DAIR'7 -

1974 - 1976
Milk shortage is critical

The milk shortage in Cape town is now so critical that dairies have cut their supplies to retailers by as much as 35 percent and a price increase in the near future seems inevitable.

A spokesman for a large dairy said today that while milk rationing was not envisaged at this stage, the authorities were watching the situation and would take the necessary steps should the position become more serious.

Household delivery, he said, was not affected by the cut in supplies but as the shortage is likely to last for the rest of the year and might get worse even this service might have to be stopped.

"We just do not have enough milk to meet the demand," the spokesman said. "The drought for the cows comes from Upington and most of it has been swept out to sea by the floods."

"Farmers are getting higher prices for meat than for milk so most of the cows are landing up in the abattoirs. It takes a long time to replace milk-producing cows and therefore the public can expect this shortage to last for at least this year if not longer."

"The farmers would not slaughter their cattle if they get a realistic price for their milk," he said.

Most dairies, he said, have had a reduction of about four percent in their daily supplies of milk.

Last week the general manager of the Milk Board, Mr A. D. Visser, announced that in addition to the heavy toll caused by the floods, wage increases and costs of production and veterinary services would mean an increase in the price of milk.

Mr Visser said the Milk Board was negotiating with the Minister of Agriculture, Mr H. Schoeman, to fix new prices.

It was hoped, he said, new prices would be announced this month and would come into effect from April 3.
A simple choice for SA on milk

The Argus Bureau

PRETORIA.—The Minister of Agriculture, Mr. Hendrik Schoeman, told South Africans today: 'The main question is: should we go without milk at a low price or should we have milk at a higher price?'

Next week Mr. Schoeman will meet representatives of the Dairy Board to discuss the long-term future of the milk industry and possible ways of increasing milk production.

The special meeting will be held against a background of concern over the milk industry, over the present shortage of milk, over anticipated shortages, increasing costs, the prospect of further price increases and the possibility of more dairy farmers switching to other forms of farming.

In an interview today, Mr. Schoeman said the present milk shortage was partially due to climatic and disease factors. However, these factors aggravated only the long-term trends which indicated increasing milk shortages in the future.

NO BIG PROFITS

Dairy farming was not highly profitable and dairy farmers— as with other farmers—had to cope with soaring costs in almost every field. They could not be blamed for turning to more profitable forms of farming:

'I am a dairy-farmer myself and last year I obtained a 4½ percent return on my capital — and I consider that I was doing damned well. At that rate I would have done better to sell my dairy operation and put my money in a new company share.'

Mr. Schoeman said the milk price had gone up 18 percent this year. (The Dairy Board asked for 29 percent) and he was extremely reluctant to see a second price increase this year. He knew it would adversely affect the consumers, especially those in the lower-income groups. I do not like two price increases in one year, but the main question is; should we go without milk at a low price or should we have milk at a higher price? — it is as easy as that.

Mr. Schoeman said that so far, only a small percentage of dairy farmers had switched to other forms of farming. However, South Africa had a free enterprise economy and farmers (as with businessmen and industrialists) were free to switch from one form of undertaking to another they regarded as potentially more profitable.

'It is only price adjustments that can stop them from switching to other forms of farming or encourage them to increase production.'
Distributors urged to give excess milk to needy

A PLEA to country milk distributors not to throw away excess milk when they have a glut but to give it to the needy in near-by townships or farm schools, was made yesterday by Mr. N. Freeman, organiser of the Peninsula School Feeding Association.

Mr. Freeman was reacting to a statement made at the weekend by Mr. G. J. Kotze, manager of a milk distributing firm in Moorreesburg, that he had an excess of milk and had thrown away 100 litres on Saturday.

"We supply schools in such country places as Darling, Pearl and Moorreesburg. With the new applications we will soon have to give supplementary food supplies to 100 000 children each year. Because of rising costs of milk and other vital foodstuffs there is a heavy demand on our resources," Mr. Freeman said.

Mr. Kotze said that Moorreesburg, unlike Cape Town, did not have a shortage of milk. When he had an excess he sent it to the milk processing factory at Robertson.

In doing so he suffered a heavy loss, as he was paid about half of what the milk had cost him. If he distributed the milk among nearby school pupils he would have to face delivery costs.

"Last week what we could not sell to the factory at Robertson became old in our refrigerators. That is why we threw the excess away."
NEW MILK PRICE AN INCENTIVE

THE increase in the price of milk should be an incentive to farmers to provide enough milk to meet the demands of the Western Cape. Mr. Maarten Henning, chairman of the Cape Dairymen's Association, said in Cape Town today.

Mr. Henning was commenting on the price increase announced by the South African Milk Board yesterday. He said there was still a shortage of 70,000 litres of milk a day in the Western Cape.

The dairymen's association had, during the shortage, very actively tried to keep the housewife well supplied with milk. Importers' milk from Port Elizabeth and all the saucers of the rest of the world were involved.

Factories and distributors are doing everything possible to cut down on the milk used in dairy products, and that is why the housewife has not experienced the full shortage.

An example of this is the fact that a day's supply of 7,000 litres now only gets 5,000 litres. However, nobody could guarantee these arrangements would continue.

Finally, the housewife was going to find that milk was unobtainable. The total shortage of milk in the dairy products industry was 80 percent.

The new price of delivered milk in Cape Town is 60 cents a litre for milk bought with a coupon. Old coupons are still acceptable. Milk delivered for cash will now cost 90 cents a litre. The maximum price of plastic container milk in a case will be 245 cents a litre and 230 cents for half a litre.

The new price means that the producer will now receive 14 cents a litre more for his milk.

Prices in Cape Town and Beaufort West have now dropped to 60 cents for the producer.
Shortage of butter: Dairy Board takes blame

PRETORIA. — The butter shortage is the result of a complete miscalculation by the Dairy Board, Mr F. A. Peters of the Dairy Board said here.

'Nobody had the foggiest idea that the only thing stopping the housewife buying more butter was the price. We thought it was the agitation about cholesterol,' Mr Peters said.

On March 18, when the price was dropped, stocks stood at 10,000 tons, 6,000 above what the board considered necessary. Between then and May 17, 12,500 tons were sold — to the astonishment and dismay of the board. 'At least we have proved that price is the critical factor,' Mr Peters said. He said the price war between supermarkets had been the final straw. One leading chain was selling butter as a loss-leader at 25 cents for 500 grams. The result was that housewives bought butter by the sack to store in their deep freezers.

The present situation is that production is running at 420 tons a week while demand is for 900 tons. Stocks on hand throughout the country amount to 200 tons. Production will start increasing slowly but will not improve markedly before the end of September or the start of October.

Worcester. — Contributions to the Blindness Museum of the Worcester School for the Blind are still being received. A small basket, for beads bought from the school in 1916 has been donated to the museum by Mrs Deon Jooste of Riebeek Kasteel.

Capital expenditure amounting to R14-million will be financed by the Town Council of Worcester from the Consolidated Capital Development and Loans Fund. The loan is for improvements to the town's electricity distribution system.

Pupils of the Worcester School for the Blind have done well in their latest examination. Jessie de Kock, Janie Fourie, Annie van Dalen, Levina Delport, Hettie Mool, Maria da Silva and Mathilda Casteel gained certificates in telephony.

Oudtshoorn. — The shortage of slaughter stock in the country coupled with the activities of speculators from the cities is working towards the ruin of many small butchers in the Plateland. Most Plateland butchers are working on a minimal profit — because of this quite a number are on the brink of bankruptcy. The shortage is expected to become worse after September when the first five-year cycle of the Government's stock reduction scheme is completed and farmers will look for stock for their farms.

Some butchers have forecast a rise to R2 per kilogram for mutton — beef prices will also rise, they say.
Milk subsidy problems explained

JOHANNESBURG — The Minister of Agriculture, Mr. Hendrik Schoeman, said yesterday he wished to reduce the price of milk by 5c or 6c a litre through a subsidy, but there were tremendous difficulties.

Mr. Schoeman said a yearly subsidy of R10 million would be required for every cent that milk was reduced in price and a reduction of 1c or 2c would not be satisfactory.

The Government was determined to keep South Africa's bread the cheapest in the world. It was already subsidized to the tune of R40 million a year.

There was an additional complication factor in regard to a milk subsidy. The Milk Board operated in only nine major centres and there was no machinery to subsidize milk in the rural areas. It would be useless subsidizing retailers in those places, some of whom were not making the benefit to the consumer.

Mr. Schoeman said Dr. Niederle, the Minister of Finance, decided what amounts were available for subsidies. He would try to obtain a subsidy for milk when arrangements for it could be established in the areas where the Milk Board did not operate.

It has been learned from an authoritative milling source that millers and bakers were demanding tens of millions of rand in extra subsidies to keep bread at its present prices in view of rising costs.
AN urgent warning that milk would become scarce as dairy farmers were leaving the industry, was issued today by several speakers at the annual general meeting of the Transvaal Fresh Milk Producers' Association in Alberton.

Mr J H Blankenberg, chairman of the Milk Board, told about 50 members that young farmers in the Western Province had been told that they were not prepared to make slaves of themselves by becoming dairy farmers.

"Where is the milk going to come from?" he asked.

"He added that producers should be adequately compensated. Uncertainty about milk prices was driving many out of the industry.

Mr Blankenberg said production in the Western Cape had dropped by almost 4 percent in 1972-1973. This year the drop was more than double that figure.

PRIORITIES

Mr J de Villiers, chairman of the Western Province Fresh Milk Producers' Board, told the Transvaal Fresh Milk Producers' Association that producers should get their priorities right. They apparently expected food to be cheap, but were prepared to spend large amounts on luxuries, without complaining.

Mr G P van Wyk said the last milk price adjustment came four years too late. He said labour problems were causing many dairy farmers to stop milk production.

There were heated discussions on the quality of milk, supplied to consumers in the city. But H Davies, general manager of the Milk Board, denied that adulterated milk was being supplied. The board continually checked on the quality of milk delivered to households.

Johannesburg — A warning that milk would become scarce in South Africa, because dairy farmers were leaving the industry, was issued yesterday by several speakers at the annual meeting of the Transvaal Fresh Milk Producers' Association at Alberton.

Mr J H Blankenberg, chairman of the Milk Board, told about 50 members that young farmers in the Western Province were not prepared to make slaves of themselves by becoming dairy farmers. He said that producers should be adequately compensated.

Uncertainty about milk prices was driving many out of the industry.

Mr Blankenberg said that production in the Western Cape dropped by about four percent in the year 1972/1973. This year the drop was more than double that figure.

Mr J de Villiers, chairman of the Western Province Fresh Milk Producers, agreed with Mr Blankenberg's warning and added: "If things continue as at present, there won't be any milk in South Africa."
Mr. H. J. VAN ECK asked the Minister of Agriculture:†

(1) (a) Whether it is expected that there will be (i) a surplus or (ii) a shortage of (aa) fresh milk or (bb) industrial milk on the Witwatersrand in the coming year, (b) in which months in each case is the surplus or shortage expected and (c) what will it be in each case;

(2) to what is the expected surplus or shortage attributed;

(3) whether he will make a statement on the matter?

† The MINISTER OF AGRICULTURE:

(1) (a) It is expected that there will be a shortage of fresh milk during certain months and a surplus during other months on the Witwatersrand in the coming year. A shortage of industrial milk is expected.

(b) Fresh milk shortages are expected from March 1975 to September 1975. Fresh milk surpluses are expected from October 1975 to February 1976. Industrial milk shortages are expected during May 1975 to September 1975.

<table>
<thead>
<tr>
<th>Month</th>
<th>1975</th>
<th></th>
<th>Estimated average daily shortage (litre)</th>
<th>Estimated average daily surplus (litre)</th>
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<tbody>
<tr>
<td>March</td>
<td></td>
<td>25 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>April</td>
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<td>50 000</td>
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<td></td>
<td></td>
<td>80 000</td>
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<td></td>
<td></td>
<td>30 000</td>
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It should be borne in mind that daily demand may vary by as much as 15%.

Industrial milk
The shortages which depend on production and consumption cannot be determined at this stage.

(2) Fresh milk
Surpluses can be attributed to the favourable climatic conditions during the months concerned and the departure of holiday-makers during December/January. Shortages can on the one hand be attributed to unfavourable climatic conditions and on the other hand to the withdrawal of producers, the reduction of production due to high production costs and serious labour problems as a result of the seven-day working week in the fresh milk industry.

Industrial milk
Production does not keep pace with the consumption due to producers switching to other enterprises.

(3) Yes, I am well aware of the rise in production costs which necessitates price adjustments for the producers. I am sympathetically inclined towards requests regarding price adjustments but a price can hardly be fixed before the maize price and new fodder prices have been determined during April/May since the effect of any price adjustment may be nullified leaving the producer in very much the same position as today. Temporary relief at this stage is out of the question since it will only create a false impression and will not contribute towards an improvement in production. Any adjustment of prices will not guarantee an immediate increase in milk production but will, however, enable producers to follow better feeding programmes which is expected to improve production.
Increase in price of milk

Mr. R. J. LORIMER asked the Minister of Agriculture:

(1) (a) How many times has the price of milk been increased since 1 March 1973 and (b) what was the (i) date and (ii) amount of each increase;

(2) whether consideration has been given to introducing a consumer subsidy on milk; if so, with what result; if not, why not.

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

(1) (a) Twice in the following areas—Pretoria, Witwatersrand, Western Transvaal and Bloemfontein.

Three times in the Cape Peninsula of which one was only an interim increase to provide for increased wages.

This does not include the four areas in which fresh milk prices are fixed by the Price Controller.

(b) Area 1/10/73 1/4/74 (All retail average) 1/6/74 (All retail average) Total (All retail average) Cents per Litre

<table>
<thead>
<tr>
<th>Area</th>
<th>1/10/73</th>
<th>1/4/74</th>
<th>1/6/74</th>
<th>Total</th>
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<tr>
<td></td>
<td>2.55</td>
<td>2.53</td>
<td>1.70</td>
<td>4.25</td>
</tr>
<tr>
<td>Pretoria</td>
<td>2.5</td>
<td>2.50</td>
<td>1.50</td>
<td>4.00</td>
</tr>
<tr>
<td>Western Transvaal</td>
<td>2.5</td>
<td>2.50</td>
<td>1.50</td>
<td>4.00</td>
</tr>
<tr>
<td>Bloemfontein</td>
<td>2.15</td>
<td>2.13</td>
<td>4.60</td>
<td>4.63</td>
</tr>
<tr>
<td>Cape Peninsula</td>
<td>0.45</td>
<td>2.05</td>
<td>1.85</td>
<td>3.90</td>
</tr>
</tbody>
</table>

*The comparatively smaller increase in respect of the Cape Peninsula is attributable to an increase of 0.45c per litre granted for all categories on 1/10/73 to provide for a compulsory increase of wages.

(2) Yes. It was decided not to pay a subsidy in view of the impracticability of applying price control measures in areas outside the jurisdiction area of the Milk Board. If price control measures were to be applied country-wide it would be necessary for the purpose of fixing selling prices for all categories of fresh milk as well as the margins of the individual distributors, to conduct extensive and detailed cost investigations.

As a large amount will be involved in the subsidy (about R10 million per annum for each cent per litre by which the consumer price is subsidized) paying thereof will necessitate control of fresh milk prices to the consumer, in order to prevent that—(a) the subsidy is merely absorbed by the distribution trade; and

(b) the purpose of the subsidy is nullified.

Since so many selling points in the country are involved, effective control of a subsidy scheme will present serious difficulties.
Price of milk

*24. Mr. R. J. LORIMER asked the Minister of Agriculture:

Whether an increase in the price of milk is to be authorized in the near future; if so, (a) when and (b) by what amount.

The MINISTER OF AGRICULTURE:

The Milk Board has arranged a meeting later this week for *inter alia* a revision of milk prices. Any decisions in this regard will be submitted to me via the National Marketing Council, whose comments will also be borne in mind when I consider such decision.
NATAL dairy farmers feel that only a Government subsidy for fresh milk can save them from ruin, as they fear there is a growing consumer resistance.

Mr. J. E. Mansfield, president of the Natal and East Griqualand Fresh Milk Producers Union, said yesterday that his union would need Government officials and possibly the Minister of Agriculture to discuss proposals that the Government subsidise the price of fresh milk.

Mr. Mansfield said proposals would be put forward for a permanent subsidy.

"Unless this is done, the milk industry and consumers would be in a mess, as a stable industry is essential for both producer and consumer," he said.

If a subsidy of 20 cents a litre was agreed upon, the subsidy would come to about R114 million, the union has calculated.

Fears are also growing that consumer resistance to another price rise could cause serious problems. The volume of milk sales dropped when the price was increased last June, and only now is it beginning to improve.

Mr. Bruce Laing, spokesman for a Durban dairy, agreed that fresh milk sales could be jeopardised by consumer resistance. If fresh milk sales dropped by 20 per cent, the dairy farmer would be very hard hit.

I was told that the Government's opposition to a milk subsidy (apart from cost) was that it presented serious administrative difficulties. But, as an industry spokesman pointed out, these could be simply overcome by adopting recognised accounting procedures.

"Whatever the administrative difficulties," he said, "these must be overcome to cushion the blow on both the consumer and producer. Both are caught between rampant inflation and it is up to the Government to help us out."
MILK PRICE F.m. 9/5/75
29c a litre? Milch - Day milk

An increase in the milk price is imminent.

However unwelcome, it is inevitable. Dairy farmers have long been the Cinderella of the agricultural industry, and recently have been quitting in their thousands to switch to more profitable beef production.

There's now a countrywide shortage (100,000 litres a day on the Witwatersrand). The only exception is the Eastern Province, where there's still a small surplus.

The Milk and Dairy Board's recommendations, now being considered at Cabinet level, are rumoured to have been in the region of a 20% price hike. But this was probably based on a maize price of R60 a ton. So, with the latter held to R56, this may be too high.

On the other hand, the Minister of Agriculture will doubtless have in mind that dairy farmers have a seven-day working week and growing labour problems. As SA Agricultural Union director, Chris Cilliers, warned recently, dairy farmers will have to be given an "incentive price" to cover this — over and above normal cost increases — if the country is not to suffer a chronic milk shortage.

There will not, apparently, be any subsidy. Though Minister Schoeman has expressed general sympathy with the idea, he's still somewhat in two minds.

He told the FM recently that to reduce the milk price by only 1c a litre would cost R10m — clearly, then, a meaningful subsidy would cost R50m.

Yet if this is the major consideration against a subsidy it should be put aside immediately. The cost to the country of widespread malnutrition is not R50m. It's incalculable. (And when is the rich man's butter subsidy coming off?)

More likely, though, it's the admittedly real difficulties of administering a subsidy that are still holding things up. It could be done in areas controlled by the Milk Board without too much trouble. But, to have subsidised milk in some (mostly urban) parts of the country and not others, would provoke a public outcry.

Meanwhile, there is a school-feeding scheme in existence. All schools in controlled areas which take milk from the Board get it at 15,9c/litre (cartons normally cost 24c-25c). But this subsidy comes off the farmers' and distributors' price, which is not satisfactory either.

The one ray of hope comes from Milk Board manager Dawie Visser. He assured the FM this week that the whole question of a workable, non-discriminatory subsidy is being looked at "very hard and carefully". He added: "Maybe in the near future we will come up with something."

Hopefully, too, the easier trading regulations for Blacks in the townships may improve matters there. Up to now Africans have often had to pay more than Whites for this vital food.

Financial Mail May 9 1975
Milk Board to pay R250,000 for adverts

The Milk Board has been caught unawares by current milk shortages. An annual R250,000 advertising budget aimed at increasing fresh milk consumption will have to stand until next February.

