.9-million cattle would have to be slaughtered annually to satisfy the need of a population of around 47-million.

Schoeman added the total meat scheme would have to be reviewed if the declared privatisation of controlled area abattoirs, owned by the Abattoir Commission, came about.

□ Meeting the SA demand for red meat would become increasingly difficult taking into account rapid population growth, Deputy Agricultural Minister Kraai van Niekerk said at Bapsfontein yesterday.

A steak that's guaranteed to set your teeth on edge

W/ Mail
9-15-88
3 mark
AS meat eaters stew over the latest price hike, the Consumer Council has pledged to report the meat marketing system to the Business Practices Committee unless the price spiral is checked.

Head of public relations for the Consumer Council, Paul Roos, told Weekly Mail the Meat Board — which has the monopoly on meat sales in South Africa — should heed this as a warning and note the Council's concern with the "stunning" rate of increases in red meat.

The price of meat has risen a shocking 103,1 percent since 1985 — and 24,65 percent over the last six months, according to the Consumer Price Index which measures retail price changes.

The Council compared the red meat price increase — 103,1 per cent — to the overall inflation rate of 53 per cent and has questioned the 50 per cent discrepancy between the two rates.

Roos said the council would be monitoring prices from now on. If they kept rising at the current rate it would ask for an investigation by the Business Practices Committee, which is empowered to recommend "far-reaching measures" to protect consumers.

But the Meat Board has fiercely disputed the Consumer Council's figures, saying they have used short-term price movements to fuel "one-sided and inaccurate" reports which have recently appeared in the press.

The Board said although there had been short-term increases in meat prices; the auction price for beef — the price the producer receives for his product — had dropped by three per cent from January to June this year.

It admitted mutton prices increased by 28 per cent but added mutton prices constituted only 18 percent of the red meat basket.

The Board said red meat comprised three types: beef, mutton and pork. Beef's share in the meat market amounted to 68 per cent, mutton 18 per cent and pork 14 per cent.

Meat Board surveys on the Witwatersrand from January to June this year had revealed the beef consumer price increased by four per cent — which is less than the 6,5 per cent increase in the CPI.

"The increase in red meat prices was thus much lower than the 24,6 per cent quoted by the Consumer Council — presumably because the percentage change from the previous year was used instead of the consu-

The rocketing meat price is double the inflation rate.
KIM CLOETE examines why

mer price index," the Meat Board said.

Although Roos said he did not doubt the integrity of the CPI figures, he stressed the exposure of the price hike was not meant as an attack on the Meat Board, but on the industry as a whole.

The increase in prices obliged the Consumer Council to voice its concern over the millions of traditional red meat eaters in South Africa faced with astronomical price surges, he said.

Consumers are also concerned about the mystification surrounding the discrepancy between what the consumer pays and the price the producer is paid.

The Council has questioned the imbalance in payments to farmers, saying the producer gains only 50 cents out of every consumer rand. Farmers carried 80 per cent of the risk yet they were only getting 50 per cent in return, said Roos, who suggested farmers push for a fairer deal.

Roos attributed the shortage of red meat to farmers "rebuilding their stocks" after the recent good rains. As a result, importing had become necessary and the Council had asked government to see to it that more meat was imported.

The Council has also attacked the Meat Board's sole right to import, branding it monopolistic and saying it could lead to manipulation in times of short supply.

Importers say they can import meat cheaper than the Meat Board can, says Roos.

The Board imports meat for less than R3 per kilogram, yet sells it off at the abattoirs for just under R5, and pockets the profit, Roos said. He adds that over R40-million has been grossed by the Meat Board from imports over the past few months.

But the Meat Board has tossed allegations by the Consumer Council aside and dubbed the Council's accusation of the Board being monopolistic as "proof of utter ignorance".

Although it made no mention of the massive profit it is said to have accrued through imports, the Board said it was an economic fact that the larger the amount required by a single buyer, the greater his bargaining power over potential suppliers and lower shipping costs.

But other issues are relevant. The auction price system is under attack (*Leaders* September 9) and a more competitive system should bring down prices. Alleged manipulation of the existing "Dutch clock" auction method (which forces unnaturally high opening bids) and agency cartels may be creating hidden profits for middlemen.

The huge impact of meat prices on the consumer price index was discussed at ministerial level at the recent Cape congress of the National Party. Government support could, therefore, lead to structural changes in SA's R4,5bn red meat industry — and lower retail

should also be allowed to import freely, so the consumer can afford to put meat back on his table."

Checkers meat marketing director Ernie Smit complains: "To move meat from one area to another, we have to apply for a MB permit, which can lead to costly delays — for ourselves, consumers and eventually also producers. Traders should be free to move meat to where it is needed, as long as it is properly graded. The board should set specifications for quality and hygiene — not control movement."

President of the SA Federation of Meat Traders (operating in controlled urban markets) and MB member Eddie Bielowitz welcomes the investigation. "We have nothing to hide in the meat industry," he says. ■



Red meat ...
bleeding the consumer

MEAT PRICES

Only a first step

The appointment of a committee of inquiry into the price-forming process in the red meat industry could lead to lower meat prices — but only if the structure of the system operated by the Meat Board (MB) is properly addressed.

The brief of the committee (chaired by former Sats GM Bart Grové) is to make findings on:

- The effectiveness of the MB auction system in controlled areas — that is, the major urban markets — where prices are normally higher;
- The application of the floor price system (which protects sellers when prices fall) and the ceiling price system (which protects buyers); and
- The likely influence on prices of a freer flow of meat between controlled areas and outside areas.

The floor price issue is largely academic at the moment, as auction prices are above floor price levels.

prices.

OK Bazaars fresh produce manager Norman Laboff supports the investigation, particularly into the free movement of meat. "It is ludicrous that cheaper meat is available in country areas, but the board will not allow the transport of these stocks into controlled areas. If fruit and vegetables can be freely moved, why not meat? There are no restrictions on the transport of game meat, which is selling more cheaply than beef."

Laboff adds that, though the MB imports cheaper frozen stock, it doesn't help the consumer. The price is the same and the MB pockets the difference. "If the MB is importing cheaply, the benefit must be passed on to the consumer — or the trade must also be allowed to import. In the interests of consumers and producers, we must encourage volume sales. But MB control does not allow cheaper imported stock to bring down prices — and consumers are forced to buy other protein products."

Laboff says the auction system is due for proper investigation, as prices shoot up "inexplicably" (the MB's word).

Consumer Council member Tobias van Rhijn says if a meat shortage exists, sufficient stocks should be imported to meet demand. "Surely the MB does not want consumers to switch over to white meat? In the interests of competition, large retail groups

Ceiling the gap

Meat Board (MB) attempts to restrict surges in red meat prices by placing a 10% ceiling on weekly auction price movements at controlled meat markets haven't met unanimous approval.

While some applaud the decision, others argue that only increased imports will bring prices down. They say structural defects in the meat scheme must be rectified before prices find "natural" levels.

The sincerity of red meat producers' support for attempts to increase supplies and bring down prices must also be questioned.

In a recent address to farmers, Red Meat Producers' Organisation president Manie Schoeman criticised government support for increasing red meat production in maize crop-growing areas. Schoeman says higher red meat production will bring down prices — and harm existing producers.

Symond Fiske, editor of *Effective Farming*, says prices will not come down by putting a ceiling on movements, but rather by allowing sufficient stocks to reach the market.

Past executive director of the Organisation for Livestock Producers, Roy van der Westhuizen, says: "We need a red meat futures market. Until then, the MB should allow forward buying between buyers and sellers. This will underpin the price-forming

FINANCIAL MAIL OCTOBER 7 1988

mechanism and could act as a precursor to a futures market."

But MB GM Pieter Coetzee says US experience shows big buyers can force out smaller ones on futures markets. He also denies that red meat prices, in the long run, show "excessive" increases.

"Statistics show prices tend to move very gradually for four to five years — and the consumer has no complaints. Then, in a strange, inexplicable way, prices suddenly surge. Taken over a number of years, red meat price increases are below the Consumer Price Index. Our new 10% ceiling should help reduce these sudden price surges."

Consumer Council (CC) member Tobias van Rhijn says the main problem is lack of supplies and that imports should be stepped up. The 10% ceiling could keep excessive surges in check, but "increased imports of the right quality red meat is the only way to stabilise prices at this stage."

The MB has imported 60 000 t (mostly factory meat) this year. Coetzee says only 50% of imported beef hindquarters offered at City Deep last week were taken up by the trade. Trade spokesmen retort that meat is "dumped" in large volumes and cannot always be absorbed by the market as offered by the MB.

The CC is monitoring the new system — but chairman Leon Weyers is also a member of the MB and supports its latest moves. He says prices could be brought down by large imports of cheaper meat, "but this will not be in the interest of producers." ■

Larry the lamb

at 34% profit

3 Meat

w/g ARKUS 24/9/88

by MARK STANSFIELD
Weekend Argus Reporter

A True story.

Larry the Lamb was born on a Karoo farm where he spent his short uneventful life getting fat under the watchful eye of his owner. On Monday it was decided that Larry was plump enough to send to market.

On Tuesday Larry was slaughtered at the Municipal abattoir, Maitland. He was auctioned on Wednesday, wholesaled on Thursday and put on retail display in Parow on Friday. No doubt parts of him will be eaten today, roasted tomorrow and become dog's bones by Monday.

Larry the Lamb will never know that he eventually went on display at a huge retail outlet, neatly packaged in cellophane, a sprig of parsley adorning every clinical package of his flesh.

He will also not be aware that, chopped up, he made about 34 per cent profit for the retailer.

Roast, braai

Weekend Argus followed Larry the Lamb from the time his harrowing journey began until he ended up on display for us to buy, possibly for Sunday roast or a braai with the family this weekend.

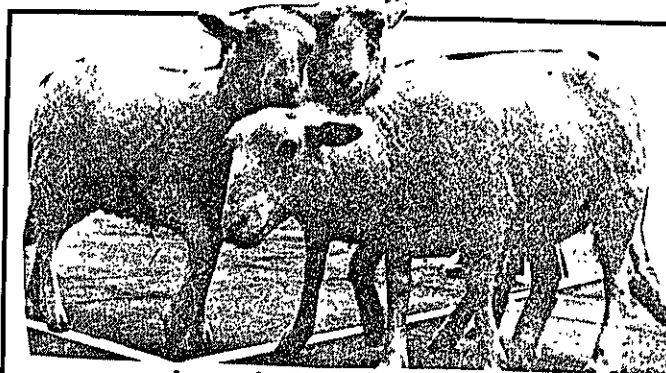
Following Larry around gave us a better understanding of how the mark-up on meat happens.

Let's follow Larry through the whole process — from the time he was slaughtered until he ended up in a supermarket — and count the costs:

Larry's journey through the abattoir was handled by the Vleissentraal Livestock Co-operative, one of the major agents for farmers selling livestock at the slaughterhouse.

Vleissentraal protects the interests of the farmer and pays him his eventual profit for Larry after auction.

At the auction, held on abattoir



Larry the lamb and friends.

... and what he costs — cut up

● Legs.....	4,605kg	@	R9,88/kg	=	R45,50
● Ribs.....	2,099kg	@	R7,98/kg	=	R16,75
● Neck.....	0,699kg	@	R7,98/kg	=	R5,57
● Loin chops.....	4,96kg	@	R13,98/kg	=	R69,34
● Braai chops.....	2,148kg	@	R11,98/kg	=	R25,73
● Stewing lamb.....	0,925kg	@	R6,98/kg	=	R6,45
● Trimmings.....	0,86kg	@	R3,00/kg	=	R2,58
● Kidneys.....	0,105kg	@		=	?
● Suet.....	0,237kg	@		=	?
● Bones.....	0,414kg	@		=	?
TOTAL: 17,052kg					R171,93

premises on Wednesday, Larry was part of Rotation Lot Number 44 which consisted of seven lamb carcasses graded as Super Lamb.

The Meat Board had set the floor price that day for Larry's ilk at R5.37 per kilogram. Several wholesale agents bid for Larry and his six brothers. He was eventually sold to a wholesale agent from a wholesale

meat company who sell to most of the major retail supermarket chains in the Peninsula.

He was bought for R5.78 per kilogram, taken to a waiting truck and stored at the wholesaler's depot not far from the abattoir.

The wholesaler pays three cents a kilogram extra to the municipality (who own the abattoir) for slaughter

costs. So the wholesaler paid R5.81 per kilogram.

His mass was about 17kg, so he cost the wholesaler R98.77.

The wholesaler decided Larry the Lamb's eventual destination: the big retail outlet's meat counter.

This branch of the retail company does not process or work out the eventual retail price of the meat they sell, the retail price structuring and processing is done by the wholesaler.

Yesterday the wholesaler decided, through careful calculations, that Larry should be sold as follows:

- Loin chops — R13,98/kg.
 - Braai chops — R11,98/kg.
 - Stewing lamb — R6,98/kg.
 - Neck, knuckles — R7,98/kg.
 - Leg chops — R10,28/kg.
 - Flank — R7,98/kg.
 - Leg roast — R9,88/kg.
- OR: he could be sold whole or half at R6,99/kg.

Larry was chopped up.

A spokesman for the wholesaler said Larry, at 17kg, could be cut into the following pieces and, sold this way, could realise R171,93.

Suet, bones

Larry was processed, and this does not take into account the income the company would derive from selling his kidneys, suet and bones.

The wholesaler's spokesman said unavoidable costs in handling Larry (packaging, labour, rental, etc) were about 20 percent.

So, Larry cost R98,77 at auction and we buy him for R171,93 (if we bought all the pieces into which Larry was processed).

Deduct the 20 percent it cost the company to get Larry displayed and it still makes R58,33 on one lamb carcass.

That's a profit of 33,92 percent or an average of R10,11/kg for a lamb which cost R5,81/kg on auction. . .

Beef imports to make up shortfall

PRETORIA — The Meat Board would import 50 000 tons of beef this year to compensate for the local shortfall, board manager Pieter Coetsee said yesterday.

The cost at current prices would be around R120m, he said.

This month alone 5 000 tons of imported beef would be marketed to supplement local supplies.

Only a small quantity of imported

GERALD REILLY

beef was quality hind quarter; the rest was forequarter used mostly in the beef manufacturing industry.

In spite of the local shortage, caused mainly by heavy forced slaughterings during five drought years, Coetsee did not expect prices to rise spectacularly during the rest of the year.

B/Day 1/18/88

(3) Meat (A)

Meat prices: board warned

PRETORIA — Consumer Council director Jan Cronje said yesterday the organisation would be forced by shoppers to ask the Business Practices Committee to investigate meat prices if they continued to rise unchecked.

To boost and stabilise supplies, the council was in the process of requesting Agricultural Minister Greyling Wentzel to allow more red meat imports.

The committee has the power to probe businesses and enforce measures to protect consumers.

Cronje said consumers were no longer

prepared to accept what he called exorbitant price increases.

There were fears that there were serious shortcomings in the meat marketing system. Agents, he said, were involved in almost every link along the chain.

Cronje said the Consumer Price Index showed meat prices had increased by an average of 24,65% in the past six months while the price of all items rose by an average 13,32%.

2/18/88
3 Mead
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GERALD REILLY

Meat chief welcomes probe

The chairman of the Red Meat Producers' Organisation of the Agricultural Union, Mr Manie Schoeman, says his organisation would welcome an investigation by the business practices committee.

The Consumer Council had suggested that a difference of 50 percent between the retail price and the amount the farmer received indicated an imbalance.

Mr Schoeman said the price received by beef farmers has risen above the inflation rate only three times in the past 13 years — in 1981, 1982 and last year — while the producer price of mutton had risen above the inflation rate only in 1976, 1981 and last year. — Sapa.

② Meat Star 26/88

Meat Board hits back at price rise critics

PRETORIA — There was no way the Meat Board could manipulate prices and, anyone who said there was, was talking nonsense, Meat Board GM Pieter Coetzee said at the weekend.

He was responding to claims by the Consumer Council that beef prices had rocketed by 25% in the first half of the year against a rise of 13% in the CPI.

He was reacting, too, to Checkers' MD Clive Weil's statement the board was capable of stabilising prices but had failed to do so.

Coetzee said the meat scheme was

3) Meat
GERALD REILLY

based on open auction sales and supply and demand determined prices. He stressed the board had no powers to control wholesale and retail prices.

In an official statement the board said: "Although there have been short-term increases in meat prices, the auction price, which is the price the producer receives for his product, dropped by 3% from January to June 1988 in the case of beef. Mutton auction prices did increase by 28% but mutton constitutes

B1 Day 29/8/88
only 28% of the red meat basket.

"With regard to the retail price of red meat, Meat Board surveys on the Witwatersrand from January to June 1988 reveal the beef consumer price increased by only 4% which is less than the 6,5% increase in the CPI.

"The increase in red meat prices was therefore much lower than the 24,6% quoted in the press statement by the Consumer Council."

Commenting on a Consumer Council

● To Page 2 →

Meat Board defends itself against critics

29/8/88
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warning of a full-scale investigation into the Board's "monopolistic practices", and the threat the issue might be taken to the Business Practices Committee, Coetzee said: "We would welcome a full investigation into claims of monopolistic practices. We have absolutely nothing to hide."

On imports of beef, Coetzee said about 50 000 tons would be shipped into SA this year at a cost of about R120m.

"However, the total to be imported is reviewed on a monthly basis at Meat Board meetings and it will be looked at again at the September meeting."

On prices he said the US drought had caused a shortage of beef and rumours were that the US could become a big buyer in the European market. If so,

prices would obviously rise.

Last week the Consumer Council also said it intended approaching Agricultural Minister Greyling Wentzel on the issue of increasing imports to help stabilise local supplies and prices. Apparently no approach has yet been made.

SA Federation of Meat Traders' chairman Eddie Bielowich claimed the highly competitive situation in the wholesale and retail meat trade broadly eliminates the possibility of excessive profits. However, he added, overtrading in the butchery business had led in some instances to traders "upping" prices in the effort to survive.

② meat 30/8/88

Meat Board disputes Consumer council's figures on price rises

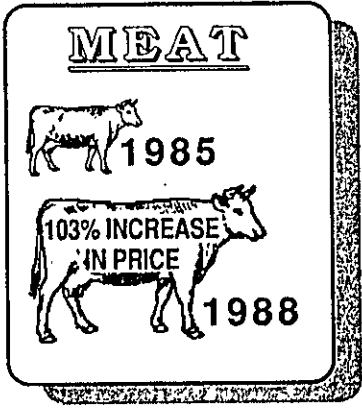
By Sue Olswang

A few kilograms of red meat which cost the South African consumer R100 in 1985 would now cost R203 or slightly more than double, according to Central Statistical Services (CSS) figures quoted by the Consumer Council.

The council noted yesterday that this 103 percent increase did not reflect actual red-meat price increases but was based on the increase in the Consumer Price Index (CPI) which measures price changes.

The council was quoted last week as saying the CPI showed meat prices had risen by an average 24,65 percent in the past six months while the price of all items rose by an average 13,32 percent.

These allegations have been attacked by the Meat Board which said it deplored the council's use of short-term price movements to give credibility to "one-sided and inaccurate re-



ports which have appeared in some newspapers".

The board was objecting to reports published on August 24.

It said there had been short-term increases in meat prices but the auction price (the price the producer receives for his product) for beef had dropped by three percent from January to June 1988. The board conceded that mutton auction prices had increased by 28 percent but

claimed mutton constituted only a small portion of the total red-meat market.

The board said red meat comprised three species, namely beef, mutton and pork. Beef's share of the market was 68 percent, mutton 18 percent and pork 14 percent.

The Meat Board also said retail red-meat price surveys conducted on the Witwatersrand from January to June revealed that beef consumer prices increased by only four percent — 2,5 percent less than the 6,5 percent increase in the consumer price index for the same period.

The board said the increase in the price of red meat was therefore much lower than the 24,65 percent quoted in the recent press statement by the Consumer Council — presumably because the percentage change from the previous year was used instead of the increase in the actual consumer price index.

Don't blame us for high prices — Meat Board

By Adele Baleta

The Meat Board, under attack from consumer organisations, said last week it could not be blamed for high meat prices.

Deputy general manager Mr Frans Pieterse, said the board was not a controlling body and did not set prices, — it merely provided a scheme within which meat was

Star 30/1/88
bought and sold.

He told a meeting of the Housewives League and the Catering, Tea-room and Restaurants Association (Catra), that the principles of the free market economy dictated the price.

Consumers were the only ones able to influence the price of meat to their advantage.

It was up to them to decide whether or not to

buy meat at the given price.

But Catra and the league have advocated a more radical approach than "shopping around".

They have called on consumers, caterers and restaurateurs to observe a "meatless" day once a week in an effort to bring prices down.

Mr Costa Paizes, Catra vice-chairman, said there had already been three

meat price increases this year and, on current trends, it was expected that the price of fillet steak to the trade would reach R25/kg by the end of the year.

This would put it out of the reach of consumers and drive many restaurateurs out of business.

SUBSTITUTE

Mrs Joy Hurwitz, a league vice-chairman, has said that even "cheaper" cuts were being forced off the average householder's budget, with the supermarket price of chuck reaching R7,89/kg last week.

She said figures indicated that white meat was providing a realistic substitute.

Mr Pieterse said there had been no decrease in the demand for red meat in all consumer sectors, including hotels, restaurants and clubs.

He said there was concern over the supply of meat and that demand still outstripped supply.

Pleas to scrap auction system

By Adele Baleta

The Meat Board has been asked to abolish the Dutch auction system used at abattoirs because it is claimed to be open to "manipulation" — resulting in unrealistically high meat prices.

The request was made by the Housewives League and the Catering, Tea-room and Restaurant Association (Catra) at a meeting last week with Meat Board deputy general manager Mr Frans Pieterse.

Both organisations have been concerned about the rocketing price of meat, and Catra, supported by the league, recently asked its members to observe a "meatless" day once a week as part of an effort to bring meat prices down.

The Dutch auction system, which the league has campaigned against since 1981, works contrary to a normal public sale in which items are sold to the highest bidder.

In a Dutch auction the price asked is reduced gradually until a buyer is found.

Responding to complaints about the system, Mr Pieterse said it guaranteed the farmer a fair price.

But he admitted that the system was open to abuse, because agents — who earn income on prices received at abattoir auctions — might not lower the set price to realistic levels. He said he did not understand this attitude, and considered it "irresponsible" behaviour.

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Star 16/5/88
Catering body
in call for ³ Meat
meatless days

About 35 000 restaurants, tearooms and catering organisations countrywide have been asked not to sell red meat on one day a week as part of an effort to bring down the "unrealistically high cost" of meat.

The call has been made by the Catering, Restaurant and Tearoom Association (Catra) in its May newsletter.

Catra says it has enlisted the support of the Housewives League, and sent messages to Government departments telling of its intention to support the State President's call to reduce the runaway inflation rate by instituting "meatless days" in its members' restaurants.

Catra claims red meat rose by 38-48 percent during a recent one-year period, while average menu prices went up by a mere 10 percent. This ever-increasing cost of red meat has caused "great concern" to all caterers.

Authorities have blamed the runaway cost of red meat on the fact that demand outstrips supply. Therefore "a logical solution" would be to reduce the high demand, and prices should decrease once supply and demand move more into line.

Catra adds that meatless days would give caterers a chance to introduce different and more profitable items onto menus.

26/4/88

Opposition urged to refute expensive meat notion ³ Meat

PRETORIA — Consumers' misconceptions that meat was expensive and a health risk had to be refuted, the new chairman of the Meat Board, Dr Fanie van Rensburg, said in an editorial in the latest official magazine of the Red Meat Producers' Organisation.

In the editorial, Dr Van Rensburg said it was generally accepted that the livestock farmer was now living in a land of milk and honey.

"One look at the price of meat, offal, hides, skins and wool may possibly justify such an observation," he said.

Judging by the economic trends and the critical situation in the agri-

cultural industry in general, it was true that the stock farmer was now better off than most producers in other industries, but in any appraisal of the situation three aspects must be emphasised.

These were:

- A tremendous increase in production costs.

- The deterioration of grazing throughout the country.

- The reduction of stock numbers.

Dr Van Rensburg said when such a situation was accompanied by a shrinking market caused by competitive products and steadily declining buying power, this inevi-

tably brought new visions, the appraisal of the stock industry by way of extensive and relevant research and increased purposefulness strongly to the fore.

"I believe that we are entering a stage in the production and marketing of meat where there is no room for superficial approaches, and where the producer will have to form a close relationship with the distribution sector and especially the consumer.

"The misconceptions of consumers that meat is both expensive and a health risk, must simply be refuted.

"There is no place for apologetic or defensive actions." — Sapa

5/10/88
12/4/88
3 MEAT

GERALD REILLY

Beef price worries producers

PRETORIA — Beef producers are concerned at the "unavoidable" escalation in the price of red meat during the past nine months.

They are worried, too, that consumer demand is shrinking, as meat prices spiral to a point where housewives look to alternatives.

The problem of prices and margins at the various levels of supply,

will be discussed at a Red Meat Producers' Organisation (RPO) conference next month.

The margins of the farmer and the distribution trade, as well as the marketing costs, will be closely examined at the conference.

RPO manager Jan van der Walt said the major reasons for the rela-

tively high beef prices were the droughts of the past few years, herds depleted by forced marketing and high input costs.

Van Der Walt said despite the high product prices, the weight of red meat sold was still twice that of the weight of poultry.

RED MEAT

Beefing up prices

The worst is over for red meat prices. They will continue to rise steadily for the next few years but farmers believe the huge increases of the past won't be repeated.

Red meat will never be cheap, though. Average beef prices are expected to rise a further 18% this year — better than last year when prices shot up 39% on the previous year. Last April, they were a dizzy 54% higher than April 1986.

A major reason for increases was the drought-related drop in slaughtering at controlled urban markets. Beef slaughtering fell from 1,224m units in 1985 to 1,013m in 1987. Mutton dropped from 6m units to 5,3m over the same period.

But with the drought broken, consumers can begin to look forward to improved availability of red meat — and maybe falling prices from 1990 onwards.

If not, there could be a continuation of the consumer swing from red meat to chicken. Warning lights are already flashing. Red meat producers must fight for market share or face the same problems as SA's maize farmers who lost 1 Mt of their local market to alternative staples (Business March 18).

At a recent congress of the Transvaal Agricultural Union, Meat Board (MB) deputy GM Frans Pieterse warned producers their greatest challenge was maintaining steady supplies.

"Markets generally demand year-round supplies of a product. A break in supply or quality can cost an industry a great deal. Will the red meat industry allow the market share of red meat to show a continuous decline?" he asked.

There is a need for the poser. MB figures show the availability of red meat has fallen from 723 000 t in 1985 to a projected 631 000 t in 1988. Over the same period, chicken consumption jumped from 484 000 t to a projected 543 000 t.

White meat's share of the total meat market grew from 40% in 1985 to an expected 46% this year. Red meat's share is expected to fall from 60% to 54%. While beef sales of 494 000 t in 1985 exceeded chicken's 484 000 t, the picture has now changed. Beef sales are likely to total 413 000 t this year, compared with 543 000 t for chicken.

There's an added bonus for chicken producers. By pitching prices just below beef, not only are they likely to out-sell beef, but prices are almost certain to follow the upward spiral of red meat.

The MB's new marketing thrust is encouraging. But the temptation to maximise the short-term benefit of soaring prices could mean the eventual undoing of many a beef and mutton producer.

The message is getting through that price is the major determinant in a market which is increasingly urbanised — and black.

Red meat's declining market share is part of an international trend, says Raymond

Naude, director of the Department of Agriculture's Meat Science Centre:

□ Worldwide, white meat production more than doubled between 1970 and 1985, while red meats grew 14%-15%;

□ In SA, poultry grew from 12% of total meat production in 1970 to 37% in 1986 — an increase of 308%, against 22% for beef;

□ Relative to red meats, the proportion of white meat produced in SA is the highest of any country in the world;

□ Per capita (pc) consumption of white meat grew from 2 kg (or 4,7% of the total) in 1955 to 13,2 kg (34,2%) in 1987, while beef fell from 28,4 kg in 1955 to 17,1 kg in 1987;

□ In 1983, total pc consumption of all meats in the US was 109,9 kg, compared with 97,2 kg in Australia, 86,7 kg in France, 71,6 kg in the UK, and 42,5 kg in SA. ■

June

1987

Firms in

Foreign



Ron Raats, a Port Alfred dairy farmer, has been appointed chairman of the board of the Taurus stock improvement co-operative.

D/10 4/3/88

Meat Board officials

Dr S J J van Rensburg has been elected chairman of the Meat Board following the death of Mr Flip du Toit. Dr A E Schoeman, representing producers on the Board since 1983, has been elected as vice-chairman.

Dr Van Rensburg, who received an honorary doctorate in economics from the University of Potchefstroom, has served as director of numerous companies as well as many organised agricultural, government and other bodies.

Among others, he is the current chairman of the Red Meat Producers' Organisation of the SAAU, the SA Abattoir Corporation and the Educational Committee of the SAAU. Dr van Rensburg is currently farming in the Pietermaritzburg district with a stud and commercial herd of Brahman cattle. He also cultivates maize.

The new vice-chairman, Dr Schoeman, obtained his doctor's degree at the University of Stellenbosch in aspects of nutrition and wool culture. After receiving a research grant from the University of New South Wales in Australia and conducting research locally, he exchanged his role as academic for that of farmer in 1973. He is currently farming with merino sheep and Afrikaner stud-cattle in the Cradock district.

Meat wholesalers fight for survival in face of rising costs

By Hess Cumming

Meat wholesalers are not profiteering and neither are they to blame for high meat prices, says Vleissentraal's Mr D Bartie.

Middlemen in the meat industry have become a popular target, but with dwindling profit margins and escalating costs, they were fighting for financial survival, Mr Bartie told a red meat congress in Pretoria.

The typical gross profit margin for meat wholesalers was 6,5 percent, but a net profit of only 0,05 percent remained after overheads such as salaries, rent, transport and bad debts, he said.

It was also illuminating that there were almost no newcomers to an industry regularly accused of usury, he said.

Wholesalers were the most important, yet most vulnerable link in the distribution chain of meat. They had no control over escalating costs, but had to take considerable risks to ensure an even meat supply to consumers, Mr Bartie said.

Factors which compounded their fight for survival included fluctuating market prices with no limit to maximum retail prices, but with floor and support prices enforced at abattoirs; high costs of specialised facilities; dwindling profit margins; weight loss of carcasses in transit and bad debts.

Meat shortages were the most probable cause for dramatic price increases, Mr Bartie said.

Deputy manager of the Meat

Board Mr Frans Pieterse warned meat producers not to allow prices to force consumers to change their buying patterns of meat.

