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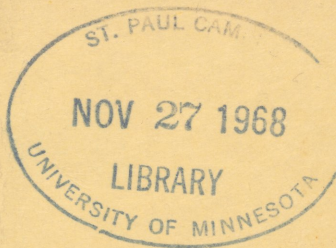
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PRICES OF CERTAIN AGRICULTURAL PRODUCTS - MARKETING YEAR 1968/69

MAIZE

Revised prices for maize and maize products came into force as from 1 May 1968.

The net producer's price for white maize for the 1968/69 marketing year has been reduced by 5 cents a bag to 330 cents in bags of 200 lb. For yellow maize in bags the net producer's price remains unchanged at 330 cents per 200 lb. These net prices were established after deducting a levy of five cents a bag as a contribution towards the Stabilization Fund. During the previous three marketing years no levies were collected from producers for the Stabilization Fund.

The Maize Board's selling prices of maize to millers for milling have as from May 1, 1968 been increased by 5 cents per 200 lb. This increase, along with an increase of 4.7 cents per 200 lb in milling costs over the past two seasons has been included in the maximum millers' prices of maize products.

The estimated crop of 62.5 million bags for the 1968/69 marketing year, is considerably less than the record crop of about 106.25 million bags for the previous season. On April 1, 1968 about 22 million bags of maize of the exportable supplies of the 1967/68 year were carried over for export during the 1968/69 year. From the crop to be marketed during 1968/69 the exportable supply will be about 14.6 million bags.

In comparison with the previous season the State subsidy on maize for the 1968/69 year will be increased by about R3.3 million so as to provide for the price arrangements set out above.

KAFFIRCORN

A floor price of 330 cents was determined for the best grades of kaffircorn in bags for the 1968 crop in comparison with a floor price of 320 cents for the previous crop. The floor price will be maintained from April 1, 1968 to October 31, 1968. The levy on malt remains unchanged at R1.00 per 180 lb of malt.

The kaffircorn crop of the 1968/69 marketing year is estimated at 2.75 million bags as against about 9.35 million bags for the previous season. Along with the carry over from the previous year about 2.17 million bags of kaffircorn will have to be exported during 1968/69 at an estimated loss of R1.69 million. It is estimated that 750,000 bags of kaffircorn will be used in concentrated feeds in replacement of yellow maize. The loss will amount to about R0.6 million.

WINTER CEREALS

As in the past the producer's prices of wheat and winter cereals were fixed and announced before planting commenced. The producer's price for the basic grade B1 wheat in bags for the 1968/69 season was fixed at R6.47, which is the same as that for the current season. Appropriate adjustments are made in the prices of other classes and grades. The producer's price for the 1967/68 season includes a contribution of 10 cents a bag from the Wheat Reserve Fund. For 1968/69 this contribution will be subsidised by the State.

The current producer's prices of barley, oats and rye remain unchanged.

DAIRY PRODUCTS

From June 1, 1968 the basic producer's price of milk to be used to produce condensed milk and whole milk powder has been reduced by 5 cents to 186 cents a 100 lb. This brings it to the same price as that for cheesemilk and milk used for skim-milk powder. Winter premiums remain unchanged at 15 cents a 100 lb for June and October and 25 cents for July, August and September.

There is no change in the basic producer's price of 42 cents a lb for first grade butterfat and winter premiums of 3 cents a pound butterfat for June and October and 5 cents a pound for July, August and September.

The wholesale prices of 38 cents and 31 cents a pound for butter and cheese respectively and retail prices of 41 cents a pound for butter and 35 cents for cheese remain unchanged.

Since the end of 1966 there has been a marked increase in the output of butter and cheese and milk intakes by condensed milk factories increased considerably. According to the latest estimates of production and consumption of cheese, about 2.5 million lb of cheese of the 1967/68 season will have to be exported at an estimated loss to the Dairy Board of 16 cents a pound. It is estimated that production and consumption of butter will just about balance. Supplies of condensed milk products have increased and there has been a further reduction in the importation of skim-milk powder.

SLAUGHTER-STOCK

The minimum guaranteed prices to producers of meat have been increased since May 6, 1968.