A similar situation developed with butter last year when the Dairy Board launched a massive advertising campaign intended to increase demand for their product shortly before it was announced that a critical shortage had developed in the industry.

In explaining this latest apparent blunder, the manager of the Milk Board, Mr. A. C. Visser, said today that his board had fully committed itself to the current campaign long before the latest shortage became apparent.

"We committed ourselves to various advertising contracts and these will have to stand until they come up for renewal next February," Mr. Visser went on to deny recent reports which linked his board with Department of Agriculture and Technical Services attacks on dairy farmers.

"These reports indicated that we felt that production output could be doubled overnight. This of course is utter nonsense. While we do agree that many farmers could vastly improve their efficiency, such improvements would of course take time."

"At the present moment, about 80 percent of South Africa's fresh milk production is supplied by only 10 percent of the 40,000 dairy farmers in the country. "The bigger farmers who comprise the 20 percent group are at present meeting standards of quality laid down by the health authorities and by ourselves, while many of the remaining smaller farmers who are supplying the other 80 percent do not come up to standard."

Wives' plea on meat

The Housewives League today appealed to housewives throughout the country not to buy milk next Friday as a token gesture of protest against the recent rise in the milk price.

They also appealed to housewives not to buy meat on every Tuesday and Friday for the next two months.

"We have found that in the past more and more dairy farmers are turning to beef because this is more lucrative, as a result the price of milk is soaring," said Mrs. Yvonne Forschew, the chairman of the Sandton branch.

"The whole problem has been caused by the imbalance of the price structure for meat."

"The rise in the milk price will put milk out of the reach of many householders," said Mrs. Hope Hughes, the president of the league. "But if we could have the support of the housewives and consumers of South Africa in this move, we could perhaps do something about equalizing out this imbalance."

"The price of meat would have to go down and perhaps more people will return to dairy farming."

"We do not call this a boycott," said Mrs. Hughes. "We regard it more as an opportunity for the consumer to assert themselves."
Milk Board attacks farmers

The Milk Board yesterday joined a Government department in an attack on the efficiency of South Africa's dairy farmers - only two days after Cabinet approval for a 22 per cent rise in the price of milk.

On Tuesday milk prices were raised to 25c for a delivered litre on the Witwatersrand and to 30c a litre in cities.

The next day, the Department of Agriculture Technical Services released a report claiming dairy farmers could double the country's milk production overnight.

Yesterday, the manager of the Milk Board, Mr. Avie Visser, said milk prices and supplies in the future depended almost entirely on whether the country's dairy farmers could radically increase their efficiency.

"We are at the moment trying to advise farmers on how they can improve the quantity of milk from their herds: if they follow our advice and thus increase their profit margin, then there is hope the milk price will stabilise," Mr. Visser said.

Officials at the Department of Agriculture yesterday said dairy farmers were also effectively blocking the introduction of milk subsidies.

The Milk Board operates in five main control areas.

Milk Board has a mission

The Milk Board was doing everything it could to give the dairy farmer the best in technical advice and to coordinate the milk industry as a whole.

Mr. Avie Visser said the board had recently started a programme of study groups for dairy farmers and had helped to bring overseas experts to speak to farmers on the latest technical advances.

"Beyond that, we try to ensure orderly marketing in the dairy industry and to look after the interests of all parties concerned," Mr. Visser said.

The milk industry was a complicated one and constant effort had to be made to improve it.

"Apart from furnishing the farmer with the right advice, we strive to achieve the right relationship between consumer, distributor and producer," he said.
Dairy may stop milk deliveries

IN A SHOCK announcement made yesterday, one of Durban's biggest distributing dairies says that it may have to stop home milk deliveries.

Mr. Bruce Laing of Clover-Dairies said that his company was giving serious consideration to stopping all deliveries to reduce running costs. The idea, if adopted, could set off a chain reaction.

Mr. Laing said that the share of the recent milk price increase to distributors was inadequate. "In the face of rising production costs, it is logical that we should consider ways and means of reducing costs," he said.

Distributors in Natal are known to be unhappy with the price increase granted by the Minister but this action, if taken, will come as a serious blow to consumers.

Mr. Laing said that only four other countries in the world still delivered milk to house-holders and in some countries where milk was delivered, it was subsidised by the State.

He claimed that South Africa was the only country that continued milk deliveries without State help.

Mr. Laing emphasised that a decision would only be taken after very serious consideration by all major dairies, but in view of the situation, it was a proposal that had to be borne in mind.

Although the price of fresh milk has been increased, there will not be an automatic rise for milk-based products. The price of ice cream, cheese, butter, skim milk and skim milk powder are all based on the price of industrial milk which has not yet been increased.

Mr. T. L. Baxter, manager of a Durban ice cream factory, said:

Home milk may stop

yesterday that if the price of skim milk powder was increased through a rise in the price of industrial milk then the price of ice cream would go up considerably.

The price of ice cream was not subject to price control, and "serious attention was being given to raising the price of ice cream, especially if the price of industrial milk is raised."

Although butter and skim milk are the main ingredients of ice-cream, there are other factors besides the price of these raw materials which have to be considered, he added.

Mr. Baxter said that all other production, packaging, and distribution costs had risen very sharply and these were taken into consideration when deciding on the price.
Deliveries to go on—dairy

Mercury Reporter 11/5/75

THE CHAIRMAN of Durban's Creamline Dairies, Mr. D. H. Blackhurst, said yesterday his company would not stop home milk deliveries.

Mr. Blackhurst was commenting on last week's announcement by Clover Dairies that the company was seriously considering stopping all home milk deliveries to reduce running costs. It has also been stated that this move might well spring a chain reaction.

Last night Mr. Blackhurst said that this was certainly not the view of all the dairies in Durban. "I can state quite emphatically that we have no intention in the foreseeable future of dis-
Increase in the price of butter

17. Dr. F. VAN Z. SLABBERT asked the Minister of Agriculture:

(1) (a) What was the latest date on which the price of butter was increased and (b) what was the increase;

(2) what was the consumption of butter per month in the six months preceding and (b) after the increase in price;

(3) whether representations have been made for a further increase in the price of butter; if so, (a) to what price and (b) with what result.

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

(1) (a) 1 November 1974.

(b) 10c per kg.

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<td>May 1974</td>
<td>3 996</td>
</tr>
<tr>
<td>June</td>
<td>1 722</td>
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(3) A request for the seasonal revision of prices of dairy products has been received from the Dairy Board. The request is still under consideration and is, therefore, confidential.
Butter prices to be cut

The price of table and household butter is to drop by 34c a kg from today as the Dairy Board clears surplus stocks. This will bring the price down to 60c for a 500g pack for table butter. Household butter, sold in lesser quantities, also drops by 34c a kg.

A Dairy Board spokesman said a circular had been sent to all the board's agents. It said: 'In order to clear accumulated stocks of table butter the board has decided to reduce it by 34c a kg.'

GRADERS

There are three grades of butter. The top grade is choice, not affected by the price drop. It remains as high as 70c for 500g.

The board's spokesman said there was 'no question' of choice-grade butter being reduced to cut stock.

The next grade is table butter, almost impossible to distinguish from choice grade. The Dairy Board sells table butter as 'an excellent spreading butter.' It is now slightly cheaper than yellow margarine.

Household butter is the third grade. According to the spokesman, there is not much of it in surplus stocks.
Distribution of fresh milk

Q: 1082-3 1084
+

3 June 1975.

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

How many applications by (a) milk producers and (b) other persons or bodies for permits to distribute fresh milk in each of the controlled areas were (i) received, (ii) granted and (iii) refused by the Milk Board during the past ten years.

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

(a)

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Licences for distribution of fresh milk

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

How many distributors are licensed to distribute fresh milk in each controlled area.

<table>
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<td>Distributors</td>
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1c milk subsidy would cost R9m

HOUSE OF ASSEMBLY. — It might be possible prac-
tically to introduce a consumer subsidy on fresh milk in
the urban areas, but in the rural areas, where those who
needed the subsidy most lived, it was not possible to do
so, the Minister of Agriculture, Mr H Schoeman, said in
the Assembly yesterday.

The Minister, replying to a plea made by Mr D M.
Strelleer, UF, Newton Park, on Friday, said that the
introduction of a consumer subsidy of only 1c a litre
would cost R9m, so that if a subsidy of 5c were to be
introduced, as stated in the plea, it would cost close on
R90m. It was difficult to see where this money would
come from.

It was also not possible to make a comparison
between South Africa and the United Kingdom, where
milk was subsidized. In view of the great distances over
which fresh milk was distributed in South Africa in
contrast to the small distances in the United Kingdom,
the circumstances were completely different.

The Minister said it was wrong to say that because
of the high prices of foodstuffs the standard of living of
the people was dropping.

He agreed that pensioners and other people with
fixed incomes in the lower income group were the hard-
est hit, but if the amounts which the public in general
were spending on alcohol and tobacco were compared
with that spent on foodstuffs it could not be said that
the general standard of living was dropping.
I REGRET the bitterness that has arisen over the rise in the price of milk to the consumer, and in particular the attacks on Mr Blankenberg over his comments on the consumer boycott organised by the Housewives' League. As a dairy farmer I do not pay for my own daily milk requirements, but I do pay for every other commodity that the consumer buys so I can sympathise.

I might even join boycotts of vegetables, car, cinema, petrol and newspapers to mention a few! Perhaps the last of these, newspapers, which attack dairy farmers, might be selling the only product in South Africa that has risen by 100 percent in only two moves — from 5 cents to 7 cents, in a preliminary 46 percent, and some months later at a stretch gallop to 19 cents!— as a farmer, from Mrs Martin (June 2), I feel Mr Blankenberg's comments were not fully appreciated. In his statement, Mr Blankenberg's reaction to the high price rise of milk was, I think, one of sheer disappointment. It was made following weeks of negotiation with the State and having been forced to accept a price rise which could be accepted only by persuading dairy farmers to maintain the inadequate level of production. Can he be blamed for feeling that the boycott was prepared to break the dairy industry by an almost campaign to reduce sales? Mr Blankenberg's reaction would be: 'If the housewife wants to go without milk, so be it. I won't care less.'

I believe your correspondent has completely misjudged the power of the Milk Board in dictating to the Government. The Milk Board represents producers and distributers of milk and one of its main functions is to maintain production. Hence the need for the 'continual' price adjustments in a world of inflation, and no power on earth seems to be able to control inflation.

Should a boycott, or any other form of organised consumer resistance to fresh milk reduce considerations: in a world of inflation, and no power on earth seems to be able to control inflation?

The marketing of milk is a highly involved undertaking involving a number of boards and bodies. The Board controls fresh milk and the DAIRY Board is responsible for the processing, of butter, cheese and evaporated milk. These products and the shortfall was 7,705 tons. But in 1973/74 the production dropped to 86,632 tons and consumption rose to 81,690 tons, leaving a shortfall (import requirement) of 15,058 metric tons. In rough figures we required an additional production of 100,000 tons of milk in that year to make up the deficit of the production cover our own desperate needs. A hundred million litres of industrial milk!

South African dairy is facing a crisis which is real.

D. HOUStON
Stellenbosch

Generally speaking, fresh milk is produced for the cities and city health authorities require higher standards of health and hygiene and milk quality. In other words, the cost of production of city milk is greater in terms of land, labour and capital — including machinery and transport. So fresh milk is more expensive to produce.

Industrial milk is normally produced by 'mixed' farmers, namely, grain farmers, sited further from the cities. The industrial milk producer is capital requirements are lower and his land values and labour costs are less. Hence processing milk is bought at a lower price.

When the demand in any city falls below the daily intake — whether from consumer boycott or oversupply — the surplus is automatically diverted by the Milk Board to the processors. The DAIRY Board price and converted, into dried milk or cheese or other products. Each producer is required to bear a proportionate share of this surplus pool, and his overall income is thus reduced.

To go back to Mr Blankenberg's statement, it should be clear from the above that any serious surplus activated by boycott, would be a serious threat to the economy, and the producer would have to be paid still more for that portion of his milk still being delivered to the consumer. In other words the consumer would be paying for an "other hike.

I must admit I have grave misgivings about the future of the dairy industry. There will always be some milk produced, but the rigorous demands of the dairy project discourage the expansion needed to cover our national requirements. The future, with its greatly increased population and purchasing power, will be an even gloomier picture.

Perhaps the public is not fully informed of the trends, and the following figures might present a clearer image of the problem.

The national dairy herd in 1968 ran at about 2,141,000, and two years of age while the 1972 census revealed a population of 1,138,000. A million cows down. The present figure would probably be the same as 1972.2
Moneys spent on publicising milk and milk products

*17. Mr. R. J. LORIMER asked the Minister of Agriculture:

Whether the Milk Board or the Dairy Industry Control Board spent any moneys during 1973, 1974 and the first five months of 1975, respectively, on publicizing milk and milk products; if so, what amounts were spent in each of these periods on publicizing (a) milk and (b) milk products.

The DEPUTY MINISTER OF AGRICULTURE:

Yes.

Milk Board
1973-74 (March/February) R290 064
1974-75 (March/February) R304 406
1975-76 (March/May) R44 473

Dairy Board
1972-73 (October/September) R435 866
1973-74 (October/September) R431 332
1974-75 (October/April) R219 679
Dairy product prices are up again. It's time to merge the control boards and sensibly streamline policy

Claude van der Merwe puts it: "We may not have a top-notch dairy industry, but we do have a number of top-notch dairy farmers."

In SA, production of butter-fat and industrial milk is largely a sideline to general farming. Fresh milk, however, is a full-time activity. Farmers tend to turn to industrial milk when other crops are bad, but leave it again when something more profitable turns up. This is what has been happening recently, due to the 7-day working week dairying involves and the accompanying labour problems, as well as high beef prices.

Production has thus not kept pace with rising consumption, and there's now a shortage of both fresh and industrial milk. Considerable quantities of cheese and milk powder are now having to be imported.

Then there's another major problem: "Interchangeability". A lot of industrial milk cannot be used as fresh milk because it may not meet required hygiene standards, or is too far away from where it is wanted.

Part of the trouble is that the existing hygiene regulations are antiquated, and in some cases wholly illogical. Building requirements are being reviewed in the light of modern production methods. They will probably be simplified (not lowered). It will then be possible to make fresh and industrial milk more interchangeable. This entire exercise needs to be treated as a matter of urgency.

For this to be possible, however, the two sides of the industry must be treated separately.

Instead of the entrenched view, championed by the farmers, milk that is unprocessed, the Witwatersrand and the number of producers has increased between March 1972 and October 1973. Between 1000 and 1500 additional farmers have entered the dairy industry, some in the Western Transvaal and Natal. However, the number of milk producers have not increased in numbers.

Natal and the Transvaal -- because they are dairying areas -- do not have supply shortages. They have an entirely different system whereby milk, harvested from the dairies and a few large factories.

Except in Natal, where a high percentage of milk is processed, fresh milk produced in a controlled manner is paid for in the production of an open pool system, and processed milk.
Wha's what

Butter-fat" is an ingredient in all milk which is particularly high in cream. It is therefore marketed in the form of cream to make butter.

"Industrial milk" is full-cream milk used to make cheese, condensed milk, milk powder and various other products, such as ice-cream and yoghurt.

"Fresh milk" is intended for domestic purposes. The hygiene regulations for fresh milk producers are more stringent than for butter-fat or industrial milk. Because of the higher capital outlay involved it is usually produced by full-time "dairy farmers".

The Dairy Board is concerned with butter-fat and industrial milk and all the products derived from them.

The Milk Board operates only in five controlled areas: Pretoria, Witwatersrand, Bloemfontein, Cape Peninsula and Western Transvaal. Its main purpose is to regulate supplies. In June 1971 to 88c in November 1974, while that for butter-fat has only been increased from 10c/kg to 14.5c. The number of butter-fat producers has dropped from 46,000 to about 24,000, while the producers of industrial milk have risen from 15,000 to 18,000.

This week the industrial milk price went up from 88c/kg to 10c/kg and butter-fat from 14c/kg to 16c/kg. To the consumer, butter and cheese have gone up 10c/kg. This means the difference per 100kg of milk equivalent was widened from 3c to 24c and the most recent price increase widens the gap still more.

Most officials now agree that two Control Boards are an anachronism and they should be amalgamated. This is currently being investigated by the Commission of Inquiry into the Marketing Act.

It will then be possible to simplify and streamline the mass of regulations governing hygiene and transport which at present hamper smooth distribution.

Prices will also have to be realigned to bring the price of industrial milk more in line with that of fresh milk. At the moment the full price of fresh milk is 15.7c/litre, compared to industrial's 10.1c/kg (different measures, but roughly the same quantity).

If the gap is too narrow fresh milk producers tend to switch to industrial. Ironically, though, much industrial milk is better quality than some fresh milk. As for butter-fat production, this is largely expected to fall away, as is the trend overseas.

Of course, overhauling the administrative machinery, however desirable this may be, will not of itself stimulate production. A Dairy Board committee is trying to find ways and means of doing this, but only by ensuring competitive returns will sufficient farmers be kept in dairying.
Suddenly there is "too much..." 2/7/75

MANY families will greet with a sort of weary cynicism the news that, suddenly, so soon after reported shortages and the drastic price rise, milk in the Western Cape is not only freely available again, but actually oversupplied to the extent that thousands of litres a day are being sent off to Pretoria, where there is a shortage. Three reasons are given for the oversupply: consumer resistance caused by the recent increase in price; a seasonal reduction in demand caused by the cold weather and school holidays; and a seasonal, temporary increase in production.

In fact, all three reasons make good sense; and there is little in them to quarrel about. Cows are not machines and certainly they do produce more milk at different times for reasons that are inexplicable to townsmen: and there are seasonal fluctuations in demand that must, in turn, baffle and annoy the farmer. And there is no doubt that higher prices do induce consumer resistance.

But the authorities should beware the trite suggestion that has been made that the customers 'soon get used to the new price' and then go back and buy as always before. This is true to a degree, but there is a limit, and with the cost of living being what it is today, it is probable that the price of milk now is very close to that limit — or beyond it even — for many people in the Western Cape. These people have stopped buying milk, or are buying less, not because of a whim or a seasonal fluctuation but because they simply can no longer afford it.

Yet these people, the poorest in the community, are in fact those who can afford least to be without this valuable food. Numerous other countries recognise this problem, and have introduced subsidies. For various, apparently purely technical reasons, the South African Government has declared itself unable to do this. It should find a way quickly, for the sake of the health of the nation.
Govt is blamed for milk price

The recent Inquiry into agricultural prices and the position of farmers, conducted by the Department of Agriculture and Livestock, has revealed that milk prices have increased by 25% in the last year and the Government is being blamed for the hike.

The report presents the view that the Government has not managed to control the milk market effectively. Several farmers have complained that the price of milk has increased by a significant amount.

The price of milk in South Africa has doubled within the last year, bringing the Republic to the point where it is second only to Japan as the world's most expensive milk producer. The plight of farmers has become critical, and many are forced to leave the industry.

In conclusion, the report highlights the need for immediate action to control milk prices and improve the living conditions of farmers.
Warning on Milk Board

Mercy Reporter
PIETERMARITZBURG.

FARMERS and housewives were yesterday warned of the implications of extending the Milk Board’s control to Natal.

Speaking to the Natal and East Griqualand Fresh Milk Producers’ the president, Mr. J. E. Mansfield, said a statutory Milk Board in Natal would not reduce the price of milk to the consumer. “But the farmer might well earn less as he would be levied to pay for the cost of running the Board,” he said.