A change could only be prevented by supplying enough meat at prices that consumers could afford, but which would allow producers to stay in the industry in the long term.

He said producers should become more involved in aggressive marketing projects.

Pork farmers slate Meat Board for poor marketing

Agricultural Correspondent

The Meat Board has come under fire from pork producers who want more dynamic marketing of their product.

But the Meat Board has hit back at producers, saying the fault lies with them for not meeting the demand.

About R7 million has been spent on promoting pork in the past four years, but slaughterings have increased by only 2,5 percent, columnist Porcus Profundus says in the latest issue of the official magazine of the pork industry.

"The effort going into pork promotion must surely pay dividends. Unfortunately the intensity and especially the continuity of this promotion can be questioned," he says.

The industry should aim at regaining a market share from chicken as well as increasing its market share at the expense of beef and mutton.

Pork was "healthy, tasty and versatile" and could be produced more competitively than either mutton or beef.

"Should we not therefore be looking at a pork marketing organisation with only the pork industry at heart, and not one, as at present, with large interests in both beef and mutton as well?"

Meat Board deputy manager Mr. Frans Pieterse, however, is not perturbed at the criticism of the board's marketing strategy.

"All pork promotions undertaken by the board are approved by the industry. All pigs supplied to abattoirs are slaughtered. It would therefore seem that the almost static slaughterings are due to inadequate supply and not inadequate promotion. It is up to pig farmers to produce enough pork to satisfy demand," he said.

28/3/82
SPM
Meat

Red meat producers vulnerable

The red meat producer of the Eastern Cape, like his counterpart across the Republic, had benefitted from more favourable meat prices which resulted in relative tranquility prevailing in the industry.

This was said by Dr Manie Schoeman, chairman of the Eastern Cape Red Meat Producer's Organisation, at their annual congress in Cradock.

He said, however, that all the problems in the industry had not suddenly vanished. On the one hand, the price of meat was exclusively a function of what the consumer was prepared or able to pay; conversely, the producer must be able to produce profitably.

"As producers we are well aware of our vulnerability as regards fluctuations in climate, rising input costs, unpredictable interest rates, etc. For these reasons, there is a need to minimise the risks without suppressing a spirit of enterprise or personal initiative.

"It is imperative that producers understand what is implied by the concepts 'free market system' and 'market-related production'. In my opinion, the former implies not only freedom of choice of market and method of marketing, but also the consumer's option to choose source of supply. The consequences for the red meat industry will be chaotic.

"On the other hand, I believe the majority of red meat producers support the necessity for market-orientated production. Within an orderly market system, a stabilisation fund is built up from producers' money in order to buffer prices under conditions of forced marketing. Undoubtedly, the procedures of intervention should constantly be evaluated.

Last year, the matter regarding the freer movement of meat between the outside areas and the control areas was settled by way of an announcement by the Deputy Minister of Agriculture. By the end of November, eight outside area abattoirs were approved for this purpose.

"The free movement of meat is closely related to

the deregulation of the industry. It is understandable that this matter must evolve gradually so that the implications can be properly evaluated. However, care should be taken not to attract so many pre-conditions that it becomes merely a theoretical exercise.

"The present marketing scheme does not provide the producer total freedom. When marketing is coupled to a quota system, there is greater freedom, time and place wise. In this way, the agents can play a larger role. By not accepting the permit system, the Eastern Cape and Natal have indicated the practical alternative," Dr Schoeman said.

He said the effect of increased cost of hygienic requirements on abattoir costs, had already been identified.

"The differences in rejections at various abattoirs confirms the need identified by the Van Rensburg Committee, viz. that the existing regulations under Act 87 of 1967 should be replaced by two sets of regulations which do not allow for arbitrary interpretation."

"In future, all aspects of the meat scheme will be viewed critically and the Red Meat Producer's Organisation is there to ensure that the interests of the producer will be favourably intergrated with those of the trade and the consumer," he said.

He reported that the established pattern in which red meat prices, especially beef prices, increased by leaps and bounds, was experienced yet again.

"The underlying cause is difficult to determine. It evokes incorrect perceptions on the part of the consumer, which in turn leads to great dissatisfaction. One

must realise that representations arising from this dissatisfaction can jeopardise the entire scheme.

People don't give a second chance

The challenges facing the red meat industry of South Africa were never greater than at present said Mr Frans Pieterse, deputy general manager of the Meat Board, at the opening of the East Cape Agricultural Union's Red Meat Producer's Congress in Cradock.

"This region has about eleven per cent of the national cattle population which is quite an achievement, he said.

"You, the producer must be able to offer a product that not only conforms to the requirements and likes of the consumer, but must also be the quality to keep the consumer loyal to your product in the long term.

Mr Pieterse warned that the market share of red meat in the world's food basket was becoming smaller.

"We have to promote the economic value of meats from a nutritional point of view. Our aims is to foster an image of our product to satisfy consumer demands. Remember people don't give you a second chance."

Mr Gus Peinke, of Kree-dauw, was elected the new chairman of the organisation. The full executive is: Mr A.E. Peinke, chairman and Mr W.S. Stretton, vice-chairman. The members from the various regions are:

North East Cape: Messrs R.M. Grobler, W.S. Stretton and O.S. Bekker.

Midlands: Dr E.A. Schoeman, Messrs G.F.H. Bekker and E.M. Deyzel.

Border: Messrs D. Day, S. Knott and R. Andrews.

East Coast: Messrs G.A. Lovemore, J. Currie and C. Louw.

He said a useful guideline for the promotion of red meat was to remember that both the black and white market preferred a thinner layer of fat. Future visual displays of meat by the marketers should take this fact into account.

Also the producers should not take the fat meat message to heart so as to let the flavour of the product suffer.

"Research figures have shown that the preference of the consumer must be placed first. This is responsibility of the leaders of the industry to understand the preference of the consumers and to see that they are catered for.

"I am convinced that if we work out a correct marketing strategy and if you as red meat producers can see that meat is available at reasonable prices, giving you enough income to live on and keeping the consumer supporting you, we could never produce enough red meat in this country, he said.

1 Feb 88 13/188

Imports of meat soaring

(Continued from page 1)

Mr Harry Sacks, an importer and head of a major butchery supplying a chain of steak-houses, said: "There is one item we have been importing on a big scale: pork ribs. This has been sanctioned by the Meat Board."

"The reason for the meat being competitive in price, despite the exchange rate considerations, is that these are relatively cheap cuts overseas and they have now gained popularity here over the past few years."

"If you were importing choice cuts from the same factory overseas, the price would probably be prohibitive."

"Restaurateurs ought be thankful that there's some swing towards ribs. There is an acute shortage of beef and lamb in South Africa."

Mr Donald Amos, sales manager for a leading meat wholesaler, said: "We've been selling fairly big amounts of spare ribs over the past six to eight months."

"DUMPING"

"We've sold a few thousand 10kg boxes and it is R2 a kg less at retail level and R1 on wholesale."

Mr Pieterse denied speculation that European countries were "dumping" meat for fear of contamination following the Chernobyl nuclear disaster in April 1986.

He said the imported meat was subjected to stringent tests which eliminated any threat to consumers.

"The meat we import is subject to a certificate issued by health authorities who are very strict. They would never allow it into the country if it was not fit for consumption," Mr Pieterse said.

A spokesman for Veterinary Services (meat hygiene) in Pretoria said: "We have monitored reports on the Chernobyl fallout and are happy that there is no danger."

"The countries exporting the meat have strict controls on the levels of radiation in their dairy industry and the people there do not have any problems eating meat and dairy products," the spokesman said.

● A French couple visiting Cape Town said yesterday that many French meat-eaters had been avoiding fresh meat and dairy products since Chernobyl.

Imports of meat soar as SA producers fail

By TYRONE SEALE
Staff Reporter

13/1/88
3 meat

SOUTH AFRICA is importing more meat than at any time this decade as domestic producers fail to meet demand.

Hundreds of consignments of up to 300 tons have been imported from Europe during the past six to eight months.

The cost to the industry is a lot less than South African-produced meat, well-placed meat industry sources said yesterday. The imported meat has largely been pork spare ribs and "manufacturing" beef used for polony and spreads.

More fresh meat, particularly beef, will most likely be imported in the next few months if the local shortage persists, according to Mr Frans Pieterse, deputy general manager of the Meat Board in Pretoria.

Mr Pieterse said yesterday the meat industry did not foresee any short-term relief from the beef and mutton shortage and had therefore engaged in the "biggest imports of the eighties".

Last week the slaughter of cattle at abattoirs was 31 percent lower than usual, lamb and mutton 47 percent and the pork shortfall 31 percent.

Mr Pieterse said: "Farmers are building up stock following many years of drought. Because they are all doing this, there is obviously a shortage and meat subsequently fetches high prices.

"I cannot see that in the near future we will produce a surplus locally and think the 1988 situation is going to be very similar to last year's.

"At the end of 1986 we realised the lower grades were in poor supply here and decided to import when and if necessary and will decide on importing different cuts of meat as the demand changes."

Mr Pieterse said Europe had a meat surplus and countries in the European Community were subsidised substantially to export meat.

For this reason much of the imported meat was cheaper than that produced at home. The EEC subsidised exports on condition the end user benefited. (Turn to page 3, col 2)

MEAT — 1990

Meat farmers seek better cut for all

THE Organisation of Livestock Producers (OLP) is gearing itself for a head-on conflict with organised agriculture in an effort to create a better deal for farmers and better prices and quality for consumers.

The OLP is an organisation made up exclusively of livestock farmers throughout the country who believe that the "complicated bureaucracy" of the meat industry is making meat more expensive to consumers, less profitable for farmers and is causing red meat to lose popularity in the marketplace.

OLP president Mr Sandy Speedy told Saturday Star this week that his organisation intended "intensifying the struggle" in 1991 in an effort to allow farmers direct access to the consumer.

"We are obviously acting out of self-interest because by cutting out all the unnecessary middlemen we would make more

8 Jan 11/2/90
CHRIS MOERDYK (3) Meat
profit. But, there is also no doubt that this would result in consumers not only getting better quality red meat but they would certainly get it at a better price."

Mr Speedy said that meat traders and butchers should have the right to buy livestock directly from the producers and that they should have the right to have livestock slaughtered at the abattoir of their choice.

"They should also be allowed to sell their products according to consumer demand and not by bureaucratic regulation," he said.

At present the farmer effectively lost control of all bargaining power once his produce left the farm.

Mr Speedy said the present marketing "chain" which started with the farmer and ended with the consumer had between eight

and 11 "links" or middlemen.

"The result of all this is an over-regulated, inefficient marketing system, the finer details of which are often difficult to establish.

"It also makes for distorted signals from consumer to producer and discourages private initiative and entrepreneurial spirit.

"Consumer prices are rising and the benefits are not reaching the farmer," Mr Speedy said.

Red meat, he added, was losing consumer popularity despite advertising campaigns "worth millions of rands" by the powerful Meat Board which was becoming "more and more powerful and controlling the industry like a puppet master".

He said that while visible support for the OLP was growing, many farmers did not want to be seen to be supporting it "because of obvious fears that they may be penalised in terms of quotas, credit and so forth".

Meat import quotas giving way to tariff protection

ZILLA EFRAT

3 meat

THE substantially higher import duties on beef and pork gazetted on Friday pave the way for the removal of import quotas on all meat products.

They are in line with government's policy of ditching quantitative import control on agricultural products, where possible, in favour of tariff protection.

Meat Board senior GM Pieter Coetzee said at the weekend the new duties would protect local meat producers from dumping. BIDAM 3/12/90.

He said the quota system applied only to SA. Neighbouring independent states could import highly subsidised meat from EC countries, and those imports often filtered across the border into SA.

Department of Agriculture marketing director Attie Swart said government's long-term aim was to remove quantitative import controls on all agricultural products, where possible, and introduce tariff-based control. This was in line with GATT requirements.

The new tariff rates would be aimed at providing a fair amount of protection to SA producers, but would not prevent imports. They would have to be relevant to local and international prices, he said.

New probe into abattoir hygiene

8/11/90
A new investigation has been launched into the State's hygiene control at abattoirs, Minister of Agriculture and Development Aid Jacob de Villiers announced in a statement yesterday.

The last De Villiers Commission of Inquiry into abattoirs had submitted its report in 1964.

Necessary ³ Meat

Mr de Villiers therefore felt another committee had become necessary, one which would look especially into limiting the State's role and functions to the essentials.

The new committee will be chaired by S J van N du Toit, who will be assisted by Dr R J Naude, Dr G J H. Ste-

vens and Dr T van Deventer.

At present, the basic responsibilities of the Directorate of Meat Hygiene of the Department of Agriculture are to secure hygienic conditions in and around abattoirs and to inspect the meat.

Linked to these responsibilities are the promotion of the well-being of slaughter animals; and to provide approval, training, advice and liaison to abattoirs.

Mr de Villiers has invited all interested parties to provide the committee with written comment about the functions of abattoirs.

These may be directed to C J van Niekerk, The Secretary, Private Bag X138, Pretoria 0001.
— Sapa.

Red meat price decline erodes Kanhym profits

By Derek Tommey

The collapse in the red meat price in the three months to August cost Kanhym R8 million in earnings, says executive chairman Dirk Jacobs.

Kanhym reports operating income for the year to August of R43,6 million (R46,1 million) and attributable income of R30 million (R31,7 million).

Mr Jacobs says that at the half-year stage the price of super-grade beef was still 523c/kg.

But for the three months preceding the year-end it fell more than 50c/kg.

There were periods in these months when prices declined to the floor-price level. Both the extent and the speed of the decline were much greater than management could have expected.

However, this led to a reduction in operating income, earnings and earnings a share of only five percent.

It shows that Kanhym's strategy of diversifying away from low-margin, commodity-type activi-

ties and services and focusing on value-added branded products is having the desired result, he says.

Mr Jacobs says there are no signs of an improvement in either the red meat price or consumer spending — the two factors which have a decisive effect on Kanhym's performance.

He expects the downturn to worsen before stabilising at lower levels.

However, the careful planning and hard work of the past four years have put Kanhym into good shape to contend with what will undoubtedly be an extremely difficult year.

An enhanced cash flow and firm asset management should enable it to achieve savings in finance charges, even in a high interest rate environment.

The increasing shift to value-added products and the contribution from recent acquisitions should also help counter the worst effects of the downturn.

This should enable Kanhym to match last year's profits.

Star 12/12/90

Meat

Consumers to pay less for red meat

By George Nicholas
Agricultural Correspondent

③ Meat

Good news for housewives — meat will be more plentiful and cheaper in 1991 than it has been in 1990.

Beef production in South Africa this year rose markedly in volume by about 15 percent compared with the preceding year, while mutton and lamb production increased by a whopping 23 percent.

This escalation in red meat output was largely responsible for the lower prices paid by consumers.

A further rise of about six percent in production of both

beef and mutton is expected in 1991, according to Dr Jan Lombard, chairman of the Red Meat Producers Organisation and both producer and consumer prices are expected to sink to lower levels than at present.

"There is no danger of over-production in 1991 as prices will probably stagnate further which, in turn, will cause increased consumption," he says.

This trend in red meat production and marketing should also have a significant effect on the retail prices charged for broilers and processed chicken meats, the consumption of which is rapidly approaching the current level of red meat.

Stew 31/12/90

There is a strong likelihood that consumers will increase their purchases of the cheaper red meats at the expense of broilers, unless selling prices are correspondingly reduced.

Pork production in 1990 increased by about 12 percent from last year (1989) but it is expected to drop in 1991. Many of the smaller pig producers are changing to other lines, mainly because of low profitability.

On the other hand the larger piggeries are expanding and their combined output should be adequate for consumer demands.

Traditionally the meat-eating habits of South Africans have

favoured beef which makes up 70 percent of all red meat bought over the counter, followed by 20 percent mutton and 10 percent pork.

Red meat production in 1991 would have been even greater than the estimated higher volume but for the switch by many farmers, especially in the Northern Transvaal, from cattle production to game farming.

To protect the market from cheap meat imports, amounting to about 40 000 tons a year, the Government has imposed a sharp increase in the rates of duty on imported lamb and goat meat, which may soon be extended to include other meats.

Red meat prices have dropped

THE price of red meat has gone down more than it was speculated for 1990.

At the beginning of the year beef and mutton prices were expected to decrease by 4,9 percent and 6,9 percent respectively.

Sowetan 14/11/90
The actual decrease was four and 12 percent. Pork prices decreased by 10,4 percent during the first three quarters of 1990. The decrease contributed to a marked decline in consumer prices of red meat, especially from July.

Meat
The auction prices of meat are determined by factors such as demand for and supply of the product, in which connection the price against the available funds of the consumer is decisive.

As from 1988/89 the policy has been to prevent excessive price rises and fluctuations by keeping floor-price adjustments market-related with a view to long-term stability for the producer and constant availability of red meat for the consumer. - *Sowetan Reporter*

Ref 12/11/90 (3 meat)

Red meat prices dropping, says chairman of board

Pretoria Correspondent

Red meat prices have dropped in the past few months and this trend should continue over the Christmas period, says Meat Board chairman Dr S J J van Rensburg.

He told a press conference in Pretoria that there had been a marked decrease in consumer prices of all red meat since about July.

This trend was expected to continue and there was no reason for red meat shortages or sudden price increases during the Christmas holidays.

However, if prices did rise over Christmas, this could be because of the exploitation of consumers' tendency to spend more freely during the festive season.

Dr van Rensburg said the Meat Board did not expect a shortage of meat over Christmas, but if there were shortages, the board would step in to supplement the supply.

The announced increases in the floor prices of meat for 1991 would not affect consumer prices. Floor prices were aimed at ensuring long-term stability for producers.

"This trend is most evident among pork producers. If this trend should continue, the present good supply of red meat would soon change to a situation of short supply with its characteristic price leaps..."

The floor price of beef will rise from 375c to 419c/kg next year, and the floor price of mutton and lamb will go up from 488c to 522c/kg.

Star (3/11/70) 3meat (2/10)

Red meat shop prices safe from increase

The new floor prices for red meat which came into effect yesterday will not cause consumer prices to rise.

This assurance has been given by Dr Jan Lombard, chairman of the Redmeat Producers' Organisation in the South African Agricultural

Union.

Expressing the meat industry's appreciation of the new floor prices, Dr Lombard said the modest extent of the rise would probably be only to the detriment of the sheep farmer, who would not benefit from the increased floor price.

Meat hike

THE floor price of meat will increase by 7 to 11 percent from tomorrow to stop farmers quitting the industry.

③ Meat set 11/11/90

Increase in red meat floor price to 'curb fluctuations'

ACHMED KARIEM

THE floor prices for red meat for 1990/91 would be raised today in order to keep them market-related, Meat Board chairman Fanie van Rensburg said on Friday.

He said although beef and mutton prices were expected to drop at the beginning of 1990 by 4,9% and 6,9% respectively, the actual decrease was 4% and 12%.

Pork prices slumped by 10,4% in the first three quarters of 1990.

"This decrease contributed to a marked decrease in consumer prices of red meat, especially from July," he said.

Van Rensburg said the floor price of beef would increase to 419c/kg from 375c/kg, which was 30c/kg less than the average auction price.

"An expected increase of about 18% in the supply of beef will also serve to curb price fluctuations."

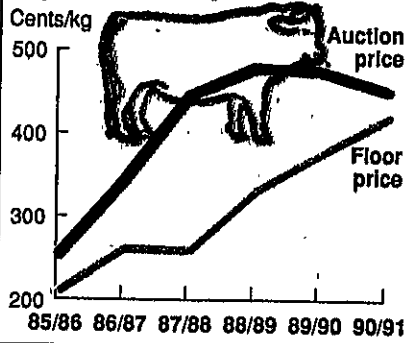
He said the floor price of mutton and lamb would be adjusted to 522c/kg from 488c/kg, which was 12% lower than the auction price.

The new floor price of pork — raised to 314c/kg from 289c/kg — was only 6% lower than the average auction price, he added.

There were already visible signs of farmers quitting the pork industry.

"If this trend should continue, the present good supply of red meat would soon change to a situation of short supply with its characteristic price leaps," Van Rensburg said.

Average auction prices against floor prices of beef



Graphic: FIONA KRISCH Source: MEAT BOARD

8/10am 12/11/90
He said the proposed floor price increase should not have a negative effect on auction prices, but should contribute towards removing price leaps.

Checkers Fresh Meat deputy MD Ernie Smith said his only concern was the trading price which was consistently higher than the floor price.

Smith said farmers "could not lose" because during demand times they withheld meat forcing up prices, and at other times they glutted the market whilst enjoying a higher minimum floor price.

Pick 'n Pay Butcheries MD Guy Hawthorn said the Meat Board's adjustment of floor prices would have no effect on what the food chain would charge consumers.

Workers propose march to abattoir

Cape 11-15 1/11/40
A RED MEAT boycott initiated by dismissed Cape Slaughtering Abattoirs workers would have "absolutely no effect" on the company, Western Cape Meat Board spokesman Mr Bertie Ackhurst said yesterday.

He said producers and consumers — specifically township businesses which sold tripe — would bear the brunt of the action announced on Monday by members of the Food and Allied Workers' Union.

The dismissed workers and sympathisers are expected to march to the Maitland municipal abattoir today.

Nearly the entire Cape Slaughtering workforce of about 300 was dismissed on August 2 following a wildcat strike over claims for back-dated wages.

Public urged to force down meat price

8/10/90
 CONSUMERS should use their bargaining power to force down retail meat prices when auction prices fall, says Meat Board senior GM Pieter Coetzee.

ACHMED KARIEM

contributed to the decrease in auction prices." However, an agreement had been reached with the trade to dispose of surpluses should these occur in view of supply running at 20% above last year's.

He was responding at the weekend to a Volkskas Group investigation which showed that although abattoir auction prices were declining, consumer retail meat prices were rising.

July's auction prices had fallen 7,7% from 1989's, while retail meat prices rose in July and August by 9,7% and 10,9% over the same period last year.

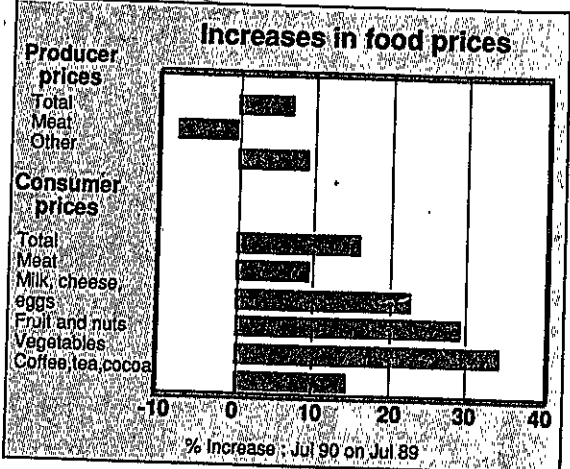
Apart from the floor price, which was a guaranteed minimum price to farmers, meat prices were not controlled.

"At present there is no glut of meat in SA, only a well supplied market which

The floor price was producers' insurance for keeping in business and producing to consumers' requirements. "Who in the end will be the losers, should meat producers, with prices falling below the floor price, stop producing meat in sufficient quantities to meet demand?"

Coetzee said the Organisation of Livestock Producers had tried for years to have the meat scheme abolished. "The overwhelming majority of meat producers

3 Meat



Graphic: LEE EMERTON Source: CSS

in SA consider the meat scheme as their mainstay to remain in production under the depressed economic situation with an inflation rate running in double figures," he said.

During the first seven months of this year there was a large increase in the sale of red meat: beef 14%, mutton and lamb 18,2% and pork 12,7%. Chicken rose only 10%.

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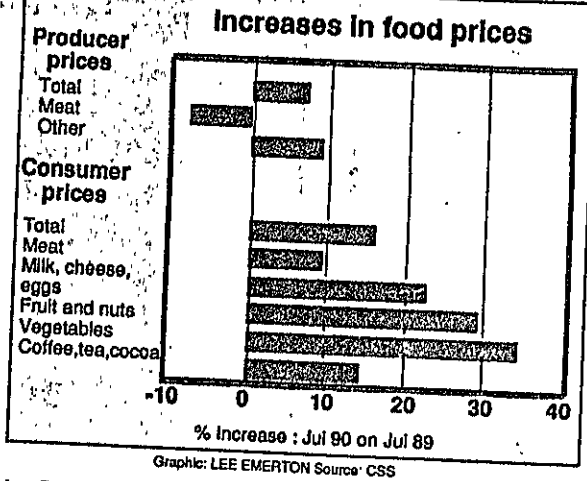
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3 Meat



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Graphic: LEE EMERTON Source: CSS

Retail meat price up

An investigation by Volkskas Bank into the rapid increase in food prices has shown that while the meat price in abattoirs has fallen, at retail levels, the price has risen.

"Auction prices at abattoirs are declining and the prices in July this year were 7,7 percent lower than those the previous year", the bank said.

"Retail meat prices show rises of 9,7 percent and 10,9 percent in July and August respectively, in comparison with those a year before.

"The reason for this is unknown, but bears further investigation."

Volkskas said that the increase in the prices of various foodstuffs, such as potatoes, must be seen in the context of exceptionally low prices for the

same foodstuffs resulting from a surplus in the previous year.

"On the one hand, vegetable prices have increased greatly while on the other hand, an unexpected cold spell in July apparently damaged crops, resulting in market supply being lower.

"Excellent prices are apparently being obtained for fruit on the international markets.

"This could be the reason for the hike in the local prices of these products.

"Coffee, tea and cocoa are largely imported.

"The sideways course of the rand exchange rate over the past few months should result in price rises in respect of these commodities slowing down in the time to come." — Sapá.

Sta 2 10 90
3 meze

Another meat price row looms

Pretoria Correspondent

Another meat price row could erupt following the Meat Board's decision to resume selling surplus meat directly to the public.

This is in spite of an agreement — which seems to have lapsed — between the board and retail butchers' organisations that the board would leave the marketing of surplus meat to the butchers.

The board's agreement with retail butchers, reached after a fierce row sparked by the board's decision in July to start selling surplus red meat directly to the public, has not resulted in lower red meat prices.

In a report criticising the meat industry for continued

high prices, Volkskas Bank has found that retail meat prices had shot up by 9,7 percent since this time last year — while the auction price at abattoirs had dropped by 7,7 percent.

In August the retail meat price was 10,9 percent higher than a year ago.

Agreed price

A Meat Board spokesman said the board was selling surplus red meat at its City Deep depot in Johannesburg and at Cape Town depots — in spite of the agreement with butchers.

According to the agreement, retail butchers would market surplus red meat, if available,

at a price agreed on with the board.

"The price will not be tied to normal commercial price margins but will be of such a nature that the public will enjoy the advantage of surplus red meat," the board said in a statement released after the agreement.

The Meat Board spokesman said although the board did not have a large surplus in store at the moment, the Federation of Meat Traders "could not handle all the meat".

Ben Stafford of the Co-ordinating Consumer Council advised consumers to make use of the Meat Board sales, noting that he found it disappointing that prices did not drop as a result of the current surplus.

3 meet

Kanhym finds it difficult to earn that better rating

By Ann Crotty

The Kanhym share price moved up 1c yesterday ahead of the release of results that showed a 5 percent fall in earnings in the 12 months to end-August '90.

But at 280c the share is still way off the 450c level at which Kanhym chief executive Dirk Jacobs reckons it should be.

The 280c share price represents an historic price/earnings rating of 5 times on the 55c a share earned in financial '90. Mr Jacobs believes a p/e rating of 8 times is more appropriate for Kanhym.

A p/e of 8 times compares with the food sector's p/e average of 11 times. Mr Jacobs accepts that Kanhym should trade at some discount to this average because its earnings are currently untaxed. (A few analysts believe that Mr Jacobs is already making some provision to ensure that when tax payments become due in financial '92, the earnings stream will not be significantly disrupted.)

Given the remarkable progress that the group has made since new management took the helm in 1986, it seems a bit mean of investors to value the share at its current level.

During 1989 it did look as though the new management team was winning favour as the share moved up to around 400c. But, earlier this year, indications that the slump in the commodity meat market was again going to hit Kanhym's performance combined with the generally weaker investor sentiment knocked the share back below 300c.

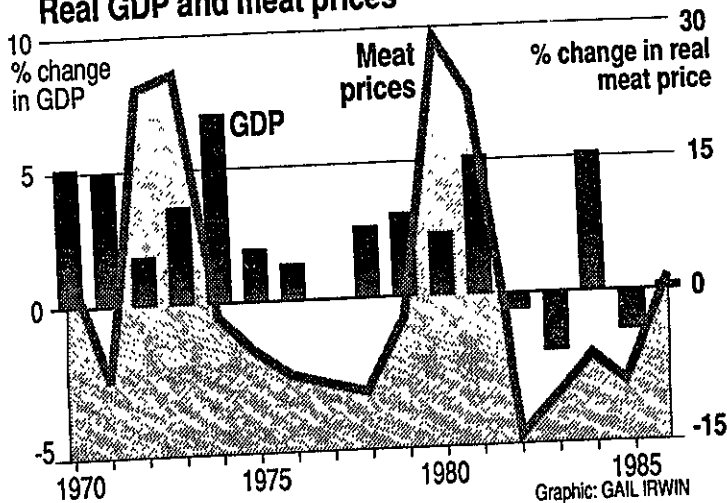
As Mr Jacobs points out, in Kanhym's case the market seems to belong on memory and short on forgiveness.

What the market is remembering is the disastrous performance in the first half of the Eighties when the slump in red meat prices wiped out earnings. At the same time hefty borrowings crippled the balance sheet.

Mr Jacobs is at pains to stress the progress that the new management has made on both fronts — group earnings are no longer dependent on red meat prices and gearing at end-August was a comfortable 31 percent.

During the review period the

Real GDP and meat prices



value-added component of Kanhym's business propped up earnings while the collapse in red meat prices took a heavy toll on the group's commodity operations.

Reviewing the '90 figures, Mr Jacobs notes: "In spite of the decline in consumer demand, Kanhym's value-added activities (Enterprise, Hanni, Mielie-Kip and Herti) showed real growth of 26 percent over '89. However the commodity operations (Kanhym Estate, Karoo Ochse and Kanhym Fresh Meat) suffered a 33 percent decline in earnings."

He points out that branded value-added products now account for 62 percent of Kanhym's business, and the commodity activities' operating contribution has been reduced to 38 percent.

There are plans to reduce further the commodity activities during financial '91. Mr Jacobs would not be specific but the plans are likely to involve the disposal of some assets and taking on some partners.

Selling off assets in the poor-performing commodity side will help to lift the group's return on funds employed even if the cash proceeds are not immediately in-

vested in building up the value-added portfolio.