For Class B, Grade I beef the floor price of cattle with more than six permanent incisors was increased by 1 cent a lb carcase weight, and by 2 cents a lb for carcasses from animals with six and fewer permanent incisors which are graded as Class A, Grade I. The floor prices of Grades II

and III have been increased by 1 cent a lb. For Super and Prime grades the floor price was increased by 1 cent a lb. In the Prime grade, Grades Prime A, B and C have been discontinued and for the Prime Grade the price has been increased by 1 cent a lb above the price of the former Grade Prime A.

To promote production through the marketing of younger animals with a greater carcase weight, no floor prices will be applicable to carcasses weighing less than 350 lb.

For Super and Prime Grade beef carcasses the seasonal premium has been increased from 1.6 cents to 2 cents a lb while it remains unchanged at 2 cents and 1.6 cents a lb for Grades I and III respectively. On Grade II the seasonal premium is reduced from 2 cents to 1.6 cents to persuade producers to market cattle in better condition and with greater weight.

For calf carcasses the minimum guaranteed prices will, from May 6, 1968, only apply to Super and Grade I carcasses weighing at least 50 lb. For these grades the floor prices have been increased by 1 cent a lb to promote the marketing of better quality veal calves.

For sheep carcasses a new class has been introduced for young sheep with a maximum of four permanent incisors and a maximum weight of 45 lb. For carcasses qualifying for this class as Prime and Grade I, the floor prices have been increased by 1 cent and 1/2 cent a lb respectively. Other floor prices for sheep and lambs remain unchanged.

The minimum guaranteed prices for kid and goat carcasses as well as Super-porkers were increased by 1/2 cent a lb.

GROUNDNUTS

For the 1968/69 year the advance payment for groundnuts was fixed at R95.00 a ton for the basic Grade S2. This is the same as that for the previous season. The advance payment for unshelled groundnuts as well as for the other grades of shelled nuts is established in relation to the advance for the S2 Grade.

The selling prices of groundnuts remain unchanged at R108.50 a ton for Grade S2 to expressers and R118.50 a ton for Grade S1 to buyers of edible nuts. It is estimated that after all expenses have been met the net payment to producers will be about R106.00 a ton.

After a record crop of 315,000 tons in 1967/68 the crop for the 1968/69 year declined to about 160,000 tons. It is expected that 25,000 tons of edible nuts will be exported while the balance will be sold mainly in the domestic market.

SUNFLOWER SEED

The advance payment on ordinary sunflower seed for the 1968/69 year has been increased by R2.25 a ton to R45.00 a ton and that of seed

with a high oil-content has been fixed at R50.60 a ton for the basic Grades F2 and FH2 respectively. The advance payments for other grades are in relation to these payments.

The selling prices of both types of sunflower seed have been increased by R3.00 a ton to R58.25 for Grade F2 and R65.50 for Grade FH2 (high oil-content). It is estimated that the final payment to producers will amount to R55.25 a ton on a F2 basis.

The prices of sunflower seed have been increased while those for groundnuts remain unchanged. This has been done to reduce the price difference between the two kinds of oilseeds and to encourage the production of sunflower seed.

The estimated sunflower seed crop for 1968/69, namely 80,000 tons, shows a considerable decrease on the crop of 111,000 tons received during 1967/68. Apart from insignificant quantities likely to be exported, the crop will be sold in the domestic market.

NEW POST FOR AGRICULTURAL COUNCILLOR

The countries of Western Europe and particularly the six members of the European Economic Community (France, the German Federal Republic, Italy, Holland, Belgium and Luxemburg) have over the past number of years become of increasing importance both as a market for South African agricultural products as well as a producer of agricultural products which in some instances are also produced in and exported from South Africa.

The measures which are being introduced by these European Countries to develop their agriculture as well as the gradual elimination of trade restrictions and the free movement of products between the members of the European Economic Community directly affect important sectors of the South African agricultural industry. Although it would appear that the United Kingdom will not be admitted to the E.E.C. within the foreseeable future, this possibility still exists. If this should take place it could have far-reaching affects particularly on the Fruit and Canning industries of South Africa and we must be prepared for such an eventuality.

Apart from these matters conferences and consultations are also held from time to time by International Organizations which concern South African Agriculture.

The Government accordingly approved of a post of Agricultural Councillor (Economic) to be established in the South African Embassy in Brussels. The Minister of Agriculture approved of the appointment of Mr A.B.C. Nel, Assistant Director of Economic Services to this post. Mr Nel will assume duty in Brussels on 1 August 1968.