He said the quality of milk in Natal was probably the richest in the country as the Natal producer supplied his own company and was held responsible for its quality.

“The concept of the entire dairy industry being administered from Pretoria is frightening to experienced economists. “But the Board would have to battle with highly specialised problems of both fresh milk and industrial dairy products,” he said.

He said a special committee had investigated the effects of blanket statutory control on producers and consumers in Natal and had noted the deterioration in quality which tended to follow the breakdown of a direct relationship between the farmer and distributor.
Cow disease loss is R38-m a year

Farming Editor

The cow disease mastitis is losing dairy farmers an estimated R38-million a year.

This is about 26 percent of the total sale value of all milk produced in the country.

The disease, in cows' udders, affects milk.

Dr P. J. Meera, of the Johannesburg city health department, former director of the Newtown abattoir, told the congress of the South African Veterinary Association in Durban that about 13 percent of Johannesburg's milk supply was still contaminated by mastitis.

In 1950 the incidence of mastitis was 30 percent, he said.

Dr Meera said: "There is no doubt that a serious mastitis situation exists in the Republic and that severe losses of milk and finance are caused by mastitis."

"Approximately 227,300 to 227,700 million litres of milk yearly are lost in South Africa."

Dr Meera said a national control scheme is overdue, but due to the extensive areas and "sparse veterinary services", an embryo scheme should be instituted at first in limited areas such as the Witwatersrand and Pretoria."
Campaign to beat milk profiteers

The Milk Board has admitted defeat over trying to control overcharging for milk by Black dairymen in Soweto — and has now appealed to the public to join a campaign to bring the dairymen into line.

The public relations officer of the Milk Board, Miss Frances Erasmus, said milk distribution in Soweto had become a "big racket."

"We have been prosecuting about four people a week, but it doesn't seem to help much," she said.

"They have an option of paying an admission of guilt and are usually fined only five or R10."

The maximum fine for overcharging on a price-controlled product is R200.

Miss Erasmus added that the board was "completely helpless" to prevent exploitation.

She suggested that everyone in Soweto should know the price of milk — 30c a litre in glass bottles, and 34c in other containers. If they were overcharged they should immediately report it to the Milk Board, or the Price Controller's office in Pretoria.

They could also telephone The Star's "I Spy a Bad Buy" service.
Get more milk from every cow—Schoeman

The Minister of Agriculture, Mr. Schoeman, today warned that fresh-milk producers would have to increase production by 50 percent from each cow in the next five years to meet expected demand.

"If something drastic is not done, we are going to run into problems," he told the annual general meeting of the Transvaal Fresh Milk Producers' Association in Alberton.

Mr. Schoeman added that incentives built into the milk price earlier this year did not stimulate production as expected.

He pointed out that the producers' price of milk had increased by 103 percent in the past five years and said he was faced with problems next year when prices must be reviewed.

"I must know my story when I ask for a price increase," he said.

FRUITLESS

The chairman of the association, Mr. B. Davids, called on members to keep production costs as low as possible. "I will be failing in duty if I don't warn that we cannot continue to save the situation with drastic price increases. It is not prudent to price our product off the market."

Referring to the Transvaal Provincial Administration's licensing ordinance, he said that efforts to have milk farms exempted had proved fruitless.

He had seen the acting administrator and senior officials. He was now going to the Administrator, but could not hold out much hope of success.

HOUSEWIVES

Should he again ask for an incentive price he would be asked why this year's incentive did not bring about the expected increased production. He called on farmers to push up average production.

A sifting process was in progress among farmers and there were only about 50,000 left on the land who were "men of steel."

He had a lot of sympathy with housewives over high food prices but they could do their share to keep living costs low.

They could, for instance, get milk at a little cheaper by going to a little trouble (by not having milk delivered). The same applied to bread, by eating brown bread, which was cheaper. Despite price increase, consumption of white bread had increased by more than 20 percent.
Cheap maas

Agricultural Correspondent

MAAS—a milk product similar to yoghurt—is to be reduced in price throughout Natal.

A spokesman for Clover Dairies said in Durban yesterday that as from December 4, the price of maas would be reduced by four cents a litre. He said that the decision had been taken jointly by producers and distributors as their contribution to the fight against inflation.

The spokesman said that although maas was popular with Africans, there was a growing demand for the product among other race groups.

"Maas has a protein content of 9.5 percent and thus provides a cheap source of food," he said. The spokesman said that maas would now cost the same as milk although maas contained expensive cultures.
WEDNESDAY, 3 MARCH 1976

The MINISTER OF AGRICULTURE:

(1) In certain areas a surplus of fresh milk is expected, while in other areas a shortage is expected. An increase in the production of industrial milk occurred recently and, should this continue, a surplus is expected.

(2) (a) and (b)

Fresh milk

Estimates with regard only to those areas controlled by the Milk Board are given. Estimates with regard to uncontrolled areas are not possible.

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Industrial milk

The production of industrial milk is affected by numerous factors such as fluctuating climatic conditions and increasing costs. The supply position of industrial milk is also uncertain due to the unknown effect of measures implemented to encourage a decrease in butter production and promote the production of industrial milk. Reliable estimates of industrial milk production are therefore not possible. During recent months production of industrial milk increased substantially. Shortages have disappeared and surpluses have developed, resulting in a build up of stocks. Should this improvement in dairy production continue throughout the year, no shortages of dairy pro-
Subsidized milk

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

Whether the Department of Agricultural Economics and Marketing had any consultations during the past year with co-operatives about subsidizing milk; if not, why not; if so, what was the nature of the advice received.

The MINISTER OF AGRICULTURE:

No. The possibility of subsidizing fresh milk was investigated during 1974. It was decided not to pay a subsidy in view of the impracticability of applying price control measures in areas outside the jurisdiction area of the Milk Board.
Dairymen’s plea in milk crisis

5/6/76

Agricultural Correspondent

THE dairy industry is facing its worst economic crisis and the only way out, says Durban’s biggest dairies, Clover and Creamline, is for consumers to demand a Government subsidy on fresh milk.

Both dairies confirmed last night that the price of milk in Durban would go up by 2.1c a litre as from next Friday.

The price of fresh milk a litre delivered to homes will be 28c, or an increase of 7.5 percent, and for milk sold in plastic containers in cafes and supermarkets the price will be 31c, or an increase of 8.5 percent.

For half litres the new price will be 16c or an increase of 6.7 percent.

The price of eggs has also gone up by at least 2c a dozen, with another increase on the way.

Mr. Bruce Laiing, managing director of Clover and Mr. Raymond Smit, managing director of Creamline, both agreed that the price increase of 6c a litre granted to distributors by the Minister of Agriculture in no way met spiralling costs.

Farms have received the balance of the increase, which amounts to 1,6c a litre.

Mr. Smit said that since the last price increase of fresh milk wages had gone up by 35 percent, packaging by 28 percent, fuel by 52 percent and vehicle maintenance by 35 percent.

The dairies say that they have taken every possible measure to cut their costs.

Branches have been closed, staff dismissed and distribution reduced for greater efficiency.

They say that to cut their costs further would be dangerous, possibly forcing either a complete stop of home deliveries or possible closure.

"Because milk is a basic necessity, especially for lower-income groups, the price is too high, but at the same time it is too low to adequately cover production and processing costs," said Mr. Smit.

Mr. Smit said that there was only one way to solve the problem:

"We believe that the price should be kept at a level that can be afforded by all income groups.

Subsidy

"Because it is necessary to keep the dairy industry on a sound footing, we recommend that consumers should make determined representation for a Government subsidy in the annual subsidy would come to about R14 million.

The general manager of the Egg Control Board in Pretoria, Mr. W. C. J. van Rensburg, said yesterday that owing to a seasonal shortage of eggs and due to the increased maize price producers had been forced to increase the price of eggs.

The wholesale price of eggs in Durban is not controlled and the retail price varies depending on the shop."
Not a drop of milk for the 'dump'

Not a drop of the large surplus of milk in the Transvaal has been "dumped."

This was said by Mr A M Diesel, vice chairman of the Rand Milk Association, when commenting on reports that rather than lower prices, dairies "are literally pouring milk down the drain."

Said Mr Diesel: "I can state that no milk is being poured down the drain."

He said there was nothing unusual about the surplus. "Annually, there is a seasonal increase in milk production between October and January. However, it is true that this year the surplus is higher than normal, mainly because of the downturn in the economy."

"Dairies only get in as much milk from the Milk Board as they can sell," said Mr Diesel.

Commenting on a call from a supermarket chain for distributors to lower the price of milk during the surplus, Mr Diesel said distributors could not afford to do so.

He did not believe lowering the price would mean a big increase in sales.

"It will only mean consumers will go to the supermarkets for their milk for the three month duration of the surplus."
Supermarket head urges cut in milk price

Chief Reporter

Mr RAYMOND-ACKERMAN, head of one of South Africa's biggest supermarket organizations, appealed yesterday to the Milk Board to reduce "drastically and immediately" the price of milk, which he said was the root cause of the Diary Board's butter and cheese surplusiasco.

He said the Milk Board, which worked independently of the Dairy Board, had pitched the milk price too high in the first quarter of the year, with the result that many farmers had switched to milk production.

This had led to a surplus of milk, which then went into butter and cheese production. Now, the Dairy Board was stuck with a massive surplus of these products and the public was being called on to pay more to help dispose of the surplus.

Mounting anger over the fact that the public is not being protected from the high prices of butter and cheese and that the Dairy Board has been stuck with these excesses was reflected yesterday in the appointments book of the Minister of Agriculture, Mr Hendrik Schoeman.

Mr Schoeman spent much of the day seeing deputations from the Co-ordinating Council and from the Housewives' League about the price increases for butter and cheese, which became effective yesterday.

The increases — and public reaction to them — will probably be discussed by the Cabinet on Monday, at its weekly meeting in Pretoria.

Meanwhile the Checkers Stores group has announced that it will not sell butter in any of its stores for the whole of next week and has urged other food distributors "to join us in this protest on behalf of the consumer."

No other major chisimstore group appeared yesterday to have joined the butter boycott. Mr Raymond Ackerman, of Pick 'n Pay, said he was totally opposed to boycotts which could only aggravate, not help the situation.

He said Pick 'n Pay had bought up "enormous" quantities of butter and cheese and that these stocks, in the group's warehouses throughout the Republic, would be sold at the pre-increase prices for as long as the stocks lasted.

Co-operation

Mr Ackerman said there was "a crying need" for closer co-operation between the farmer, the Government and the marketing organizations such as his own.

"As people who are very much involved in the day-to-day marketing of their products, we have offered our services to the control boards in disposing of these huge surpluses, through marketing methods that would be to their own benefit as well as to the benefit of the public.

"But our offers have been ignored — and this chasm between the Government and the public remains unbridged."
Farmers hit by huge milk surplus

Weekend Argus Correspondent

Johannesburg - South African dairy farmers are struggling to find uses for thousands of litres of surplus milk in an effort to prevent it from going to waste.

A South African Agricultural Union spokesman said it was possible large amounts of milk could go to waste because of a huge surplus.

Many farmers are following the advice of Milk Board general manager Mr A.C. Visser, who has said they should withhold their surplus milk from the market and feed it to livestock instead.

Farmers have been told the Dairy Board is imposing a very high levy on all surplus milk and cream produced by fresh milk producers and supplied either by the Milk Board or directly by fresh milk producers to dairy factories. This, added to other costs, makes it uneconomical for farmers to market more than their allocated quotas.

Mr Visser said he did not think it would be wise to lower the price of milk even in the short term to boost consumer demand. Such a step would result in milk shortages in the future, he said.
13 factories
churn it in

Agricultural
Correspondent

THE DAIRY Board has announced the closure of 13 of South Africa's smaller butter factories because of the decline in butter sales and production.

Mr. P. J. H. Maree, manager of the Dairy Board, speaking from Pretoria yesterday, confirmed that because butter sales had dropped by about 80 percent, 13 of the country's smaller and less economic butter factories had been closed.

Mr. Maree said that redundant workers had been absorbed into other organisations or given suitable compensation.

He said butter production had dropped nearly 40 percent since 1970/71 because the Board had induced thousands of cream producers to switch to the supply of milk for other dairy products by raising the price of milk to more than that of cream for buttermaking.

The closed factories are the dual purpose butter sections of factories at Outshoorn, Cookhouse and Allwal North, and the factories at Grahamstown, Spingfontein, Standerton, Kuruman, King, William's Town, Winburg, Dundee, Ladysmith, Umlaas and Pretoria.

Mr. Maree stated that the position was not serious and the closed factories represented, in fact, only 18 percent of the total.

'The drop in butter sales is also attributed to the fact that sales of margarine have made considerable inroads into butter sales,' said Mr. Maree. There was no butter shortage from the closure of these factories.

'It merely means that the industry has been rationalised,' he said.

'The production of cheese is well above last year's level and with more milk being made available for this purpose, it should again be possible to meet the country's total cheese requirements from local sources,' said Mr. Maree.

Mr. Bruce Land, managing director of a large Durban dairy, said:

'There is nothing exciting about the closure of these so-called "intake" factories. We closed our Ladysmith butter factory some time ago in line with the Dairy Board's policy to rationalise the industry.'
‘Butter was off’
claim denied

Mr. P. J. H. Maree, manager of the Dairy Board in Pretoria, denied
that the butter was
rancid as well.

Mr. Maree said that
he had been informed
beforehand that the
butter sold was not first
grade and was for
cooking purposes only.

Referring to the 4,000
tons held by the board,
Mr. Maree said that
amounted to the total
stocks held, and there
was no question of that
butter being ‘either
rancid or available for
immediate release.

Mr. Maree said that a
decision to release some
of this butter might be
taken shortly, but emer-
gency stocks had to be
kept.
Butter surplus means price cut

A huge butter surplus in South Africa is the reason 1-million kg of choice butter will sell at the same price as margarine from Monday.

The Dairy Board announced the cut price yesterday as a contribution to the fight against inflation.

The Department of Agriculture said surplus butter will be sold at a loss inside South Africa instead of being exported at a loss. An official indicated that the losses on the sale of butter at the reduced price will be met from the Government's annual R7-million subsidy, and from the Dairy Board's producers' levy fund.

A United Party spokesman on agriculture, Mr Warwick Webber, MP, said the production of butter had dropped only 40 percent with the introduction of margarine, while consumption had dropped 60 percent.

"I am very pleased the Government has taken our attitude by not exporting the surplus, but subsidising the local people instead," he said.

But Mr Webber said he hoped the same would not happen with the sale of reduced-price choice butter as had happened in October - with the sale of reduced-price table and household butter.

People had complained it had been rancid.

He hoped the big supermarket chains would not again be allowed to monopolise the supplies of reduced-price butter.

Smaller stores in the country areas, he said, should also be allowed an allocation.
### Surplus stocks of butter

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

1. What surplus stocks of butter were
   held at 30 June and 31 December in
   each year from 1971 to 1975;

2. What is the (a) present stock of butter
   on hand and (b) estimated surplus
   stock of butter as at 30 June 1976
   and 31 December 1976.

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   (b) 30 June 1976: 3 100 t.
   31 December 1976: 4 900 t.

### White/yellow margarine

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

1. How many applications for permits
   to produce (a) white and (b) yellow
   margarine were (i) granted and (ii)
   refused during the period 1971 to
   1975;

2. What was the total mass of the (a)
   quotas granted and (b) actual pro-
   duction of (i) white and (ii) yellow
   margarine in each year from 1971 to
   1975.

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Big loss on dairy exports

The Dairy Board exported butter and cheese at an estimated loss of R1 200 000 during the financial year ended September 30 1975. A Government subsidy of R9-million was received but an amount of R566 078 had to be paid from the stabilisation fund to keep down the price of butter.

The controller and auditor-general, Mr F G Barrie, reports that the board paid 33c a kg to butter manufacturers in order to keep down the price of butter.

In the previous financial year the Government subsidy for this purpose was R13 978 187.

The board also paid R21 253 as a subsidy on milk powder to combat kwashiorkor.

The reserve fund to pay for future losses on milk powder imports came to R1 209 405 at the end of the year after a net surplus of R1 043 018 in respect of milk powder imports during the year had been credited to the fund.

The board says a premium of 1c a kg on gouda cheese to encourage production of round gouda cheese. The money for this purpose is collected from farmers through an additional special levy.

Collections came to almost R94 000 and payments were almost R87 000 leaving R8 000 in the fund.

Mr Barrie said that loans to cheese factories and creameries amounted to almost R7.5-million at the end of the year.

Included in that amount was R50 278 outstanding on a loan to a creamery that closed permanently in 1972. Interest already came to R8 082.

"The board has taken legal steps to recover the outstanding loan and interest," he states.
Dismay over dairy hikes

THE Dairy Board decision to increase the price of butter by 10c for 500 g and cheese by 8.5c for 500 g by Monday has been greeted with dismay by the retail trade.

Supermarket chiefs say it will reduce sales already slow — and cause the build-up of an even bigger surplus.

This surplus will have to be sold off at reduced prices, they say.

The news has also dismayed producers, who will have to pay a levy to help meet promotion costs.

Mr. David Watkins, general manager of Pick n Pay, said the decision to increase the price in order to pay for increased promotion costs as 'crazy marketing.' He said: 'I simply can't understand it."

There is no much cheddar about the Dairy Board just doesn't know what to do about it. It is the already high prices which have discouraged people from buying butter and cheese and resulted in surpluses.

CRAZY

The thing to do when there is a surplus is to bring the price down. To put it up is further absolutely crazy.

The decision to push up the price of cheese will put the price of processed cheese up to R2.5 a kg, which is 'a psychological barrier.' The Dairy Board should have tried at all costs to prevent this, going over the R2 a kg mark.

A spokesperson for Checkers said: "Putting up the price of cheese will mean sales will be further reduced and the cheese will go off and have to be downgraded and sold at a lower price."

This is the sort of thing that happens when control boards interfere with free market prices.

'All they have done by putting up cheese and butter prices, especially to such an extent, is to create a bigger problem for themselves when they have to decide what to do with the bigger surplus that will build up.'

Defending the increases, a Dairy Board spokesman said, although reducing prices was one way of increasing consumption, it was not always practical.

'Even if you have a lower price, it does not necessarily follow that consumer demand will increase,' he said.

CHEAPEST

'It is probably for this reason the Dairy Board decided on the increases to pay, for a comprehensive publicity campaign to stimulate the demand for dairy products.'

A spokesperson for the South African Agricultural Union said producers had been encouraged to reduce production in order to make the Republic self-sufficient in dairy products.

'It was ironic that now they have to pay a levy to help meet the costs of promoting sales here and overseas.'
Dairy decision 'illigical' — Economists
Dairy Board cash crisis

EAST LONDON — This is the story of the crazy world of Alice in Wonderland — more commonly known as the South African Dairy Board, which is searching diligently for a money tree accompanied by calls from the South African public: "Off with its head!"

And for a very good reason. On September 30, 1974 it had a stabilisation fund of R7 023 457, obtained over the years through levies on producers and consumers of dairy products.

Little more than a year ago the fund had risen to R9 451 625.

During the year ended September 30, 1975 the Dairy Board also received a Government subsidy of R8 million — on condition the retail price of butter was not increased. According to Mr. J. van Vuuren, chairman of the Dairy Board, the retail price of butter was increased in June 1975, but the Government subsidy of R8 million was still paid over.

During the year ended September 30, 1976 the Dairy Board received another Government subsidy, this time of R8 million — also on condition the retail price of butter was not increased.