Return on funds employed during financial '90 was 18,75 percent — down from the 23,4 percent recorded in financial '89. The '90 figure is made up of a 30 percent return on funds employed in the value-added division and about 13 percent in the commodity division.

The slide (which is only apparent) is attributable to the fact that the funds employed at Mielie-Kip and Herti are included in the total funds employed figure but only three months profits are included in the calculation of the return figure.

This means that given the proposed slimming down of the commodity side, Kanhym's RoFE should be above 24 percent in financial '91. This return is well ahead of CG Smith Foods, Cadbury Schweppes, Premier, Rainbow and ICS — all of which are in the food sector and enjoy significantly better p/e ratings than Kanhym.

Features on the '90 results include: turnover up 14 percent to R979 million; operating income down 5 percent to R43,5 million; finance costs up 5 percent to R13,5 million; attributable earnings down 5 percent to R30 million; an unchanged dividend of 20c a share.

Bacon saves Kanhym's day

6/04/90 17/10/90

(3) Meat

MARCIA KLEIN

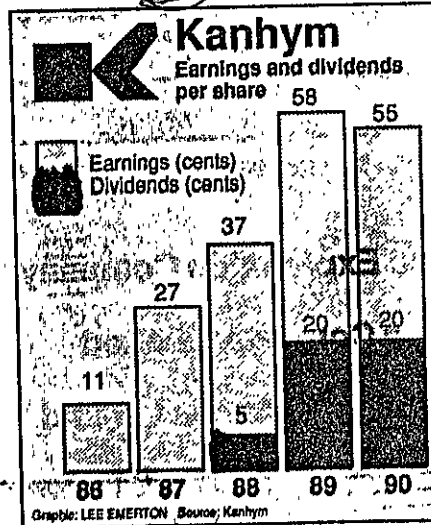
KANHYM's commodity divisions were hard hit by the collapse in the red meat price in the year to end-August, but value-added operations propped up group earnings.

A shift in the balance of the food group's divisions favouring the branded value-added component "limited what would otherwise have been the devastating impact of the fall in the red meat price on Kanhym's results", executive chairman Dirk Jacobs said yesterday.

The results demonstrated that Kanhym's strategy of focusing on manufactured products was "having the desired effects", Jacobs said.

The value-added divisions showed a 26% increase in operating profit to R27,1m.

□ To Page 2



Kanhym

6/04/90 17/10/90

(3) Meat

□ From Page 1

while the commodity operations fell by 33% to R16,5m, resulting in a 5% drop in operating income to R43,6m (R46m).

A corresponding decrease in attributable earnings to R30m (R31,7m) and in earnings a share to 55c (58c) was reported, and a final dividend of 10c was declared to maintain the full year dividend at 20c.

The group's value-added operations — which grew over the last year from contributing 47% of Kanhym's operating income to a current 62% — include Enterprise, Hanni, Mielie-Kip and Herti.

Turnover increased by 14% to R979m after increasing by 8% in the previous year. The balance sheet was healthy with a 5% improvement in finance costs. Gearing increased only marginally and net asset value increased by 8% to 325c a share.

Jacobs said the group hoped to at least equal current profits in the coming year.

Results for 1990 do not reflect full-year contributions from Hertie and Mielie-Kip, which should contribute to earnings in financial 1991.

Meat producer's speech roasted

MEMBERS of the meat industry have reacted strongly to comments by Red Meat Producers' Organisation vice-president Arthur Hambly about "profiteering middlemen", "retailers' rake-offs of R334m" and the effects of the introduction of VAT.

Hambly said in a speech this week that an additional R334m from beef alone had flowed into retailers' tills in the past four years, after deregulation of red meat outlets saw an increase in meat prices.

He was "officially informed" by Federation of Meat Traders chairman Jan Liebenberg that his comments were uninformed and untrue, said Ernie Smit, deputy MD of Checkers Meat Markets.

Hambly has been asked to motivate his claims with an audit of the figures he quoted. Smit added that mark-ups of both wholesalers and re-

MARCIA KLEIN

tailers were audited.

In response to Hambly's comments, Pick 'n Pay Butcheries MD Guy Hawthorn said that for years the meat industry had traded on average 30c to 50c above floor prices. However, this year meat had come down to floor level. There had been a deflation in prices, especially of beef and lamb. The price of pork had gone up, but he said this was off a low base.

"Not only have meat prices gone down but margins have been reduced in butcheries and in major chains," Hawthorn said. *8/10/90*

Hambly had said the R334m increase in the cost of beef alone was because of increased margins.

But Hawthorn said competition be-

tween the major retailers had kept prices down, and meat was cheaper now than at the same time last year.

"Comments made in the speech antagonise the consumer."

The inclusion of VAT in Hambly's speech was unfounded, said Hawthorn, as VAT would affect every industry.

"Besides which, representations have been made with regard to VAT on meat and foodstuffs."

In his speech Hambly had said that from next year VAT would rake off a further R400m a year from consumers.

Smit said chains had to state publicly what the price of meat was and how long it was valid.

Once products were advertised, retailers had to sell at advertised prices, even if stock could not be obtained at the original price.

Farmers keen to fund beef floor price rise

PRETORIA — Meat farmers are pressing for ministerial approval to use their own funds to raise the floor price of beef to counter the decline in producer prices, says Red Meat Producers' Organisation (RPO) chairman J H Lombard.

They were not, he stressed, asking for state aid. ^{3 meat} ~~meat~~

Lombard said many beef farmers were in financial difficulties because of an income decline of between 9% and 17% this year, while production costs continued to rise at a rate higher than that of inflation.

He said Agriculture Minister Jacob de Villiers was asked at a meeting with the

— GERALD REILLY

organisation urgently to approve the floor price hikes recommended by the Meat Board. The Minister said he hesitated to raise the floor price during surplus periods. There were other methods in which the stabilisation fund could be used to help producers without raising the floor price. *B. Day 31/10*

Lombard pointed out the fund had been built up to maintain a floor price system. He added the purpose was not to raise market prices but to prevent a further decline on the producer side and in doing so make it possible for farmers to survive.

Red meat woes will act against Kanhym

Kanhym has made excellent progress since the early eighties when tough times in the meat industry resulted in four consecutive years of loss at the earnings level.

Star 14/9/90
But it seems that woes in the red meat industry will be back to haunt Kanhym's bottom line performance in financial '90.

Much of the improvement since '86 has been effected on the back of chief executive Dirk Jacobs' decision to move from the business of selling meat as a commodity to selling it as a high value-added processed item.

This change in strategic direction means that when things get tough in the red meat industry, Kanhym has some cushioning.

In addition, value-added products enjoy higher margins, which means that in any event profitability is much improved.

The extent of this improvement is reflected in the rapid increase in return on capital from a negative 13.3 percent in financial '85 to 22.7 percent for financial '89.

This puts it a close fifth in terms of return on capital among the JSE food companies.

Heading the list is I&J with a 41 percent return, then Fedfood with a 27 percent return, Tiger with 26 percent and CG Smith with 23 percent.

Given the progress that has been made in dulling the memories of the earlier performances and the emphasis on Kanhym's more widely spread portfolio, it is understandable that Mr Jacobs should be concerned about the impact that red-meat prices seems set to have on financial '90's performance — and, in turn, on the impact static earnings could have on investor sentiment.

At the interim, when management reported earnings of 36.7c a share, it looked as though 70c to 75c was attainable for the full year.

But that was before the collapse in red meat prices which, by June, were close to floor-price levels.

In addition, sales in the final quarter were knocked by strikes at Checkers and OK, by boycotts and political turmoil.

The combined affect could see a reduction in full-year earnings

Diagonal
Street

3meet

ANN CROTTY



by as much as 10 percent.

Most of this fall is accounted for by the earnings knock caused by the collapse in red meat prices, which affects the group's fresh-meat trading and auctioneering agency.

In bottom-line terms, the unexpected severity of this knock could see income from these sources about R8 million short of budget — equivalent to about 14c a share.

Add in a few more cents for the impact of strikes, boycotts and political turmoil and instead of the 35c or so that was expected in the second half, earnings per share may be closer to about 18c — for a full-year earnings figure of 55c (60c in financial '89).

At yesterday's price of 300c, this puts Kanhym on a P/E rating of 5.5 times.

Even in the face of current difficulties, this rating seems unjustified and is well down on the majors in the sector, which are trading on P/Es in excess of 10 times. (With the exception of Fedfood whose poor market image keeps it on a P/E of only 4.7 times, despite its excellent return on capital).

An improved rating from Kanhym may have to wait until Mr Jacobs can add further diversity to the group's portfolio of interests.

Its relative dependency on one product makes its earnings flow susceptible to adverse developments on that front.

In '89, value-added items accounted for 55 percent of group operating profit.

It is expected to increase to around 60 percent in the 12 months to end-August '90.

But, as Mr Jacobs has said, given Kanhym's size and its commitment to some involvement in the commodity side (It provides the inputs for our other activities such as Enterprise Foods and the Hanni tannery), significantly increasing its relative exposure to other food products is a long-term exercise.

Meat
3



FED UP WITH CONTROL BOARDS

With food prices surging by 17,7% over the past year, pushing the inflation rate to 13,6% last month, the structural factors that are forcing up prices are coming under scrutiny.

Farm co-operatives have been pinpointed as a major factor in escalating food prices (*Business* September 14). Now control boards are under fire for their role in runaway prices — with the schemes operated by the Meat Board and Maize Board the special targets of criticism.

At a congress this month in Durban Deputy Director-General for Agriculture Chris Blignaut confirmed that government's structural economic adjustment programme involves taking a hard look at the price- and market-distorting mechanisms operating in the farm sector.

The minister of agriculture must emphasise a number of factors when he evaluates the agricultural marketing schemes, Blignaut said. These include:

- Whether fixed prices will ensure that all production will be sold "in the light of the present supply-and-demand situation;"
- Whether the comparative advantage of different production regions are taken into account by the scheme; and
- The impact of international agreements such as the Uruguay round of the General Agreement on Tariffs & Trade.

This is music to the ears of disgruntled livestock farmers who complain that the costly meat scheme prevents the market from efficiently allocating resources, distorts prices and leads to red meat losing market share to white meat. One reason for all this is that red meat prices are never allowed to fall below the Meat Board's floor price levels.

While red meat production increased by only 43% between 1955 and 1989 (from 613 000 t to 875 000 t), white meat production rocketed by a startling 1 900% over the same period — from 29 000 t to 552 000 t.

At the same time Minister of Agricultural Development Kraal van Niekerk says SA's population doubled while per capita red meat production fell from 40,6 kg to 24,2 kg.

Had this been the record of any private company it would have gone out of business. In the case of the Meat Board, it is protected by the Marketing Act.

The Organisation of Livestock Produc-

ers, which represents independent livestock farmers, has drawn up a resolution calling for the virtual abolition of the meat scheme. It says this would allow farmers to sell direct to butchery chains, a system long called for by Pick 'n Pay's meat retailing arm.

"Such a system would allow butchery chains to contract their meat supplies directly with feedlots or farmers, would allow forward contract buying (thus ensuring security of production to farmers) and would reduce the enormous costs due to farmers being forced to slaughter only at the official abattoirs run by the Abattoir Corp in most urban centres," the organisation says.

With more marketing channels opening up, both producers and consumers would benefit from lower meat prices — and this would also allow farmers to process meat in rural areas where costs are far lower than in cities.

The organisation estimates that the existing meat scheme adds R800m in annual costs to the meat chain of production.

"And, with the Meat Board's floor price scheme falling away, prices will be allowed to drop in times of surplus, thus eliminating the costly meat storage scheme operated by the board while broadening the sector's market share," the organisation says.

The Maize Board is also under attack — this time from the R3bn-a-year animal feed industry, which is upset by the latest yellow maize consumer price hike — from R360/t to R375/t.

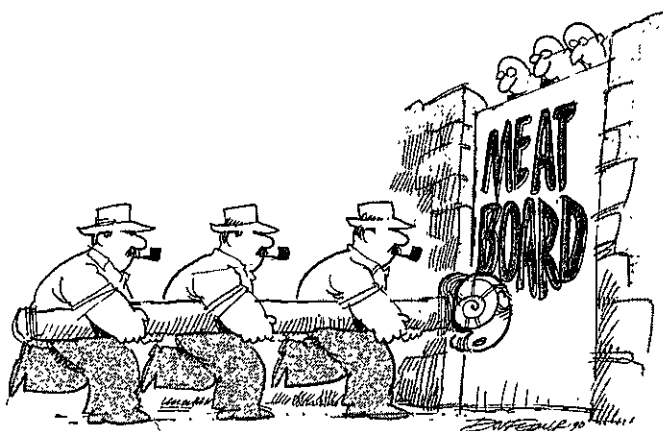
"The price index of farm feeds increased from 100 in 1975 to 638 last year," Van Niekerk says. "This places feed margins under pressure." And, due to the distorted price signals sent out by the board, farmers produce costly and uneconomic maize surpluses, while animal feed protein (mainly soya and fishmeal) must still be imported to the tune of about R315m a year.

But, apart from the price complaints, feed manufacturers feel that the "autocratic" maize scheme operates against their interests in other ways. Complaints include:

- That the Maize Board's discounting scheme discriminates against the large manufacturers because the discount applies where consumption increases annually — something that is difficult to achieve for the large feed manufacturers;
- While small, fly-by-night operators therefore qualify for discounts of up to R80/t, large manufacturers lose market share and turnover. With the economies of scale turning against them, they are forced to increase their own prices to consumers — again to the detriment of both producers and consumers;
- That the board is forcing feed manufacturers to contract with it, thus limiting their manoeuvrability in obtaining other, cheaper feeds such as sorghum and wheat. "They are trying to protect the one-channel marketing system which is busy disintegrating," says one source.

The meat and maize boards could not be reached for comment. But with these attacks, it is clear government will be forced to take a close look at the structural defects in agriculture, which are benefiting the bureaucrats in Pretoria more than either the farmers or consumers in the rest of the country.

Arnold van Huyssteen



RED MEAT INDUSTRY

③ Meat

FIM 318/90

Lots of bones to pick

Red meat producer prices have been steadily falling for months but consumers are yet to see any real benefit. This was underlined by the recent furore between the Meat Board and retail butchers over the board's sale of discounted meat directly to the public.

While butchers are singled out for not passing on the benefits of lower prices, the insidious web of regulations that controls the meat industry is a much better target for blame. Pressure is building to scrap the controls and there's a government study into deregulating the over-administered industry.

Trouble is, while Agriculture Minister Jacob de Villiers called on interested parties to comment in January, and promised action by May, nothing has happened.

The Meat Board still administers a regulatory web that retards growth in the R5,5bn-a-year industry. The result is that shadowy middlemen flourish while consumers must pay inflated prices and farmers suffer from reduced consumption. Some examples:

- No meat can be brought without a board permit from the "uncontrolled" rural areas into the "controlled" urban areas where the board holds sway — along with the powerful, State-owned Abattoir Corp (Abakor);
- Permits (or quotas) to slaughter at Abakor are granted only if the producer is registered (and accepted) by the board; and
- Auction prices are not allowed to drop below floor price levels, which the board determines annually for various grades and types of meat.

Despite the delay, deregulation is still being considered. The board is scheduled to meet De Villiers and retail butcher represen-

tatives separately next week to discuss possible changes to the system.

Government has considered privatising Abakor but faces a dilemma: the huge meat co-operative Vleissentraal (whose senior GM Jan Lombard also chairs the powerful Red Meat Producers' Organisation) could then control Abakor's R300m worth of assets and obtain effective control over slaughtering in urban centres. Though it would theoretically be in the interest of farmers, such an arrangement would make the meat barons even more powerful.

The free market-orientated Organisation for Livestock Producers strongly opposes these moves and calls for the "deregulation of the meat industry and a more effective system of marketing red meat."

"A study done by the organisation in 1985 revealed that unnecessary statutory intervention in the meat industry was costing the consumer in excess of R400m a year — and the situation has not improved since then," says chairman Sandy Speedy. "The organisation has proposed to the minister that meat traders should have the right to buy their stock directly from producers, have the stock slaughtered at abattoirs of their choice and sell their produce according to the dictates of consumer demand."

Speedy's calls are supported by Guy Hawthorne, MD of Blue Ribbon Meat, the meat retailing arm of Pick 'n Pay. He says retail meat prices would have come down far more in recent weeks — and much more meat would have been sold — had board regulations not been in place.

"Over the past seven weeks, group national meat sales shot up by 27%, though our meat prices dropped by only 7%-8% below last year's levels. But, had we been allowed to buy our meat directly from producers (and not through the costly Meat Board and Abakor system) we could have launched special promotions that would have moved huge quantities of red meat, to the benefit of both consumers and producers."

Hawthorne also fulminates against the notorious Dutch clock system that still operates at all Abakor auctions.

"This odd mechanism operates from the top down and allows anyone

to punch in higher prices and artificially keep prices at higher levels than would be the case with the normal, bottom-up auction system."

Hawthorne calls on government to allow direct sales negotiations between buyer and seller, without regulatory interference that benefits neither party. "By allowing us to negotiate in advance for prices, we can properly plan and launch sales promotions, which is impossible under the current system."

With livestock overproduction expected to create huge meat surpluses soon, red meat prices could come down far more steeply — and allow consumption to rocket accordingly — if the regulations controlling the industry were stripped away. Farmers and consumers alike expect government to take the bull by the horns.

Arnold van Huyssteen

ELECTRONICS FIM 318/90

Banding together

There is nothing like a crisis to bring people together. In the past few weeks most major electronics firms have buried their differences and agreed to support the new Electronics Industries Federation.

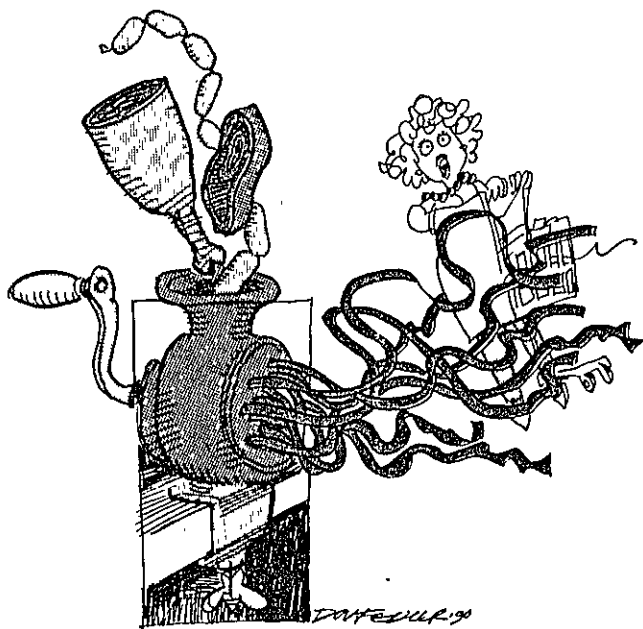
The federation, announced this week, is intended to promote SA's beleaguered electronics industry. High on the organisation's agenda are likely to be ways of offsetting State cuts in capital expenditure, the economic downturn and possible threat to local manufacturers of the easing of sanctions.

Its spokesman, Grinaker Electronics chairman Tienie Steyn, insists that the organisation is not looking for government handouts. The objective, he says, is to define the issues affecting the industry and develop a practical action plan to stimulate local and external investment.

Steyn acknowledges that such a strategy might have been better implemented a few years ago when the industry was enjoying healthy profits and could more easily afford to invest in its long-term future. However, he says the federation's objectives go beyond overcoming current difficulties.

Change in SA is placing increasing demands on technology to meet the challenges of education, communications, housing, health care and basic industrial development, he says. "With a strong electronics industry, these needs can be met."

The federation claims the support of several representative organisations, including the Business Equipment Association, Electronic Component Manufacturers' Association and Radio & Television




Meat prices
B1 Day 31/8/90
take a dive

ACHMED KARIEM

REAL prices of all live stock products decreased during 1989 — beef and mutton by 14% and 9.2% respectively — despite high inflation, according to the latest issue of Standard Bank's AgriReview.

③ Meat
"Farmers have built up their herd numbers again and an increase in supply has brought the price down. Mutton has experienced a similar trend in increased slaughterings in 1990 as farmers are not holding back stock... due to lower projections of wool prices," said the review.



Cape Times 3/8/90 3 meat

Meat prices rocket after 300 abattoir men sacked

By PETER DENNEHY

RED meat prices have rocketed in the Western Cape in the wake of the sacking of 300 wildcat strikers at the Maitland abattoir.

A spokesman for Cape Slaughtering confirmed yesterday that about 300 of the company's 420 workers were fired yesterday morning for going on an illegal strike over wages.

Mr Ted Doman, PRO for the City council, which owns and runs the abattoir, said between 600 and 700 cattle were normally slaughtered every day, and between 5 000 and 6 000 sheep.

But yesterday the expected figures were 32 cattle and 1 000 sheep, Mr Doman said.

Mr Malcolm Simpson, general manager of Blue Ribbon fresh meat centres in the Western Cape, said lamb prices at the wholesalers' auction had already risen from R6,50 a kilogram on Monday to R7,50 yesterday.

A striking worker said the strike revolved around nine weeks of backdated wages.

"We got an increase from June 1, but management said they would keep the wages back for a certain time. Then last week they said they would only give us R120 each for the backdated pay, and if we don't accept it, it will be nothing. It was supposed to be more.

"Our lowest wages had been R115 a week before the rise, and they were brought up to R150."

A management spokesman said workers had rejected a written wage agreement reached two months ago between themselves and management and negotiated through the Food and Allied Workers' Union.

He could not confirm rumours that a new team of slaughterers would be brought in from Johannesburg — even at the risk of upsetting non-striking workers into extending the strike.

"We will be planning as we go along," he said.



Abattoir crisis: Meat prices set to soar in city

ARCUS 3/8/90
Sheep

By SHARON SOROUR
Labour Reporter

MEAT prices are set to soar and a shortage is expected if the slaughtering crises continues at the Maitland abattoir after 300 striking workers were sacked.

Slaughtering at the abattoir has nearly ground to a halt with thousands of animals waiting to be slaughtered after a wildcat strike over wages by Cape Slaughtering employees led to their dismissal yesterday.

A company spokesman said a back-up slaughtering team would be flown from Pretoria today and casual labourers were being mobilised to stave off the crises.

Abattoir director Dr Wally van Heerden confirmed the

price of meat would be affected by the dismissals and a crisis could develop if slaughtering did not pick.

"There are about 12 000 sheep, more than 1 000 cattle and 1 000 pigs to be slaughtered," he said.

Remove animals

Mr Ted Doman, spokesman for the city council, which owns and runs the abattoir, said meat producers had been given permission by meat hygiene officials to remove their animals from the abattoir to avoid a health crisis.

"There is also the problem of feeding and watering the animals while they are waiting to be slaughtered," Mr Doman said.

He said about 700, cattle

were slaughtered at the abattoir daily, but only 32 were slaughtered yesterday while about 1 000 of the usual 5 000 sheep were slaughtered.

The price of meat could go up drastically next week if the crisis remains unresolved while supermarket suppliers try to "weather the price hikes".

Mr Malcolm Simpson, general manager of Pick 'n Pay fresh meat centres, said meat supplies, especially beef, had already been affected while lamb would be in short supply today.

Meat prices went up yesterday and were expected to increase today, he said.

"Cost prices of lamb went up yesterday from R6,50 a kg to R7,50 a kg while quality beef prices were over R6 a kg."

Another supermarket meat centre said while they were only affected by lamb prices, an effort was being made to buy meat on other markets like Port Elizabeth.

A Cape Slaughtering spokesman said annual wage negotiations between the company and the Food and Allied Workers' Union were completed two months ago and the sacked workers had now decided to reject the offer.

● Thousands of coal miners are poised to strike after a last-minute bid to resolve a wage dispute failed as industrial action hits the mining industry.

Talks between the National Union of Mineworkers and the Chamber of Mines ended in deadlock on Wednesday after mining bosses offered no substantial changes on initial wage increase offers, a union spokesman said.

Rainbow lifts profits by 27,6%

Financial Editor

THE broiler chicken group in the Rambrandt stable, Rainbow Chickens, had a very good year to end June. Attributable profit increased by 27,6% from R67,4m to R85m.

Group turnover was R635,3m which is an increase of 14,6% over 1989.

Higher interest income, the surrender proceeds of an investment linked insurance policy, and a decreased taxation charge have contributed to this increase, say the directors in their financial statements.

Earnings per share have improved by 16,8% from 26,8c to 31,3c. A final dividend of 5,9c a share has been declared. This brings the total dividend for the year to 10,7c a share which is in line with the prospectus forecast.

The directors say the difficult trading conditions experienced in the latter part of 1989 continued in the first half of 1990, and selling price increases for the year were well below the inflation rate.

Increases in input costs were generally greater than the inflation rate, but were offset to a large extent by excellent chicken production results which partially negated the impact of the foregoing on operating margins.

The directors say Rainbow will continue to expand its facilities, particularly at Rustenburg, in line with market demand and capital expenditure of more than R150m has been budgeted for the forthcoming year.

"These measures are expected to maximise economies of scale and place Rainbow in a strong competitive position to take advantage of the increase in demand when the economy improves.

"Nevertheless, economic conditions are likely to remain unfavourable for the financial year ending June 30, 1991 and it is therefore not anticipated that earnings growth will match that achieved in the past year," say the directors.

3 meat

Staff Reporter

Meat distributors and butchers have urged the scrapping of the Meat Board to allow free enterprise to control prices after the board's latest sale of surplus meat direct to consumers.

While the Housewives' League has reacted by calling on consumers to stock up their freezers with cheap frozen meat being sold directly by the board, distributors are up in arms that the Government-constituted body has entered into direct competition with them.

In terms of the Surplus Removal Scheme, part of the board's function is to protect the producers by buying up surplus carcasses when the meat price hits

Butchers say scrap meat board

the floor level at abattoirs.

Farmers pay a levy to the board, which uses these funds to buy up surpluses.

Distributors are forced to add costs of transport and it was clear the board was undercutting them, said Renown Meat Market managing director Roy Smither.

If free market forces were allowed to take over in the meat

trade, the floor price would be removed and prices would drop below present levels, he said.

Housewives League chief Lyn Morris said: "Butchers may be angry that the board is muscling in on free enterprise but the truth is meat prices have been steady but nevertheless high for a long time."

Pieter Coetzee of the Meat Board said last week the decision to sell surplus meat directly to the public would be used as a "lever" to force retail butchers to reduce their prices.

The Consumer Council welcomed the Meat Board's decision and said it hoped retailers would follow the board's example.

Cheap meat sales anger industry

ACCUS
25/7/90

The Argus Correspondent
JOHANNESBURG. — The abolition of the Meat Board to allow free enterprise to control prices in the meat trade is being urged by meat distributors and butchers in the light of the board's sale of surplus meat direct to consumers.

While consumers have been urged by the Housewives League stock up their freezers with cheap frozen meat now being sold direct by the Meat Board, distributors are up in arms that the government-constituted body has entered into direct competition with them.

In terms of the surplus removal scheme, part of the board's function is to protect the producers, which includes buying up surplus carcasses when the meat price hits the floor level at the abattoirs.

Drastic price falls

The farmers pay a levy to the board which uses these funds to buy up surpluses during times of oversupply when the price falls drastically.

Distributors are forced to add costs of transport and it

Calls for ^{3 meat}abolition of the Meat Board

was clear the board was undercutting them, said Renown Meat Market managing director Roy Smither.

If free market forces were allowed to take over in the meat trade, the floor price would be removed and prices would drop to below present levels, he said.

Housewives League chief Mrs Morris said: "Butchers may be angry that the board is muscling in on free enterprise but the truth is meat prices have been steady but nevertheless high for a long time.

"What is significant is that the farmer's prices have dropped by about 20 percent at the abattoirs and the consumers have not had the benefit of the price fall.

"The question is who is pocketing the difference? Although all sections are represented on

the board, it basically supports the producer, therefore the finger appears to point to the middle man, in this case the meat industry."

Retail butchers in the Transvaal reacted angrily, saying the meat should have been offered to them before being sold directly to the public.

Profit for butchers

Monument Park butcher Mr Danie Ferreira, a member of the Pretoria Butchers' Association — which is affiliated to the SA Federation of Retail Butchers — said retail butchers could not lower their prices, as few butchers made a net profit of more than 10 percent on their meat.

Discussions will take place between the board and representatives of the SA Federation of Retail Butchers and the Federation of Country Butchers.

Dr Pieter Coetzee, senior manager of the Meat Board, said last week the decision to sell surplus meat directly to the public would be used as a "lever" to force retail butchers to reduce their prices.

Meat price reductions 'not reflected in shops'

CAPE TOWN — A row is brewing between the public and supermarket giants who have not passed on meat price benefits to the consumer.

The producer price of beef and lamb dropped by an average of 8,4 percent between January and May this year, but similar reductions have not been reflected on the shelves.

Mr Pieter Coetzee, the senior general manager of the Meat Board, said: "The Government's Central Statistics Service shows that consumer prices have not dropped." *(3 meat stores 25/6/90)*

A survey of Cape Town supermarkets and butcheries showed that the average consumer prices during the same period

had remained constant.

Figures released by a source showed that two supermarkets which claimed they had dropped their prices had maintained their beef prices between February and May while they had increased their prices for lamb. One chainstore had dropped its prices for both beef and lamb. — Sapa.

Butchers urged to
pass on discount
5/12 19/6/90
on mutton, pork ^{meat}

The Meat Board has made an urgent appeal to dealers countrywide to pass on a reduction in red meat prices to consumers.

The general manager, marketing and administration, of the board, Frans Pieterse, said in Pretoria yesterday dealers should use every available means to allow consumers to share in a 20 percent reduction in the producer's price for mutton and pork. Sapa.

(3) Meat

Request for Meat Board privatisation

GERALD REILLY

PRETORIA — The red meat industry wants government to privatise the Meat Board and agree to the privatisation of the Abattoir Corporation.

At its recent congress in Port Elizabeth, the Red Meat Producers Organisation (RPO) said privatisation of the board would mean the transfer of assets to an organisation owned by a producer majority.

The congress also approved a move towards a takeover of the Abattoir Corporation by the same producer organisation.

The RPO stressed a basic objective for commodity stability was an effective protection of producers against unjustified imports. Protection of the producer against extraordinary low prices was another.

Meanwhile, Meat Board GM Peter Coetzee said the board was considering deregulation of aspects of the meat scheme, including scrapping the compulsory registration of butchers. B.D.M. 14/6/90

He added the Abattoir Corporation had submitted proposals to government for its privatisation.