During the 1974-75 year, the Dairy Board paid out the Government subsidy of R8 million, plus a further R566 078 of its stabilisation fund (which obviously did not even dent it as the fund still increased by about R2.5 million).

The audited accounts for the 1975-76 year are, of course, not yet available, but according to Mr. E. Roux, the Dairy Board's assistant manager, on September 30, 1976 the stabilisation fund had less than R1 million to its credit.

"It has been used to keep prices of dairy products at a low level," Mr. Roux told me therefore, the Dairy Board has spent more than R16 million in 12 months "in order to keep prices of dairy products at a low level."

Mr. Roux says there is a surplus of 1 500 tons of butter which, provided good agricultural conditions are experienced (which is likely), will grow to about 8 000 tons by the end of September 1977.

The current surplus of cheddar cheese is 3 000 tons, which is likewise expected to increase — to about 8 200 tons.

The maximum storage life of butter is between 12 and 18 months, said Mr. Roux, and for cheese it is little more than a year.

But the Dairy Board's answer to its problems is to increase the price of butter by 10c for 500g and the price of cheese by 17c per kg. That should send the 'shoppers rushing to buy it and thus "restock the sadly depleted stabilisation fund, which will then be used once more to "keep prices of dairy products at a low level."

But the Board has come up with an even better idea than that — a real Cheshire Cat, one this time.

A special promotion campaign is to be launched. And Mr. Roux emphasises, during that campaign butter and cheese will NOT be sold at the increased prices.

So, having spent some R16 million in 12 months in order to "keep prices of dairy products low," the Dairy Board will now spend more money on a promotion campaign to sell its products at what they consider uneconomic prices.

Did I say this was the story of the crazy world of Alice in Wonderland? Surely it should be Alice in Blunderland.

— BUSINESS EDITOR
Schoeman defends dairy price increases

CAPE TOWN — The Minister of Agriculture, Mr. Schoeman, disclosed yesterday that 13 factories producing butter had already gone out of business and that steps had to be taken to avert the collapse of the entire dairy industry in South Africa.

He was reacting to the public outcry against the Dairy Board's decision to increase the prices of butter and cheese because of a vast surplus of dairy products that has amassed in the Republic.

Leading economists have shared the public's perplexity over the Dairy Board's reasons for the increases, which have been described as "cock-eyed" and "unreasonable." to the economics of supply and demand.

Mr. Schoeman said: "I wish to emphasise the prices have not been increased with a view to obtaining funds for promotion campaigns, as has been alleged in some circles.

"With the exception of butter, shortages of dairy products were experienced for six consecutive years until 1975, and these shortages had to be augmented, often at a financial loss, by way of imports."

Mr. Schoeman said the position was that there were now surplus stocks which, because of their perishable nature, must be exported as soon as possible.

"The losses incurred on these exports, coupled with the higher inland transportation and shipping costs, will mean that not only will the Dairy Board's funds be exhausted but that the board will have to raise a further R25 million.

"In the past, the Government was able to contribute R12 million a year towards lowering the consumer price, but due to the present unfavourable economic situation this subsidy has had to be reduced to R7 million.

"Attempts to dispose of these surplus stocks locally at specially reduced prices will in the light of past experience not provide a solution. The board therefore decided to raise the approximated R25 million through contributions by producers, manufacturers and consumers."

"I trust it will be realised that although the dairy industry is burdened with surplus stocks, the solution does not lie in a lowering of the price to the consumer, as could normally be expected."

"The production of butter has already decreased appreciably, and 13 factories have already closed down."

DDC.
‘It’s for exports’ dairy critics are told

Mercury Correspondent
CAPE TOWN – The Minister of Agriculture, M. Hendrik Schoeman, yesterday contradicted the Dairy Board over the reasons for the rise in the cost of cheese and butter.

He said the increase was to offset the cost of exporting cheese and butter, and not to support a nationwide advertising campaign to get rid of them—as the Dairy Board had said on Tuesday.

“I wish to emphasise,” he said, “that the prices have not been increased with a view to obtaining funds for promotion campaigns, as has been alleged in some quarters.”

“The Dairy Board’s reference to the high cost of production was actually adherence to the sale of butter and cheese on the local market at especially reduced prices, in order to reduce surplus stocks.”

With the exception of butter, shortages of dairy products were experienced for six consecutive years, until 1976, and these shortages had to be augmented, often at a financial loss, by way of imports.

“In June, 1976, an increase in the price of the products was granted; and since then the production of dairy products has increased considerably—in such an extent that large stocks of manufactured products accumulated.”

Mr. Schoeman said the position consequently was that there were now surplus stocks which, because of perishable nature, must be exported as soon as possible.

The idea involved in these exports, coupled with the higher freight tariffs and shipping costs, will mean that not only will the Dairy Board’s funds be exhausted but that the Board will have to raise, in the near future, further funds.

“In the past, the Government was able to contribute R12 million a year towards lowering the consumer price, but due to the present unfavourable economic situation this subsidy has had to be reduced to R7,000,000.”

Attempts to dispose of these surplus stocks locally at specially reduced prices will, in the light of past experience, not provide a solution.

The board therefore decided to raise the R22m through contributions by producers, manufacturers and consumers.

“Therefore, producers are encouraged the Dairy Board has lowered the price of butter by 22 percent—a measure that will come as a great shock to the farmers concerned.”

“Manufacturers will make a contribution of R1,500,000, and the consumer is asked to contribute 12 percent on the present maximum price of cheese and 14 percent on the present maximum price of butter.”

“The increase in consumer prices, however, to be ignored as it may appear to present circumstances, will, hopefully, only be a temporary sacrifice for all concerned.”

The country shall be guarded against the collapse of the dairy...
Minister’s statement on price rises

13 butter factories out of business

THE Minister of Agriculture, Mr Hendrik Schoeman, disclosed yesterday that 13 factories producing butter had already gone out of business and that steps had to be taken to avert the collapse of the entire dairy industry in South Africa.

He was reacting, in a statement to the Cape Times, to the public outcry against the Dairy Board’s decision to increase the prices of butter and cheese because of a vast surplus of dairy products that has been amassed in the Republic.

Leading economists have shared the public’s perplexity over the board’s reasons for the increases, which have been described as “a cockeyed approach to the economics of supply and demand”.

**Underlying reason**

Mr Schoeman’s statement yesterday makes it clear that the underlying reason for the increases is the effect on the dairy industry of the current economic climate in South Africa.

“I wish to emphasize,” he said, “that the prices have not been increased with a view to obtaining funds for promotion campaigns, as has been alleged in some circles. The Dairy Board’s reference to the high cost of promotion was actually a reference to the sale of butter and cheese on the local market at specially reduced prices, in order to reduce surplus stocks.

“With the exception of butter, shortages of dairy products were experienced for six consecutive years until 1975, and these shortages had to be augmented, often at a financial loss, by way of imports.

**Accumulated stocks**

“In June 1975 an increase in the price to the producers was granted, and since then the production of dairy products has increased considerably — to such an extent that large stocks of manufactured products have accumulated.

“As in the case of other branches of agriculture, production of dairy products cannot be decreased at short notice — particularly not during years when climatic conditions are favourable.”

Mr Schoeman said the position consequently was that there were now surplus stocks which, because of their perishable nature, must be exported as soon as possible.

**In the past**

“The losses incurred on these exports, coupled with the higher inland transportation and shipping costs, will mean that not only will the Dairy Board’s funds be exhausted but that the board will have to raise a further R25m.

“In the past, the Government was able to contribute R12m a year towards lowering the consumer price, but due to the present unfavourable economic situation this subsidy has had to be reduced to R7m.

“Attempts to dispose of these surplus stocks locally at specially reduced prices will in the light of past experience not provide a solution. The board therefore decided to raise the approximated R25m through contributions by producers, manufacturers and consumers.

“Where producers are concerned the Dairy Board has lowered the price of butter-fat by 31 percent — a measure that will come as a great shock to the farmers concerned. The producers’ price for industrial milk has also been decreased by 12 percent.

“We must naturally guard against steps in the near future which could bring about the collapse of the dairy industry. Such a collapse would affect butter, for which there is a substitute, as well as cheese, skim-milk powder, condensed milk and so on, and could lead to the future need to import such products.

“I trust it will be realized from this that although the dairy industry is burdened with surplus stocks, the solution does not lie in a lowering of the price to the consumer, as could normally be expected.

“The production of butter has already decreased appreciably, and 13 factories have already closed down.”
Dairy Board looks abroad

Chief Reporter

WHILE the public is being called on to help foot the bill for the disposal of massive surpluses of dairy products, the Dairy Board is making an all-out effort to find markets for these products overseas.

A Dairy Board spokesman disclosed from Pretoria yesterday that the manager of the board, Mr P J H Marce, is at present visiting other countries, including several in Europe and also North America, to try to find such markets.

Reports from Johannesburg that the SA Co-ordinating Consumer Council yesterday presented a concept proposal for the possible solution of the crisis to the Minister of Agriculture.

The council said yesterday a delegation from the council would meet the Minister on Monday to discuss the proposal.

"The Dairy Board is stimulating overseas sales of SA butter by making it too expensive for South Africans to buy."

The council had requested the Minister to delay the increases for a specific period in order to give organized consumer bodies a chance to show what they, in co-operation with commerce, could do in a joint effort to nullify the surplus of dairy stocks.

- Hellenic last night won the Benson and Hedges Cup when they beat Durban City 2-0. Report, picture back page.
Chance of decrease ‘slim’

Govt rethink on butter price

THE GOVERNMENT will this week reconsider the recent cheese and butter price increases, the Minister of Agriculture, Mr Hendrik Schoeman, said in Pretoria yesterday.

But he cautioned that the chances were slim that the controversial decision to raise the prices of dairy products would be reversed. "There is not really a big chance that the prices will be lowered again," he said. "After all, the farmers and producers are already getting 31 percent less for their product and it would be unfair on them if the consumer were to pay less." Mr Schoeman criticized Sunday newspaper reports which he said had "raised the issue to an emotional one".

"They have taken the whole thing out of context," he said. He denied that the Dairy Board was broke.

"The board as such cannot go broke. What has happened is that they have little money in their stabilization fund."

The fund was used to finance reductions in the price of butter and cheese.

Meanwhile in Cape Town, milk producers are up in arms over the new price increases. The vice-chairman of the Milk Board, a sister organization to the Dairy Board, Mr J J de Villers, said he was at a loss to understand the reasons behind the price increases in butter and cheese.

He said the effect would be to make it more difficult for the Dairy Board to get rid of its products because demand would fall off.

**Biggest blow**

"What this means in practice is that the milk producer will find it increasingly difficult to dispose of his surplus milk. As it is, he now has to pay a large levy on surplus milk. I regard this as the biggest blow in years to the milk industry and I am extremely worried about the future." Mr De Villiers forecast a milk shortage in four months' time.

"The dairy farmer is in for a tough time. Already milk cows are going for a song. The big problem is what to do with the surplus milk."

Mr De Villiers could not give any details on a report that more than 30 000 litres of skimmed milk was dumped down a drain last week by the Milk Board because it could not be sold.

But he confirmed that it was usual practice when there were large surpluses of diary products to dump skimmed milk. "After all, the only use for this type of milk is to sell it to people who make powdered milk. But there is already a surplus of powdered milk so it is not always possible to sell the milk to factories."

The manager of the Milk Board, Mr A C Visser, was not prepared to comment yesterday, but promised to release full details in the press today.

Meanwhile there has been a strong reaction by dairy farmers to a proposed country-wide boycott of cheese and butter and a decision by Checkers, one of the country's biggest chains, to stop selling butter for a week.

**Ridiculous**

A small-scale dairy farmer in Constantia, Mr Ian Austin, said the boycott call was "ridiculous and irresponsible."

"Housewives should be warned that such a boycott will be counter-productive and we could find ourselves with an acute scarcity of dairy products within six months."

It was the producers who would be worst hit by a boycott, said Mr Austin. "In some cases farmers are going to have to pay the Dairy Board for accepting surplus milk. On this basis it is just not going to pay to keep dairy cows."

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Egg-smashing

Dairy farmers' quotas for delivered milk have also been cut with effect from today. This means that milk surpluses will be even larger than before and, many farmers will have to find ways of cutting back on production.

While huge milk, butter and cheese surpluses have been reported, there are also unconfirmed reports that the Egg Control Board is smashing a million eggs a day at its Kraainfontein factory. The smashed eggs are reportedly being sold at a loss to Japan and Hong Kong where they are used in bakeries.

The Egg Board general manager, Mr W C J van Rensburg, was not available for comment yesterday.
No comment on cheese import claim

Cape Times Wire

JOHANNESBURG. — The former assistant manager of the Dairy Board, Mr Fred Peters, declined to comment last night on a newspaper allegation that he was mainly responsible for the present dairy products fiasco.

The allegation, in the Afrikaans Sunday newspaper Rapport, claimed he had ordered 500 tonnes of cheese from Holland.

The import of cheese was approved by the Dairy Board last year after a shortage was forecast.

Rapport claims that while Mr J Marcro, the manager of the board, was abroad, Mr Peters closed the agreement for the importation.

However, good rains fell, production rose, and instead of a shortage a surplus developed.

The executive committee of the board found that Mr Peters, on his own decision ordered another 500 tonnes of cheese, the newspaper said.

Neither the chairman of the board, Mr J J M van Vuuren, nor the acting manager of the board, Mr P E Roux, would comment last night on the report.

Mr van Vuuren did say, however, that it was irresponsible for anyone associated with the board to discuss management affairs with the press.

"The board takes full responsibility for its actions and I refuse to discuss the matter further," he said.

● Government rethink on butter price, page 3.
Cabinet won't lower prices

PRETORIA.—The Cabinet decided yesterday not to lower the increased prices for butter and cheese.

This is clear from a statement issued after yesterday's meeting in the Union Buildings, by the Minister of Agriculture, Mr Hendrik Schoeman.

The Minister said however, that a meeting would be held on Friday to find solutions to the problems facing the dairy industry.

Reviewing the background to the price increases, Mr Schoeman said the Dairy Board expected a considerable surplus, especially of butter and cheese, after the normal demand for dairy products had been satisfied during the coming season.

A butter and cheese price reduction aimed at disposing of the surplus locally, as well as current production, would have to be so substantial that the board's "practically depleted" funds would not be able to afford it.

"The Government was not in a position to assist the dairy industry with a subsidy higher than the R7 million already voted for the coming year."
Dairy surplus—no buyers

Chief Reporter

Mr P J H Maree, manager of the Dairy Board, said yesterday after returning from an extensive trip overseas that he had been unable to secure any immediate contracts for the purchase of surplus stocks of South African dairy products.

But, he added, there appeared to be good prospects in certain countries he had visited and the Dairy Board would be following these up.

Mr Maree visited the United States and Canada to attend conferences, and called at countries in Europe on his way back to South Africa.

Speaking from his office in Pretoria he said: "The market over there is extremely competitive; the EEC countries are 'out' as far as we are concerned and there are no real shortages of dairy products in Europe or Scandinavia."

"So it has been no easy matter finding outlets for our surplus products."

Mr Maree said he did not wish to comment on the national outcry that started while he was looking for markets abroad, when it was disclosed that the Dairy Board had amassed vast surpluses of butter and cheese and that prices of these products were to be increased to help raise funds to reduce the surpluses.

He did say however that in all his years in the industry he had not experienced the combination of circumstances that had brought about the present situation.

And although a lowering of prices to the consumer was being demanded, this would have the effect of driving dairy farmers out of the industry, with the result that instead of surpluses there would soon be acute shortages of dairy products.
Supermarket chain to slash butter price by 12.5c/500g

FROM TODAY, a supermarket chain is to slash butter prices to 65c for a 500g block — which is 1.5c less than the old price and 12.5c below the latest price increase which has caused a nation-wide uproar.

This surprise move was announced yesterday by Mr David Watkins, a director of Pick 'n Pay, in a statement which blasted both the Government and the Dairy Board for ignoring the country's retailers and driving up prices to such a level that "in the poorer sectors of the population ... the people find it too expensive to put their babies on to fresh milk".

He also charged the Dairy Board with ignoring "all the principal marketing laws in the book" and depriving dairy farmers of money by diverting too much milk into the "industrial" and too little into the "fresh" category.

Three positive steps could be taken, he said. Firstly, the consumer should be helped so that he would be able to buy butter for less than he was paying before the latest price increase; secondly, the farmer should be helped to get rid of his surplus; and thirdly, the Dairy Board, should be helped to make this possible.
Price fall for butter will come — Maree

The Argus Correspondent

JOHANNESBURG. — Not all the surplus butter and cheese will be sold overseas, and as soon as the Dairy Board can afford it, the prices will be cut locally, the manager of the board, Mr P. J. H. Maree, said today.

"I cannot say when this will happen. But as soon as we have sufficient funds, we will continue with our special sub-price schemes through the supermarkets," he said.

Mr Maree said the Dairy Board did not yet know whether consumers were buying less butter and cheese because of the increased prices.

The supermarkets bought up a lot of the products at the old prices last week, and although they may not buy much this week, they may be selling a lot to the public, he said.

RESISTANCE

A spokesman for the Housewives' League said today consumer resistance to the new prices was 'fairly strong' on its own without being nudged by the league's call for a boycott.

Although housewives have so far shown no tendency to stock up with butter still being sold at supermarkets at the old price of 65c or 85c for 300 g. Pick 'n Pay are expecting to sell a million packets in two weeks now that they have reduced their price to 85c.

General Manager, Mr. David Watkiss said they had reduced their price to give a lead to the Government by showing there was a demand for butter if it did not cost "more than the housewife was willing to pay."

Mr Watkiss said, "this decision had been taken after it had been announced that the 'big retailers' had not been invited to the meeting of interested parties called by the Minister of Agriculture. Mr. H. Schoeman, tomorrow to find solutions to the Dairy Board's problems."
BUTTER/CHEESE SURPLUS
Inevitable

The Consumer Council's belief — that if government holds down the butter price to the old 70c/500 g the public, swayed by national sentiment and an eye for a bargain, will rush to mop up the butter surplus — seems hardly credible.

"The public really prefers butter," argues the Council. That assumption is questionable. Yellow margarine has taken 60% of butter's market and consumers stay with margarine not only because of price, but out of preference. "People have got used to margarine," confirms Dairy Board manager Piet Maree morosely.

The Board's experience is that, while cut-price promotions do move butter at that time, the public eventually goes back to marg. And what most people don't seem to understand is that there's a difference between the buying of butter and the eating of it. It's this difference that has cost the Board some R9m, out of the now depleted stabilisation fund without effectively moving surpluses.

What happens, according to Maree, is that when cheap butter is on sale housewives buy it up and store it. In subsequent months, when butter comes back to its real price, unsubsidised by Board promotion money, they don't buy any more butter. Net results may have been to move only a third of the surplus butter target — but at three times the cost.

"Demand is inelastic," maintains Maree. Supply, on the other hand, is quite a different matter. "You can close down a factory (the Board has closed a number of creameries at an administrative cost of R1m, but you can't stop cows producing milk."

Demand for butter has dropped from 53 500 t in 1970 to the present 22 000 tpa. But this year farmers are producing too much milk.

Butter stocks are 5 500 t of which some 2 000 t is surplus; there's also about 7 300 t of cheddar of which half is surplus. But the Board estimates a total surplus by the end of the year of 8 000 t of butter and 8 000 t of cheese.

The Board's decision to try and move these surpluses by an export drive is based fundamentally on its failure to induce the SA housewife to buy and use more butter even when it cuts the price. It reckons that it needs R24m for its fighting fund and plans to raise it as follows:

- R14m from the farmers through special loaded levies which will reduce their normal profit on butter by 31% and by 12% on industrial milk used for cheese;
- R2m from consumers who will pay 80c/500 g for butter instead of 70c, and R1.75 for cheese (R1.58); and
- R10m or thereabouts from butter and cheesemakers' middlemen and the R7m subsidy from government combined.

On the face of it there's little sense in accumulating such an amount to subsidise exports. If this year's production of butter was sold at 60c a pack (R1.20 kg) instead of 80c, the shortfall on 28 000 t would amount to R11.2m. If butter was reduced to 40c a pack, which would bring it below the margarine price, the necessary "subsidy" would be R14m.

Why spend R24m trying to offload a mere surplus of 8 000 t?

Maree admits it's possible that the Board's estimates of the surplus may be too high and that the cuts in producers' profits may force farmers again to move away from milk production, thus lowering the year's total production of butter and cheese. If this happens, he affirms, the price to the consumer may be reduced.

This suggests what many people have suspected all along — that the price fixed for the farmers for their dairy produce was too high in the first place and encouraged them to produce more milk, thus throwing the Board's projections totally out of line.

Agriculture Minister Hendrik Schoeman meets representatives of various consumer groups, the Dairy and Milk boards, farmer's bodies and organised industry and commerce today (Friday) to seek a solution to the whole greasy problem. They should all look closely at the root cause — the price the farmer gets for his produce.

It is elementary that price is the stabilising or destabilising factor depending on whether it is set too high or too low or just right. Yield to pressure from producers for too high a price and a sur-

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Financial Mail November 5 1976
Plea to Schoeman on cheese, butter

Staff Reporter

Checker's has again appealed to the Minister of Agriculture, M.C. Hendrik Schoeman, to reconsider his decision on the cheese and butter prices.

In a message sent to the Minister yesterday, Mr P.P. Harvey, the vice president of Checkers, urged the Minister to consider a short-term and long-term solution to the problem.

In the short-term, he said, the price of butter and cheese must be reduced at least to previous levels. In such an event, we unhesitatingly prompt the increased consumption of butter and cheese through our stores at a considerable cost to ourselves.

Together

He said that as a long-term solution, and one matter of 'pollical' urgency to the Dairy Board and the supermarket industry must jointly develop an effective marketing approach to stimulate the consumption of butter and cheese against a repetition of the present problem.

He told the Minister that, in order to maintain profitability, Checkers can no longer continue to follow a policy of not protesting the increase in product prices which consumers will have to pay when the stocks are exhausted.
**Board offer on surplus milk**

**BLOEMFONTEIN:—** The manager of the Dairy Board, Mr. A W Visser, said in an interview today that his organization would cooperate with organizations willing to process the thousands of litres of milk thrown away every day.

This would be done if such organizations were to make the processed milk available at a low price to schools and needy people.

Mr Visser emphasized that it could not be expected from farmers to carry the cost of such an operation because of an already heavy burden. He said that the farmer should not be expected to carry the costs for handling and processing milk that was given away.

Source:
Economists say no to butter boycott

6/11/76 Cape Town

Johannesburg - A.

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PRICE FALL POSSIBLE

PRETORIA.—The Minister of Agriculture, Mr. Hendrik Schoeman, said yesterday that it was most unlikely that the milk price would be held on Monday to see whether the assistance for the Dairy Board could be found so that farmers could repair and decrease prices.

Mr. Schoeman made the announcement at the end of a three-hour discussion here between dairy producers, consumers, brokers, and economists. Mr. Schoeman said the amount suggested is between R2 million and R2.5 million.

The amount to be found, possibly by way of a loan or an increased subsidy, is only to cover the current share of the approximately R21 million the Dairy Board needs to finance disposal of its present surplus.

Mr. Schoeman admitted the butter and cheese price increases had been badly motivated, and that a correction had been made, but said the money needed by the Dairy Board would have to be found somewhere. — Argus.

3—dairy
2—49
Butter sales up 1 600 pc

EAST LONDON — Butter sales were up 1 600 per cent in Pick 'n Pay's East London supermarket, on Thursday, following the group's nation-wide price slash to 65 cents for a 500 g pack.

Pick 'n Pay's policy, as explained by its local branch manager, Mr T. Carrol, is to prove to the Dairy Board that they can move South Africa's surplus of butter if the prices are slashed rather than raised, and with butter sales up by 1 600 per cent here, 2 000 per cent in Natal, 600 per cent in the Cape and 600 per cent in Port Elizabeth, stocks are moving fast.

Mr Carrol said he expected improved sales to continue until after the weekend when present stocks would run out, and if the Dairy Board had not reconsidered its decision to hike the price by 10 cents for 500 g and then, the group would probably have to up their price to about 78 cents.

The present stocks cost the supermarket 66.5 cents for 500 g — 1.7 cents more than their current selling price — but if their attempt to convince the board of the necessity to drop prices fails, and they have to pay 76 cents for 500 g next week, Mr Carrol said they would be forced to sell either at cost or slightly above cost.

"We are hoping this won't happen and the board will change their minds before stocks run out," he said.

Any change in the price will have to come from the chain's head office, where Raymond Ackerman's "To hell with talk", demonstration in cutting the price to 65c, started an attempt to move one million blocks of butter.

Other supermarket chains have not followed Pick 'n Pay's example, and Checkers have adopted a completely different approach in an attempt to change the Dairy Board's mind by introducing a weeklong nationwide boycott to start as soon as existing stocks run out.

They have kept their price at 67 cents for 500 g and their East London manager, Mr R. Goddard, said sales of butter had gone up by about 50 per cent during the past two weeks as people stocked up before the old stocks were sold out.

As soon as these stocks go, the boycott will start, and no butter will be bought or sold by Checkers stores, for a week.

"An increase of 10 cents a pack is very steep and we are the ones who have to face the public. By introducing this protest we are trying to serve our customers in getting the board to reduce the price," Mr Goddard said.

The OK Bazaars have kept their price at 69 cents for 500 g and are also hoping the board will change their minds before existing stocks are depleted.

The local branch manager, Mr C. Harries, said they had stocks to last for two weeks at a month. "We have not received any directives from the head office about any price changes or boycott. "I don't believe in forcing anything on the public. If they want to change to margarine they will," he said.
Optimism over fall in butter prices

The Argus Correspondent

PRETORIA. — Government members seemed confident today that money would be found to finance a drop in the price of cheese and butter.

They regard it as crucial that such a solution be found if the public's confidence in the anti-inflation campaign is to be maintained.

Dr. P. J. Riebert, the Prime Minister's economic advisor, has made it clear that he has no doubts that a solution is going to be found to the cheese and butter problem.

Another meeting with the Minister of Agriculture, Mr. Hendrik Schoeman, today was to be attended by Dr. P. J. Riebert, the Prime Minister's economic advisor, Dr. Lawrence McCrystal, chairman of the anti-inflation campaign publicity committee, representatives of the Dairy Board and members of the Treasury.

Butter Ban

The 'Checkers' supermarket chain today went ahead with its nationwide ban on butter sales in protest over price increase on dairy products.

All butter has been removed from the shelves of its 332 stores throughout the country, and will remain in cold store for the duration of the protest due to end on Saturday.

Meanwhile, Pick 'n Pay spokesperson today assured housewives that sufficient butter stocks would be available, for sale at the reduced price of 65 cents for 250g, for the whole of this week.

SA Exports

Meanwhile, Mr. Piet Matee, general manager of the Dairy Board, said in Pretoria today that South Africa has been exporting dairy products to Black African countries in recent years. He refused to disclose which African countries had received South African dairy produce and the value of the exports.
Butter decision due tomorrow

Pretoria — The Government's decision whether to maintain the increased butter and cheese prices will be announced tomorrow, the Minister of Agriculture, Mr Schoeman, said yesterday.

His statement follows a cabinet meeting lasting into the afternoon during which the price increases that came into effect on November 1 were discussed.

Mr Schoeman met the Prime Minister's economic adviser, Dr P J Riekerk, the Secretary for Finance, Mr G Browne, and representatives of the Dairy Board on Monday to investigate ways to reverse the increases after strong protests from consumer, labour and business groups.

This meeting was to have submitted proposals to the cabinet yesterday, but no indication has been given whether an alternative way has been found to finance the R5 million the Dairy Board was to have gained from consumers, thus enabling butter and cheese to revert to last month's prices.

It is believed that among the solutions considered by Mr Schoeman were a loan to the Dairy Board and an increase in the Board's RT million Government subsidy.

SAPA
DATE OF RELEASE: 11 NOVEMBER 1976

STATEMENT BY THE HONOURABLE HENDRIK SCHOEMAN, MINISTER OF AGRICULTURE REGARDING THE RECENT ADJUSTMENTS IN THE PRICES OF DAIRY PRODUCTS

After reconsideration of the recently announced prices for dairy products, it has been decided that the increase of 20c per kg butter and 17c per kg cheese be withdrawn and that the prices be reinstated at the previous levels.

This decision has been taken as an experiment on the strength of assurances given by representatives of the S.A. Confederation of Labour, the Trade Union Council of S.A., the Co-ordinating Consumers' Council, the Women's Agricultural Union, the Housewives' League, the National Council of Women of S.A. and the South African Consumers' Union that they will urge their members to use considerably more butter and cheese at the old prices. In addition chain store groups have undertaken to actively promote the sale of butter and cheese.

The supply position will be reviewed from time to time and if a bigger demand does not materialise, an increase in the consumer prices will be unavoidable. The lowering of the consumer prices to the previous levels is only possible because the Land Bank agreed as an interim measure to grant a loan of R6 million to the industry to finance that part of the production costs which will now not have to be borne by the consumer. The effect of this measure will be to relieve the consumer of the burden of rising costs which he would otherwise have had to bear.

ISSUED BY THE DEPARTMENT OF INFORMATION
AT THE REQUEST OF THE MINISTER OF AGRICULTURE

PRETORIA
PRESS RELEASE BY THE HONOURABLE HENDRIK SCHOFHAN, MINISTER OF
AGRICULTURE REGARDING THE PRICES OF BUTTER AND CHEESE.
(FOR IMMEDIATE RELEASE)

I wish to make the following comments in connection with the
increase in the prices of butter and cheese:

1. At the outset I wish to emphasise that the prices have not
been increased with a view to obtaining funds for promotion
campaigns, as is alleged in some circles. The Dairy Board's
reference to the high cost of promotion was actually a reference
to the sale of butter and cheese on the local market at specially
reduced prices in order to reduce surplus stocks.

2. With the exception of butter, shortages of dairy products
were experienced for six consecutive years until 1975 and these
shortages had to be augmented often at a financial loss, by way
of imports.

3. During June 1975 an increase in the prices to the producers
was granted and since then the production of dairy products in-
creased considerably, to such an extent that large stocks of
manufactured products accumulated. As in the case of other
branches of the agricultural industry, production of dairy
produce can not be decreased at short notice, especially not
during years when favourable climatic conditions are experi-
enced.

4. The position, consequently, is that there are now
surplus stocks which, due to the perishable nature thereof,
must be exported as soon as possible.

The losses incurred on these exports, coupled with the higher
inland transportation and shipping costs will mean that not only
will the Dairy Board's funds be exhausted, but that the Board
will have to raise a further R25 million. In the past the
Government was able to contribute R12 million per year towards
lowering the consumer price, but due to the present unfavourable
economic situation, this subsidy has had to be reduced to R7
million.

Attempts to dispose of these surplus stocks locally at specially
reduced prices do not provide a

5. The/..........
5. The Board therefore decided to raise the approximately R25 million through contributions by producers, manufacturers and consumers.

As far as producers are concerned the Dairy Board lowered the price of butterfat by 31%, a measure which will come as a great shock to the farmers concerned.

The producer's price for industrial milk has also been decreased by 12%. Manufacturers will make a contribution of R1,34 million and the consumer is asked to contribute 11% on the present maximum price of cheese and 14% on the present maximum price of butter.

6. The increase in consumer prices, however inconsistent it may appear to be under the present circumstances, will hopefully only be a temporary sacrifice for all concerned. We must naturally guard against steps in the near future which could bring about the collapse of the dairy industry. Such a collapse would affect butter, for which a substitute does exist, as well as cheese, skimmed milk powder, condensed milk etc., and could lead to the future need for the importation of such products.

7. I trust that it will be realised from the foregoing that, although the dairy industry is burdened with surplus stocks, the solution does not lie in a lowering of the price to the consumer as could normally be expected. The production of butter has already decreased appreciably and 13 factories have already closed down.

REleased by the Department of Information at the Request of
The Ministry of Agriculture

PRETORIA
28 October 1976
Butter price cut today?

Johannesburg—While last-minute haggling over the price of butter continued today it was reliably learnt that the Minister of Agriculture, Mr H. Schoeman, will announce this evening that the price will revert to the pre-increase level of 70c for 500 g.

Sources in Pretoria said today the decision to lower the price was approved by the Cabinet on Tuesday, but in spite of continuing negotiations, Mr Schoeman met Dairy Board officials today as well as 'other parties involved' to inform them of his decision.
Sugar price up, cheese and butter down. Continued on page 2
Continued from page 1

the 1976/77 season was estimated at R82m and, if no price increase was granted, this would result in a net deficit of R16m which would have to be found in one way or another.

The unenviable position of the industry is clear when one recognizes that the average cost of production in 1976/77 is R197 per ton (R210 for refined sugar) compared with an average local price of R118 per ton and an export price of R204 per ton," he said.

"For 1977/78 the allowed production cost is expected to be R222 per ton, the local price R121 per ton (if no price increases were granted) and the export price R174 per ton."

Mr Heunis said sugar industry figures showed that South Africans paid among the lowest prices in the world.

Where the price for a kilogram here is now 29c on average, the comparative price is 29c in Brazil, 36c in England, 47c in the United States, 50c in France, Germany and Switzerland, 51c in Belgium, 52c in Denmark, Holland and Canada, and 75c in Japan.

"Mr Heunis said no consultations had been held in advance with consumer or labour groups due to the risk of a leak which could distort the market, but that Dr Lawrence McCreanor, chairman of the Anti-Inflation Publicity Committee, had been fully informed.

Consumers were naturally sensitive about price increases, but he hoped they would understand if the position was explained rationally to them.

The sugar industry, an important producer of food and earner of foreign exchange, provided employment for 155 000 people. It had a cost structure among the lowest in the world and had already made a tangible contribution towards the fight against inflation by absorbing an appreciable proportion of annual cost increases.

Apart from the price increase in September, this was the first time the sugar price had risen since 1967. It had, in the meantime, been lowered twice as the world price dropped.

The Minister of Agriculture, Mr Hendrik Schoep, said in Pretoria last night that the decision on butter and cheese had been made possible by an interim loan from the Land Bank to the dairy industry.

The increases of 20c a kilogram for butter and cheese will now fall away.

The reverting to the old prices is a direct result of the widespread angry reaction to the increase which came from many sections of the community.

"This decision has been taken as an experiment on the strength of assurances given by representatives of the SA Confederation of Labour, the Trade Union Council of SA, the Co-ordinating Consumers' Council, the Women's Agricultural Union, the Housewives' League, the National Council of Women of SA and the South African Consumers' Union that they will urge their members to use considerably more butter and cheese at the old prices," said the Minister.

"In addition, chain store groups have undertaken actively to promote the sale of butter and cheese.

"The supply position will be reviewed from time to time and if a bigger demand does not materialize, an increase in the consumer prices will be unavoidable."
Pretoria — Butter and cheese are to go back to their old prices, the Minister of Agriculture, Mr. Hendrik Schoeman, announced in Pretoria last night.

The Minister said that the increase of 20c a kg for butter and 37c for cheese would now be dropped off.

The revision to the old prices is a direct result of the widespread angry reaction to the increase, which came from the trade union movement, women's and consumers' organisations.

Mr. Schoeman warned, however, that the move back to the old prices was an experiment, and if there was an increase in demand promised by these organisations did not materialise the prices would go up again.

The Minister said the decision had been taken on the strength of assurances given by representatives of a number of organisations that they would urge their members to use more butter and cheese at the old prices.

These organisations were: S.A. Confederation of Labour, the Trade Union, Agricultural Union, the Housewives' League, the National Council of Women of S.A. and the South African Consumer Union.

In addition, chain store groups had also undertaken to promote butter and cheese.

"We've won" is what Mrs. Dorothy Perkins, chairman of the Natal Consumer Association, had to say about the price drop.

"Our boycott helped a little and the support of the consumer and the supermarkets contributed. Our march down West Street, planned for next week, has now been called off."

"Our protests have come to fruition. You can really do something if you get people going, but I am a bit dubious as to how long prices will be kept down."

Mrs. Margaret Cooke, vice-president of the South African Housewives' League said it was an excellent thing.

"It is obvious that it was due to consumer pressure. It is the first time the Government had to reconsider its decision."

"Hopefully, next time, the retailer and consumer will be consulted and public opinion will be listened to in future."

Mrs. Cooke said that she would call on all the members of the league to support the supermarket campaign, proving that they could move the surplus without the Government having to export at a loss.
can't butter up buyers

Now they know you
PRICEY CHEDDAR

PRETORIA — The Dairy Board said in a statement here yesterday that it had learned with concern that some dealers had not passed on a price reduction on cheddar cheese of 10c a kg. Introduced on August 29, the reduction, it said, had not been noted by consumers. The board urged consumers to insist on the reduced price.

The board pointed out that the reduction on cheddar sales was additional and should not be confused with the general price reduction of cheese announced on November 12.

The maximum retail price of non-factory prepared cheese at present is: Cheddar (1st grade) R1.68 a kg. Gouda (1st grade) R1.69 a kg.

"It is hoped consumers will make use of this special price as it is to their advantage," the board's statement said. — (Sapa.)
The restoration of the butter and cheese prices to their former levels, and the R6-million Land Bank loan to the Dairy Board to make this possible, are not the end of the story as far as the industry and the consumer body are concerned. They represent merely a holding action while the Government decides how dairying should be slotted into the economy — and some fundamental decisions are going to have to be made.

With one sociologically important dimension, the commission of inquiry into the marketing Act recommended earlier this year that subsidies on food products be reduced — but systematically so, bearing in mind that they formed part of the price structure and that rapid reduction “might” cause disruption.

In their place, with a view to expediting adjustments and improving efficiency in the dairy industry, the commission recommended the Government to make special loans available to mechanise milking and refrigeration processes, transport milk in bulk, and modernise the subsequent processing facilities.

The Government's decision to reduce the subsidy on dairy products from R12-million to R7-million, which produced the now celebrated "butter bungle," was in line with this recommendation, though the reason given for it at the time was that it was taken because of the current economic situation.

However, the loan which has replaced the subsidy was made to the Dairy Board to tide it over its present financial problems — and not to the industry for the promotion of efficiency.

At this stage, thus, the progress made towards implementation of the commission's recommendations includes the negative one of removing the subsidy but not the positive one of stimulating production efficiency.

The way is therefore still open for the Government to reject the commission's recommendation on this point, and take another line, such as that suggested by a commission member, Mr Warwick Webber, the United Party MP for Matjaskop South.

Mr Webber's objection to removal or reduction of subsidies was that the social and economic conditions of South Africa were such that a large part of the population was underprivileged and fell into the lower-income brackets. This made retention of the subsidies on basic foods essential, even if it necessitated an increase in tax, which was paid by the higher-income groups in any event.

The principle of systematic reduction of consumer subsidies could be justified, he said, only at a stage where the economic position of those in the lower brackets had improved to such an extent that an increase in prices of staple foods would have little or no effect on their standard of living. Unfortunately, this was not so at present.