For the first time in years the board would not have to import meat this year. In previous years shortage the board had had to import up to R100m worth of meat.

B1 Day 5/6/90

Farmers decry ③ Meat economy curbs

GERALD REILLY

PRETORIA — The Transvaal Red Meat Producers' Organisation (RPO) wants government to lift the economy out of the current state of stagnation and introduce moderately stimulating measures.

In a statement last week an RPO spokesman said the financial plight of farmers — particularly stock farmers — continued to worsen. The RPO blamed the deteriorating financial position on "artificial and abnormally high" interest rates.

Also blamed was a stagnating economy, aggravated by strikes and unrest, which resulted in unrealistically low producer prices.

Another factor was the general lawlessness in SA, particularly with regard to stock theft.

Veterinary services were also deteriorating.

The RPO had asked government to take "decisive steps" to assist stock farmers.

The spokesman added further moves to cool the economy were unnecessary in the view of the RPO.

... to be held at 09H00 on
Friday, 29 June 1990 at
...urg. The meeting will be
...areholders dated 4 June

INCE

Rainbow earnings

rise by 16,1%

C.M. Turb

19/2/80
Financial Editor

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2008

IN spite of the economic downturn and an oversupply of chicken, Rainbow Chicken lifted earnings by 16,1% in the six months to December. And the directors expect them to go on rising at this rate for the rest of the year.

Group MD John Geoghegan says that although there is an oversupply of chicken the company will not slowdown its rate of expansion "as there are still significant economies of scale to be achieved, which will benefit both Rainbow and the consumer".

Production at the Worcester, Hammarsdale and Rustenburg operations is continuing to rise "as a result of sound broiler chicken management systems and carefully planned expansion programmes," says Geoghegan.

Turnover for the six months rose by 15,6% to R304m (R263m).

Profit before interest and tax was R40,6m (R42,5m) and interest received brought it up to R50m. After-tax profit was R39,8m (R31,2m).

Earnings at share level rose to 14,5c (12,5c) and the interim dividend to 4,8c (2,4c) a share. The net asset value per share has risen to 205,2c (180,5c).

"Rainbow achieved excellent production performance, mainly as a result of economies of scale and genetic improvements. In addition, management's focus on costs enabled Rainbow to contain production increases to well below the inflation rate."

Threat to red meat market

GERALD REILLY

Meat

PRETORIA — High prices were threatening the red meat industry's market share, Agriculture Minister Jacob de Villiers said in Tweedie yesterday.

He told the Natal Beef Producers' Congress that between 1979-80 and 1988-89, beef prices had risen in real terms by 50.4%. *25/11/90*

He said effective competition, freer market access and provision for consumer preferences would have to be looked at closely.

It was essential that the marketing of beef took place in a more deregulated market with greater accessibility to domestic and foreign entrants.

Stressing the price sensitivity of meat, De Villiers said an increase in the price of beef relative to poultry only stimulated the demand for poultry. The demand for beef had declined sharply since 1979-80, while the demand for white meat had increased.

condemned Dempster as "nothing but a filthy, nasty gossip".

'Aids' epidemic kills chickens

CAPE TOWN 13/1/90

Staff Reporter *(3/1/90)*

AN AIDS-type disease wiping out chickens in the Western Cape has reached epidemic proportions, says a local veterinarian.

A new, more virulent strain of gum-boro — not a new disease — is capable of killing up to 60% of a particular flock by attacking the chickens' immune systems and rendering them susceptible to all other infections.

The vet said the situation looked bleak and he foresaw no real solution to the problem in the near future, as eradication of the disease was left up to individual farmers.

The disease started in the Western Cape last May and has since spread to Natal and the Transvaal.

A Stellenbosch vet said the virus which caused the disease was known and could be controlled by vaccines.

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AGRICULTURE - MEAT.

1991

Lower trend in meat prices set to continue, says board

MARCIA KLEIN

THE decline in real terms in meat prices, which is now into its third year, is expected to continue in 1991.

This trend was likely to affect red meat producers and retailers negatively, industry spokesmen said yesterday.

Meat Board deputy chairman Frans Pieterse announced on Wednesday that meat prices should begin to drop from their Christmas peak by today, but this year's opening prices were unlikely to be lower than last year's.

However, the auction price of meat would fall further and prices in 1991 would not show an increase over last year's levels, Meat Board spokesman Peter Kempen said yesterday.

Last year the beef auction price was about R5/kg, while the price for mutton was about R6,50/kg.

Kempen said while demand had exceeded supply in the past few weeks, this situation would be reversed and the price would come down to last year's levels.

He said this meant the producer was "once again getting behind the inflation

rate".

Red Meat Producers' Organisation national chairman Jan Lombard agreed that prices would be of the same order as last year.

He said this would be the third year of declining real prices which followed a sharp increase in 1986-87.

While reserves had enabled the producer to survive in the past, inflation lessened the producer's ability to survive, Lombard said.

This might have the effect of a stagnation in production growth or a reduction in the breeding herd, and he suggested a relative shortage might be in the offing.

Meat retailers — who are dependent on prices rising in line with inflation — would also be affected indirectly as they worked on a fixed percentage.

However, Lombard said as the movement in meat prices was cyclical, he expected an upward trend at the end of next year.

Meat retailers 'made turkeys of public'

Municipal Reporter

A CONSUMER organisation has accused meat retailers of exploiting the public once again over the Christmas season.

Meat prices rose as usual during the festive season, and declined again afterwards. The Meat Board said it had "done its best" to keep prices down by bringing in enough supplies.

The South African Co-ordinating Consumer Council issued a hard-hitting press statement yesterday, in which it blamed retail butchers for "exploiting consumers" — a claim that was hotly denied.

Mrs Ina Wilken, the Consumer Council's assistant director of research, said the Meat Board had brought in enough supplies sufficiently early and made this meat available to provide for the expected higher demand.

However, the council had been inundated with calls from furious consumers, who had had to pay "between R7,80 and R9,20 per kg for beef, up to R11,99 for mutton and lamb, and at least R5,38 for pork", she said.

Mr Sakkie de Jager, a Meat Board

official at the city's municipal abattoir, confirmed the board had tried to provide for the increased demand.

However, wholesale prices were set by auctions, he said. The prices had gone up over the Christmas period, despite attempts to keep them down.

For example, prices of super lamb were R8,97 per kg on December 28 and R7,58 yesterday, prime beef R8,65 and then R6,99 yesterday, and top C grades were R8,01 and R6,65 yesterday.

Mr Aubrey Farber, a butcher and member of the Cape Livestock Meat Retailers' Association, said it was "obvious" that the demand was still exceeding the supply.

"They (Meat Board officials) don't want to stockpile choice cuts of meat in their extensive freezer facilities in Paarden Eiland from June, as they should, because it costs money," he said.

"It's not the retailers' fault. We don't produce the meat, and we don't auction it. We have to go to the produce market, and what can we do if lamb goes up to more than R9 a kilogram on the wholesale market?"

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CAPT-TINTS
5/11/91
3 meat

Imported factory meat 'a concern'

6/10/91 11/11/91
MARIETTE DU PLESSIS 17/11/91

MEAT producers were concerned about the impact the availability of 2 700 tons of imported factory meat would have on market access and prices in the short term. Red Meat Producers Organisation (RPO) chairman Jan Lombard said in a statement this week. (3) Meat

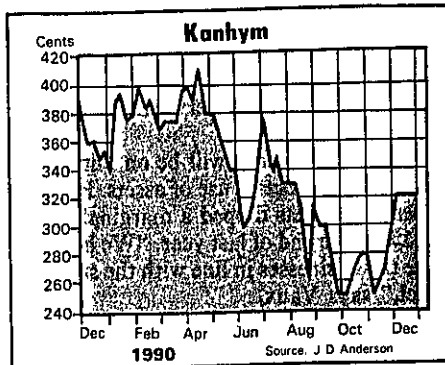
However, Lombard said local meat canning factories would not have stayed operational if the cheaper meat had not been imported. The meat has not yet been made available to the canning factories. (2)

The tonnage imported represented only about 0,5% of the expected availability of beef for 1991, he said.

Meat canning factories, which had purchased about 45% of their requirements on the local market during the past three months, played a price-supporting role in the case of lower grades, Lombard said.

He requested the board to supply the imported meat only to the canning factories concerned.

The Meat Board subsequently said the meat would only be allocated if proof was given of actual needs that could not be met on the local market.



R4m drop in income at Karoo-Ochse and Kanhym Fresh Meat.

Overall, earnings from the group's commodity division — which include Karoo-Ochse, Kanhym Estate, Fresh Meat and Checker Butcheries — fell by a third.

However, a positive aspect of the lower market prices was that the purchase price of weaners fell sharply in the last quarter of 1990 and that should benefit margins during 1991.

The slide in the commodity businesses was cushioned by the value-added division — Enterprise, Hanni, Mielie-Kip and Herti — which lifted earnings by 26%. Enterprise had to cope with an oversupply of chicken in the market and the unstable conditions in the townships. Jacobs is confident Kanhym will benefit in the long run from a tendency among black consumers to use prepared meat as a luxury convenience food.

With the recovery in the red meat market, super A beef was selling last week at above 630c/kg in Johannesburg and above 640c/kg in Pretoria. Six months ago the price was about 523c/kg. These increases are probably due to seasonal factors, though, and may ease soon.

Companies in the value-added division, which now contributes about two thirds of group operating income, depend largely on local consumer spending, which seems unlikely to improve in the near-term. An exception is the leather producer, Hanni & Sons, which enjoyed buoyant trading conditions last year, owing to its position as leading SA supplier of leather car upholstery in domestic

and export markets. But Hanni will be affected by a slowdown in world economies.

Essentially, Kanhym needs to see a sustained recovery in red meat prices as well as in the leather business. The pre-tax performance should be enhanced this year by lower interest charges as well as reduced borrowings. Jacobs plans to reduce debt further during the year. One possibility would be to reduce stock, but much of the stock consists of cattle and a cutback could mean losing control over beef supplies; a partnership in red meat could be a solution.

At 320c, the share trades on an earning multiple of only 3,8 times, far below the 13,6 average for the food sector which is dominated by the likes of Tiger and Premier. The group has yet to establish a consistent record after the lean years of 1983-1985 and is being rated accordingly.

Gerhard Slabber

KANHYM (3) meat
PRICE SQUEEZE FM 18/1/91

Activities: Integrated meat producer and retailer with interests in livestock auctioneering and leather.

Control: Malbak 85%.

Executive chairman: D J Jacobs.

Capital structure: 55m ords. Market capitalisation: R176m.

Share market: Price: 320c. Yields: 6,25% on dividend; 17,1% on earnings; p:e ratio, 5,9; cover, 2,7. 12-month high, 410c; low, 245c.

Trading volume last quarter, 140 000 shares.

Year to Aug 31	'87	'88	'89	'90
ST debt (Rm)	69,6	47,1	20,0	42,4
LT debt (Rm)	30,6	20,5	12,1	12,1
Debt:equity ratio	0,44	0,49	0,19	0,31
Shareholders' interest	0,52	0,49	0,57	0,60
Int & leasing cover ..	2,31	2,69	3,21	3,21
Return on cap (%) ..	4,8	11,7	15,9	14,8
Turnover (Rm)	431	801	862	979
Pre-int profit (Rm) ...	15,7	32,2	46,1	43,6
Pre-int margin (%) ..	3,7	4,0	5,4	4,5
Earnings (c)	21,0	20,5	60,6	54,6
Dividends (c)	—	5	20	20
Net worth (c)	168	184	299	323

In the (probably unlikely) event that the recent recovery in red meat prices is sustained this year, there will be a useful boost to Kanhym's bottom line after the poor results in 1990. However, executive chairman Dirk Jacobs says he expects no improvement in red meat prices or in consumer spending.

Last year's unexpected collapse in red meat prices, coming on top of the deteriorating consumer market, cost Kanhym some R8m in earnings. The 50c/kg price drop cut realisation per head of cattle by R100 and the Kanhym Estate feedlots sold 40 000 head in the final quarter. Added to this was a



Kanhym's Jacobs ... wants to reduce debt

Kanhym results 'satisfactory'

MARCIA KLEIN

FOOD group Kanhym's interim results to end-February would not match those posted in the first half of financial 1990, but would show a significant improvement over those of the second half, executive chairman Dirk Jacobs said at the group's AGM yesterday. ^{(3) meat}

He said comparisons with the interim results of 1990 were "a bit onerous" as attributable earnings had shot up by 45% to R20,2m by February 1990, "propelled by an economy which at that stage was only beginning to show signs of the downturn".

However, results should be better than those posted for the second half of financial 1990, when the group reported a 5% drop in attributable earnings to R30m.

Jacobs said the improvement would be due to "the effectiveness of continuing efforts to enhance the group's cost structure, asset management and cash flow."

"Considering the current state of the economy and the high base we established in the first half of last year, I think the results we anticipate for the six months to February are satisfactory," he said.

Jacobs said the value-added sector was

maintaining its position as the major contributor to earnings despite severely depressed consumer demand.

In the year to end-August, Kanhym's value-added operations propped up group earnings after its commodity divisions were hard hit by the collapse in the red meat price. ^{5/10/91 4291}

Beef and cattle prices were still at lower levels than in the same period last year, while the late rainy season had reduced the availability of marketable cattle, he said.

Kanhym had succeeded in keeping financing costs for these six months at last year's level (R5,9m at the February 1990 interim stage) despite the R12m acquisition of Mielie-Kip and Herti.

Jacobs said that by the end of February, the group's debt burden would be substantially reduced compared with last year's interim stage — interest-bearing debt was R94,2m in February 1990 — and the benefits of this reduction as well as the improvement of the balance sheet should be evident at the end of financial 1991.

Abattoir cutback may inflate prices

Staff Reporter

THE Cape Town City Council failed for four years to carry out a government order to upgrade the Maitland Abattoir — and now stands to lose over R3m in revenue, as slaughtering will be cut by 21%.

Speaking at the Western Province Agricultural Union red meat congress yesterday, union chairman Mr Gert Aggenbach said consumers can expect to pay higher prices for meat soon as only 1 430 animals will now be slaughtered per day, as opposed to 1 800.

Restrictions on slaughtering were ordered by the Department of Agriculture's Directorate of Meat Hygiene from the beginning of the year.

The lower figure would also drastically affect farmers, he said.

The director of the abattoir, Dr Wally van Heerden, said last night that the council had been unable to carry out the order as a result of high costs.

He said the council was looking at alternatives to alleviate the problem, such as privatisation of the abattoir.

Kanhym anticipating satisfactory results

Finance Staff

Star 6/2/91

Kanhym executive chairman Dirk Jacobs says the food group's interim results for the period ending February will show a significant improvement over those for the second half of the previous financial year but will not match its exceptional performance in the first half of that year.

Speaking at the group's annual meeting yesterday, Mr

Jacobs said the expected improvement over the second six-month period could be attributable to the effectiveness of continuing efforts to enhance the group's cost structure, asset management and cash flow.

"As I anticipated in the annual report, we shall not equal our 1990 first-half results. Comparisons with that period are a bit onerous, however, as attributable earnings then shot up by

45 percent, propelled by an economy which at that stage was only beginning to show signs of the downturn which has since accelerated so severely", Mr Jacobs said.

③ Meat

Mr Jacobs said Kanhym's value-added sector was maintaining its position as the major contributor to earnings in spite of severely depressed consumer demand. In its commodity sector, beef and cattle prices were

still at lower levels than in the comparable period last year, while the late start to the rainy season had reduced the availability of marketable cattle.

"In spite of the acquisition of Mielle-Kip and Herti for some R12 million, Kanhym has succeeded in keeping its financing costs for these six months at the previous year's level, and we shall have reduced our debt burden substantially by the end of February".

15/04/91 17/2/91
Red meat prices set for big drop

MARIETTE DU PLESSIS (3) Meat

RED meat prices were set to drop significantly in the first half of this year as market conditions for producers deteriorated more rapidly, an SA Agricultural Union spokesman said yesterday.

SA's R5,5bn in foreign debt repayments scheduled for 1991, the high rate of inflation, and recessionary conditions in the international economy indicated the local economy would show little growth, affecting agriculture.

While agriculture as a whole would experience a bad year, red meat producers in particular would find themselves in a significantly weaker financial position. However, this would depend on the marketing pressure and lower prices that might occur, he said.

Beef prices in 1990 were lower than those of 1988, despite agricultural inflation since then of around 30%, Agri-Africa director John Harrison said. This, together with the importation of 4 000 tons of beef for processing last year, was affecting market conditions.

Tariff protection was recently introduced by government to protect producers against cheap subsidised meat imports from the TBVC states, Red Meat Producers' Organisation assistant manager Gerhard Schutte said.

However, Harrison was critical of this, saying if meat importers were willing to pay the tariff, they should be allowed to sell the subsidised products.

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said member of Parliament could have contributed to public disturbance, disorderliness or public violence; if not, why not; if so, why was only the member of Parliament for Claremont arrested and removed from the area by the police officer concerned? *Answered 12/3/91*

B302E

THE MINISTER OF LAW AND ORDER:

(1) to (3)

It has in the meantime come to my attention and I have established that a case docket regarding the matter has been submitted to the Attorney-General for a decision. In view of this, the matter is thus *sub judice*, and I can unfortunately not make available any further information in this regard at this stage.

†Brig J F BOSMAN: Mr Speaker, arising from the hon the Minister's reply, I would just like to know whether he is not considering any serious action against the policeman who released the hon member for Claremont. [Interjections.]

†THE MINISTER OF LAW AND ORDER: Mr Speaker, that information is also *sub judice*.

New questions:

ANC/SAP: road blocks

*1. Mr A A B BRUWER asked the Minister of Law and Order: *Answered 12/3/91*

Whether members of the ANC dressed in their uniforms have operated or are operating together with members of the South African Police at road blocks; if so, (a) why, (b) in terms of what statutory provisions and/or regulations and (c) who granted permission for it?

B350E

†THE DEPUTY MINISTER OF LAW AND ORDER:

No, (a) to (c) Fall away.

†Mr A A B BRUWER: Mr Speaker, arising from the hon the Deputy Minister's reply, is he aware of the fact that on occasion ANC members in uniform operated at a road-block in the Phalaborwa vicinity? If so, does it have his approval?

†THE DEPUTY MINISTER: Mr Speaker, on 1 February 1991 the SA Police set up road-

HOUSE OF ASSEMBLY

during the past six months; if so, (a) what quantity, (b) from where, (c) when and (d) what was the part played by his Department in this connection? *3 Meat*

B353E

THE MINISTER OF TRADE AND INDUSTRY AND TOURISM: *Answered 12/3/91*

Since the official import statistics for the time period referred to have not been released yet, the information requested in (a), (b) and (c) is not available at this stage. Regarding part (d) of the question, namely, the Department of Trade and Industry's role in the matter, the position is that up to 31 December 1990 import permits were issued only on recommendation of the Department of Agriculture. As from 1 January 1991 applications for import permits are considered and recommended by a committee consisting of representatives of the Meat Board, Department of Agriculture and Department of Trade and Industry. The Meat Board acts as convener of this committee. The following import permits for meat were issued over the past six months: beef R43,6 million, pork R23 million, mutton and goat meat R5 million and offal R17 million.

†Mr A A B BRUWER: Mr Speaker, arising from the hon the Minister's reply, I should like to know from him whether the Meat Board has been fully informed about the whole matter.

†THE MINISTER: Mr Speaker, the permits which have been issued thus far have not necessarily all been used over the years. I think the liaison which now exists after the disruption that occurred, the liaison between agriculture, the Department of Trade and Industry and the Meat Board is satisfactory for the future. I believe there will be no further disruption.

Certain organizations: SAP assistance

*3. Mr J H MOMBORG asked the Minister of Law and Order: *Answered 12/3/91*

(1) Whether, over the past 10 years, any section of the South African Police has directly or indirectly given any financial or organizational support to certain organizations, whose names have been furnished to the Police for the purpose of the Minister's reply; if so (a) which section of the Police, (b) to which of these organizations and (c) to what extent; *Meat brought into RSA Answered 12/3/91*

HOUSE OF ASSEMBLY

(2) whether he will make a statement on the matter? *Answered 12/3/91*

B365E

†THE DEPUTY MINISTER OF LAW AND ORDER:

(1) and (2)

I refer the hon member to the State President's oral reply to Question 1 in the House of Assembly on 5 March 1991 which I consider to be sufficient.

SA exiles: State funds

*4. Mr K M ANDREW asked the Minister of Home Affairs:

Whether any State funds have been or are to be made available to assist with the return or resettlement of South African exiles; if not, why not; if so, (a) what is the amount involved, (b) for what specific purposes will it be used and (c) who will be responsible for administering these funds? *Answered 12/3/91*

B368E

THE MINISTER OF HOME AFFAIRS:

The hon member is referred to my media release of 5 March 1991, a copy of which I lay upon the Table.

Media release by Mr Gene Louw, MP Minister of Home Affairs during a media conference regarding the repatriation of South African returnees

Embargo: 11:30 on 5 March 1991

Check against delivery

With regard to the repatriation of South African returnees I have to refer to a press release on 27 December 1990, by my colleague, the Minister of Justice, Mr Kobie Coetsee. It was announced at the time, inter alia, that I had appointed a senior official of the Department of Home Affairs to coordinate the repatriation of South African returnees, within the parameters of government involvement, and to promote their reintegration into the South African society. The appointee had also been empowered to act as liaison officer between government departments and non-governmental bodies involved in the repatriation of returnees. His further duties are to identify possible problem areas concerning the returnees and to bring these

Kanhym results reflect poor meat prices and cutbacks

FOOD group Kanhym's 13% decrease in attributable earnings to R17,5m (R20m) in the six months to end-February reflects the group's cutting back on commodity activities, a stagnant red meat price and a decline in tannery income.

Earnings a share decreased similarly to 31.9c (36.7c) but executive chairman Dirk Jacobs said yesterday that the decline would have been about 2% if income from discontinued mining operations from the previous year's results was excluded.

Stagnant

He said comparisons with the first half of 1990 should be seen in the context of an exceptional performance in that period, when earnings increased by 45%.

A 4% increase in turnover to R496.2m (R477.0m) was a result of Kanhym cutting back on its commodity activities. Feedlot numbers were reduced from 50 000 last year to 30 000 in expectation of meat prices remaining stagnant or continuing at a low level for the next 18 months. This would have a positive effect on finance charges in the second half, Jacobs said, and with feedlots at this level, Kanhym would be totally self-sufficient in its feed requirements.

Blom 26/3/91
MARCIA KLEIN

Another reason for the 4% increase was the tannery activities housed in Hanni — the hide price had decreased over the year from R4/kg to R2,10/kg, and the European market had plunged due to the mild winter.

Operating income was down by 2% to R23,5m (R24m). The group's value-added operations — Enterprise, Hanni, Herti and Mielie-Kip — maintained their R12,6m contribution to operating income despite depressed consumer demand.

However, the commodity operations' contribution to operating income dropped by 5% to R10,9m (R11,5m). Kanhym Estate, Kanhym Fresh Meat and the agency and auctioneering business Karoo-Ochse were affected by the continued weakness in the beef and cattle prices.

Borrowings were down substantially despite R15m being spent on the Herti and Mielie-Kip acquisitions, R11m on dividend payments and R10m on capex.

Interest-bearing debt was down by R34,2m to R60m, and gearing at 31% was significantly lower than the 52% reported at the February 1990 interim stage.

Jacobs said phased stock reduction of feedlot cattle accounted for R20m which

would be reflected in reduced finance charges in the second half — charges for the first half were contained at R6m.

The 10c a share interim dividend was maintained due to a "strong cashflow, financial management and asset control".

The recovery from results for the second half of financial 1990 was indicative "of the extent to which Kanhym had succeeded in freeing itself from its subjection to the tyranny of the red meat price cycle".

Measures

Jacobs expected the second half to be as difficult as the first, with little hope for improvement in beef and cattle prices. The demand for value-added products seemed to have stabilised at a lower base and margins would remain under pressure in a competitive market. Group operations were likely to maintain market share in value terms, but at lower volume.

However, measures taken to hedge Kanhym against the red meat cycle, a beneficial effect of reduced feedlots on the finance charges and "management's ability to maintain costs and be frugal with working capital" should see results for the second half being significantly better than those of financial 1990.

Fm 29/3/91 (3) Meat

KANHYM (3) Meat Fm 29/3/91
DEFENSIVE STRATEGY

Kanhym, a supplier of branded meat products and fresh meat, has for several years been moving towards adding value to its products, and thus reducing its dependence on commodities. That strategy has again helped the group to offset the effects of a stagnant red meat market.

Executive chairman Dirk Jacobs says that after growing steadily since about 1984, the red meat market plateaued and started falling during the latter half of calendar 1990. He expects it will remain depressed for at least the next 18 months.

Kanhym's diversification has left the group linked more closely to the economy than to the red meat market. In the six months to end-February, attributable earnings fell by 13%, but management remains optimistic that growth will be achieved for the full year.

It's hoped that the value-added side of the operations will help to generate profit growth for the group while the red meat market remains slack. Jacobs declines to quantify the growth forecast for the 1991 year but says the second-half figures should be much improved as a result of lower finance charges, with red meat prices remaining roughly stable.

The group operating margin narrowed from the year-ago 5,03% to 4,74%. Turnover rose by only 4% and operating profit declined by 2%. However, Jacobs points out that it is difficult to compare results of the two periods.

The decline in attributable earnings would have been only 2% had the income from the discontinued coal mining operations been excluded from the previous year's interim result.

Also, a comparison with last year's first half should be seen in the context of the group's exceptional performance during that period. Attributable earnings rose by 45% at a time when the recession had barely started.

Jacobs ascribes the slowdown in turnover growth largely to the 40% reduction in the number of cattle in the group's feedlots. In addition, the price of cattle on the hoof dropped from R722 a year ago to an average R683 from September to February. Reducing the feedlot numbers by 20 000 is expected to result in Kanhym's supplies of cattle to

LESS BEEF

Six months to	Feb 28 '90	Aug 31 '90	Feb 28 '91
Turnover (Rm)	477	502	496
Operating prof (Rm)	23,9	17,4	23,5
Attrib profit (Rm) ..	20,2	9,8	17,5
Earnings (c)	36,7	17,9	31,9
Dividend (c)	10	10	10

the market falling by 60 000, as the feedlots operate on a four-month cycle. This should help to stabilise red meat prices at the current levels.

Kanhym's abattoirs are not expected to suffer from the cutbacks at the group's feedlots. Other feedlot operators have been contracted to supply the abattoirs and the tanner, Hanni, will have its normal supply of hides. Jacobs is particularly pleased with Hanni's improved performance, achieved even though hide prices almost halved to R2,10/kg.

The other value-added operations — Enterprise Foods, Herti and Mielie-Kip — contributed strongly to operating income, despite depressed consumer demand. Jacobs says Enterprise held on to its share of the prepared foods market while continuing to obtain a premium price for its products. "One banks profit not market share," he notes.

The balance sheet remains unstrained. Gearing has been reduced to 32% from 52% a year ago and is expected to fall further by year-end.

The share price fluctuated between 250c and 320c over the past seven months. At the current 275c, the dividend yield is 7,3%, well above the sector average of 2,7%, so the market appears to have reservations about the group's prospects.

Gerhard Slabber

Wors-loving SA is being skinned alive

Own Correspondent

JOHANNESBURG. — South Africa cannot even locally make the skin of its own indigenous sausage, boerewors, because of the Meat Board's centrally controlled production system.

Boerewors casings are imported from New Zealand, at a cost of R15m to R20m a year. These casings could be produced in South Africa and create more than 1 000 jobs, and probably export products worth R15m, according to Cape-based butchery group Freddy Hirsh-Bizerla Scales.

The problem stems from the Meat Board's system of awarding contracts once a year to the highest bidder.

Local entrepreneurs are not prepared to gamble their money on building a sheep-intestine cleaning plant because of the Meat Board's tendering system which reallocates contracts every year, according to Altron deputy chairman Mr Charles Stride.

Meat Board spokesman Mr Pieter Coetzee denies that the board prevents boerewors being cased locally.

Firstly, boerewors is mainly cased in pork skin and secondly, the tendering system allows for sausage-casing plants to keep their contracts indefinitely if they agree to the board's prices, he said.

The contract to clean sheep intestines was allocated to a factory near Kimberley, but the owner lost the contract because he was not prepared to extend his plant, which manufactured only medical supplies from the intestines — not boerewors casings.

"We supplied the meat to him at very low prices to allow him to increase the processing capability of his factory, but he exported the intestines and then imported the finished goods.

We have now given part of the contract to a Cape-based company which is erecting a plant that will do the whole process locally," Mr Coetzee said.

CAN 7-115 2/4/91 3 meat

Deregulation of meat industry 'not likely for at least two years'

THE deregulation of the meat industry, stressed by the Meat Board as a priority in its latest annual report, would not take place for at least two years, Meat Board information spokesman Ernst Janovsky said yesterday.

The board said in its 1989/90 annual report it had made important decisions in the year under review regarding deregulation but it differed with the Minister of Agriculture regarding the approach and was "working on the matter".

The privatisation of the state-controlled Abattoir Corporation (Abakor) would be a key element in the deregulation of the meat industry.

The report did not mention it but Janovsky said abattoir privatisation was still being considered within the framework of deregulation.

Critics say the highly controlled nature of the meat industry has resulted in the widening divergence between producer and consumer prices of meat.

The board said the auction floor price for meat, determined according to a new market-related method, had been accepted but

not approved by the Minister. The floor price is the minimum price at which the board removes a surplus from the market.

The board reported progress in the abolition of restrictive registration, Meat traders are required to register with the Meat Board, which in the past controlled the number of traders allowed in the market.

The board had recommended to the Minister registration should be abolished and that trade factors should be registered purely for administrative purposes.

The board said the distinction between controlled areas and outside areas might be abolished. "The Meat Board controls the meat industry in the urban areas, which comprise about 50% of the meat industry," Janovsky said.

The abolition of the distinction between areas would be subject to a new basis for price formulation, grading/classification and hygiene requirements.

The board plans to do away with the meat grading system and replace it with a classification system.

SHARON WOOD

'Shop around' for the cheapest meat buys

3 meat Star 26/4/91

Consumer Reporter

The average auction price paid to farmers for their super beef has been virtually constant since February 1991 — yet consumers are forking out about 10 percent more at supermarkets for the food, the Housewives' League has found.

In an article in the latest edition of its "Rands and Sense", the Housewives' League's vice-president, Sheila Lord, said auction prices for red meat had remained virtually unchanged between February 1989 and 1991. However, supermarket prices had risen by approximately 10 percent.