He warned that the proposed policy would lay South Africa's farmers open to unfair criticism by consumers each time prices were increased.

Mr Webber felt this was not in the best interests of either the agricultural sector or the consumers, and could only give rise to strained relations between these two groups.

The decision which the Government is going to have to take is as basic as this: either it drops the subsidies gradually and uses the money to promote efficiency in the industry, thereby helping to contain price escalation, or it retains the subsidies in the interests of the lower-income groups. And perhaps, if it can find the money, tries to promote efficiency in the milking shed and butter factory anyway.

Butter: who will be milked?

TONY VAN DER WATT, The Star's Farming Editor, looks at the changes taking place in the subsidy policy.
MILK & MILK
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BUTTER SURPLUS LIKELY TO STAY

PRETORIA — The bid to get rid of the surplus of butter and cheese — the cause of October's price hikes — seems doomed to fail.

Retailers are not buying enough butter or cheese to reduce the present surplus and the Dairy Board's stocks are soaring daily.

According to the Dairy Board's manager, Mr. F. Maree, retailers bought too much cheese and butter before the price increases and have insufficient stocks not to dig into the surplus.

At present, the production of butter is 350 tons a week and the Dairy Board is selling only 150 tons a week.

Retailers claim that their butter and cheese sales went up by about 600 percent, but that was only on their old stocks and not the board's stocks.
Govt may act over new dairy crisis

Own Correspondent

CAPE TOWN. — A new debacle has developed in the South African Dairy Industry and Government action will be necessary if huge surpluses of butter and cheese cannot be reduced by the end of this month.

The general manager of the Dairy Board, Mr P. H. J. Maree, said yesterday surplus cheddar stocks were now even higher than they were last October.

The current surplus of cheddar cheese is 3,000 tons, and the butter surplus is 1,500 tons.

Mr Maree said the recent 35.5c a kg reduction in the cheddar price was the last means available to the board to increase consumption.

A meeting of the board is scheduled for the end of the month. Parliament will then be in session.

Unless the Government came to the assistance of the industry, with new loans or a greater subsidy, it would be impossible to continue selling cheese at the current price, Mr Maree said.

Production costs were already higher than prices obtained before the recent reduction, he said.

Cream row over new Dairy Board levy

Cream producers throughout the Border — probably throughout the country — are up in arms about the "more than 30 cents per kilogram" charged by the Dairy Board for the levy. Thus the farmers are not getting the full benefit of their production.

If the feelings of these farmers could be taken as a barometer of future production, and should the levy remain, it could result in a shortage of butter and probably higher prices. Some farmers have already indicated that they "have lost all interest in cream production."

The question now is whether milk cows will become slaughter stock. To producers, especially those whose entire interest is cream production, the newly imposed levy of 52 cents a kilogram came as a severe blow, especially as the prices of cream had not been increased.

"As far as I am concerned this levy is a disgrace," said Mr D. G. Phillips of Shangri-la, near East London. "The surplus butter was not brought about by the cream producer but mainly by the excess supply of fresh milk and industrial milk."

When higher prices were paid for fresh milk and industrial milk, a number of people climbed the banana tree and only a certain number of us stuck to cream production. Why then, should we, who have been the backbone of the industry, be penalised?"

"I have a Jersey herd. A number of heifers will come into milk shortly, but with this levy I will certainly have to review the whole situation. I am quite certain a number of producers will do the same while others will probably give up cream production."

"What is going to happen to our balance of payments if the Government has to import large quantities of butter and cheese from overseas countries?"

The despondency of another producer, Mr A. Kirsten of Spring Valley, was quite obvious when, with tearful eyes, he said his feet had been knocked out from under him.

Mr Kirsten initially started to farm with vegetables but turned to cream production in June last year.

"Since then I have prepared 21 four-acre camps, planted kikuyu grass and acquired a fair-sized herd of Guernsey cows," Mr Kirsten said.

"I have invested a lot of money here and was aiming to build up a herd of some 100 cows and an additional 40 camps."

"Now, with this levy, it will be the same as vegetable growing — just keeping my head above water and probably not even that. How can I pay wages with such a deduction and with cream my only interest?"

"It seems the Government is doing its best to kill the small farmer. We small farmers are making much more use of our ground and to abandon a dairy herd and build camps take a lot of money and hard work. Now the Dairy Board wants to break down what we have built up. The whole situation is ridiculous. It is time our farmers unions stand up on their own feet."

The chairman of the Cobnumie Farmers' Union, Mr R. H. Kirchmann, of Bush View, said the union "can do nothing about the matter."

"All we can do is to complain to the Government. However, it must be remembered that the Board is there to protect the people," Mr Kirchmann said.

"The farmers are responsible for the large surplus of butter and cheese. The levy, therefore, should be placed on the producers and not the consumer. The levy will help us to overcome this crisis period," a Board official said.

"When the price for butter was increased recently the consumer refused to buy and we had to revert to the old price. Now, we (the Board) are losing 20 cents on every kilogram of butter. All levies are paid into the stabilisation fund and will not be paid back to the producers."

"The levy, however, is only a temporary arrangement and will be reviewed by the Board at the end of this month."

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Dublin, highland in Johannesburg, P.O. Elliott in Klerksdorp, L.C. Johnson in Colored people...

There are the Technical Colleges (Athlone in Cape Town, L.C. Johnson in Colored people... that they are unable to find a white willing to be indentured. Apprenticeship must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually first prove to the local Apprenticeship Committee coming indentured as apprentices. Forms wishing to undertake an Indian conscience must usually...
Milk shortage likely next

Own Correspondent
DURBAN. — Milk will probably be in short supply by March. And South Africa may have to import cheese again next year, warned Mr. J. E. Mansfield, president of the Natal and East Griqualand Fresh Milk Producers' Union, this week.

But the Dairy Board still has a surplus of 6,000 tons of butter and 8,000 tons of Cheddar cheese.

Mr. P. Maree, manager of the board in Pretoria, said: "We are now afraid that dairy farmers will stop producing and switch to a more profitable type of farming."

The board is to meet at the end of the month to review the situation, which had not improved in two months, Mr. Maree said.

"This is because production remains at a high level and, most disappointingly, our sales are no better despite all the publicity. It is too early to say whether our recent reduction in cheese prices will have any effect," he said.

There was no possibility of further reducing prices, and the only hope of ending the surplus was for the Government to step in or find an export market — both of which seemed unlikely.

The farmers blame the situation on the board's past policies.

"If the standard-quantity system had been introduced 20 years ago we wouldn't have this constant seesaw situation," said Mr. Mansfield.

Under such a system the country's requirements of butter and cheese were worked out and a contract made with the producers.

The producers were guaranteed a price for that amount and anything over that was sold, at whatever price could be obtained.

"My criticism of past board policy is that they have tried to adjust the entire supply by price manipulation, and this obviously means after the event," said Mr. Mansfield.

Fresh milk producers were at present paid only 3c a litre. It took 3d to make the break even, he said.

There were eight per cent fewer fresh milk producers annually, but this was normally compensated for by the remaining farmers increasing their production.

"But many people are getting fed up and are cutting down, and I predict by March or April there will be a shortage."

A shortage of industrial milk would take longer to materialise but he expected a shortage of butter and cheese next year.

"I believe we should support the surplus and stay from square one with a standard quantity system," said Mr. Mansfield.

Mrs. Dorothy Perkins, the Natal Consumer's Association, said: "I think this is all a load of nonsense. The simple fact is that housewives can't afford it as much because they can't afford it."

"If the price of cheese were reduced to 35c a kg the surplus would go in a few weeks," she said.

Supermarkets have not yet noticed a significant improvement in sales since the Dairy Board reduced the price of Cheddar by 3c, she said.
Board blamed for cheese crisis

**Survey**

Although the big supermarkets are selling cheese for as little as R1.15 a kilo, a survey round Durban's smaller shops yesterday revealed many were charging as much as R1.49 a kilo.

Mr. Mears said: "It's not illegal for a shop to charge up to the maximum price of R1.50, but when we cut our prices last week we had hoped the dealers would pass this on to the customer. But if they don't, there is nothing we can do about it."

Mrs. Dorothy Perkins, of the Natal Consumer Association, said: "We had dozens of complaints from housewives that certain shops aren't taking any relief of the new, low price, so people simply aren't buying.

"If they dropped the price still further — even to R1.49 — the surplus would soon be cleared."

Mrs. Margaret Cooke, of the Housewives' League, commented: "People are giving the excuse they're using up old stock, and so we cannot take any action at the moment."

**Discount**

Mr. Gardiner suggested an incentive scheme for retailers would solve all problems. "I sell R250,000 worth of cheese in Natal, a month, which is a huge slice of the market, but there is hardly any profit in this."

The Dairy Board, he said, "should start an incentive scheme, selling at bulk discount according to the volume sold. Then nobody would have an advantage over anyone else."

"In fact, the Board should liaise with us about the marketing of all dairy products, as I've already told them. All they do is cut the price and sit back instead of communicating with retailers."

Mercury Reporter

A MAJOR row is brewing over South Africa's cheese glut, with retailers and consumers laying the blame squarely at the Dairy Board's door.

Durban housewives yesterday expressed anger that many smaller shops and tea rooms are ignoring the Dairy Board's plea to sell cheddar cheese at R1.52 a kilo — and getting away with it.

"And last night a major Natal retailer hit out at the Board for not helping with retailers and forcing them to give them any incentive to help get hold of the 3000-ton cheese surplus," the Board's general manager, Mr. P. Mears, said.

"And the Consumer Council in Pretoria also claimed the public had helped to reduce the cheese and butter surplus by 25 percent."
Government squabble as milk goes down drain

THOUSANDS of litres of surplus milk go down the drain each week while two Government departments squabble over what to do with it.

Exact details are not available but it is estimated that 30,000 litres of milk were dumped or fed back to livestock by dairy farmers last month.

The departmental confusion has followed a scheme to subsidise the price and make the milk available in bulk to black townships — said to be the brainchild of the Minister of Agriculture, Mr Hendrik Schoeman.

Vetoed

But despite Mr Schoeman’s commendation the idea has been vetoed by the Department of Health, which maintains that storage facilities in the townships do not meet its own stringent health standards.

Although neither Mr Schoeman nor his top officials were available for comment, it is known they are deeply concerned with continuing large milk surpluses, of which very little reaches the market.

By DICK USHER

Milk Board general manager Mr A. C. Viecor would not comment on the scheme, except to say: "We are working on ideas, but I do not want to say anything at this stage and I do not want anything to appear in the Press."

The plan, as envisaged by Mr Schoeman, would provide for the milk to be taken to black townships, stored there and sold at subsidised rates.

It would have the dual advantage of absorbing much of the surplus while providing fresh milk to blacks at cheap rates, avoiding wastage and introducing an important and urgently needed dietary supplement.

"It is understood" Mr Schoeman has made several attempts to get the scheme off the ground, but has been unable to get the Department of Health’s approval.

Milk production has soared since mid-1975 — when there was a severe shortage — when increases in the price paid to farmers came into effect, pushing up domestic milk prices and resulting in over-production.

The surplus of milk has played a part in the present huge stocks of 1,500 tons of butter and 3,000 tons of cheese.

Unable

Farmers unable to market their surplus milk have been trying to sell it to the Dairy Board for making various dairy products.

The Dairy Board’s general manager Mr Piet Maree, has predicted there will soon be milk and dairy shortages again.

Reduction in dairy prices had not affected sales but low prices were going to force dairy men into other types of farming.

"We have had three very good years, but we are sure to have drought again soon and then there will be shortages," he said.
Goyt acts to avert milk shortage

Staff Reporter

The Minister of Agriculture, Mr. Henkie Schoeman, has moved swiftly to encourage fresh milk deliveries to places where severe shortages are threatening. He said from Cape Town last night that he had agreed to decrease the levy on surplus milk to increase the milk flow to those areas.

He would, first refer the issue to the marketing council, and it was likely the levy would be reduced from February 1.

Meanwhile, in a statement last night, the manager of the Milk Board, Mr. A. C. Visser, said the protracted drought and the scorching heatwave have caused lower production and a drop in supplies.

The board would abolish pool allocations to producers in the Transvaal from February 1 to attract all available milk to these markets.

Some farmers were withholding about 50,000 litres on their farms because of the big levy on surplus milk, he said, and supported the Minister's view that the levy was drastic.

Mr. Schoeman said last night that part of the levy had been used to lower the price of Cheddar cheese to try to reduce the cheese surplus.

He said a deputation from the Dairy Board would see him today.
Surplus stays, so up go cheese and butter again

By GERALD REILLY

The prices of butter and cheese are to go up again - because the campaign to reduce the vast surpluses has failed.

The manager of the Dairy Board, Mr P. J. M. Maree, said in Pretoria yesterday that despite undertakings by retailers and consumer organisations to support the campaign to get the public to eat more butter and cheese, the response had been "extremely disappointing."

"Sales have been non-existent, nowhere near expectations," he said.

"In the last three months of 1976 the big surpluses continued to grow."

On October 1 cheddar cheese stocks were 8 830 tons; in November 7 570 tons; and rose to 8 393 tons by the end of December.

Butter stocks at the end of September were 5 541 tons; 4 020 tons in October rose again to 5 634 tons in November, and reached 6 493 tons at the end of December.

Mr Maree said the reason for the decrease in October was that the public stockpiled after warnings of a rise in price.

The price of cheddar cheese was reduced by a further 25 cents on January 1 in an effort to stimulate demand. Sales rose, but the increase was insignificant compared to the surplus, said Mr Maree.

"This is about as far as we can go. The board has no more funds for subsidies, and the Government will not make any available to us."

Consequently consumers will have to pay the costs of production, so prices will return to the November-levels - those which caused a public outcry."
Mr. H. E. J. VAN Rensburg asked the Minister of Agriculture:

1. What quantity of (a) butter and (b) cheese was sold in each month from 1 September to 31 December 1976;

2. What was the extent of the surplus of (a) butter and (b) cheese as at 31 October 1976 and 31 December 1976, respectively.

The MINISTER OF AGRICULTURE:

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<thead>
<tr>
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<th>(a)</th>
<th>(b)</th>
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<td>1 717</td>
<td>2 841</td>
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<tr>
<td>October 1976</td>
<td>3 361</td>
<td>3 445</td>
</tr>
<tr>
<td>November 1976</td>
<td>916</td>
<td>1 545</td>
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<tr>
<td>December 1976*</td>
<td>1 550</td>
<td>1 900</td>
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<td>Preliminary</td>
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<tr>
<td>31 October 1976</td>
<td>500</td>
<td>2 000</td>
</tr>
<tr>
<td>31 December 1976</td>
<td>3 000</td>
<td>4 000</td>
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Butter and cheese imported

132. Mr. H. E. J. VAN RENSBURG asked the Minister of Agriculture:

Whether any (a) butter and (b) cheese was imported during 1975 and 1976, respectively; if so, what quantities in each year in each case.

The MINISTER OF AGRICULTURE:

(a) and (b) Yes.

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<tr>
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<th>(January-August)*</th>
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<tr>
<td>1975</td>
<td>1976</td>
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<td>Kg</td>
<td>Kg</td>
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<tr>
<td>Butter</td>
<td>376 600</td>
</tr>
<tr>
<td>Cheese</td>
<td>5 893 800</td>
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* Preliminary
† Exotic kinds only
State ‘marching’ dairy industry

Own Correspondent Cape Times 31/1/77

PRETORIA. — A consumer organization, SA Consumer Interests, claimed at the weekend that it had figures to prove that the State, and particularly the Ministry of Agriculture, was “marching” the dairy industry.

The director of Sacoil, Commandant E. G. Kzonepener, accused the State of using the Dairy Board, through its director, Mr. P. J. M. Maritz, as its “whipping boy” in the present controversy over butter and cheese surpluses and price increases.

He said: “An incredible policy has left the Dairy Board holding the baby. A move by consumers away from butter had left vast stocks of which could not be moved, he said.

Meanwhile, the production of dairy products was increasing all the time as farmers became disillusioned and moved into other spheres of farming.

Official figures,” he said, showed that butter production had increased since 1970 from 44 million tons to 24 million tons at present, thanks to the legalizing of sales of yellow margarine.

At the same time margarine production had increased from 16.5 million tons to 70.2 million tons in 1971, when the legal sale of the product was allowed, he said.

“Thus you have a drop of about 50 percent in butter production over only seven years, linked with a 50 percent increase in margarine production,” he said.

Cheating

“Cheating”

“The Government is cheating farmers out of their production, and thereby its own principles of equal labour opportunities for undisciplined Blacks,” he said. The policy was undermining farm labour in its entirety.

The one ton of fats was one of the most labour intensive forms of farming, while margarine production was highly mechanized.

As a result, there were steady increases in price, and dairy farmers were being short-changed.

On the other hand, beeswax, which sold at about 20 gourdes to 1.50 shillings, was being retailed at 20 shillings to 2.50 gourdes.

November, when the price of butter increased came into effect and then climbed to 1.900 shillings in December, while the old price was restored.

The Government’s remedy of increasing the price of butter and cheese is a temporary expedient in economic fact; but it also has a disastrous effect on the sales of these commodities.

“Wherein the butter was sold for 1.900 shillings on October 31, 1976, it had increased by December 31, 1976, and in respect of cheese, the surplus increased from 2,000 shillings on October 31, 1976, to 4,000 shillings on December 31, 1976,” Mr. Van Renburg said.

To reply to another question by Mr. Van Renburg, the Minister of Agriculture announced that in 1975 South Africa exported 371,000 kg of butter and 2,900,000 kg of cheese.

In 1976, the year in which a heavy surplus was recorded, the Government imported 14,717 kilogrammes.

These statistics confirmed the impression that the Government had little, if any, control over the marketing and production of butter.

In South Africa, the Government has decided not to allow the free-enterprise system of supply and demand in order to allow the prices of commodities to find their own levels.

Instead, they have created a vast maze of control boards, which contrived the country many millions of rands each year, and which are supposed to guard plans, production to meet demand.

In any event, these control boards have not proved to be very successful. At present, there are, 22 of these boards, and as far as the production of dairy products is concerned, the two control boards, namely the Milk and the Dairy Board, contrived the country 8,539,000 kg of milk and 21,297 kg of butter in 1976, respectively,” Mr. Van Renburg said.

Head of Sacoil.

Table

<table>
<thead>
<tr>
<th>Year</th>
<th>Butter Consumption (kg)</th>
<th>Dairy Consumption (kg)</th>
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<tbody>
<tr>
<td>1970</td>
<td>2,000</td>
<td>1,500</td>
</tr>
<tr>
<td>1971</td>
<td>2,500</td>
<td>2,000</td>
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<td>1972</td>
<td>3,000</td>
<td>2,500</td>
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<td>1973</td>
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<td>1975</td>
<td>4,500</td>
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<td>1976</td>
<td>5,000</td>
<td>4,500</td>
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Political Staff

Mr. Van Renburg said that the Government was not ready to accept any blame for the situation, as it had no control over the production of butter and cheese.

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He said that the Government was doing its best to control the situation, and that the butter market was now in a better position.
Government accused of killing dairy industry

PRETORIA — The State is killing South Africa’s dairy industry — and official figures prove this charge, according to the consumer body, South African Consumer Interests (SACOIN).

The director of SACOIN, Cmdt E. Kritzinger, accused the State yesterday of using the Dairy Board, through its director, Mr P. Maree, as its “whipping boy” in the controversy over butter and cheese surpluses and price increases.