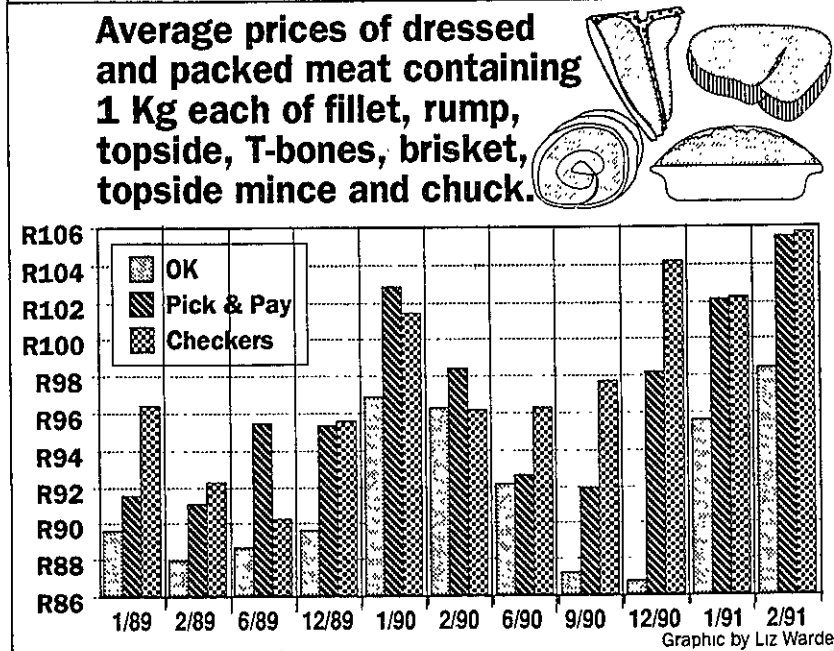
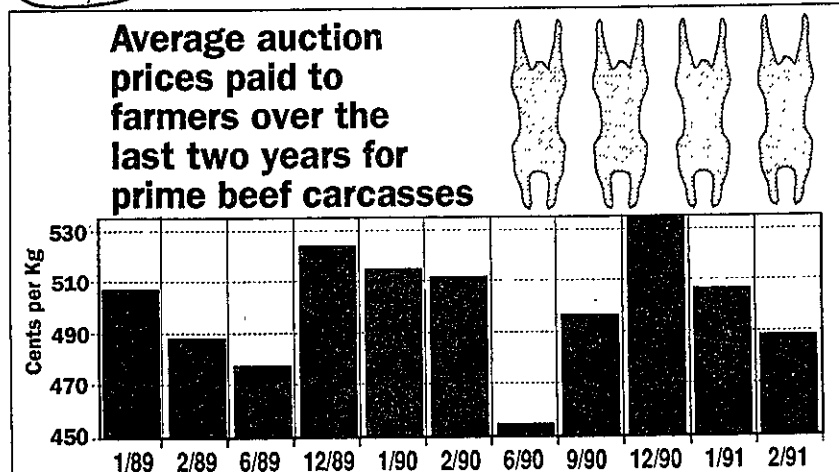
Increased

This proved there was a bigger rake-off between auction and retailer than there had been in the past, she said.

"Looking back over the two-year period, it is obvious that the gap increased most in 1989 — so the farmers' complaint that they are getting less for their product and that the customer is paying more is correct," Mrs Lord said.

She was commenting on the League's investigation into the price of beef at the abattoir and in supermarkets and independent butcheries. The survey followed complaints from consumers and farmers that the price of meat was too high.

The League used the average auction price for super beef at City



Deep abattoir while the average of store prices taken by members in Johannesburg and Pretoria were for the total price of a kilogram each of fillet, rump, topside, T-bones, brisket, chuck and topside mince.

In February 1989, the average auction price per kilogram was 487,8c. The average total price for the seven items at Pick 'n Pay was R91,03,

at Checkers R92,21 and at OK R87,92. The items cost an average R88,77 at independent butcheries.

However, in February this year, the auction price was an average of 488,3c/kg while the seven items cost an average R105,37 at the Pick 'n Pay stores, R105,68 at Checkers and R98,38 at OK. Independent butcheries were selling the

seven items at R88,21.

Mrs Lord said there was a tremendous variation in prices between the independent butchers although each butcher kept prices fairly static.

"Independent butcheries in the main are cheaper than the Supermarkets and consumers are advised to shop around when buying meat," Mrs Lord said.

Govt to cut involvement with red meat

16/Day 22/5/91.
BLOEMFONTEIN — Government involvement in agriculture would be scaled down, a Department of Agriculture chief director Deon Joubert said at a conference of the red meat industry in Bloemfontein yesterday.

The department's role would change from active player to that of policy formulation, policy implementation and policy evaluation.

However, agriculture still justified a degree of government intervention because of the uncertain and uncontrollable nature of agriculture, said Joubert.

The red meat industry was still the country's most important agricultural industry.

In 1989, the red meat industry was

worth R3 407m.

That figure compared with R2 105m for white meat, R2 047m for maize, R1 391m for vegetables, R1 915m for wheat, R1 007m for deciduous fruit, R956m for fresh milk and R702m for wool.

But how long the red meat industry could maintain its position was an open question in the light of consumer trends.

Joubert said a large percentage of all farmers in SA were involved to some extent in the red meat industry and it was important to remember that if economic disaster struck the industry, many would be affected.

Although South Africans were meat lovers, there had been a decline

in per capita consumption of red meat, and beef in particular, for a number of years.

People seemed to be choosing white meat instead.

There was a potentially big market for the red meat industry among the black population, as their personal disposable income had increased since 1975.

Deregulation and the elimination of unnecessary regulations should not be seen as a dismantling of the Marketing Act, but as action aimed at the sensible implementation of the Act, he said. It was department policy not to allow the red meat producer to be exposed to unfair competition from abroad. — Sapa.

Red meat producers say they are struggling

81 Day 23/5/91.
BLOEMFONTEIN — Tight economic conditions, low prices of substitute products and consumer preferences have recently had a negative influence on the red meat industry, says the annual report of the Red Meat Producers' Organisation.

The report, tabled at the RMPO's annual congress in Bloemfontein yesterday, said the larger supply of red meat, and weaker demand, had caused producer prices to stagnate and even decline in real terms. This trend was likely to continue until 1992 when a price leap was expected.

Other problems facing producers were excessive escalations in input costs and interest rates, while sporadic droughts,

especially in areas such as the eastern Cape, had taken on disaster proportions.

Producers would have to accept that the industry would in future be more deregulated and that free market principles would play a greater role, the report said.

Producers also had to accept that government would no longer be as directly involved in the industry.

The report stated the phasing-in of import duties on meat helped to control imports, but the question of import tariffs still required attention.

VAT would have an extremely adverse effect on producers in terms of lower auction prices and an increased administra-

tive burden.

③ meat
"In the medium term, prospects are not very encouraging," the report said.

The commodity review concluded it was significant that red meat producers were in a better financial position than other commodity farmers and their longer-term prospects were positive.

RMPO chairman J H Lombard said once the stage was set in terms of international acceptance and absence of unreasonable risk, the internal economy would still be at a low ebb. Growth would have to be exported, as the local economy would not be able to initiate investment on the required scale. — Sapa.

(1) Black Township	Kilometres (a) informal roads	Kilometres (b) formal roads	(i)	(ii)
Wepener (Qibing)	Nil	14,0	1988/89 R	1989/90 R
Wesselsbron (Monyakeng)	6,6	21,3	—	158 957
Winburg (Makelketa)	Nil	21,1	—	310
Zastron (Matlakeng)	0,6	11,2	—	4 128
			—	27 150
			—	4 702
			—	70 969
			—	10 578
Transvaal			72 143	183 715
			1989/90 R	274 269

(1) (a) and (b) The information is not readily available and can only be obtained at high costs.

(2) Falls away.

Dairy/Meat Boards: details of cases involved

458. Mr E W TRENT asked the Minister of Agriculture:

Whether, with reference to his reply to Question No 250 on 10 April 1991 in regard to the firms of attorneys that acted for the various control boards over the past five years, he will furnish details, (a) in the case of the Dairy Board, of the (i) cases involved and (ii) amounts paid to the legal firm of Dyason in 1988, 1989 and 1990, respectively, and (b) in the case of the Meat Board, of the (i) cases involved and (ii) amounts paid to the legal firm of Ross and Jacobsz in 1990; if not, why not; if so, what are the relevant details?

B1186E

THE MINISTER OF AGRICULTURE:

(a) Yes.

	1988/89 R	1989/90 R	1990/91 R	
Annardale	31 620	1 310	—	
Blue Grass ea	37 553	124 265	10 685	
Boland	2 129	900	11 470	
Melkboere	841	2 150	4 630	
NCD	—	460	—	
Lease Haum	—	—	—	
Miniverpak	—	277	—	
margarine	—	—	—	
Kastan/Singer	—	7 910	—	

HOUSE OF ASSEMBLY

Boksburg town councillors/officials: overseas trips

459. Mr J P I BLANCHÉ asked the Minister of Planning, Provincial Affairs and National Housing:†

(1) Whether he will furnish information on overseas journeys undertaken by councillors and officials of the Boksburg town council in 1990; if not, why not; if so, (a) what was the total expenditure involved in the said journeys for this town council, (b) what are the names of the (i) councillors and officials concerned and (ii) other persons who accompanied them and (c) what was the itinerary in respect of each of these journeys;

(2) whether, as a result of these journeys any agreements were concluded with, or support of any kind was obtained from, the parties visited; if so, (a) what is the nature of these agreements and/or support and (b) (i) with what parties were the agreements concluded and (ii) from what parties was the support obtained;

(3) whether he will make a statement on the matter? B1200E

THE MINISTER OF PLANNING, PROVINCIAL AFFAIRS AND NATIONAL HOUSING:

(1) (a) Approximately R137 162,00.

(b) (i) Mr P A Uys, Divisional Officer: Fire Brigade
Councillor G H C Pretorius
Councillor mev D S Greyling
Mr W A Coetzee, Chief: Health Services
Mr J J Coetzee, Town Clerk
Councillor T J Ferreira
Councillor C D Hawkins

(ii) None.

(c) (i) Mr P A Uys, Divisional Officer: Fire Brigade, could undertake an overseas study tour sponsored by the Fire Brigade Institute of South Africa, as part of his prize being elected as the Institute's Man of the Year. While he was overseas the Council also permitted him to attend two courses in certain aspects of fire brigade services.

†

Total cost for the Council: R7 155,00.
(ii) 9 September 1990 to 4 October 1990.

Councillors G H C Pretorius and Mrs D S Greyling together with Mr W A Coetzee, Chief: Health Services. Attend the "International Congress on Waste Collection and Disposal" in Amsterdam, Netherlands from 10 to 14 September 1990. The following places were also visited:

United Kingdom

— Waste conversion and -combustion plants in Birmingham and Coventry.
— Waste transfer stations - handling plants and refuse dumping site in London and Bedfordshire.

Belgium

— Investigate local government management and health related services in Koekelberg.
— Hospitals and retirement centres for the aged in Turnhout.
— Installation for the handling of dangerous chemical waste products in Essen.
— Municipal services and housing complexes for the aged and for students in Leuven.

— Kortrijk was also visited.

Germany

— Main fire station, civil protection services, chemical pollution prevention unit and personnel training in Bonn.
— Place of care for economically aged persons in Bonn.

— SA Embassy in Badgodesburg.

— Fire Station in Keulen.

(ii) 7 to 26 September 1990.

Councillors T J Ferreira and C D Hawkins together with Mr J J Coetzee, Town Clerk (as head of the Civil Defence in Boksburg) attended the Civil Defence International Disaster

HOUSE OF ASSEMBLY

Seems ¹ rec. over meat prices

② ^W ^W

In spite of a surplus of South African beef and mutton still in storage, the Meat Board this year imported 1 700 tons of beef and 350 tons of mutton from Australia.

Why is red meat so expensive? The current cash crunch affecting all of us means the Government can no longer afford to subsidise farmers or bolster corporations — a factor which used to create artificial meat prices.

Something is rotten in the chain of events between slaughter and picking the package off the shelf.

The chain starts with the harassed pig, sheep or cattle farmers, who face soaring costs in meat production.

Then there are multiple links in the meat industry's middle-man chain — agents, feedlot-owners, food processors, abattoirs, wholesalers and retailers — all leading to the consumer.

Among these are some giants, who have applied the philosophy of "vertical integration" to their operations including Kamhaya (owned by Samlam), a meat group with in-

terests stretching to every area of the red meat industry.

Then there is the Meat Board. With all the Government's talk of deregulation the Meat Board is uncertain of its future, nevertheless it still sets the floor prices for meat which is the minimum price the farmer can expect per carcass.

There is nothing unfair about this, as the "stabilisation fund" — comprised of levies paid by farmers on animals slaughtered — also pays out farmers any shortfalls to make up the floor price.

However, the Meat Board's handling of surpluses and imports should be questioned. The amount of red meat in storage, for which farmers have been paid, should flood the market and bring down the price of meat in any free market system. This is not the case.

Why should middlemen in the industry and conglomerates encourage hoarding? To keep the

consumer's pocket might.

Storing surpluses cost farmers a fortune. Their "stabilisation fund" which pays the farmers for meat that goes into cold storage, is not a bottomless pit.

As a result, the floor price of meat goes up, and consumers resisting high prices make life more difficult for the farmer.

The spiral cannot continue. According to an informed source within the Meat Board, 350 tons of cheap mutton from Australia as well as 1 700 tons of beef from an undisclosed country were imported in April. There are thousands of tons of surplus mutton and beef in storage, but to make matters worse, the mutton is still in storage and the imported mutton has been eaten!

Who benefits from this ridiculous attitude to surpluses? Certainly not the consumer. There is little the farmer can do about the situation. He is far away from the consumer in the

Star 16/1/91

meat chain. However consumers seem to be shunning red meat in favour of chicken or cheaper forms of protein.

The national per capita consumption of beef dropped from 17.29 kg a year in 1986 to 15.89 kg in 1990. The per capita consumption of chicken increased by 6.4 kg over the same period, according to official figures.

There was a slight rise in the consumption of pork and mutton in the period — but what about all these surpluses?

There is an argument for protest and boycott by consumers of red meat across the board. Only then will the rot in the system be exposed and the red meat industry be placed on a sound competitive footing.

If other industries can operate according to market demand and not the interests of middlemen, then why not the red meat industry?
JUSTINE NOPAL



We can't go on meatling like this... brothers Malcolm and David Foster, who own a butchery, gloomily contemplate less meat for your money.
Picture: John Hogg.

Meat probe may bring down prices

244
er 19/7/91
3 Meat.

By ANTHONY JOHNSON
Political Correspondent

THE government yesterday instructed the Competition Board to conduct an "all-embracing" investigation into the red meat industry in South Africa.

The probe could result in a major revamp of the entire industry, placing it on a more competitive and market-orientated footing with cheaper meat for the consumer as the ultimate goal.

Investigation

The investigation, which will take place in terms of the Maintenance and Promotion of Competition Act, was announced jointly yesterday by the Minister of Economic Co-ordination and Public Enterprises, Dr Dawie de Villiers, and the Minister of Agriculture, Dr Kraai van Niekerk.

The ministers said the Competition Board would be charged with the task of "authoritatively and impartially" determining the influence of existing legislation, regulations and marketing arrangements and structures on the red meat industry.

The investigation will comprise two phases:

- A review of all arrangements and structures involving production and marketing.

- An investigation into and recommendations concerning the most appropriate manner by which red meat production and marketing ought to be regulated "on a competitive basis within a market force context".

Specific attention will be devoted to the prevailing market arrangements and the desirability of privatising the SA Abattoir Corporation "in a deregulated market environment".

Spotlight

The role and functions of the existing marketing structure "within a market economy" will also come under the spotlight.

The ministers said the investigation should put the government "in a position to take future decisions on the red meat industry with due regard for the policy of privatisation and deregulation and especially the necessity of competition".

They said the probe would take place "with the knowledge of all the important role-players" in the industry, but gave no indication when the investigation might be completed.

Drop levies, say meat farmers

③ MEAT

Staff Reporter

DEREGULATION of the red meat industry will mean a drop in prices and make the prized food affordable for all, an independent farmers' livestock organisation claimed yesterday.

The Organisation of Livestock Producers said it wants compulsory levies enforced on livestock farmers removed to let market forces determine the merit of meat traders.

The organisation's comments follow the government's announcement this week that the Competition Board had been instructed to conduct an "all-embracing" investigation into the red meat industry, worth over R3 400 million in 1989.

Yesterday the organisation's president, Mr Sandy Speedy, said the abattoir system was concentrated in urban areas, which increased transport costs from the producing areas.

Mr Speedy said that allowing abattoirs closer to the farming areas would stimulate the rural areas.

A true free market system would mean farmers in "less sophisticated" areas could slaughter and sell to residents at affordable prices.

Mr Speedy said hygiene levels may suffer in some "less sophisticated" areas — but one in 1 000 people dying of botulism is better than one in 100 dying of malnutrition.

The Organisation of Livestock Producers broke away from the South African Agricultural Union (SAAU) in 1983.

The SAAU operates in conjunction with the Meat Board.

Mr Speedy said his organisation broke away because it was hamstrung by the bureaucracy which increased the cost of meat both for the producers and consumers.

Heat is on red meat industry

By Helen Grange
Pretoria Bureau

Heat
Star
19/7/91

An all-embracing investigation is to be conducted into the red meat industry by the Competition Board, the Government announced yesterday.

The industry has recently been under criticism over its marketing policies, which result in the consumer paying a high price — but the farmer gets less than half of it.

The Ministry for Economic Co-ordination and Public Enterprises, and the Ministry of Agriculture and Agricultural Development, said yesterday that the investigation would review all arrangements and structures involving meat production and marketing.

It would also investigate and make recommendations on the most appropriate manner in which red meat production and marketing ought to be regulated on a competitive basis.

Specific attention would be devoted to the prevailing marketing arrangements and the desirability of privatising the South African Abattoir Corporation.

Jan van der Walt, manager of the Red Meat Producers Organisation at the South African Agricultural Union, said he was disappointed at not being consulted before the decision was made public. He added that the meat industry was already being deregulated.

A Farmers' Weekly magazine source recently reported that both farmers and consumers were victims of a "middleman syndrome" — agents and organisations who are controlling prices by hoarding rather than marketing meat surpluses in order not to disturb the high profit margins.

There is also a row over the importation of meat, with Dr Pieter Coetzee, senior general manager of the Meat Board, saying there is no need for importation of certain meats when these are already available.

Probe into red-meat market

The Argus Correspondent

③ MEAT ARG 19/1/71

PRETORIA. — An all-embracing investigation is to be conducted into the red-meat industry by the Competition Board, the government has announced.

The industry has recently been subject to criticism over its marketing policies, which result in the consumer paying a high price for red meat while the farmer gets less than half the consumer price for his product.

The Ministry for Economic Co-ordination and Public Enterprises and the Ministry of Agriculture and Agricultural Development said yesterday the investigation would review all arrangements and structures involving meat production and marketing.

It would also investigate and make recommendations concerning the most appropriate manner by which red-meat production and marketing ought to be regulated on a competitive basis within a market-force context.

Specific attention will be devoted to the prevailing marketing arrangements and the desirability of privatising the South African Abattoir Corporation in a deregulated market environment.

Responding to the announcement, Mr Jan van der Walt, manager of the Red Meat Producers' Organisation at the SA Agricultural Union, said he was "disappointed" at not being consulted before the decision was made public.

Seeing red over those soaring meat prices

③ - MEAT ARG 19/7/91

Why is red meat so expensive? The current cash crunch affecting all of us means the government can no longer afford to subsidise farmers or bolster corporations — a factor which used to create artificial meat prices.

Something is wrong in the chain of events between slaughter and picking the package off the shelf. JUSTINE NOFAL reports.

ported by the meat traders themselves).

Nevertheless, there are thousands of tons of surplus, local mutton and beef in storage, and to make matters worse, that mutton is still in storage and the imported mutton has been eaten!

Who benefits from this ridiculous attitude to surpluses? Certainly not the consumer.

There is little the farmer can do about the situation. He is far away from the consumer in the meat chain. However, consumers seem to be shunning red meat in favour of chicken or cheaper forms of protein.

The national per capita consumption of beef dropped from 17.29 kg a year in 1986 to 15.89 kg

in 1990. The per capita consumption of chicken increased by 6.4 kg over the same period according to official figures.

There was a slight rise in the consumption of pork and mutton in the period — but where are all these surpluses?

There is an argument for protest and boycott by consumers of red meat across the board. Only then will the rot in the system be exposed and the red meat industry be placed on a sound competitive footing.

If other industries can operate according to market demands and not the interests of the middlemen, then why not the red meat industry?

THE chain starts with the harassed pig, sheep or cattle farmers, who face soaring costs in meat production.

Then there are multiple links in the meat industry's middleman chain — agents, feedlot-ers, food processors, abattoirs, wholesalers and retailers — all leading to the consumer.

Among these are some giants who have applied the philosophy of "vertical integration" to their operations, including Kanhym (Owned by Sanlam) a meat group with interests stretching to every area of the red meat market.

Then there is the Meat Board. With all the government's talk of deregulation, the Meat Board is uncertain of its future. Nevertheless it still sets the floor prices for meat which is the minimum price the farmer can expect per carcass.

There is nothing unfair about it. This, as the "stabilisation fund" — comprised of levies paid by farmers on animals slaughtered — also pays out farmers any shortfalls to make up the floor price.

However, the Meat Board's handling of surpluses and imports should be questioned. The amount of red meat in storage, for which farmers have been paid, should flood the market and bring down the price of meat in any free market system. This is not the case.

Why should middlemen in the industry and conglomerates encourage hoarding? To keep the consumer price high.

Storing surpluses costs farmers a fortune. Their "stabilisation fund" which pays them for meat that goes into cold storage is not a bottomless pit.

As a result, the floor price of meat goes up, and consumers resisting high prices make life more difficult for the farmer. The spiral cannot continue.

According to an informed source within the Meat Board, 350 tons of cheap mutton from Australia as well as 1 700 tons of beef from an undisclosed country were imported in April. (The Meat Board, incidentally, emphatically denies importing the meat, stating that it was im-

Competition Board to probe red meat sector

CAPE TOWN Government yesterday instructed the Competition Board to conduct an "all-embracing" investigation into the red meat industry in SA.

The probe could result in a major revamp of the entire industry, placing it on a more competitive and market-orientated footing with cheaper meat for the consumer as the ultimate goal.

The investigation, which will take place in terms of the Maintenance and Promotion of Competition Act, was announced jointly yesterday by Economic Co-ordination and Public Enterprises Minister Dawie de Villiers, and Agriculture Minister Kraai van Niekirk.

The ministers said the board would be charged with the task of "authoritatively and impartially" determining the influence of existing legislation, regulations and marketing arrangements and structures on the red meat industry.

The investigation will consist of two phases:

- A review of all arrangements and structures involving production and marketing; and
- An investigation into the most appropriate manner in which red meat

Political Staff

production and marketing ought to be regulated "on a competitive basis within a market force context", and recommendations on how this could be achieved.

Specific attention will be devoted to the prevailing market arrangements and the desirability of privatising the SA Abattoir Corporation in a deregulated market environment.

Deregulation

The role and functions of the existing marketing structure "within a market economy" will also come under the spotlight.

The ministers said the investigation should put the government "in a position to take future decisions on the red meat industry with due regard for the policy of privatisation and deregulation and especially the necessity of competition".

The ministers said the probe would take place "with the knowledge of all the important role-players" in the industry. But they gave no indication when the investigation might be completed.

Red meat organisation 'not consulted' about inquiry

GERALD REILLY

PRETORIA — The Red Meat Producers' Organisation (RPO) said at the weekend it had not been consulted on the need for a Competition Board investigation into competitive aspects in the industry.

RPO chairman Gerhard Brön said the announcement of the investigation had given the impression that all was not well with the industry's competitive aspects.

He stressed competition in the industry had been investigated by the recent Eloff Commission and nothing significant was discovered.

The industry had made great progress in the last few years in deregulating marketing arrangements, especially in the free movement of meat and the abolition of registration in the trade. (May 22/71)

The report of a Meat Board committee which included representatives of the RPO, the Agricultural Department, the marketing board and the Board of Trade and Industry, on further deregulation would be discussed at a September meeting of the RPO executive.

Farmers' attitudes to aspects such as the floor price, price formation and market access will be submitted to the Competition Board.

Probe into red meat industry welcomed

By Paula Fray ^{Star} 23/7/91
Consumer Reporter

The surprise announcement of an all-embracing investigation into the red meat industry by the Competition Board has been welcomed by the independent Organisation of Livestock Producers (OLP).

"The investigation is a surprise but it is something we believe is very necessary, especially as it is an independent commission of inquiry," said OLP chairman Nils Dittmer.

OLP executive member Sandy Speedy said the organisation was sceptical about the deregulation process.

"Very little has happened. We see the meat scheme as being re-regulation rather than deregulation. Hopefully, this investigation will put the deregulation process into top gear," Mr Speedy said.

The Red Meat Producers Organisation (RPO) has expressed surprise that it was not formally notified of the proposed investigation and that no consultation had taken place concerning the actual need, the terms of the consignment or the body that should conduct such an investigation.

RPO chairman Gerhard Brönn said the organisation would avail itself of the opportunity to state its views on aspects in the meat industry to be investigated by the board.

However, he felt that the Competition Board's decision to conduct the investigation created the impression that all was not well with regard to competition in the industry. He said this aspect had already been investigated before by the Eloff Commission and nothing significant had been discovered.

The Ministry for Economic Co-ordination and Public Enterprises and the Ministry of Agriculture and Agricultural Development last week said the investigation, in terms of the Maintenance and Promotion of Competition Act, would review all arrangements and structures involving meat production and marketing.

It would also make recommendations concerning the most appropriate manner by which red meat production and marketing ought to be regulated on a competitive basis within a market-force context.

Attention would be given to the desirability of privatising the SA Abattoir Corporation.

RED MEAT INDUSTRY

LOCKING HORNS

FM 26/7/91

③ meat.

Pressure is steadily mounting to overhaul the tightly controlled R4,5bn-a-year red meat industry. And surprisingly, government and market-orientated farmers are finding themselves on the same side, with SA's powerful Meat Board and allies such as the Abattoir Corp (Abakor) lined up against them.

Also in the Meat Board-Abakor camp are the huge red meat co-operative Vleissentraal and the SA Agricultural Union's Red Meat Producers' Organisation. On the side of government and the reform-minded farmers are consumer bodies such as the Housewives' League, as well as retailers, wholesalers, meat processors and some butchers.

The board and the entrenched interests that surround it are fighting off efforts at reform by flexing their regulatory muscles even more. But government seems determined to follow through on making changes, unlike in the past.

The latest developments include:

□ Government's announcement last week that the Competition Board will investigate the red meat industry. The board will look at the role and functions of Abakor and is sure to examine the effectiveness of the current meat scheme, administered by the Meat Board in terms of the Marketing Act;

□ The Meat Board's floor-price increase this month for red meat sold at all Abakor meat auctions in the so-called "controlled" urban market areas.

At Agriculture Minister Kraai van Niekerk's request, the difference between the old and new floor prices will be subsidised by the board from its huge, R300m-plus stabilisation fund. Money for the fund comes from compulsory levies paid by farmers on all livestock slaughterings in SA.

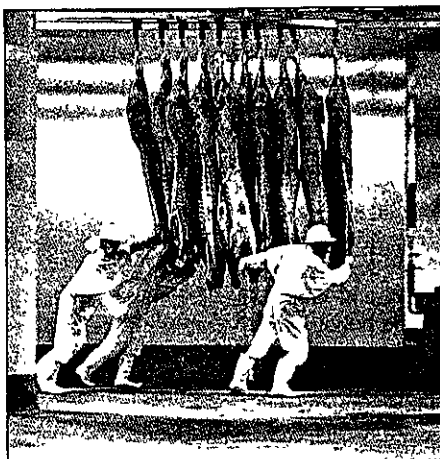
While the board this month reduced slaughter levies on beef and pork, mutton producers are faced with a levy increase from 75c to R1,24c a sheep. This results in higher mutton prices; and

□ An attack from the independent, Vryburg-based Organisation for Livestock Producers (OLP), accusing the board of favouring Abakor and controlled-area slaughterings. Subsidised payments to support the new floor prices are made only in controlled areas, which benefits Abakor's 10 urban abattoirs. This is despite the fact that all slaughterings, even in the uncontrolled areas, are subject to levies. A cosy relationship between the board and Abakor should come as no surprise — they share the same chairman, Fanie van Rensburg.

The organisation alleges that the higher floor prices and subsidies on slaughterings at Abakor abattoirs are an attempt to stop or minimise the free flow of limited quantities of meat slaughtered in the uncontrolled

areas to the controlled areas.

Qualifying abattoirs in "uncontrolled" areas are now permitted to send 25% of their slaughterings to the controlled areas. But, because they will not qualify for the subsi-



Braai time ... meat industry on the grill

dies to be paid on the new floor prices from the stabilisation fund, the organisation fears that this flow of meat will be cut off.

This may already have happened. Frikkie Bester, board member and MD of Roelkor meat traders in Somerset West, says the price of super-grade lamb in the western Cape has increased by R1/kg since July 1, when the new floor price system was announced. But he also blames the good rains in the Cape, which may have enticed farmers to hold back slaughter stock.

"The old R6,03/kg floor price of super lamb was increased to R6,70/kg," he says. "But yesterday we had to pay R7,50/kg for our super lamb."

In the Transvaal as well, Abakor this week considered reducing its slaughterings to four days a week as supplies of meat on the hoof sharply declined. Meat Board GM Pieter Coetzee ascribes the sudden shortage of meat to "normal cyclical factors," but others perceive a measure of price manipulation by the board and its cronies. Beef prices have increased by between 60c and 70c a kilogram at City Deep auctions since July 1, and the previous surplus of slaughter meat has now become a shortage.

Coetzee also denies that sudden enforcement of stricter hygienic rules on meat from outlying areas is in any way aimed at stemming the inflow of cheaper meat. "Local authorities merely exercise their powers in terms of the Health Act."

But some, at least, feel that the system has elements of Hamlet's Denmark.

"Floor prices were increased to unrealistic

levels, based on the current stock position," says OLP chairman Nils Dittmer. "In the process, Abakor is being protected. And payments out of the stabilisation fund, to which we all contribute, even in the uncontrolled areas, also protect Abakor. The board is trying to stem the flow of meat into the controlled areas from the outlying areas that do not always qualify for slaughter permits."

Dittmer says it is "patently unfair" that Abakor should benefit from the payments out of the board's stabilisation fund, while all slaughterings at "uncontrolled" abattoirs were also subjected to the same levies to the fund. And, because these abattoirs do not qualify for the subsidies, farmers are forced to apply for Abakor slaughterings — or hold their meat back. The result: a shortage of slaughter meat and higher wholesale and retail prices.

With red meat comprising 6,42% of the consumer price index basket of goods, the effect also is inflationary.

"Government should allow the meat scheme to be phased out, and farmers should be allowed to contract in or out of the scheme," Dittmer says. But he foresees problems with the privatisation of Abakor's 10 huge abattoirs, which in some cases operate at only 30%-40% of capacity. Though they are valued at about R1bn, Dittmer doubts whether they will fetch R100m in a fire sale.

"Without the protective system, it will be difficult to sell off these abattoirs. The alternative may be to close some down," he adds. The cost of any write-offs may be worth the benefit to consumers — and producers.

But the meat lobbyists think otherwise. "The board's controlled-areas system plays an important role in determining price trends for red meat," says Vleissentraal spokesman Jan Lombard. "And the board may have to consider expanding its control, including floor prices, over the whole of SA because it cannot deregulate in part."

If so, this will apparently fly in the face of government's own views.

"Government has asked the board to submit its recommendations for deregulating the current meat scheme, including the issue of controlled areas," says Deputy Director-General of Agriculture Chris Blygnaut. "Until this is submitted, we cannot proceed with the privatisation of Abakor. But, the Minister can use the presidential powers in the Temporary Removal of Restrictions to Economic Activities Act to speed the process."

With the board and its cronies showing no sign of budging on creating a new, deregulated environment, government eventually may be forced to use this presidential clout. Meanwhile, the Competition Board investigation could get the ball rolling. ■

Fm 9/8/91

MEAT PRICES

③ Meat

Lots of culprits

Long-suffering consumers are in for more price shocks. Shortages of slaughter stock at all major urban abattoirs have caused beef auction prices to jump by 14% and lamb prices to soar by up to 20% over the past six weeks, says Mike Dobson, MD of Spar Inland. And, he adds, these increases will be passed on to consumers.

"Lamb prices in the western Cape have shot up by 16%, beef by 15% and pork by almost 21%," says Gareth Ackerman, national GM of Blue Ribbon Meat, the meat retailer in the Pick 'n Pay group.

Ackerman says the board's new red-meat floor prices (*Business & Technology* July 26) seem to have been "a deliberate attempt to push up the market." But, he adds, other factors also may play a role, including:

- New meat regulations in Namibia may have led to a reduction in available stock;
- The drought may have reduced livestock numbers; and
- Farmers and feedlotter may be holding back stock in anticipation of VAT's arrival on September 30. "They may expect consumers to stock up in September and prices (and supplies) are moving in anticipation," Ackerman says.

Abattoir Corp (Abakor) MD Frans van den Vyver says slaughter-stock supplies at Abakor's 10 large urban abattoirs dropped by 12% in June and by a further 15% last month. He says a combination of cyclical and climatic factors may have contributed to the sudden shortages.

But huge impediments to the free movement of slaughter meat from "uncontrolled" to "controlled" markets also are blamed. The meat scheme operated by the Meat Board gives the board the power to control the supply of meat to the major urban, or

controlled, markets. The rest of the country is largely free (uncontrolled) of this bureaucratic control, though it is subject to levy payments and various other restrictions.

The Competition Board is now in the early stages of an inquiry into the meat scheme.

Meanwhile, adding to consumer woes and to the difficulty of government's fight against inflation, poultry prices also have taken off. Rainbow Chickens MD John Geoghegan says poultry prices have gone up 20% over recent weeks. He ascribes this to a 3% production cutback by poultry producers.

"The industry cutback coincides with the winter season, when chicken mortality rates increase, leading to lower supplies," Geoghegan says. He denies that there is anything more than a coincidence between the cutback in poultry production, soaring chicken prices, and the increase in red-meat prices.

Counting their chickens

Desmond Lurie, chairman of competitor County Fair in Cape Town, says SA now sits with a 10%-14% production oversupply in the poultry market. But, with falling demand driving most producers into the red, Lurie welcomes the sudden price surge.

Like Geoghegan, he attributes the higher prices to production cutbacks by producers. "But stock overhangs in the market (SA produces 6,5m chickens a week) prevent producers from getting the full benefit of the new prices, while supermarkets still use chicken as a loss leader. Export prospects are bleak too, with world market prices averaging about a dollar a kilogram — without transport costs."

Meanwhile, with meat products contributing 7,7% to the basket of goods used to compute the consumer price index, the higher prices for both red and white meat will most likely translate into higher inflation rates in the months ahead.

Some people in the industry are not willing

to chalk up rising prices to just nature and coincidence. Nils Dittmer, chairman of the independent Organisation of Livestock Producers, says there are many areas of legislation that inhibit free trade in red meat and contribute to price increases.

Of these, he says, the three most important targets for deregulation are the laws that create separate controlled and uncontrolled areas; compulsory levies paid to the board and to Abakor; and the Abattoir Act, which created a slaughter monopoly for Abakor in many of the controlled markets.

"Other problem areas include unnecessarily strict hygienic regulations, supply control by the Meat Board, the floor price system, the role of meat agents, compulsory carcass auctions, trade registration and licensing, and board control of the sale of offal, hides and skins," says Dittmer, a Vryburg-based cattle farmer.

The regulated trade in hides and skins, worth hundreds of millions of rands, means that auctions are not held for these valuable commodities. Price lists that are drawn up by the board's hides and skins committee allow buyers to negotiate directly with the board. ■

Meat, dairy prices set to rocket

2 Milk
3 Meat
Star 12/8/91
8-11/12

By George Nicholas
Agricultural Correspondent

The price of meat, chicken, eggs and milk could rocket by up to 40 percent following the Government's decision to impose an increased import duty on soya oil-cake.

A housewife paying R16 a kilogram for beef rump would have to fork out R22,40 for the same cut and R8 a kilogram more on leg of lamb.

If the increased feed costs are passed on to consumers, the price of milk would increase from R1,60 a litre to R2,24, chicken from R6 a kilogram to R8,40 and eggs from R2,80 a dozen to R3,92.

The Government's decision to increase import duty on soya oil-cake from R240 to R285 a ton was met with strong condemnation from animal-feed manufacturers who claim that the decision threatened the entire feed and livestock industries in South Africa and that it would have a highly inflationary impact on consumer prices.

Animal Feed Manufacturers Association secretary Hansie Dekker said South Africa produced less than 50 percent of the protein required by its live-

stock population and that feed manufacturers were compelled to import oil-cake because of its high protein content.

Farmers were dependent on oil-cake, which had become essential for the provision of balanced feeds for livestock, he said.

"The industry accepts there has to be an import duty but the new figure is totally unacceptable as it penalises the entire livestock production industry.

Effect

"What's more, the increase is going to have a ripple effect of considerable price hikes for the consumers of such products as meat, chicken, eggs and milk which, for a country where the majority of people are poor, is extremely ill-advised," Mr Bekker said.

Oil-cake shipments arrive at South African ports at regular intervals and the effect of the new duty is expected to be felt by consumers in a month or two.

The price increases affecting consumers would be in addition to the extra estimated R1 billion a year the Government stands to gain from 12 percent VAT on meat sales alone.

Beefing about the meat trade

CAROLINE HURRY

THE Meat Board has denied any part in the importation of 1 700 tons of beef and 350 tons of mutton into South Africa recently.

"The meat was imported by meat traders, not us," said Meat Board senior general manager Dr Pieter Coetzee.

"In fact we opposed the importation because of our increased local supplies — 24 percent in the case of beef and 32 percent for mutton."

But there is a big question mark hanging over the middleman's transactions, says Jean Tatham, vice-president of the Housewives League.

"We are not satisfied that

③ - MEAT ARG 13/8/91

our current Dutch auction system gives us meat at the most reasonable price. Unlike other auctions the price starts at the top and is lowered until some wholesaler presses the button.

"Also, the Meat Board's stipulation that live animals be transported to the main urban centres instead of transporting chilled carcasses is wasteful, expensive and inhumane. All this needs investigation."

Says meat farmer Mr Peter Luyt: "If the Meat Board would allow us to sell our meat at our own competitive prices the consumer would naturally benefit.

"The Meat Board rips off farmers with all their controls. If a farmer gets R5 a kilo for prime beef, the same

beef is offered at a supermarket for R10 a kilo. The R5 profit goes to the middleman.

"I am not allowed to skip the middleman who makes the profit and sell my meat cheaper to supermarkets or consumers.

"All I ask is for a 20 percent return on my investment. I lose 20 percent because of the regulations tying us down, which have created a haven for the middleman."

According to Dr Coetzee the present public auction system was introduced at the request of the farmers themselves.

"Nevertheless we are considering certain de-regulation steps," he said.

TRENDS

Helping you keep up with the future

"Angel dust", a banned growth-promoting drug, has been found in meat in Britain, says the Ministry of Agriculture. Cattle fed the drug gain weight rapidly but clenbuterol can be harmful to humans. — The Independent.

CONSUMER NOTEBOOK
Edited by
Caroline Hurry



Black consumers are greater believers in the veracity of advertising than whites. According to research by Bates Wells, whites are wary of all advertising but feel false advertising is the exception, not the rule. — Marketplace.

It's cruel but they're going to die anyway



Dead on arrival... cows are often trampled to death or die of heat exhaustion before reaching the abattoir.

Recently Consumer Notebook asked why animals cannot be slaughtered in meat-producing areas and carcasses transported to the main centres in cold-trucks. This would not only be less wasteful and cheaper, but would also be more humane.

What does it take to turn a bull into a hamburger patty? First the animal is deborned—a sensible precaution when the next step is to castrate him without anaesthetic.

Bulls in South Africa are castrated up to the age of eight months by using a calliper-like instrument called a Burdizzo which squeezes and crushes all blood and nerve supplies to the testicles.

Open surgery may also be performed in which the scrotum is incised and the testicles removed, according to Friedel Lidenhahn, assistant director of animal production for the Department of Agricultural Development.

Neither procedure is conducted with anaesthetic. "It's not considered to be so painful," he says reassuringly.

Bulls can't speak and besides, they're going to die anyway... this has been the prevalent attitude at abattoirs where animals are stunned, skinned, hung, drawn and quartered.

SKILLS

Recently Consumer Notebook asked why animals had to be transported to the main urban centres in the first place. Why can't more abattoirs be set up in the meat-producing areas and chilled carcasses be transported in cold trucks?

According to a systems manager of the City Deep abattoir in Johannesburg, smaller abattoirs cannot cope with the influx of animals and there is also a lack of skilled personnel.

Another problem is a deficiency in water supplies, especially in areas such as the Karoo. A tremendous quantity of water is needed to keep abattoirs operative.

The spokesman said livestock transport trucks already cost more



Behaving... a worker at a Johannesburg abattoir removes the head of a cow. Picture: Vicky Aldenerf



Nasty fall... the goat on the right breaks its leg while being off-loaded.

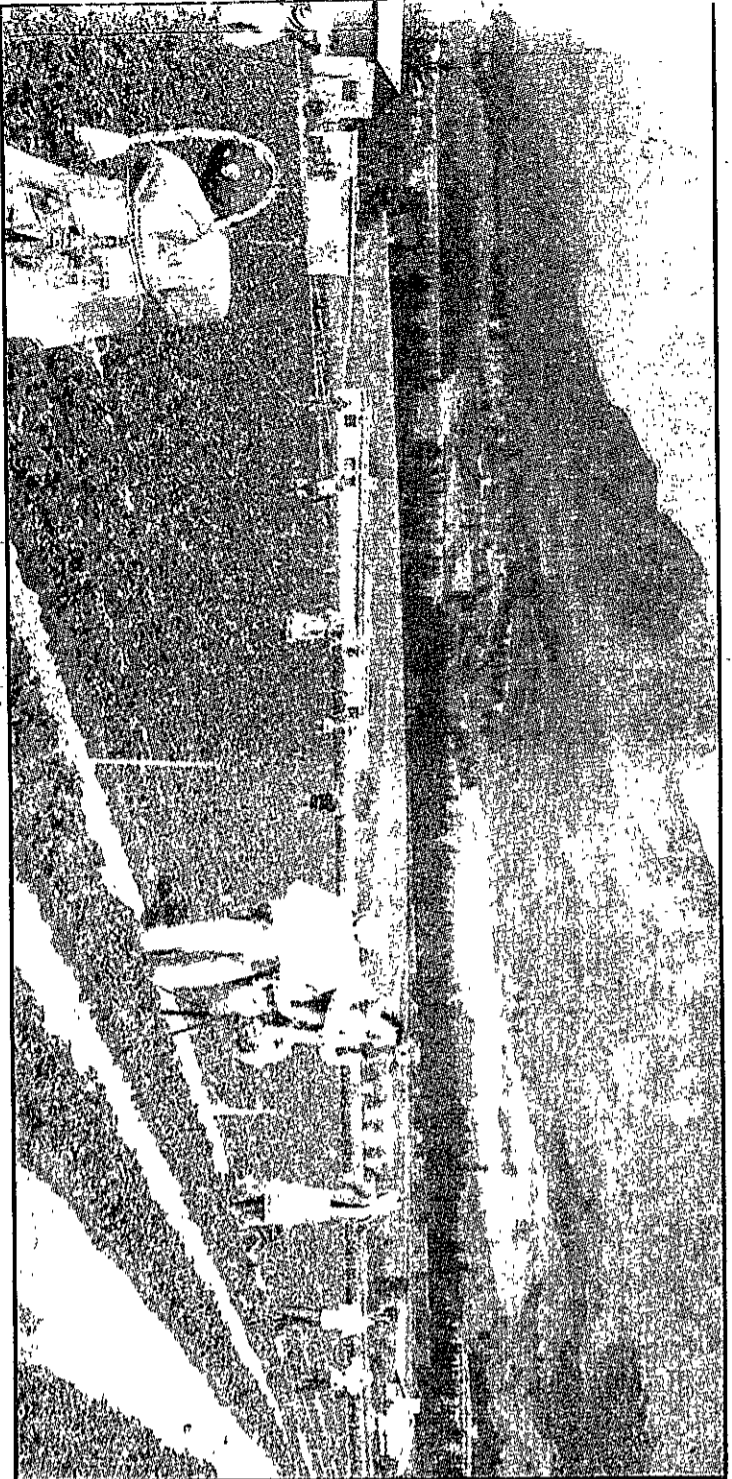
A spokesman for the Livestock Welfare Association, which aims to define and eliminate cruelty within the meat industry, said the association was doing its utmost but was hampered by lack of funds. CAROLINE HURRY

There's nothing green

about those pastures

Star 21/8/91

Too much red meat is not only killing humans through heart disease but it is killing the land too. Cows have become serious polluters, says a new report.



Crop watch... colourful scarecrows guard crops in the south-west Cape — but something even more original may be needed to scare off ranchers who are taking over more and more crop lands, with serious global consequences.

methane emission — were counted, the price of meat would double or triple, according to the study.

Findings

Among the other findings of authors Alan Durning and Holly Brough of the Worldwatch Institute in Washington:

- In 1990, the governments of industrialised countries spent R250 billion to subsidise farm animals and the feed they consume.
- Farm animals eat

THE expanding global livestock industry — spurred by government subsidies and consumer demand for meat — causes massive environmental degradation worldwide, concludes a US research report, "Taking Stock: Animal Farming and the Environment".

The report tallies the hidden environmental impacts of domestic animals. If the full ecological costs of production — including fossil-fuel combustion, overgrazing, water pollution, and

energy used by agriculture in the United States is devoted to livestock and feed production. One-third of irrigation water in parched California goes to animal farming. Producing one kilogram of American beef takes five kilograms of grain, 3,000 litres of irrigation water, and energy equal to two litres of petrol.

The Netherlands, Belgium and France are now "manure surplus regions", producing more animal waste than their land can absorb. "Excess manure upsets the balance of aquatic ecosystems and contaminates groundwater with health-threatening nitrates," according to Mr Durning.

In Africa, expanding crop lands and misguided development policies have combined to limit the area available to grazing herds even as those herds are growing. As a result, dry lands are suffering sometimes irreversible degradation. In southern Sudan, for instance, crop lands have pushed 200 km into the customary range of herders.

"Overgrazing is most severe," said Ms Brough, "where herders have

heads out of the tank. But can Mr Yeltsin, who played a large part in stopping a conservative onslaught last winter, turn the tide against the full force of the Communist Party and its military henchmen? "We appeal to the citizens of Russia to give a worthy answer to the putschists and to demand that the country be returned to a normal constitutional development... dictatorship will

main constituencies voters, on whom he stage an immediate strike and to whom he asked not in the reactionary c His main handi many may not hear He earlier admit nalists that he hac distributing his me Russia except thro eign media broad

and other livestock now outnumber humans three to one," said Mr Durning. Traditionally, farm animals helped keep agricultural footing by returning nutrients to the soil as manure. But today some of the methods of raising livestock animals have put domestic animals at odds with the environment.

In the industrial countries, "factory-style livestock industries, using intensive feeding of grain, create environmental side-effects that stretch along the production line — from growing the vast quantities of feed grain to disposing of the manure," said Ms Brough.

Almost half of all energy used by agriculture in the United States is devoted to livestock and feed production. One-third of irrigation water in parched California goes to animal farming. Producing one kilogram of American beef takes five kilograms of grain, 3,000 litres of irrigation water, and energy equal to two litres of petrol.

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Meat-rich diets contribute to the disease of affluence — such as heart disease and some cancers — industrial countries' leading killers. And in developing countries, "rising meat consumption among the fortunate sometimes squeezes out food production for the poor and boosts imports of feed grains".

The share of crop land growing feed and fodder in Mexico climbed from 5 percent in 1960 to 23 percent in 1980, though 22 percent of the country's people suffer from malnutrition.

Livestock creates an array of problems because human institutions have driven animal farming out of alignment with natural systems. Many governments — including the EC and US — prop up ecologically harmful methods of raising animals and growing feed crops.

"Reversing these trends will not be easy, but animal agriculture's worst offences can be redressed," say the authors of the report. "Doing so will require eliminating governments' favouritism towards the industry, taxing or regulating destructive practices, and restructuring development strategies."

Reducing animal farming's environmental toll will also require a rethinking of meat's role in diet. First World consumers will have to eat less meat — as nutritionists are now advising — while Third World citizens keep their meat consumption low.

"When it comes to meat, what's good for human health is also good for the earth," noted Mr Durning and Ms Brough.

Worldwatch Institute

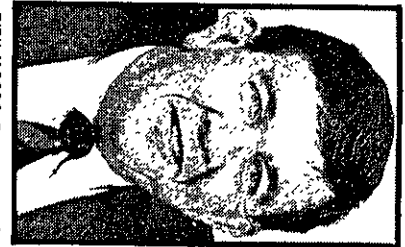
THE USE is slow to forgive any company that disappoints it. A case in point is Kanhyrn, which has thronged after the disasters of 1983-1986 but still trades at a price of 7,6 compared with a market average of 13.

Kanhyrn adds value and a new era dawns

Stimmed (Sun/T) 25/8/91

3 West

DIAGONAL STREET
by David Carte



DIRK JACOBS, Recovery Road

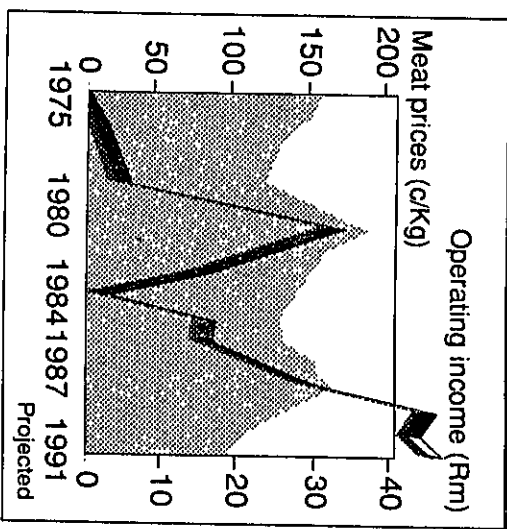
are in balance with demand and meat prices rising.

If the Tyson-Dyer rainfall pattern holds, meat prices can be expected to go on rising, with obvious benefits for Kanhyrn. Long-time Kanhyrn watchers have not forgotten that last time meat prices rose the company's operating income soared from R6,2-million in 1979 to R32,8-million two years later.

The second graph shows how Kanhyrn has successfully insulated itself from inflation-adjusted meat prices. Earnings have increased since 1984 even though meat prices have fallen by nearly a half.

According to stockbroker Davis Borkum Hare, Kanhyrn achieves the third-best return on capital in the food sector after I&J and Tiger Oats. They are on PEs of 16,7 and 18,2 respectively. Kanhyrn boasts a better debt-equity, operating margins and returns on capital than that other request-for-appointment in food, ICS — a PE of 10,4. Now that Kanhyrn has dispelled notions that it cannot manage its balance sheet and that it will always be a victim of the meat cycle, a closing of the gap seems inevitable.

INFLATION ADJUSTED MEAT PRICES



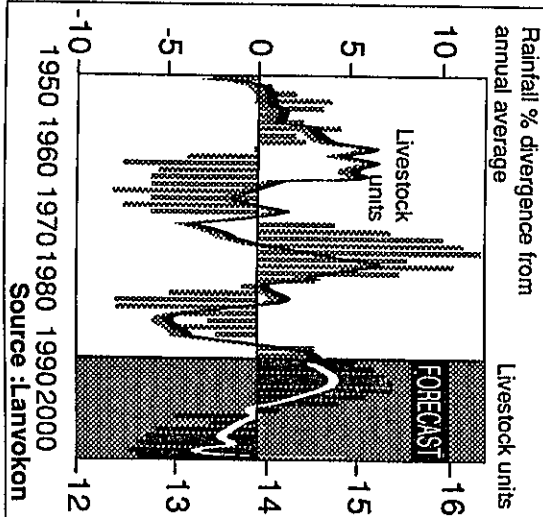
Mr Jacobs says the feedlot and breeding sheep, cattle and pigs are regarded as the primary, to which value is added by Enterprise.

Enterprise is No 1 in its market, claiming 40% of it in bacon and processed meats.

Kanhyrn's up-market "Like-it-Lean" meats, endorsed by Weight Less, are another hit. Enterprise has obtained the rights to a revolutionary meat treatment process from Bernard Matthews plc of the UK.

Mr Jacobs describes the process: "We take choice cuts and extrude whole muscle to form joints. The proteins come to the surface so the meat comes together. Then the joint is frozen in a brine mixture."

RAINFALL AND NATIONAL FLOCKS AND HERDS



debt was further reduced this year by lowering the number of cattle in the feedlot from 51 000 to 30 000. This reduced debt by R15-million and will save R3-million a year in interest. Debt-equity is now about 25%.

In addition to the 30 000 cattle in the feedlots, the company has a breeding herd of 4 000 cows, 10 000 ewes and produces 95 000 porkers a year. It is by far the largest farmer in SA.

Achieving some of the highest yields in SA, Kanhyrn produces enough maize on a 15 000 ha farm to be virtually self sufficient in animal and chicken feed.

About 55% of the cost of a chicken is the maize it eats in its short life. In having its own maize, Kanhyrn's Malle-klip is at an advantage of R100/ton over vaunted rivals such as Rainbow, which has a PE of 13.

Rainbow, as market vol-

lion. The next year was a bonanza with a bottom line of R317-million and last year was pretty good at R30-million.

In the six months to February, a 13% decline to R17,5-million (1990: R20,2-million) was reported. But excluding discontinued operations, the fall was only 2%. The directors predicted "a significant improvement" for the second half and an earnings rise for the year.

If the company achieves this it will be unusual among industrials generally.

One analyst says that Kanhyrn made too much money in 1988. It might have been well advised to have adopted ultra-conservative accounting that year so that the earnings record since 1986 could have been kept undented.

Kanhyrn's resuscitation under Mr Jacobs started with a R86-million rights issue in 1984. It was underwritten by Gencor and most other shareholders declined their rights. Malak has thus come to hold 85%. The coal companies were sold for R20-million 18 months ago to reduce gearing.

Serviced debt was reduced from R177,6-million in 1984 to R53,5-million in 1990. Equity rose from R111-million in 1984 after the rights issue to R177,9-million.

Debt-equity has thus fallen from 161% to 30,6%. That is after funding rising working capital, the acquisitions of Hanni, Herti and Metlekip and writing off R42-million of revaluation.

Mr Jacobs tells me that

the next year was a bonanza with a bottom line of R317-million and last year was pretty good at R30-million.

In Mr Jacobs' first year as executive chairman, the company reported earnings of R14,3-million. Head-office staff numbers were cut from 220 to nine. In 1988 taxed profits increased to R197-million.

Last year the value-added division lifted operating income by 26% to R27,1-million and commodity income fell 2% to R16,5-million.

In spite of the reorganisations, Kanhyrn watchers appear to remember too vividly the taxed losses of R64 000 in 1983, R28,1-million in 1984, R13,5-million in 1985 and R2,9-million in 1986.

That four-year debacle was the result of drought, high gearing and interest charges and heavy borrowing abroad shortly before the share plunge from \$1,35 to \$0,35.

Population growth, urbanisation and increasing black influence are strongly in the company's favour.

By aggressively concentrating on value-added products, Dirk Jacobs' new management team has succeeded in making the company less vulnerable to volatile meat prices.

Kanhyrn does not break down profits by company. But it does differentiate between the commodity side — Karoo Oats, the farms, fresh meat and Checkor Butcheries — and the value-added division, comprising great processors Enterprise and Herti, leather tanner Hanni and poultry producer Metlekip.

Meat price rise soon

CF 29/8/91

WINDHOEK. — A rise in meat prices can be expected in South Africa soon and this will affect Namibian producers, assistant manager of the SA Meat Board Dr Peter Kempen said here.

Dr Kempen, addressing the Namibian Meat Producers' Association congress on Tuesday, said Namibian producers must keep certain factors in mind regarding meat exports to SA. He referred to the financial position of consumers, consumer patterns and spending patterns.

Namibian meat exports supply about 10% of the SA meat market. — Sapa (3) MEAT

RED MEAT INDUSTRY

③ Meat FM 13/9/91.

How the auction system forces up prices

Soaring red-meat prices continue to help keep food prices high, which in turn are underpinning the stubbornly high inflation rate. Now a confidential report obtained by the *FM* details how the meat auction system works to reduce competition and force up prices.

The report examines only Johannesburg's State-owned City Deep abattoir, SA's largest. But the sharp criticism levelled at the auction system there is certain to apply at all 10 State-owned abattoirs, which control all the major urban markets except Cape Town.

The report's pointed comments and critical analysis are especially noteworthy because it was compiled by a Meat Board-appointed panel, the Bartie Committee. The State-run board and the State-owned abattoir corporation, Abakor, are closely linked; both have the same chairman, Fanie van Rensburg.

The seven-member committee, representing butchers, livestock agencies, the board, wholesalers, Abakor and the board, was chaired by Derek Bartie, who is MD of one of SA's largest meat wholesaling groups, Transvaal Atlas. The committee submitted its eight-page report to the board in July and the board plans to discuss it next week. The committee calls its report a preliminary document because it recommends a more in-depth study.

The board's GM, Pieter Coetzee, declines to comment on the report, saying its contents are "confidential" and form part of an internal board investigation.

The report, *Price Forming at the City Deep Abattoir*, blames the domination of the red meat groups for much of the failure of the auction system to keep prices down. "Established groups in the marketing chain from production to distribution make their influence felt and protect their interests."

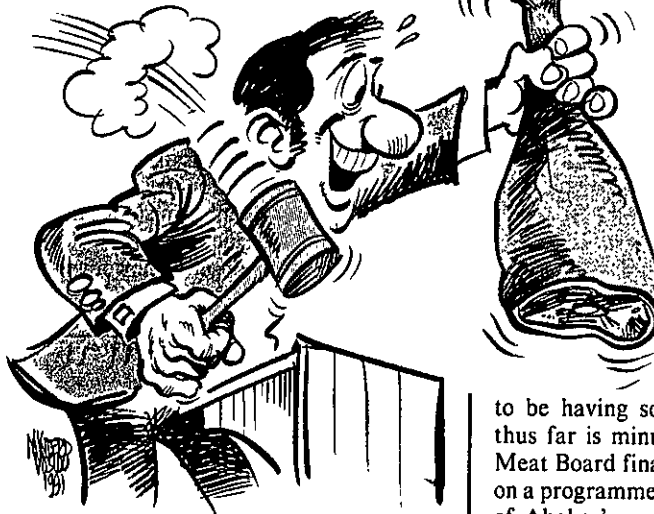
These groups include Kanhym, Imperial Cold Storage and Vleissentraal, which operate feedlots outside the "controlled" urban areas, where slaughterings are heavily restricted by the board; buy and sell their own meat through their own agencies; and then retail the meat to consumers. Their clout may allow them freer access to the controlled markets at the expense of the smaller, rural-based livestock producers.

The report also singles out the livestock agencies, which have to represent producer interests at City Deep auctions and which "negatively affect the supply of slaughter stock and particularly price forming."

Agents exercise their right to withhold stock at auction "in direct conflict with supply and demand and the trade is to some extent manipulated, thereby paying higher

prices," the report says. This results in steadily rising stocks without prices coming down, while the trade complains that it is not allowed to buy greater volumes of meat at lower prices, it says.

The extreme vertical integration of some companies (such as the Kanhym group and



its Karoo-Osche agencies) also increases prices, the report says. "Where the feedlots, the agent and the buyer are all attached to the same company, own supplies must be bought in through the auction system." The big groups can virtually fix meat prices in advance and this "predetermination of prices may disrupt the normal course of auctions," according to the report. The regulations force them to go through the auctions, even though the exercise is pointless because all they're doing is buying their own meat back.

The report points to many other reasons behind the distorted red meat prices: uneven livestock supply flows; too little consultation with the trade on its requirements; limited availability of super grade meat; the permit system, which allows only limited stock at the abattoir; agents' cancellation of slaughter permits; inadequate sorting and loading facilities, causing costly delays; the vague grading system that leads to overpaying for low grades of meat; and freelance buyers who force prices up early in the morning because they want to buy quickly and are buying only small volumes. These buyers use the "Dutch Clock" electronic auction system, which sets prices at higher levels and makes it difficult for them to be bid down.

The report proposes that these problems should now be thoroughly studied by a working group that would make formal recommendations. The board is likely to decide at next week's meeting when this group will start work.