“An incredible policy has literally left the Dairy Board holding the baby — a consumerism move away from butter particularly and vast stockpiles which cannot be moved,” he said.

Meanwhile, the production of dairy products was decreasing all the time as farmers became more disillusioned and moved into other spheres of farming.

Official figures, he said, showed butter production had decreased since 1970 from 44 million tonnes a year to 24 million tonnes at present, because of the legalising of the sales of yellow margarine.

Cmdt Kritzinger said: “The Government is cheating farmers out of butter production — and belying its own promises to provide labour opportunities for uneducated blacks.

“The policy was undermining farm labour intensity. Dairy farming was one of the most labor-intensive forms of farming, while margarine production was highly mechanised.

“Behind it all is the Minister of Agriculture, Mr Schoeman, who is clearly not agriculturally programmed towards dairy products.”

Margarine had increased in price since 1970 until it was now double its introductory price of 14c for 250 g in 1971.

Cmdt Kritzinger said SACOIN would also like to examine the books of margarine producers.

State policy allowed a 14 per cent profit on margarine on production before tax on historically depreciating assets.

But margarine manufacturers were shrewd and produced margarine under the same factory roof as detergents, for instance. Detergents were not controlled, and the true profit figure would be thus difficult to dig out.

The Progressive Reform Party MP for Bryanston, Mr Horace van Rensburg, said at the weekend it appeared the Government had little control over the production and marketing of butter and cheese.

“The Government’s remedy of increasing prices to offset stock surpluses was an incredible exercise in economic fantasy, but it also had a disastrous effect on the sales of these commodities.

“Whereas the surplus for butter was only 500 tonnes on October 31, 1976, it had risen to 3,000 tonnes by December 31, 1976,” he said. — FC-DDC.
Dairy Board: Butter/cheese

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

(1) What were the weekly supplies of (a) butter and (b) cheese held by the Dairy Board during the past year;

(2) what were (a) the producer and (b) the consumer prices per kilogram of each commodity during 1975 and 1976, respectively;

(3) (a) to which countries were (i) butter and (ii) cheese exported during 1975 and 1976, respectively, and (b) at what price per kilogram;

(4) what was the profit or loss during 1975 and 1976, respectively, on the export of (a) butter and (b) cheese;

(5) what amount was spent on salaries and travelling allowances for members of the Board during 1975 and 1976, respectively;

(6) what amount was spent on advertising and sales promotion of (a) butter and (b) cheese during 1975 and 1976, respectively, (i) in South Africa and (ii) abroad.

The MINISTER OF AGRICULTURE:

(1) Monthly supplies of butter and cheese during 1976. (Figures on a weekly basis not available.)

<table>
<thead>
<tr>
<th>Weekly Supplies of Butter and Cheese</th>
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<th>1975-76</th>
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<tr>
<td></td>
<td>kg</td>
<td>kg</td>
</tr>
<tr>
<td>Butter</td>
<td>5 675 205</td>
<td>11 405 352</td>
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<tr>
<td>Cheese</td>
<td>6 424 972</td>
<td>10 305 119</td>
</tr>
<tr>
<td>31 January</td>
<td>7 006 562</td>
<td>10 643 550</td>
</tr>
<tr>
<td>30 April</td>
<td>7 013 728</td>
<td>10 654 711</td>
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<tr>
<td>31 May</td>
<td>6 799 242</td>
<td>10 419 658</td>
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<tr>
<td>30 June</td>
<td>6 702 272</td>
<td>9 746 156</td>
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<td>31 July</td>
<td>5 131 292</td>
<td>9 846 430</td>
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<td>31 August</td>
<td>5 206 160</td>
<td>9 616 429</td>
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<tr>
<td>30 September</td>
<td>5 241 274</td>
<td>9 349 543</td>
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<td>31 October</td>
<td>4 020 344</td>
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<td>30 November</td>
<td>5 634 832</td>
<td>9 858 427</td>
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<td>31 December</td>
<td>6 562 120</td>
<td>10 428 416</td>
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(2) (a) Primary producer’s prices

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<tr>
<td>Butter</td>
<td>c per kg</td>
<td>c per kg</td>
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<tr>
<td></td>
<td>120.4</td>
<td>134.3 (estimate)</td>
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<tr>
<td>Cheese</td>
<td>105.4</td>
<td>112.7 (estimate)</td>
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(b) Consumer’s prices

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<td>Butter</td>
<td>133.0</td>
<td>139.2 (estimate)</td>
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<tr>
<td>Cheese</td>
<td>153.4</td>
<td>157.8 (estimate)</td>
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(Pool accounts for 1975-76 pool year have not yet been finalized)

(3) (a) 1975-76 (pool year) 1975-76 (pool year)

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<tr>
<th></th>
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<th>Europe and Asia</th>
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<tr>
<td>Butter</td>
<td>91.5</td>
<td>107.8</td>
<td>69.6</td>
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<tr>
<td>Cheese</td>
<td>114.4</td>
<td>107.8</td>
<td>69.6</td>
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(4) Loss on exports

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<th>1975-76 (pool year)</th>
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<tbody>
<tr>
<td>Butter</td>
<td>R974 800</td>
<td>R 820 000 (estimate)</td>
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<tr>
<td>Cheese</td>
<td>R 34 400</td>
<td>R 350 000 (estimate)</td>
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(Pool accounts for 1975-76 have not yet been finalized)

(5) 1974-75 1975-76

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<td>Chairman’s allowance</td>
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<td>Travelling and subsistence allowances</td>
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(Members of the Board do not receive salaries)

(6) Advertising and sales promotion (including salaries of staff in marketing division).

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<th>1974-75</th>
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<td>R536 400</td>
<td>R 860 100</td>
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<tr>
<td>Abroad</td>
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<td>R 1 301 600</td>
</tr>
<tr>
<td>Domestic discount sales</td>
<td>1974-75</td>
<td>1975-76</td>
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<tr>
<td>Butter</td>
<td></td>
<td>R 860 100</td>
</tr>
<tr>
<td>Cheese</td>
<td></td>
<td>R 1 301 600</td>
</tr>
</tbody>
</table>
A HIKE PLANNED ON
THE MILKY WAY

Mercury Reporter
NATAL'S dairy farmers are to apply for an increase in the price of fresh milk in April.
The size of the increase will depend on the recent fuel price increase and the future price of maize.
The last milk price increase was eight months ago when a firm went up by 2s. to a maximum price of 31s. and a delivered price of 39s. Notice of the new increase application was given yesterday by Mr. J. E. Mansfield, chairman of the Natal and Eastern Highlands Fresh Milk Producers' Union.
The union had invited members of the Housewife's League, the Natal Consumer Association and the Women's Institute to discuss problems of milk production and marketing.
Mrs. Margaret Cooke of the Housewives' League said she felt that many agricultural problems were the fault of the food control boards.
"I would like to see whether the members of these boards are qualified to govern and promote the nation's food supply," said Mrs. Cooke.
Mrs. Dorothy Perkins of the Consumer Association said it would not be necessary to call for a milk boycott if the price were increased.
"Housewives just won't buy fresh milk," she said. "It won't be a boycott but just consumer resistance."

Mr. Mansfield said the purpose of the meeting had been to give housewives exact details on milk industry.
They had decided to investigate together, while there was timely unprofitable by manufacture or middleman.
"The producer is as concerned as the consumer over the effect of a price increase," he said.
Dairy Board: Surplus of cheese

572. Dr. E. L. FISHER asked the Minister of Agriculture:

(1) Whether the Dairy Board holds a surplus of cheese; if so, what is (a) the surplus, (b) its estimated value and (c) the estimated amount of cheese that will be sold within the next three months;

(2) whether consideration has been given to donating cheese for charitable purposes; if not, why not.

The MINISTER OF AGRICULTURE:

1. Yes.
   (a) 4 000 l.
   (b) R5 820 000.
   (c) 6 900 l.

2. Consideration is being given to making cheese available to charity organizations at a reduced price. The Dairy Board cannot afford to make donations.

1. A statement of fact as seen by an economist.
2. An explanation of how economic forces ought to behave.
3. An hypothesis based on assumptions of an ideal state of affairs.
4. An explanation of economic behaviour which fits observable facts.
5. An idea which is useful in analysis but unrelated to practice.

Choice is fundamental to economic behaviour because

1. People find it difficult to choose what they want.
2. Resources are scarce in relation to people's wants.
3. Choosing makes people act rationally.
4. Opportunity costs depend upon exercising choice.
5. Prices depend on people making choices.

4. Which of the following is considered a 'free good' in Economics?
   1. Water in a canal.
   2. Water in a reservoir.
   3. Distilled water.

5. Which of the following constitutes real investment?
   1. Purchase of shares through the Stock Exchange.
   2. Opening an account with a bank.
   3. Buying a factory completed last year.
   4. Building a block of flats.
   5. Buying National Savings Certificates.
Milk price crisis looms

Mercury Correspondent

JOHANNESBURG — South African dairy farmers and marketing officials believe a dairy products crisis which will hit both consumers and producers if milk consumption is not increased.

Dairy farmers and marketing officials believe a replay of Dairy Board reasoning — that high prices for milk to finance a surplus is inevitable unless a massive advertising campaign planned to boost milk sales is successful.

The chairman of the Cape Dairymen's Association, Mr. Maarten Henning, yesterday appealed to the fresh milk producers to reconsider a request for a 15 percent rise in the producer price.

Consumption

He warned that the proposed increase would result in a drop in consumption which would be disastrous for the entire dairy industry.

Manufacturers were already saddled with substantial costs of surplus cheese, butter and powdered milk which resulted from surplus fresh milk production.

Mr. Henning said he appreciated that cost increases had prompted the farmers to appeal for a higher price, but the industry had also incurred these costs and if they also passed the increases on to the consumer, the total rise would amount to 5 cents a litre.

This would meet strong consumer resistance.

It was necessary to prevent a drop in consumption at all costs, because this would mean higher unit costs to producers and the price would have to go up again.

Only increased consumption could solve the problem, he said.
Minister faces criticism after dairy price increases

Trade Union and the Stewardship Woodward

The industrial action was called after negotiations between the National Farmers' Union and the Dairy Farmers' Union failed to reach an agreement on a new milk price for dairy farmers. The trade unionists were demanding a higher price for their milk, citing the rising cost of living and the need for increased wages.

Woodward, the Woodward Woodward, a former trade union leader, issued a statement saying that the union was committed to fighting for the rights of dairy farmers and ensuring fair wages for their labor.

Despite the union's efforts, some dairy farmers expressed concern that the increase in milk prices would lead to higher costs for consumers. The situation remains tense, with both parties facing pressure from within their respective communities.
BUTTER IS UP,
SO IS CHEESE

Cape Town — The price of butter and cheese will increase by 20c a kg and 15c a kg respectively from Wednesday, the Minister of Agriculture, Mr. Hendrik Schoeman, announced here yesterday.

Butter is up to R1.40 a kg.

Cheddar and gouda cheese are up to R1.73 and R1.74 a kg respectively, from tomorrow.

Addressing a conference of consumer and trade union leaders, Mr. Schoeman said that the butter and cheese “mountain” had become without any relief in sight, and that the price increase had been decided upon because of the “total failure” of consumer bodies to stimulate consumption.

In spite of a 31 percent gross reduction in revenue, there had been a constant increase in dairy produce.

According to Sapa, Mr. Schoeman said: “Already, the subsidy on butter and cheese has been reduced from R12 million to R7 million because the Government requires the funds for defence and other purposes vital for survival.

The subsidy will be further cut in the near future until it has reached zero.”

The 1966 report of the Revenue Department revealed that only 0.5 percent of the revenue from agriculture exceeded R17.969 per annum.

Our reporter writes that Natal economist Dr. Lawrence McCrystal last night slammed the dairy industry.

Addressing the annual meeting of the Natal branch of the South African Dairy Technologists in Durban, he said that consumer prices of all food products had risen by 157 percent between 1965 and 1969 and 175 percent in 1975, while milk had gone up by 175 percent.

The HNP was established only a year before the Commission which the Commission would be.
Price of butter/cheese/milk

Mr. H. E. J. VAN RENSBURG asked the Minister of Agriculture:

Whether the price of (a) butter, (b) cheese and (c) milk will be increased in the near future.

The MINISTER OF AGRICULTURE:

(a) and (b) Yes. On 15 June 1977.

(c) No.
Fire Dairy Board say watchdogs

Mercury Correspondent

JOHANNESBURG—Several consumer watchdogs have called for a completely new Dairy Board because of increased butter and cheese prices which come into effect today.

The Minister of Agriculture, Mr. Hendrik Schoeman, announced on Monday that the prices were being increased—butter by 30c a kilogram and cheese by 15c—because of a lack of demand, to try to offset the butter and cheese surpluses and because of rising costs.

He had no choice as the overseas markets were already glutted.

Mr. Eugene Rosloff, Ombudsman, for the South African Council of Churches, yesterday said: "The present Dairy Board is beyond redemption.

"The only solution is widespread firing."

Mrs. Joy Hurwitz, president of "the Housewives' League," called for the minister to completely overhaul the Dairy Board.

"The present debacle has been caused by its system which encourages excessive production at uneconomic price levels."

"Producers and manufacturers have been overprotected at the expense of the consumers."

Mrs. Hurwitz also called for an impartial investigation into manufacturing costs to bring about a more realistic profit margin.

Mr. Warwick Webber, MP for Pietermaritzburg South, said Mr. Schoeman "should fire the members of the Dairy Board and take control himself."

Mrs. Dorothy Perkins, president of the Natal Consumer Association, went one step further and said: the minister should resign.

See Editorial Opinion.
2. (a) Ceteris par.
   Used in econ.
   the effect of
   remaining con.
   (b) Inferior good
   has negative
   e.g. demand
   help here.
   (c) Equilibrium
   equals quantity.
   This is a:
   exogenous ft.
   supply sched
   (d) Maximum price
   normally below
   Result is the
   method of al.
   preference.
   (e) Factors of pro.
   Brief discuss
   produce good.
   (f) Cross elastic.
   original effect of change in price of one
   good on demand
   Expect subst.
   - and cross elast.

3. 10 marks all
    1. Understand is the relationship between
    economic growth
    arrangement meant that
    primary producers would not
    only receive any compensation
    for increased costs, but they
    would have to bear the full
    burden of the industry’s
    problems.
    The board fears this may
    force producers to leave the in-
    dustry, increasing the risk that
    South Africa will have to depend
    more heavily on imports.
    As it is, the return manufactu-
    rers receive on capital causes
    one to wonder why they have
    stayed in the dairy industry for
    so long. Certainly the profits do
    not invite further investment.
    Manufacturers’ returns on
    butter have averaged 4% in the
    past two years and the pro-
    jected return in the year to
    September is about 6%.
    Earnings on cheese are a little
    better. Returns in the past
    two years average 7%. This is
    expected for the 1976-77 year.
    The industry obviously needed
    the price increase announced
    this week. But the problem is
    that ultimately, the adjustment
    is likely to aggravate this sec-
    tor’s problems by causing a top-
    ping up of stocks.
    The alternative
    - e.g. black market, sellers

** * * * * * * * **
Probe butter and cheese—Weyers

Staff Reporter

THE Consumer Council will ask the Ministers of Agriculture and Economic Affairs to investigate the butter, cheese and margarine industries.

Professor Leon Weyers, the Consumer Council chairman, wants to know about the price structuring of butter, cheese and margarine.

He wants the Minister to investigate production, processing, retail and wholesale distribution. He also wants the results of the probe to be made available to consumers as soon as possible.

Prof Weyers said the butter and cheese industries must be recognised.

Producers' profit margins could only be restored by an increase in turnover or an improvement in efficiency. These products would have to be made more attractive to consumers and producers must provide for the needs of consumers, he said.

He said the council understood the problem the Minister of Agriculture, Mr Hendrik Schoeman, the Dairy Board and the dairy industry faced but also realised increased prices could lead to a further decrease in butter and cheese consumption.

The council worried that a reduction in the demand for butter could lead to a sharp rise in the demand for margarine and increase the price of this product.

Mrs Joy Hurwitz, the president of the Housewives League, backed Prof Weyers' call for an investigation into manufacturing costs to bring about a more realistic profit margin.

The price of butter has gone up 20c a kilogram and cheese by 15c a kilogram.

These products are available at old prices in some supermarkets.

Spokesmen for OK Bazaars, Pick 'n Pay and Checkers said they would continue selling at the old price until existing stocks ran out, as was their usual policy.

Retailers are entitled to sell at the new price even if they bought at the old wholesale price.

One spokesman said his firm would drop the price of butter to help consumers — butter previously sold at 68c for 500 g would now be sold at 65c.

Another spokesman said butter would be sold at virtually cost price in his stores. His firm would make a 4c profit only on every 600 g.

Butter and cheese go up

NEW butter and cheese price increases announced by the Minister of Agriculture Mr Hendrik Schoeman some days ago, were published in a special issue of the Government Gazette yesterday.

The price of all grades of butter is increased by 20c kg and cheddar and Gouda cheese by 15c kg.

The new prices of the three grades of butter, with old prices in brackets, are:

Choice 160c (140c), table 154c (133c) and household 152c (128c).

Cheddar cheese will now cost: first Grade 173c (158c), second grade 170c (155c) and third grade 166c (161c).

The new prices of gouda cheese are:

First grade 174c (158c) and second grade 171c (156c). — Sapa.

4. One cannot say.
5. None of the above.

16. A rise in the price of refrigerator components would probably lead to

1. A fall in the demand for refrigerators.
2. A rise in the supply of refrigerators.
3. A leftward shift in the supply curve of refrigerators.
4. A rightward shift in the demand curve of refrigerators.
5. A leftward shift in the demand curve of refrigerators.

17. Income elasticity of demand is defined as

1. \( \frac{\partial q}{\partial p} \times \frac{p}{q} \)
2. \( \frac{\partial q}{\partial p} \times \frac{p}{q} \)
3. \( \frac{\partial q}{\partial p} \times \frac{p}{q} \)
4. \( \frac{\partial q}{\partial p} \times \frac{p}{q} \)
5. \( \frac{\partial q}{\partial p} \times \frac{p}{q} \)
Surplus butter/cheese

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

(1) Whether steps have been taken to dispose of surplus butter and cheese by export to other countries; if not, why not; if so, what quantities of butter and cheese were exported during 1977;

(2) whether there is any resistance to buying South African butter and cheese;

(3) whether he will make a statement on the matter.

The DEPUTY MINISTER OF AGRICULTURE:

(1) Yes. 705 tons of butter and 1,040 tons of cheese during the period January to May 1977.

(2) No.

(3) No.
Price of fresh milk

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

(1) Whether prices paid by purveyors of fresh milk in the Western Cape are fixed or controlled; if so, (a) by whom are the prices fixed, (b) what is the maximum price at present permitted and (c) when was the last increase in each price allowed; if not,

(2) whether pasteurizers of fresh milk have recently increased the price at which they supply to certain purveyors;

(3) whether he will make a statement on the matter.

The DEPUTY MINISTER OF AGRICULTURE:

(1) No.

(2) Yes.

(3) No.

Mr. W. T. WEBBER: Mr. Speaker, arising from the reply of the hon. the Deputy Minister, can he tell us the amount of the increase in the price?

†The DEPUTY MINISTER: Mr. Speaker, I was not prepared for that question. If the hon. member would like a reply to that question, he should put it on the Order Paper. I want to add, however, that this matter is receiving attention and arrangements have been made for us to meet the people concerned in the coming week.

Mr. W. T. WEBBER: Mr. Speaker, I thank the hon. the Deputy Minister for his further reply. I should further like to ask whether he is aware of the monopolistic conditions which are apparent in the pasteurization industry in Cape Town.