The Bartie report comes at a time when

the red meat industry and government's rigid system of regulations are under fire from all sides. The Competition Board is investigating the industry, focusing on Abakor and the meat scheme administered by the Meat

Board (*Business & Technology* July 26). The independent, market-orientated Organisation of Livestock Producers has mounted an attack on the vast legislation that inhibits trade in red meat and boosts prices (*Business & Technology* August 9). And consumer groups, fed up with the high prices and poor quality of local red meat, have gone on the offensive.

The pressure appears to be having some effect, though progress thus far is minuscule. Government and the Meat Board finally reversed gear last month on a programme that discriminated in favour of Abakor's auctions at the expense of the rural, non-Abakor abattoirs. When the board hiked the meat floor price on July 1, it had announced that only Abakor's sales would be subsidised from the board's R280m stabilisation fund, even though all abattoirs must contribute to the fund.

The decision was held responsible for a sudden surge in the price of meat as producers held back stock in order to benefit from the subsidised Abakor slaughterings. Finally, the board announced that slaughterings at all abattoirs will qualify for subsidies — though rural abattoirs will get only a reduced amount.

Arnold van Huyssteen

MAIZE

Refiguring the sums

At the beginning of the year, SA looked as though it might be forced to import up to 2 Mt of maize. Now, the current crop outlook has improved to such an extent that about 900 000 t may be available for export.

While the unexpected US\$90m bonus — at current Chicago prices — should bring a smile to Reserve Bank Governor Chris Stals's face, local consumers will not benefit. They still will have to pay the Maize Board's official price of R464/t for white maize and R419/t for yellow maize until the season ends on April 30.

And, while farmers should earn an additional agterskot on their crop, the board sees the shipments of the surplus maize as export-

Auction system is behind high ^{(3) meat} prices, says report

S/Times 15/9/91

By PETA KROST

THE findings of an investigation into the meat industry are being studied by the SA Meat Board.

After three months of investigation, a committee chaired by Mr Derrick Bartie, managing director of Transvaal Atlas, one of South Africa's biggest meat wholesalers, submitted its report in July.

The seven-man committee was set up in April by the board to look into the auction system at South Africa's largest abattoir, City Deep, in Johannesburg.

The committee blamed auctions for high red meat prices.

The critical report, which has not yet been made public, shows how auctions can reduce competition and force meat prices up.

It criticises the "manipulation" of the industry by established groups and livestock agencies, claiming that they "negatively

affect the supply of slaughter stock and particularly price forming".

It cites other reasons, such as uneven stock supplies, too little consultation with the trade, freelance buyers who force up prices early in the morning, lack of computer expertise and poor organisation by Abacor — the state-owned abattoir company — for distorted prices.

The report suggests another working committee be appointed to make an in-depth study into the problem areas identified by the Bartie Committee.

It said the new body should make further recommendations.

Mr Bartie would not comment on the report, saying only: "I'm waiting to hear what the Meat Board has to say about it and to find out if we must pursue our investigations."

Privatisation of meat industry 'a vital move'

8/10/91
16/9/91

LINDA ENSOR (3)

meat

CAPE TOWN — Deregulation of the meat industry was vital, if declining trends in meat consumption were to be reversed, Blue Ribbon Meat Corporation GM Gareth Ackerman said last week.

Meat prices had risen 15% in recent weeks. Foodstuffs were one of the main contributors to rising inflation. The drop in farmers' share of the consumer's food rand to less than 45c, from 55c a few years ago, had been catastrophic for the farming community.

He told the Western Cape Pork Producers' Association annual meeting there was unanimity among producers, retailers, the public and government about the need for deregulation. Only the Meat Board, which performed its marketing responsibilities poorly and at great expense, favoured the current system.

The option of privatising Abakor's abattoirs needed to be "revisited", while government should commercialise and reduce the Meat Board's scope. It was estimated that consumers paid an extra R400m annually as result of the board's interventionist policies.

Government should also be persuaded "to remove impediments to the free movement of meat from uncontrolled to controlled markets, which at the moment creates artificial shortages and price increases".

Producers should be able to do their own slaughtering, which would save up to 300% in transport costs.

Roadside abattoirs may get go-ahead

S/Times 29/9/91

BY EVELYN HOLTZHAUSEN

ROADSIDE abattoirs could become a feature of the New South Africa if exemptions being considered for Western Cape townships are granted to residents of other townships.

Speaking this week at a Meat Traders Forum convened by the Small Business Development Corporation in Philippi, near Cape Town, Dr JD "Jan" Coetzee, director of meat hygiene in the Department of Agriculture Veterinary Services, said he was prepared to grant the "exemptions" initially only to Cape Flats townships.

He admitted that in theory the exemptions could also be granted in townships in other regions.

He said farmers would not be allowed to "abuse" the concession by slaughtering their own animals to sell raw meat in townships.

At present the slaughter of animals is restricted to approved abattoirs.

Dr Coetzee said certain minimum facilities would have to be in place before exemptions were granted.

These include a raised concrete slab on which the slaughtering should take place, a tap for cleaning slaughtered animals and offal and a suitable method of waste removal.

Humane

The "slabattoirs" would have to be designed so that they could form the basis for the later construction of formal abattoirs which would comply with health and safety laws.

Dr Coetzee said planners from his department would be "happy" to help with the design of the facilities.

Township slaughterers do not stun the animals they kill but claim their skill with a knife makes their method humane.

The Meat Traders Forum was attended by township meat traders, Regional Services Council health inspectors, municipal officials, livestock farmers

Meat Board wary of possible abuses

and brokers and well as my members of the SBDC.

Roadside slaughterers in Cape Flats townships have been allowing blood from slaughtered animals to lie in puddles on the ground and run into stormwater drains which empty into False Bay, causing a pollution and health hazards.

They also leave offal, waste and other "raw" products in the open to rot and attract flies which spread disease.

Mr B "Bertie" Ackhurst, Western Cape Regional Manager of the SA Meat Board, said the Cape Flats townships were not within the board's area of control.

Problems

He predicted the exemptions would cause "problems" and be abused as farmers could bypass health checks and offload contaminated livestock directly to township residents.

Convener of the Meat Traders Forum and manager of the SBDC Philippi centre Ken Briggs welcomed Dr Coetzee's statement.

He said the SBDC would encourage township businessmen to apply for the exemptions to run the "slabattoirs".

MEAT INDUSTRY

FM 25/10/91

③ Meat

Scrap controls, or else!

Government is pressuring the Meat Board to reduce its huge powers over the supply, marketing and price of red meat. Should the Meat Board refuse to go along, the Agriculture Minister could deregulate the industry under presidential powers contained in the Temporary Removal of Restrictions on Economic Activities Act.

"The ball is in the Meat Board's court and we are waiting on their response," says Agriculture Deputy D-G Chris Blignaut.

"The industry has now matured sufficiently to allow for freer competition and the increased availability of meat supplies at all markets," he says.

But the stakes for the industry are high. According to the board's 1989-1990 report, producer sales of red meat (beef, mutton and pork), hides, skins and offal totalled R3,8bn. At current retail prices, processed red meat sales could easily total R8bn annually, says Organisation of Livestock Producers (OLP) chairman Nils Dittmer.

The most important reform being pursued by the Department of Agriculture is for the board to end its enormous control over the flow of red meat into major urban markets.

The removal of the distinction between so-called controlled urban areas and uncontrolled non-urban areas would reduce the clout of the giant Abattoir Corp (Abakor), which owns 10 abattoirs in the major urban centres. It would also be a victory for the 500-member OLP, which has lobbied for deregulation since 1983.

The result would be to allow smaller abattoirs in rural districts to supply the urban markets with cheaper slaughtered meat, saving transport and labour costs. The current board system forces farmers to send livestock on the hoof to urban markets.

"Freer movement of meat from country areas to urban markets would lead to cheaper prices because the transport costs of a higher-value product would be lower," Blignaut says. "I think the system of controlled areas has become obsolete."

The industry is already reacting to government's demands. Jan van der Walt, manager of the Red Meat Producers' Organisation, says the board's meat scheme committee has agreed to free up the movement of meat into the controlled areas.

"In future, about 80% of all beef slaughtered in SA, 86% of the mutton and 87% of the pork will be allowed free entry into urban markets, compared with the current limited entry of about 60%. This will also allow outside abattoirs to compete more freely with Abakor."

Blue Ribbon Meat MD Gareth Ackerman

welcomes the proposed deregulation, but adds that the floor price system also must be reformed, as it protects inefficient farmers.

"I believe that the Meat Board should focus on just three major areas — promoting red meat consumption, creating an acceptable grading system for the industry, and

ing, and hide curing plants could be located near rural abattoirs.

"This would ease congestion in cities, bring development to rural areas and site factories where land is cheaper," he says;

□ Butchers would be able to buy according to customers' demand, buy forward and be assured of a constant flow of a product of their choice;

□ Meat packers would be able to supply butchers with the cuts that they require;

□ Butchers and traders would be able to market and sell products under trade names and trademarks, being assured of the quality of their product; and

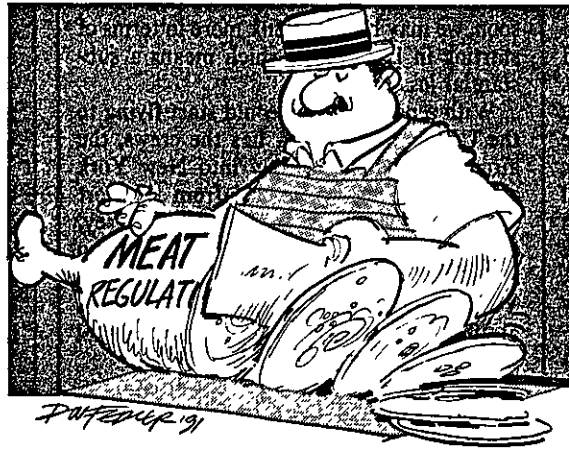
□ Freedom of choice and freedom of entry would ensure that producer and consumer prices would be linked.

"Overall the impact would be tremendous," Dittmer says. "Consumers would be offered a wider choice, availability would be greatly increased, and the quality, cost and presentation of the meat would be in line with demand.

This would lead to increased consumer satisfaction, which would lead to increased demand."

Dittmer says it must be expected that companies with "massive mal-investments," such as the huge Abakor abattoirs and the feedlots, hide and skin and by-product processing plants that have grouped themselves near these abattoirs, will resist deregulation.

"But do we protect the mal-investors at the expense of consumers and a vast part of our range land, or do we accept sound economic policies at the expense of the mal-investors and lobbyists, for the eventual benefit of the whole country?"



exercising control over meat hygiene and sanitation," he says.

The OLP has been working with the Sunnyside Group deregulation lobby to draw up legislative proposals to reform the industry. The group's Gwynne Main says it will release recommendations next month. One proposal will be to allow farmers to opt in or opt out of the board's meat scheme.

Dittmer says advantages of deregulation would include:

□ Slaughtering stock close to the point of production. This would reduce injuries to animals, weight loss of up to 5%, deterioration of meat quality due to stress, time between loading and slaughtering, and cost, because it is far cheaper to transport meat and by-products than live animals;

□ The farmer having far greater bargaining power in dealing directly with the agent on his farm, rather than being forced to accept whatever the agent offers at a compulsory auction and after the animal had been killed.

"The agent, who is usually also a buyer, has a 3% incentive to get the farmer the best price and a 100% incentive to get him the worst price because he also acts on behalf of the big buyers," Dittmer says;

□ Far greater price stability. Now prices can vary hugely ("up to R1/kg within an hour," Dittmer says);

□ More competition between abattoirs because farmers could use the abattoir of their choice. At Abakor auctions, the farmer has no right to negotiate, or even to refuse the price obtained by the agent after the animal has been killed;

□ De-boning, meat packaging and process-

STEEL TARIFFS FM 25/10/91

Score one for David

Iscor and other big steel producers came away disappointed last week when government finally ruled on their application for higher steel import tariffs.

Government decided not to go along with the request filed by the SA Rolled Steel Producers' Co-ordinating Council in December to increase the protection for locally made hot-rolled steel products and wire rod. The decision was published in last Friday's *Government Gazette*.

Iskor argued that the protection for these products has not been raised since 1985. "Over the past six years, cost inflation in the local economy has soared, so we are understandably disappointed that government turned us down on wire rod and hot-rolled

COMMODITIES

Red meat 'needs a floor price'

By Gary 22/10/91

WILLIAM GILFILLAN

BY ROAD and rail they come in their thousands on their final journey. Their bleating and bellowing stir all but the most hardened hearts as they arrive to fulfil their destiny — to indulge man's carnivorous nature.

To satisfy SA's appetite for red meat, abattoirs — of which there are 283 — slaughter about 2.6-million cattle every year. Add to this 2.2-million pigs and more than 8-million sheep.

The figure for cattle, it is predicted, will rise to 2.7-million in 1992 and then fall away to around 2.3-million by 1995. That means beef auction prices are expected to rise from the current 543c/kg to about 1 000c/kg by 1995.

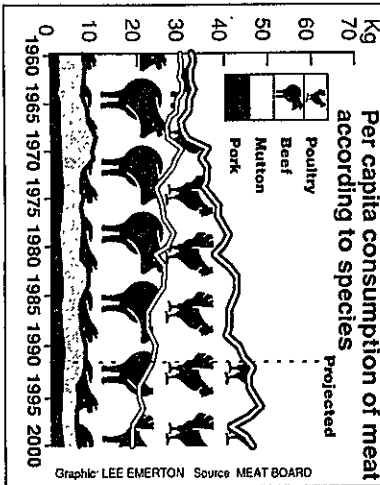
Meat Board economist Ernst Janovsky says the meat industry is unusual in that producers "use meat (animals) to produce meat", and this exacerbates price swings. For instance, when the price of meat goes up, farmers take more (animals) out of the market to produce more meat. Therefore prices increase further as supply shortages become greater.

On the other hand, when prices are down, the farmer puts more meat (animals) into the market. Prices then decrease further.

Janovsky reckons it is during this liquidation period that a floor price is necessary.

The floor price gives stability to the industry over the long term, which he believes is necessary "to ensure that producers achieve a price level over the long term at which they will be prepared to produce over the long term".

Although sheep slaughtering are expected to rise from the present 8-million odd a year to about 10-million by 1995, mutton auction prices are expected to rise from the current 667c/kg



to more than 1 200c by then. Janovsky explains this anomaly by noting that, as consumers tend to eat mutton irrespective of its price, the mutton price is largely influenced by beef, which is the price leader. However, the low wool prices, which have led to an increase in sheep slaughtering, could put pressure on future mutton prices.

Meanwhile, although the slaughtering of pigs is expected to level out at the current level of about 2.2-million for the next three years, the auction price of pork is expected to rise from the present 474c/kg to about 700c/kg in 1995. Again, this is because beef is the price leader.

Meat production prices in SA are competitive with most international producers, Janovsky says. However, prices in Australia, New Zealand and Argentina are all lower than in SA because of the better grazing and lower fodder prices.

Countries which rank among the largest beef producers include the US, Argentina, Australia, the Soviet Union and Brazil. In 1990, the US and

the Soviet Union produced about 10-million and 9-million tons of beef respectively. That compared with 1.6-million tons for Australia and 0.6-million for SA. In Africa, the leaders in beef production are SA, Namibia and Botswana.

On the trade front, although a formula duty is applied to meat imports, SA is a net importer. These imports are mainly from Namibia and Botswana, but meat is also imported from the EC and Australia.

On the other hand the industry, which is the largest branch of SA agriculture and was worth about R4bn in 1990, exports to the Far East.

A feature of the meat markets has been the switch-over by consumers to poultry. The long-term trend has shown strong growth in poultry consumption.

The poultry industry, largely controlled by two producers in Rainbow and Festive operations, has enjoyed a strong growth record which Southern African Poultry Association executive director Zach Coetzee believes is attributable largely to price competitiveness.

Poultry retails at about 665c/kg, which compares favourably with the 1 015c, 1 260c and 1 015c a kg for beef, mutton and pork respectively. However, production costs for beef and pork, at about 543c/kg and 474c/kg, are competitive with poultry's 545c/kg. Therefore poultry's cost efficient distribution system explains the difference in retail price. Mutton's production cost is about 667c/kg.

The SA auction system, where prices are set at auctions held at abattoirs, has been cited as a reason for high prices.

A recent investigation initiated by the Meat Board to look into the auction system at SA's largest abattoir, City Deep in Johannesburg, has shown that the auctions can reduce competition and force up meat prices.

Added value brings kudos for Kanhym

S/Times (BUS) 20/10/91. (3) Meat

ADDING value in the past five years has helped Kanhym to bring home the bacon.

In 1986, the group's agri-business dominated earnings.

Agri-business includes the maize farming, piggeries, feedlots, abattoirs, agencies and livestock auctions and the commodity operations that secure supply at the lowest cost for Kanhym's value-added businesses.

The biggest problem with agri-business is its vulnerability to the red-meat price cycle, which in turn is linked to rainfall and economic factors.

When Dirk Jacobs became executive chairman in 1987 he set about combating the effects of factors beyond the company's control.

The solution came in adding value to raw meat in branded products and to hides.

The contribution of value-added products to operating income has grown from next to nothing to 61% of income that has climbed from R14-million to R44-million in five years.

Roughly equal contributions come from prepared meat and from leather.

At a presentation of Kanhym's 1991 results to the Investment Analysts Society, Mr Jacobs told the A-B income audience that its members bought Kanhym's fighter brand Bokkie as opposed to the up-market Enterprise favoured by blacks.

"Rich people can't resist a bargain, but blacks won't buy anything but the best.

"People get up early in Soweto and they come to Johannesburg and buy an Enterprise polony sandwich from a street counter. They look over the counter to make sure the packet says



DIRK JACOBS: The rich like a bargain Picture: PIERRE OOSTHUYSEN

Enterprise polony."

He is especially grateful to members of slimming club Weighless who are prepared to pay a premium for Like It Lean value-added and portion-controlled chicken the club endorses instead of the conventionally priced Mielie Kip.

Hide treatment doubles its value for use in furniture, car seats and so on. Hanni Leathers is South Africa's biggest tanner with 90% of the motor and furniture upholstery market. It has been approached to start operations in Spain, Portugal and Mexico because of its high standards.

Mr Jacobs was anxious to dispel several myths about Kanhym that he believed lingered in investors' minds.

He showed how urbanisation meant that people who formerly lived off the land were now obliged to buy food. The amount spent on food by blacks had climbed from 25% to 44% of the total food bill in 20 years. Their expenditure on red meat had risen from 16% to 36% of the total market.

Red meat lost ground to white meat for 30 years. But in the past two years red meat made a bit of a comeback in spite of cheap chicken. Expenditure on red meat by whites fell from 73% to 46% in 20 years.

Mr Jacobs does not eat

chicken because he is not prepared to lower his standard of living.

That was one myth dispelled.

Another was about Kanhym's balance sheet, which is a different animal to that of five years ago. Borrowings were reduced from R100-million in 1987 to R53-million in 1991 while permanent capital climbed from R130-million to R200-million.

The third was Kanhym's earnings relative to red-meat prices. There was a close correlation between 1975 and 1987, but although the red-meat price in real terms had been in a downtrend since peaking in 1987, Kanhym's earnings had continued upwards.

Mr Jacobs says meat prices have turned up this year, the surplus eaten and the Northern Transvaal turned over to game. Quantification of the national herd is therefore suspect in Mr Jacobs' judgment.

Mr Jacobs gave his assumptions for the year to August 1992. He expects no marked improvement in the economy until late that year, assumes interest rates will ease, and he hopes that the socio-political environment does not deteriorate.

The only certainty is that Kanhym will resume paying tax next year.

"I am going to take that first cheque to the Receiver of Revenue personally," said Mr Jacobs, who probably won't feel as enthusiastic when he hands over subsequent ones.

The tax rate this year will be 15% to 20%, incrementally creeping up at 5% intervals to no more than 30% because of the farming tax base on the land activities. Mr Jacobs says the biggest challenge is to phase in tax without diluting earnings.

He amused analysts by highlighting the findings of stockbroker Simpson McKie on 10 listed food companies.

Kanhym had the highest historic and forward earnings yields (making it the lowest rated), the third-best cash-flow yield, the second-best earnings a share compound growth over five years at 41%, its return on equity was fifth, gearing fourth and return on assets eighth.

Mr Jacobs left nobody in any doubt about his views of several opposition companies and his opinion of the analysts in general on why Kanhym shares were cheap when it appeared to be well rated.

His argument did not fall on deaf ears — Kanhym's share price jumped 40c to a high of R5 on the first trade after the Johannesburg presentation.

Mr Jacobs declined to answer a question about what would happen if and when Fedfood entered the Malbak stable, saying the stock exchange did not allow it.

● In the year to August 1991 Kanhym's earnings a share rose by 10% to 60,1c on flat turnover of nearly R1-billion. All the food divisions except Mielie Kip did well, but hide prices tumbled.

KANHYM



③ Meat

Adding value

FM 18/10/91

For most of Kanhym's history, earnings closely followed the red meat price cycle. Last time this collapsed, 1983-1985, Kanhym made losses. But since executive chairman Dirk Jacobs took over in 1987 it has become more resilient. Meat prices were on average 3% up on the year yet EPS rose by 10%. Moreover, excluding discontinued mining operations, earnings from remaining businesses rose by 19%.

Improved performance can be attributed to a swing towards branded products. Kanhym has been scaling down feedlot throughputs and building up Enterprise processed meat. It bought Hanni Leathers at the beginning of last year, the Mielie-Kip chicken business and Herti deli meats. At year-end it acquired a tannery in Bophuthatswana.

Added value accounted for just 7% of operating income five years ago — it's now 61%. In that time Enterprise's share of the

MEATY RESULTS

Year to Aug 31	1990	1991
Turnover (Rm)	979	987
Operating income (Rm) ..	41	44
Attributable (Rm)	30	33
Earnings (c)	50,6	60,1
Dividends (c)	20,0	20,0

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FOX

Meat
③

FM 18/10/91

processed meat market has increased from 27% to 40%, while main rival ICS's Renown has fallen from 27% to 13%. Enterprise has just secured the SA licence for the Bernard Matthews range of meat products. It will be launched in April. Jacobs estimates that, had Kanhym remained a primary producer, operating income would have been R12m, not R44m, at this point in the cycle.

Processed meat has become an important convenience product in the black market. Blacks now account for 36% of the red meat market compared with 16% 20 years ago. Kanhym's products are almost all chilled rather than frozen and refrigeration is far more widespread than freezing facilities. Processed products were liable to GST but now compete on an equal footing with fresh products such as poultry because both pay VAT.

Financial disciplines have been imposed. The sale of coal mining interests in Middelburg to Rand Mines for R20m helped gearing. Interest-bearing debt is now 27%, down from 31% last year and 77% in 1987, notwithstanding the acquisitions, payments of arrear preference dividends and resumption of ordinary dividends.

This year Kanhym is likely to resume paying tax, as assessed losses are running out. Jacobs admits that the major challenge is to ensure that this will not unduly dilute earnings. But as a farming operation the tax rate will not exceed 30%.

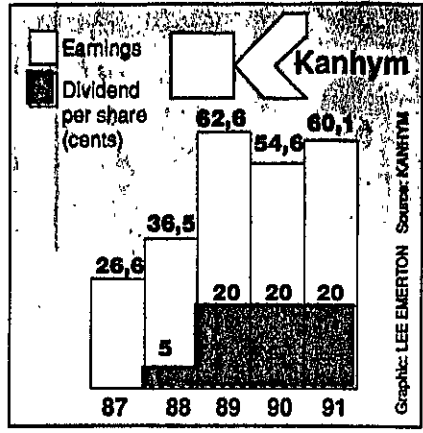
Kanhym is now the lowest cost producer as it has built a new feed mill to make it self-sufficient in animal feed. Others have to buy maize at commercial rates.

The results augur well for any merger with Fedfood. At the very least Fedfood might report to Jacobs, as he is Malbak's executive director in charge of food; but Jacobs will say only that the width of the product base will add to Malbak's muscle in negotiating with the highly concentrated retail trade.

Kanhym's EPS have grown more than twice as fast as Fedfood's in the past five years, it has better gearing and returns on equity. Malbak must hope that Jacobs can effect the same transformation on Fedfood as he has on Kanhym.

Stephen Cranston

Kanhym's earnings rise 10% ^(18/6) ^{(3) meat}



MARCIA KLEIN

FOOD group Kanhym's results for the year to end August dispelled the myth that its profitability was linked to the red meat price cycle, executive chairman Dirk Jacobs said yesterday.

Group earnings increased by 10% to R33m (R30m), although excluding income from discontinued mining operations showed earnings up 19% to R33m (R27,8m). Jacobs said this achievement — in the face of low meat prices, rising input costs and reduced consumer spending — was largely due to Kanhym's conversion to value added products and good cash and asset management.

□ To Page 2

8/0 day 16/10/91

Kanhym ^{8/0 day} 16/10/91.

The marginal increase in turnover to R987,4m (R979,2m) was due to a decline in consumer spending, a reduction in the number of cattle in the feedlots and an international softening in hide prices, he said.

Despite slow turnover growth, the 6% increase in operating income to R44m, (R41,4m) was achieved through containing expenses, which grew at a below inflation rate of 9%, Jacobs said. Operating margins improved from 4,23% to 4,45%.

Operating income from the group's branded value added division increased by 7% to R26,8m (R24,9m). Despite flat cattle prices, operating profits in the agri-business grew by 1% to R17,2m (R16,5m).

Jacobs said the reduction in feedlot throughput helped to reduce finance charges by 19% to R10,9m (R13,6m) despite high interest rates.

Dividends were maintained at 20c a

□ From Page 1 ^(18/6) ^{(3) meat}

share covered three times by earnings. In terms of the group's divisions, Jacobs said Enterprise had excelled and Herti had also done well. All divisions had met budgets except for Mielie-Kip.

Gearing of 77% in 1987 had been brought down to 27% despite numerous acquisitions, the resumption of dividend payments and the payment of preference dividend arrears. Interest cover was increased from 3,05 times to 4,02 times.

Kanhym expected to pay tax next year as its assessed loss was almost fully utilised.

Jacobs would make no further comments on the possibility of a merger between Kanhym and Fedfood.

However, analysts have speculated that it could be on the cards as there would be synergies between the two groups, and rationalisation in terms of central administration and distribution.

Sketch 13 1/10/91

Barend saw trap and sidestepped — or did he slip?

David Breier, Political Correspondent

BAREND du Plessis says it was all an offal trap that Cosatu laid for him. Cosatu says Barend made his own bed of offal and must lie in it.

That is the guts of a VAT row between the Government and the giant trade union movement which is preparing for next month's strike and mass action against value-added tax.

The controversy over the zero-rating of offal arose after a meeting between Cosatu and its allies and a Government delegation led by State President F W de Klerk about two weeks ago.

After the meeting Cosatu secretary-general Jay Naidoo reported that the Government was prepared for zero-rate a number of foods for a short period — including offal and intestines.

He angrily denounced the Government for not accepting that poor people also ate meat and chicken.

In the event, the Government did zero-rate a number of basic foods — but not offal, so it could not be accused of saying in Marie Antoinette fashion to the poor: "Let them eat offal."

Observers noted that if the Government had chosen to zero-rate offal as opposed to other

basic foods, it would have been the worst public relations gaffe since "let them eat cake".

At this week's Cape congress of the National Party, Mr du Plessis gave his own version of the offal truth, saying it was a Cosatu trap.

He said the night before the meeting, an official in his department telephoned him to say a certain professor had told him that the zero-rating of offal would be acceptable.

Mr du Plessis says he immediately told the official that it was a trap. The Government would not fall for it.

He said his suspicion was confirmed when, after the meeting, he read that Mr Naidoo had announced the Government had offered to zero-rate offal.

However Cosatu spokesman Neil Coleman has a different version. He told the Sunday Star that a Government tax expert telephoned Cyril Ramaphosa with the offal offer. Mr Coleman said Mr Ramaphosa mocked the idea. "If it was a trap, they laid it for themselves," Mr Coleman said.

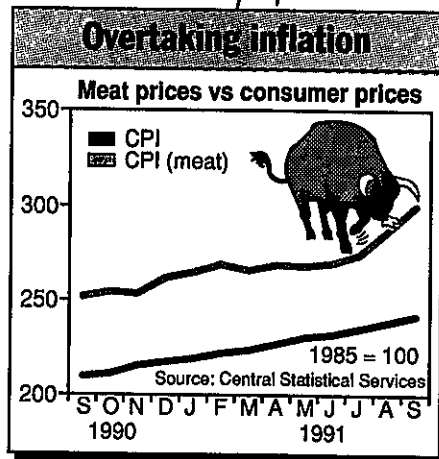
He added this was no reflection on people who ate offal, but it was "arrogant" and insulting of the Government to choose what they regard as appropriate food for poor people to eat.



PROUD CHEFS ... Berrick Tshabalala, Martin Macgregor and Rebecca Mfelo show off their offal dishes. Picture: Debbie Yazbek

FM 1/11/91.

③ MEAT



(*Business & Technology* July 26). But board economist Ernst Janowski says the blame lies elsewhere. He says the delayed maize crop held up meat supplies because livestock could not be fattened on the farms, while feedlots also cut back on their stock because of falling demand.

Blue Ribbon Meat MD Gareth Ackerman says producer prices have "risen dramatically over the past three months." Last week, mutton auction prices in Cape Town were up to R8/kg (almost 40% above the 1990-1991 average), while beef was up to R6,20/kg (just over 30% above the 1990-1991 average) and pork was up to R6/kg (70% higher).

And, while prices for super cuts of lamb in the Cape jumped from R6,50/kg three months ago to more than R8/kg last week, in Natal the increase was even more dramatic — last week, super cuts of lamb were auctioned for up to R10/kg at Durban's Cato Ridge abattoir. Overall, the producer price index for meat leaped from 179,8 in June to 202,7 in August, according to the Central Statistical Service (CSS).

The story is much the same at the retail level. The Consumer Council's monthly weighted average for five regions shows that the price of pork loin chops jumped by 15% from May to September, lamb leg chops by 11,5% from June to September and brisket by 5% over the same three months.

However, the board argues that at least for producer prices, the escalations are a temporary spike. Board GM Pieter Coetzee says average auction prices for beef, mutton and pork declined during the three years ending in June — beef from R4,76/kg to R4,68/kg; mutton from R6,19/kg to R5,72/kg and pork from R3,74/kg to R3,55/kg.

Figures compiled by CSS partly support the board's case. Increases in the producer price of meat have outstripped the overall producer price index for most of the last 20 years, but in the past two years, the situation has been reversed. The producer price index for meat has risen from 182,1 in September 1989 to 202,7 in August (1985=100) while the overall producer price index escalated from 181,8 to 222,8 in the same period.

Unfortunately, on the retail side the trend is very different. Meat price increases have

outpaced the consumer price index since 1979, according to CSS. The index for meat prices has tripled since the base year — from 101,2 in October 1985 to 301,3 in September. But the overall index has risen from 104,3 to just 241,9 in the same period. Considering that meat made up 7,71% of the overall index's basket of goods during that period, the gap between meat inflation and that for the rest of the basket of goods is even more dramatic.

The reasons behind the long-term ability of meat prices to outstrip consumer prices is under investigation by the Competition Board. Most of the current debate centres on the recent runup in both producer and retail prices and the explanations are varied.

Vleissentraal meat co-operative CE, strategic affairs, Jan Lombard says that "since June, there has been a countrywide red meat undersupply of about 8%-12%, which led to upward pressure on auction prices." On top of this cyclical shortfall, he believes there has been increased demand from black consumers, "probably as a result of the effective redistribution of income taking place in the economy."

He says pork prices have increased by up to 25% over the past year because many producers left the sector after a two-year down market. And he points to the introduction of the 10% VAT on fresh meat products for helping to push up retail prices even further after September 30th.

Furthermore, he warns: "With demand sure to increase during the Christmas season and the supply remaining relatively stable, prices could escalate further during the rest of the year."

Frikkie Bester, MD of Roelcor, a large wholesale, retail and meat processing group serving the Cape, says export contracts to the European Community obtained by Namibia have aggravated the local beef shortage. "Countrywide, beef prices went up by an estimated R1/kg, or between 15% and 20%, over the last few months."

And, he says, early spring rains have led to stocks being held back for fattening. This is especially the case with mutton following extensive, heavy rains in the Karoo and Orange Free State sheep production areas.

The board's Janowski offers one more reason for the soaring prices. He says the number of sheep slaughtered each month in the controlled urban markets dropped 18% to 457 000 from March to September and beef slaughterings fell 9% to 114 000 over the same period.

MEAT PRICES ③ MEAT

Rising fast FM 1/11/91

Some say it's the weather or the introduction of VAT. Others finger the usual suspect, the Meat Board. One theory even holds that the ending of the traditional religious fast in Natal is the culprit. But whatever's to blame, meat prices have certainly taken off in the past few months.

Both producer prices and retail prices in the heavily regulated meat industry have soared recently, but over the longer term, producer prices have been stable in real terms while retail prices have consistently outstripped the consumer price index.

The Meat Board has come under fire for the producer price increases since July 1, when it raised floor prices and introduced a new scheme to subsidise the higher prices

Fattening them up

Fm 1/11/91

Maize is the energy cornerstone for animal feeds

~~2~~ ~~MAIZE~~ ③ MEAT

The Animal Feeds Manufacturing Association of SA (Afma) annually uses about 2,4 Mt of yellow maize to manufacture feeds for SA's millions of chickens, cattle, sheep and pigs.

This ensures that SA's growing population has a constant supply of red meat, poultry, eggs, bacon, milk, butter and cheese to keep the nation's combined stomach full of protein-rich foods, three times a day.

Animal feeds sales over the past year totalled a record 3,9 Mt, with poultry feeds now making up 58% of total sales, says Afma chairman (and Epol CE) Munro Griessel.

This shows the growing importance of poultry, which has already pushed beef out of its No 1 spot in the meat market, he adds.

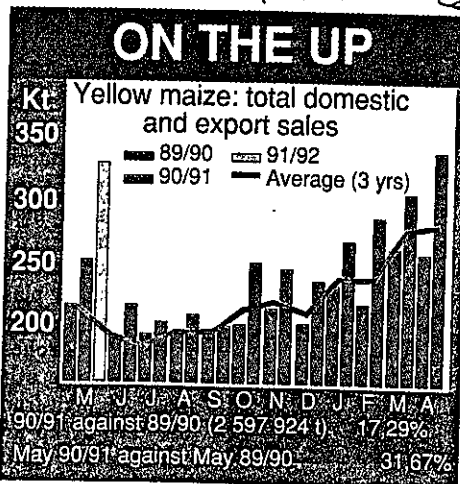
But while maize is a vital energy (and protein) component in the animal feeds market, all is not rosy in the garden.

"Our problem lies with the Maize Board's single-channel system. This is detrimental to the interests of the animal feeds industry," says Griessel.

Apart from the marketing and pricing systems, the falling protein content of SA's maize crop is of great concern, says Griessel.

Griessel says the board's pricing policies are unrealistic, leading to an oversupply of maize (and costly export "losses"), while SA is forced, each year, to spend about R430m on the import of soya and fishmeal products to supplement the huge shortfall in protein feeds produced in SA.

"The low producer price ratio of soya beans to maize is the most important reason for insufficient soya production. In the US,



this ratio is about 2,25:1, while in SA, over the past decade, the average approximated 2:1," says Griessel. This gives the wrong price signal to farmers.

For the 1991-1992 crop season, the R322/t maize price would stand in a 1,95:1 ratio to the soya price of R629/t. No wonder that in the year to end-March 1991, SA produced 360 000 t of oilcake (sunflower, soya, cotton and groundnut), while 187 000 t had to be imported.

By 2000, says Griessel, SA will need about 703 000 t of oilcake, against this year's total

of 548 000 t. This would obviously mean even bigger, costlier imports.

Apart from the oilcake imports, SA's animal protein feed requirements will necessitate the import of 180 000 t of fishmeal, at a total cost of about R300m.

Griessel says the single-channel marketing system protects producers of lower-quality maize as all grades are "pooled." Farmers are not encouraged to produce higher-quality, protein-rich maize, says Griessel.

But, responds Maize Board deputy GM Peter Cownie, the board recently "dramatically" increased the price gap between grades 1 and 2 maize (from 55c/t to R10,45/t) to encourage farmers to produce the best grade of maize.

Griessel says the protein content of SA maize has declined over the past few years, from 10% to 8,4% on a dry-matter basis. This represents a cost increase to the feeds industry of R10 per 1% protein per ton of maize, as it is now forced to replenish the protein loss from other sources.

"The nett result is not only a cost increase in animal feeds but also an increase in oilcake imports equivalent to 88 000 t/year to make up the protein shortfall," says Griessel.

And, as maize prices still increase when surpluses are produced, consumers feel that they have to pay for export "losses," while

the wrong price signals are sent to producers.

"Should prices decline in surplus years, this would be the single biggest incentive for farmers to switch to soya production. This would not only benefit farmers, the balance of payments and consumers like ourselves, but would also give farmers an added benefit as soya binds nitrogen into the soil and, therefore, reduces fertilising costs," he says.

MEAT BOARD FM 8/11/91 (3) Meat

Keeping producers in the dark

By law, red meat producers must contribute to the Meat Board's price stabilisation fund. But, for the past three fiscal years, the board has not published financial statements, though it is sitting on nearly R300m of producers' money.

"The board is giving us the mushroom treatment by keeping us in the dark," says Nils Dittmer, chairman of the Organisation of Livestock Producers. "If the board cannot tell us what it is doing with our money, they should give it back because it belongs to SA's 20 000-odd livestock producers."

The issue comes at a time when the embattled board is under fire by government and some producers for its heavy regulation of the industry, which the organisation and consumer groups say keeps prices high and quality low (*Business & Technology* October 25).

The board's financial statements cannot be published until they are approved by State Auditor-General Peter Wronsley. He says the board did not submit its figures for the year ending June 30 1989 until more than 17 months later, last December 5, "despite pressures exerted by this office."

Since then the delay is partly the fault of Wronsley's office. In addition to the need to collect more information from private auditors, a staff shortage and a special Mossgas investigation slowed the State audit. Deputy Auditor-General Pikkie Lourens says the report should be available in two weeks.

Last year's figures, for the 1989-1990 fiscal year, were turned in 14 months late, Wronsley says, but the 1990-1991 statement was submitted in less than four months. Outside auditors were hired to go over the statements for both years; the 1989-1990 figures will be published by the end of January and the 1990-1991 statement will be out shortly afterwards, according to Lourens.

He says "no other board's statements are as far behind as the Meat Board's, but all arrears statements of the various control boards should be with the printers by January."

Meat Board GM Pieter Coetzee says the delay with the 1988-1989 statement was caused by a fraud and theft case involving the accountant and his assistant at the board's Johannesburg regional office, which resulted in eight-year jail sentences. This also delayed the 1989-1990 statements, he adds.

Coetzee says the stabilisation fund, which

stood at R192m in 1989, R250m in 1990 and R286m this week, is invested with the Land Bank at going rates. He says the funds are used only to stabilise beef, mutton and pork prices, not for any other purpose.

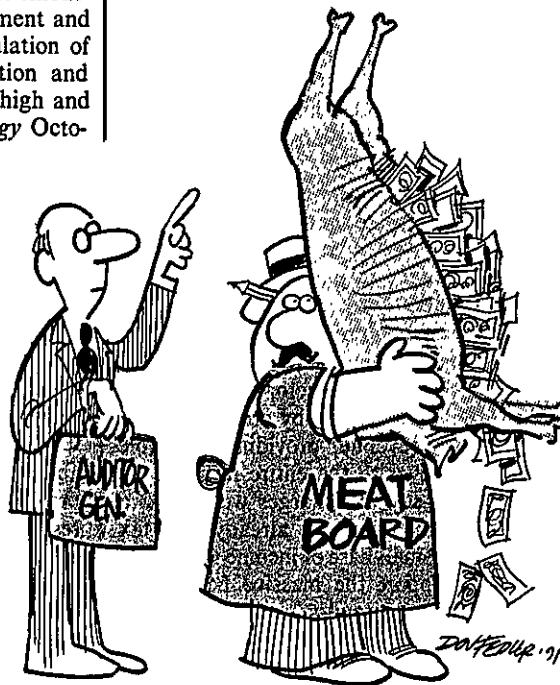
The State-sanctioned Red Meat Producers' Organisation (RPO) says it can provide members with the 1988-1989 and 1989-1990 statements on request; the statements are cleared by the board's auditors but not yet by Wronsley.

RPO deputy manager Gerhard Schutte furnished the *FM* with a copy of the prelimi-

while the board's and the Agricultural Union's levies total about R40 on a carcass sold for R1 200, he says. The rest of the costs are for transport, agency fees and other charges. Most of the compulsory charges serve to prop up the heavily regulated meat system and would be eliminated if meat sold in urban areas did not have to come from cattle slaughtered in urban areas.

"If I were free to slaughter my cattle at the Vryburg abattoir and then transport the slaughtered meat to urban markets, this would not only enable direct cost savings of R80-R130 per head of cattle (which could be passed on to the consumer), but also would reduce the transport weight loss of about 4%," he says. The cattle lose weight during the stressful transport from outlying areas to the urban abattoirs.

Arnold van Huyssteen



ZAMBIA FM 8/11/91 Market opportunities

The new Zambian government's apparent commitment to market economic policies, which include far-reaching incentives for foreign investors and a comprehensive programme of privatisation, could soon see the return of SA businesses to Zambia.

Confirming these initiatives, Deloitte Pim Goldby partner Frank D'Amico says prospects for substantial trade between SA and Zambia are good because some of the major obstacles for investors had been removed with the introduction of Zambia's Investment Act.

After years of strict currency regulations that prevented investors from taking their profits home, the Act allows for the remittance of a substantial percentage of profits to the investing country — 70% of gross currency earnings for the first three years, 60% for the following two years and 50% thereafter.

Would-be investors could also be lured by the greatly reduced rate of taxation on income generated from new investments. Dividends will be exempt from tax for seven years after opening a business, and company income will be exempt for an initial period of three years.

Investors also will be exempt from customs duties and sales tax on all machinery, equipment and parts required for the establishment, rehabilitation or expansion of an enterprise. Additional incentives are available for certain exports, agricultural enterprises, tourism, import substitution industries and small enterprises.

Ironically, the innovations were spearheaded by Kaunda in recent months, following increasing pressure from the World Bank

nary 1989-1990 statement and says: "The producer members of the board know what the situation is and the producers are no longer aggrieved over the delays."

But Leon Weyers, Consumer Council chairman and also a Meat Board member, says he is "totally surprised" to hear that no financial statements have been published since 1988.

He says the board clears the statements shortly after the end of each financial year and that this process has not been behind schedule. But he says he was overseas when the 1991 statement was discussed.

Dittmer says that under the law, livestock producers are forced to contribute to the stabilisation fund. He says the various compulsory levies and additional costs charged on cattle slaughterings at, for example, the City Deep abattoir in Johannesburg vary from R200 to R250 a carcass.

Abattoir, slaughter, inspection and meals fees comprise about R40 of the total,

Sharp meat price hike looms

PAUL ASH

SHARP rises in beef and mutton prices are once again set to hit consumers in the pre-Christmas period, say meat industry spokesmen. (S) meat (R)
 B (W) ay 18/11/91

Meat Board economist Ernst Janowski said there was a shortage of quality meat being processed at abattoirs. There were also fears the price of lamb, currently about R7,45/kg, could rocket.

Blue Ribbon Transvaal manager Bernie Heffernan reported a shortage of quality beef with many farmers holding back stock for fattening. Wholesale prices, aggravated by the change to VAT, had risen by 20% recently.

Kanhym executive chairman Dirk Jacobs said the size of the national herd was overstated mainly by the inclusion in national statistics of northern Transvaal farms, many of which had switched from cattle to game farming.

Meat Board spokesman Pieter Kempen said mutton supply would be affected by the reduction of eastern Cape meat supplies after years of drought. But increased supplies of cattle from crop-land regions meant beef shortages were "unlikely".

Lamb was in "relatively short supply" following the late lambing season. In terms of supply, lamb and mutton were two months late while beef was between two and three months late.

While prices would not come down before Christmas, the board was not expecting a substantial price hike, Kempen said.

The near-doubling of the chicken price in the past two months was also boosting meat demand, Red Meat Producers' Organisation (RPO) spokesman Gerhard Brönn said.

SA 'likely to spend \$5m' on meat imports from Europe

13/10/89
20/11/91 GERALD REILLY (3) meat

PRETORIA — Meat traders and manufacturers could spend up to \$5m this year on importing red meat from the EC's "beef mountain", Meat Board sources say.

The heavily subsidised EC meat, bought at source at bargain prices, is subject to an import tariff which raises the price almost to that of locally produced meat. However in spite of the tariff protection the Red Meat Producers' Organisation (RPO) repeatedly has objected to the quantities being allowed into SA.

RPO manager Jan van der Walt said the tariffs were an effective defence against dumping. The RPO however wanted to ensure imports were kept to a minimum.

Van der Walt said because of increased local beef production and the RPO's objections, imports had fallen from 45 000 tons in 1988 to 7 300 tons last year.

Meat Board manager Pieter Coetzee said permits had been issued this year for the importation of about 7 000 tons of beef. At the beginning of the year the board estimated EC beef would cost an average of R2,50/kg. Since then the European surplus had increased and prices had plunged to about R1,50/kg.

The imported beef was being used mostly by meat processors in the manufacture of polonies and sausages.

The imports had little effect on quantities of beef marketed locally or on prices which had increased significantly since August. Prices for top quality animals now ranged between R5 and R6/kg.

Kanhym's share price was a pedestrian performer until Malbak's acquisition of Fedfood was announced. It was soon apparent that Kanhym executive chairman Dirk Jacobs would preside over a merger between Kanhym and Fedfood.

In effect, though Fedfood was the larger and more diversified company, Kanhym management has taken it over. Jacobs is CE of both groups and Neels Kilian has combined responsibility as financial director.

Until recently, Fedfood's p:e was higher than Kanhym's, though they are now similar, at 8,3. Both groups are exposed to cyclical areas of the food business: Fedfood to fishing and frozen foods, Kanhym to the meat price. As a combined group, they should be less exposed to risk, unless the meat price, fishing catches and the vegetable crop all slump together.

Jacobs has managed to reduce Kanhym's exposure to the meat price considerably, by increasing the contribution of added-value products to operating income from 7% to 61%. Prices of these products — which are sold under the Enterprise, Bokkie and Herti labels — are more easily controlled by the manufacturers.

Chicken producer Mielie-Kip does not compete with Rainbow in the volume market but concentrates on chicken portions and prepared products such as the Like-It-Lean range endorsed by Weighless slimming clubs.

cont - 12

Activities: Fresh and processed meat supplier. Raises, feedlots and slaughters cattle, pig, sheep and broiler chickens. Auctions livestock and supplies abattoir agency services. Manufactures leather.

Control: Malbak 70,2%.

Executive chairman: D J Jacobs.

Capital structure: 55m ords. Market capitalisation: R275m.

Share market: Price: 500c. Yields: 4% on dividend; 12,0% on earnings; p:e ratio, 8,3; cover, 3,0. 12-month high, 575c; low, 250c.

Trading volume last quarter, 3,1m shares.

Year to August 31	'88	'89	'90	'91
ST debt (Rm)	47,1	20,0	42,4	42,6
LT debt (Rm)	20,5	12,7	12,1	10,8
Debt:equity ratio	0,36	0,19	0,30	0,27
Shareholders' interest	0,57	0,53	0,53	0,57
Int & leasing cover	2,7	3,9	3,1	4,0
Return on cap (%)	9,9	14,8	12,2	12,6
Turnover (Rm)	801	862	979	987
Pre-int profit (Rm)	32,2	46,1	41,4	44,0
Pre-int margin (%)	4,0	5,3	4,2	4,5
Earnings (c)	20,5	60,6	54,6	60,1
Dividends (c)	5	20	20	20
Net worth (c)	287	301	324	363

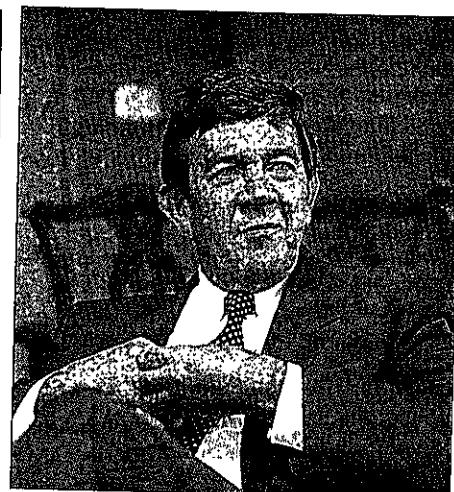
Enterprise, in particular, has been positioned as a premium product, which has enjoyed a better margin than competitors. Enterprise has entered into a licensing agreement with Bernard Matthews, the leading premium producer of processed meat in the UK, which offers opportunities for a large range of new products. A dedicated factory is being built in Germiston and the products will be launched late next year.

The introduction of VAT is having a mixed impact on Kanhym. Meat, which was GST-free, now attracts 10% VAT, which has dampened red meat sales. On the other hand, processed meat was subject to GST and its competitors such as chicken are subject to VAT.

Turnover rose a nominal 1%, as Jacobs continues to wind down the agri-business. The feedlot at Wartburg, which did not produce satisfactory returns, was sold and stock levels at Middelburg were reduced by 50% to 30 000 animals. Added-value divisions were expanded, though sales of these products fell by 2%, to R417m. A tannery in Bophuthatswana was bought and renamed Hanni Bop, and a new factory for Herti delicatessen meats opened in Durban.

Gearing has fallen to 27%, despite the acquisitions of the past two years. Borrowings have fallen from R100m in 1987, when Jacobs took over, to R53m now. Last year interest paid fell by a fifth, to R10,9m.

Expenses rose by 9%, well below inflation, because of more stringent cost control and



Kanhym's Jacobs ... borrowings still falling

asset management. Net working capital, however, increased by 11%. Kanhym's EPS of 60,1c is still below the 1989 record of 60,6c, but, if previous cycles are repeated, the meat price should start rising next year and climb sharply in 1993 and 1994.

Leather prices are also soft but Hanni supplies the more stable, higher margin automotive market, for which it receives benefits under Phase Six of the local content programme.

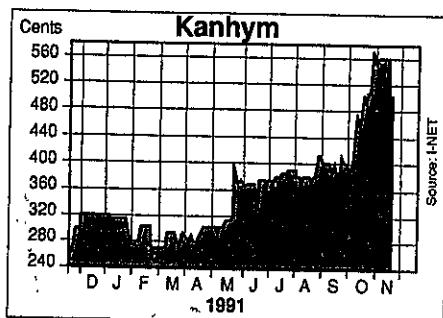
Kanhym has just R6,6m of tax losses, which means it will pay some tax next year. Certainly, a merged Kanhym/Fedfood will pay tax. Kanhym has no tax equalisation fund, though it is understood that certain provisions have been made, perhaps under sundry loans or insurance provisions.

As a primarily agricultural business, Kanhym's tax rate is unlikely to exceed 30%, and this rate will effectively be phased in. Nevertheless, Jacobs says the major challenge is to maintain growth without letting tax unduly dilute earnings.

Kanhym will not exist in its present form for more than a few months. Present shareholders will get in at the ground floor of the new, diversified food company.

The group, which has a strong parent in Malbak, could be involved in joint ventures with Pepsi and possibly with Heinz. Once established, it is likely to trade on earnings multiples well above eight. Though Kanhym's price has increased, it remains undervalued relative to the food sector index which has a p:e of nearly 20. It looks a good buy.

Stephen Cranston



Where's the beef?

FM 6/12/91

Just two months ago government seemed ready to free the tightly controlled meat industry. With consumers angry at soaring prices, and producers lost in a maze of restrictions, deregulation was in the wind.

"The industry has now matured sufficiently to allow for freer competition and the increased availability of meat supplies at all markets," said Agriculture Deputy Director-General Chris Blignaut (*Business & Technology* October 25).

But the wind has now turned against deregulation. Government is apparently capitulating to bureaucrats, wholesalers, abattoirs and other vested interests in the R7bn-a-year meat trade. The Committee of Enquiry into the Deregulation of the Meat Industry was appointed by government five years ago and

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(3) Meat

finally submitted its report in August, using language that sounds deregulatory but can easily lead to stricter controls (the report has not yet been made public but a copy was obtained by the *FM*).

Instead of tossing out the report and pushing for radical reform, Agriculture Minister Kraai van Niekerk issued a joint statement last month with Meat Board chairman Fanie van Rensburg saying: "The Minister accepted the report's recommendations and requested the board to implement them as soon as possible after consultation with the industry."

The committee was instructed to focus on abolishing the distinction between the controlled urban markets and the uncontrolled rural markets, which has forced up prices in urban areas and hurt the economy in rural areas for decades. But, while the report does talk about "the freer movement of meat" and "the disappearance of the controlled and uncontrolled areas," the preconditions it recommends are severe. For example, the report recommends that meat allowed to be marketed anywhere in the country must meet tough health and grading standards that now apply only in urban areas to satisfy EC requirements for imports. As a result, rural abattoirs would be hit with more regulation through the backdoor.

Says Blue Ribbon Meat MD Gareth Ackerman: "It looks like more of the existing levels of control, with very little freeing of the market. The industry should rather be allowed to control itself; we must get rid of government regulation. The existing meat scheme seems to be aimed at protecting the inefficient producer, while the efficient farmer is not allowed to negotiate a better price for his product directly with the trade."

The joint statement also says "the functions of surplus-meat removal, the guarantee of a minimum floor price to producers, the maintenance of an efficient price-forming mechanism, and the control of fair market access of slaughter stock still will be continued by the board."

But Blignaut says this would be an interim measure because abattoir owners will eventually assume most of these functions.

Ackerman says the trade should also be allowed freer imports. "We can now land good quality beef from Ireland at about R4/kg, compared with current auction prices of about R6/kg. This will help to bring down retail meat prices."

Independent Organisation of Livestock Producers' Nils Dittmer agrees that "the effect of the newly recommended system will be the abolition of the uncontrolled areas and the extension of the board's control over these areas; this way, greater control also can be exerted over meat imports."

Dittmer says livestock farmers have never been allowed the opportunity to vote on the meat system. In fact, they are forced to belong to the Red Meat Producers' Organisation, with compulsory levies deducted at all slaughterings.

Blignaut says all producers are free to

recommend an alternative to the meat scheme. "And, if they can get majority support, the scheme can be changed." ■

Beef surplus leads Meat Board to act on imports

3 Meat
 0: Day 11/12/91

PAUL ASH

SUBSTANTIAL beef surpluses from EC countries and SA's neighbouring states, coupled with an excellent local supply, led to the Meat Board applying for increased import duties on meat, chairman Fanie van Rensburg said in the board's latest annual report covering the year July 1990 to June 1991.

The board's application was aimed at stemming the flow of cheaper, unauthorised meat imports.

In a lawsuit resulting from the board's seizure of one shipment, the court ruled that the seized consignment consisted of meat products and not meat.

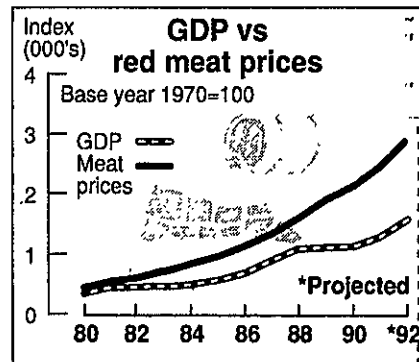
The board, unhappy with the judgment, lodged an appeal which went against it on the grounds that deficiencies in the definition of slaughter stock, meat and meat products could not be rectified by supplementary definitions in the Meat Scheme, as had been done in the past.

To eliminate all these deficiencies, schedule 1 of the Marketing Act was amended in January, Van Rensburg said.

Some of the duties and rebates did not protect local producers against dumping. The board wanted these deficiencies rectified, Van Rensburg said.

Too-low duties cited by Meat Board senior manager Peter Kempen included liver which carried an import duty of 30% on the landed value of R2/kg. "The end price of R3,60/kg is much lower than the R5-R6/kg which was the minimum price at which local producers could supply the market," he said.

But while supply was buoyant, poor economic conditions caused annual consump-



Graphic: LEE EMERTON Source: MEAT BOARD

tion to stagnate at about 25kg a person.

Deregulation was investigated during the year by a special board committee which was looking into practicalities such as hygiene, floor prices and grading.

Kempen said a final proposal should be tabled by June 1992.

While agricultural conditions had improved, drought in the eastern Cape and the crash of the wool market had led to increased slaughtering of all animals in the region, Van Rensburg said. Sheep slaughterings alone had jumped 20%.

About 3 429 tons of beef, pork, mutton and offal were exported while about 6 498 tons of red meat and offal were imported during the year under review.

"We are a net importer of meat; exports consist of surplus cuts and manufactured products," Kempen said.

Producers earned about R70,5m from the marketing of hides and skins in controlled areas with the bulk going to the overseas market.

Deregulation of red meat industry urged

STAR 12/12/91 (3) meat

Perishable foods producer and distributor ICS has called for urgent deregulation of the red meat industry.

Chairman Robbie Williams says in the group's latest annual report continued restrictions on the free flow of meat contributes to inefficiencies in the industry.

Despite government statements in support of deregulation, controls on the movement of meat are still in place and he hopes action will be taken soon.

While he welcomes the

authorities' intention to privatise the Abattoir Corporation — "as long as one quasi-state monopoly is not replaced by another protecting vested interests" — he says deregulation should precede privatisation.

This should be done so that market forces can dictate which abattoirs can provide the most efficient service.

"The group supports free market principles and encourages the existence of competitive forces," he says. — Sapa.

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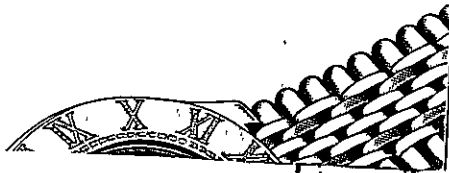
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Consumers

STAR take knock

18/12/91
By George Nicholas

The imposition of VAT on meat is hitting the pockets of consumers and the fears of farmers that they could be called upon to shoulder this additional tax burden are proving unfounded.

A study of producer and consumer prices for meat since the introduction of VAT on September 30 indicates that this tax had had relatively no effect on the prices paid to farmers for livestock sold by auction and marketed in the main urban centres. (3) Meat

The 10 percent tax has been passed on by the meat trade to the consumer, although in some cases butchers appear to be absorbing part of it.

Since July, there has been a steady increase in producer prices, and there is every likelihood that retail meat prices in the next three years may increase by about 30 percent a year.

Surveys reveal steep rise in meat prices

By Paula Fray
Consumer Reporter

3 Meat



While meat prices at abattoirs in the PWV rose by between eight and 10 percent after the introduction of VAT, retail prices increased by between two and 40 percent on certain cuts, according to the Housewives' League.

Previously exempt from general sales tax, meat became liable for tax when VAT was introduced at 10 percent on September 30.

There has been a renewed outcry against the spiralling cost of meat after the Central Statistical Service announced that a 38,1 percent rise in meat prices had contributed to the exceptional year-on-year increase in the food inflation rate.

A Vatwatch survey, released almost simultaneously, also showed meat to be a major contributor to high food costs. Prices were checked country-wide.

"The price increase of the total meat basket from July to November was highest in Durban (29,5 percent) and lowest in

STAR 23/12/91
Pretoria (17,8 percent)," said Vatwatch.

In a survey of meat prices at supermarkets countrywide, the Housewives' League found increases of up to 48 percent at a Durban store for topside roast.

Durban also had a store which showed a price drop in the league parcel of seven cuts of meat — from R125,83 in September to R119,63 in October.

"It would seem that if abattoir prices rose by 10 percent, but retail prices rose by a much higher rate, someone is profiteering," said league vice-president Sheila Lord.

"No doubt these price increases will lead to a further cutback in meat consumption, especially beef, and the industry must find ways to stop further price increases."

Mrs Lord urged consumers to "shop around".

② Meat
**Agents and
Meat Board
force prices,**

says butcher
STAFF 2.11.12/91
Consumer Reporter

Meat prices went up by at least 20 percent at abattoir level before value added tax was added on, an East Rand butcher said yesterday.

Jose de Gouveia was reacting to a Housewives' League survey which said that while meat prices at abattoirs in the PWV rose by between eight and 10 percent after the introduction of VAT, prices at retail levels increased by between two and 40 percent.

According to Mr de Gouveia, he paid R4,60 for prime beef before VAT was introduced. These prices now ranged between R5,60 and R5,80 plus VAT.

"On Friday I paid R10,99/kg for rump from a wholesaler," said Mr de Gouveia.

"Prices went up by far more than between eight and 10 percent. They went up by at least 20 percent plus VAT," he said.

"At the abattoir we have to pay money for agents and the Meat Board. Everyone gets money for doing nothing. The poor farmer and the customers are the ones who suffer," said Mr de Gouveia.

He added that everyone blamed the retailers, but they were also forced to pay the higher prices.