Mr. SPEAKER: Order! That is a new and not a supplementary question.
Prices went up on June 15 — butter by 20c/kg to R1.60/kg, and cheddar and gouda cheese by 15c/kg to R1.73/kg and R1.74/kg respectively. It is difficult to see what else the Minister could have done, and it's a safe bet there'll be no going back on it this time. The decision to hold prices at their old level was reluctantly taken last November on the understanding that supermarkets and other consumer bodies would do their utmost to stimulate consumption. This has been a complete failure.

Butter consumption has actually fallen, and (due to exceptionally favourable weather conditions) stocks have increased. Those of cheddar have dropped (see table). Gouda cheese is in short supply, so presents no problem.

The Dairy Board must finance the whole marketing operation. The large stocks add to its problem and increase costs. At the same time the subsidy has been reduced from R12m to R7m.

Small amounts of butter are being exported regularly. Cheese exports are more sporadic. But neither has made any dent in the "mountain".

If consumption remains at present levels, the increased prices will, it is estimated, bring in an extra R4.6m pa from butter and R4.2m pa from cheese; total R8.8m pa. But from now till the end of the season (September 30) the amounts will only be: butter R1.3m and cheese R1.25m, totalling R2.6m. This will go towards defraying factory, storage and distribution costs: to make up for the decrease in the subsidy; and to repay part of the R6m Land Bank loan granted to the Dairy Board for keeping the consumer price down.

Should consumption fall — as it probably will, especially in the case of butter — government will have an even harder time. The prospect of housing numbers of teachers may act as a disincentive to expansion of schools with the attendant demand for further teachers.

### PUPIL ENROLMENT

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

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**TABLE NO. 5**

<table>
<thead>
<tr>
<th>Type of School</th>
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<tbody>
<tr>
<td>Farm</td>
</tr>
<tr>
<td>Government</td>
</tr>
<tr>
<td>Community</td>
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</tbody>
</table>

**Sources:** Bulletin of the Depa R.P. 45/1975
Supply of butter/cheese

1154. Mr. T. HICKMAN asked the Minister of Agriculture:

(1) (a) What supply of (i) cheese and (ii) butter does the Dairy Board have in stock at present and (b) what is the value of each supply?

(2) what quantity of this (a) cheese and (b) butter is estimated to be sold (i) in the Republic and (ii) abroad during the next 12 months;

(3) what is it expected will be done with the butter and cheese that are not disposed of.

The MINISTER OF AGRICULTURE:

(1) (a) (on 4 June 1977)

(ii) 7 516 t.

(ii) R1 350 000

(ii) R1 140 000

(2) (a) (i) 7 809 t.

(ii) 650 t.

(b) (i) 6 516 t.

(ii) 1 000 t.

(3) Falls away.
1. COMMUNITY

Licence is needed for milk sales

Agricultural Correspondent

MANY rural cafe and supermarket owners are battled by demands by a provincial licensing inspector that it is necessary for them to hold a licence to sell fresh milk.

Mr. Bill Lowson, a Hibberdene supermarket owner, said yesterday that he and other South Coast shopkeepers had been told by a Provincial licensing inspector that it was necessary for them to take out a special dairy shop licence if they wished to continue selling milk.

A spokesman for the Provincial licensing authority in Pietermaritzburg confirmed yesterday that a special licence was required and he said that there have been differences in the legal interpretation of the licensing ordinances.

He said that the ordinance had come into force in 1974 but it was only now that inspectors had got round to checking up on people selling milk.

Mr. Lowson said he and other cafe owners in rural areas were most upset about the demand. He said he might stop selling milk in his shop. "There is no profit in handling 'milk' anyway and with a licence costing R30 annually it won't be worthwhile to continue.

He said he already had licences to cover butter and yoghurt as well as other foods sold in his shop.

2. Define and briefly explain

(a) ceteris paribus
(b) inferior goods
(c) equilibrium price level
(d) maximum price legislat
(e) factors of production
(f) cross elasticity of demand

(i.e. 4 marks ea.)
3. Write briefly on the causes of urbanisation.

(10 marks)

Cut in price of cheese

Mr. J. H. Maree, manager of the Dairy Board, announced in a statement here yesterday that the board has decided to supply certain welfare organisations with cheddar cheese at 81 per kg—78 cents lower than the normal retail price at present.

Mr. Maree said that the cheese would be available only as long as the surplus lasts.

The cheese was intended "for the inmates and staff of institutions such as old age homes, children's homes, the poor and indigent catered for by welfare organisations."

Recently a scheme whereby provincial school hostels could buy cheese at 80c per kilogram below the current wholesale price was extended to include educational colleges and universities' hostels. (Saps)
18. We define an inferior good as one with
1. An inelastic demand.
2. A negative income elasticity of demand.
3. A positive cross-price elasticity of demand.
4. An elastic demand.
5. None of the above.

19. Income rises then the demand for cups is income inelastic. (Adapted from "The Economist")
1. A fall in the price of sugar will increase the demand for milk.
2. A fall in the price of butter will decrease the demand for milk.
3. A rise in the price of bread will increase the demand for milk.
4. A rise in the price of sausages will increase the demand for milk.
5. A fall in the price of cheese will decrease the demand for milk.

20. If the price elasticity of demand for cabbage is 1.3, would a rise in output increase it?
Mr. J. M. Mansfield, chairman of the National Farmers' Union, told a delegation of housewives yesterday that the Minister of Agriculture was unlikely to agree to farmers' requests for a higher milk price.
1. Make more money than otherwise have done.
2. Make less money than otherwise have done.
3. Plant different crops.
4. Demand a higher milk price.
5. None of the above.

21. Assume that the demand for milk is perfectly elastic. A decrease (shift) in the supply of milk will:
1. Cause the price of milk to rise.
2. Cause farmers to be paid more.
3. Cause farmers to be paid less.
4. Lead to a decrease in the supply of milk.
5. None of the above.

22. Consider the following statement:
"The cobweb model assumes that price in year t determines demand in year t+1."
(A) The cobweb model determines demand in year t+1.
(B) The supply curve of agricultural products is likely to be elastic in the short run.
1. A is correct because B is correct.
2. B is correct because A is correct.
3. Both A and B are correct but there is no casual relationship.
4. Neither A nor B is correct.
5. A is correct but B is incorrect.

23. One reason why the quantity demanded of a good tends to fall as its price rises is:
1. The increase in price shifts the supply curve upwards.
2. The increase in price shifts the demand curve downwards.
3. Higher prices make suppliers willing to supply less.
4. People feel poorer and cut down on their use of the good.
5. Demand has to fall to restore equilibrium after a price rise.
Increase in milk price to Coloured dairies cut

THE Argus, Friday July 1 1977

Increase in the price of milk to Coloured dairies, which led to at least one dairy temporarily closing its doors, has been cut by about 4c a litre following representations to the Minister of Agriculture, Mr. H. Schoemarn, and the Milk Board.

The price reduction, from 24.7c to 20.5c a litre, was announced yesterday by Mr. Lofty Adams, the representative of the Coloured dairies.

Mr. Adams said the price reduction would ultimately benefit the consumer because the reduction would make it possible for the small dairies to continue their business, increase their efficiency, and supply the glass-bottled milk at the controlled price of 20c on a much wider scale.

That would diminish the need for the people to buy plastic-bottled milk at shops at between 23c to 32c a litre.

In order to protect the purveyors, Mr. Adams said, the Milk Board had agreed to look into the possibility of giving them recognition in terms of the Milk Act and to consider the fixing of prices to the purveyor.

He said the small dairies needed the protection in order to develop their business and make their services more efficient.

Mr. Adams said the Minister had acted swiftly after representations had been made to him last Monday by the CRC Executive, and he had asked the Milk Board to come from Pretoria to look into the matter.

After two sessions on Tuesday and Wednesday, the Milk Board and the major Peninsula distributors agreed to reduce the price.

In addition, he said one distributor had agreed to repay the increased price paid by one dairy since the price hike.
Minister rejects milk increase

The Minister of Agriculture, Mr. Hendrik Schoeman, last week turned down a request for an increase in the price of fresh milk in the areas under the control of the Milk Board.

This was revealed in Pretoria yesterday in a statement by the Milk Board.

The decision means the fresh milk producer will have to absorb the production cost increase of 16 to 18%, or between 1.3c and 2c per litre, the statement said.

"If no relief could be brought about, the producers, especially those entirely dependent on milk production as a source of income, would find it difficult to survive," it added.

Discussions would, however, be held with the Minister of Agriculture and the National Marketing Council as soon as possible in an attempt to establish a more proportional distribution of the increased costs of production.

The general manager of the Milk Board, Mr. Willem Visser, yesterday said that although a price increase was not possible other methods would have to be found to compensate for the increased costs.

Mr Visser said the producer and distributor could not be expected to bear the full burden of the increased costs. — Supa.
PHILLIPS, H. History

The impact of the industrial war in 1918 as part of a more general impact of World War I on South Africa.

PIMSTONE, B. Medicine

The metabolic roles of milk as needed to rescue milk producers from financial collapse and calorie deprivation by malnutrition. Experimental malnutrition of the human condition and allows the adoptive roles of the endogenous patterns and metabolic state; a central role in survival.

POTGIETER, J. Sociology, University of the Western Cape

Preliminary demography on the Blacks in the Western Cape: a biological and economic research of the South African state.

PRETORIUS, W.S. Economics, University of the Western Cape

Labour supply and control in South Africa.

REES, D. Economics

Agricultural market trends in South Africa.

RICH, P. Comparative Afrikaans

African political thought: an examination of the relationship, over the period 1902 to 1948, between African political movements and State policy.

PUTTERILL, M. Urban Problems Research Unit

UPRU’s work includes: factors affecting living environments in the Western Cape; self-help housing strategies for low-income families in the Western Cape; changes in urban African housing policy - a review of the possibilities for employer involvement; a Cape Town Chamber of Commerce housing project; a project on the provision of urban amenities; a quantitative analysis of the housing problem.

SACKS, L. Economic History

The role played by Coloured labour in the industrial development of the Western Cape.
A major row has broken out in Durban between Pick n' Pay boss Mr. Alan Gardiner and three of the city's biggest distributing dairies: Clover, Creamline and Rosemarie.

Mr. Gardiner has threatened to halve fresh milk sales in his stores and replace these with long-life milk. According to Mr. Gardiner fresh milk sales in his stores will be reduced from 200,000 litres to 100,000 litres because the three dairies have decided to take away from supermarkets a half cent a litre discount incentive for bulk sales of milk.

Mr. Gardiner said yesterday that as a result his stores would be "forced" to raise the price of fresh milk from 88 cents to 89 cents (the same price as home delivered milk) because supermarkets were selling milk "at a loss."

However, the Durban Milk Association, which comprises members of distributing dairies in Durban, has a different story. The Association said yesterday that dairies had not applied for an increase in their selling price for the past 33 months and were against a price rise to the consumer.

The Association says that Natal dairies have been voluntarily giving a 1c discount which is below the gazetted price for milk. "We have reluctantly decided to reduce the supermarket discount by half a cent because of rising costs."

The dairies argue that there is no need for supermarkets to increase their price because they are already making up to 1.5c a litre profit on every litre sold.

Mr. Russell Stephens, a director of Rosemarie Dairies in Durban, said yesterday that Mr. Gardiner's understanding of the situation was "totally distorted."

He said Mr. Gardiner had a "limited understanding" of milk marketing. Mr. Stephens said cows could not be made to turn on or off their milk like other supermarket commodities.

According to Mr. Stephens, supermarkets were provided with millions of rand's of interest-free capital by dairies. He said that while dairies had to pay cash for their milk, supermarkets only paid for it after 90 days.

And the dairies receive a great many other benefits in form of service and to man super refrigerators.
DIRECT-MILK PLAN

Mercury Reporter

THERE IS so much disenchantedness among milk producers that at least one is considering packing and supplying direct to a major supermarket.

This was revealed yesterday by Mr. Alan Gardiner, Natal's Pick-n-Pay chief.

Checkers have already absorbed the increases in the price of milk. Pick-n-Pay say they are forced to add the increase but will depress the sales of fresh milk by 100,000 litres a month.

Already 85 percent of the space in the fresh milk display fridges had been replaced by long-life milk at 3c a litre.
Butter sold at a loss overseas

29/7/77

Vast quantities of butter have been sold at a loss on overseas markets by the Dairy Board recently. One of the countries to have bought the butter is Iran.

Mr F. J. H. Maree, manager of the Dairy Board in Pretoria, denied all knowledge of the transactions. "I am not commenting on any of these rumours," he said yesterday.

However, The Star's information was confirmed a few minutes later by a member of the board. Asked if the board had disposed of butter surplus on overseas markets, the member replied: "Oh yes. At a meeting of the board yesterday, we were told they had successfully negotiated overseas sales which had eased the surplus situation."
MARG PRICE CUT

ONE brand of margarine has been slashed to under 20c for 200g by two Durban supermarkets and a price war could result.

Cafes usually retail the same quantity for 31c. Checkers stores in the Durban area have cut the price to 19c and Pick n Pay will start selling at 19c from today.
1. CHARLES: "Marie, ouvre.
2. CHARLES: "Qu'est-ce qui se passe?"
3. CHARLES: "Non, je ne sais pas qui il est...
   ...qui dit que quelqu'un a demandé quelque chose à Marie.

Le discours direct est remplacé par le discours indirect.

Exemple: "Elle lui demanda..." devient "Elle lui dit qu'elle demanda..."

Dans le discours indirect, la personne qui parle est remplacée par le pronom "elle".
Sacrifices of dairymen ‘paying off’

HEILBRON—Although a 1,000-ton cheese surplus was expected at the end of next month, there were indications of an improving relationship between supply and demand in the dairy industry, the Minister of Agriculture, Mr. Hendrik Schoeman, said yesterday.

He told dairy farmers the sacrifices they had been called on to make through price reductions were now showing results.

A cheese surplus of 1,000 tons over the 6,000 tons needed was expected on September 30.

But, as far as the production and consumption of butter is concerned, it appears that both, in the long term, are showing a downward tendency.

The Dairy Board had decided to discourage the production of butterfat as such.

At the end of July the butter stock was 7,000 tons but this figure was expected to be appreciably less by the end of September.

The summer production of industrial milk should be appreciably less than last year.

The condensed milk stock at the end of July was 3,400 tons lower than last year, covering only two months’ consumption.

The stock of full cream milk powder at 2,480 tons was 1,200 tons less than a year previously.

Efforts were still being made to get rid of the skimmed milk powder surplus.

In spite of the 4,000 tons sold at subsidised prices to cattle fodder manufacturers, the stock in July was 700 tons above the previous year.

Relieving the surplus was more difficult as the European Economic Community still had stocks of more than 2,000,000 tons, Mr. Schoeman said.
PRICE OF MARGARINE TUMULES

JOHANNESBURG — Margarine prices yesterday tumbled to all-time low as leading suppliers fueled a nation-wide war to increase sales and beat down prices.

Supermarket spokesmen in the Transvaal reported customers buying margarine by the case load. One said prices had dropped to pre-1972 levels and might plummet further. And in Natal, the price of one brand dropped to 70 cents per 250 grams.

Several suppliers announced reductions on the market, with others issuing price cuts.

In Natal, the latest brand to enter the market is now selling at 90 cents per 250 grams throughout the state.

Yesterday, most supermarkets were selling margarine at 80 cents per 250 grams. Prices had dropped to 60 cents for 250 grams throughout the state.

Cheekers, Ok-Art and Da-Pen have been selling margarine at 60 cents per 250 grams, with prices sliding further daily.
intrusion, the number of international Rhodesian emigrant workers being 'voluntary' so there is a greater probability existed of more prohibitive costs of protracted and/or temporary. It was also openly admitted in 1939 that 'on an equal footing for the Rand mines, with their huge resources, will have no difficulty in competing with or replacing the interposition of the Southern Rhodesian mine and factory competition. Compulsory National Service in thousands of lacs, has led to an abeyance the prospect of Southern Rhodesia securing tens of thousands of its primary industrial workers. By the end of the war, however, Southern Rhodesia was facing a 'labour drain' to South Africa on two fronts in its 'traditional' labour 'catchment' area. The outflow via W.N.L.A. from Nyasaland increased and the 'clandestine labour' exodus gathered momentum from Southern Rhodesia itself.

In 1944 the Chief Native Commissioner's Annual Report recorded that there were 14,000 'clandestine migrants' inside the Union in addition to which it was believed there were 9,000 similar workers from Nyasaland and 5,000 from Portuguese East Africa and Northern Rhodesia (though these latter groups need not all have come via Southern Rhodesia). In terms of annual increases in Southern Rhodesian demand for labour, this amounted to a substantial drain of labour-power. In 1945 it was estimated that the total 'clandestine' non-indigenous migration from Southern Rhodesia to the Union was 20,000 workers. In addition, there was the 'clandestine' indigenous flow to be considered as well as the net outflow of authorised migration of local and foreign workers to the South (a minimum of 3,508 in 1945 alone). The fact that significant numbers of women accompanied men in this exodus can be taken to imply that either long-term or permanent migration was anticipated in the case of a considerable number of authorised indigenous migrants. This judgement would tend to be confirmed by the fact that the government bus, based in the Gwanda District for the purpose of bringing /'clandestine'...
MELKBOERE KAN SÓ SPAAR

DIE stygende koste van melkproduksie en die effek daarvan op die verbruiker se sak verplig melkboere om met 'n indringender blik na hul produksievlakke en voerkoste te kyk, sê dr. Van Niekerk, tegniese direkteur van Voermol, een van Suid-Afrika se grootste veevoerproduusente.

As die melkboer die toeneemende finansiële druk uit oorleef wat veroorsaak is deur die stygende produkiesiiekoste en die selsooneer-produksie van melk, moet hy sy 22% dieprooi op die produksievlak per koelproduktie in droë maande en voortou.

Voerkoste beloop tot twee derdes van die totale melkproduksieekoste en dit kan selfs verder stig met die onlangs drastiese stygin in voer- en afleringskoste.


"Wanneer hy sy eie voer meng, spaar die boer op rankoente en vervoerkoste en is hy seker van die kwaliteit van sy voer.

Volgens dr. Van Niekerk het Voermol en ander Suid-Afrikaanse veevoernaschteappies spesiale veevoer-vir-tuismengsels ontwikkel om te verseker dat elke melkboer sy eie gebalanceerde suiwelmoes kan meng wat by sy besondere behoeftes pas.

Dr. Van Niekerk het die belangrike invloed van die produksievlak op die winsgewendheid van melkproduktie beklemtoon en geste dat 'n melkkoel in die huidige kostestructuur minstens 10 liters melk per dag moet leerer wêre by geld maak. Koie: wat te, minder moet, moet uit die melkproduktie oorweer word, maar die boer moet sorg dat sy kuddie nie te klein word nie.

"Indien 'n melkboer nie sy bestuur, werkbronne en beleggings soos geboore en magtiger ten volle benut nie, sal die oorhoopte koste per koeltoename. So sal die windstroomel vir melkproduktie hoër word."

Bespanning op direkte voorkoms deur dat elk slaag van die veld of wêerlande geproduceer word, sê volgens dr. Van Niekerk nie op oorhoopte koste vermind nie. Daarby het melkproduksie afgegeneem.

"Die gevolg van ondervoeding is op die lang duur ernstig, want dit is uitermoellik en duur om koele produksie te verhoog as hulle verwaarloos in die vroeë stadium van melkgewing," sê hy.
Margarine war batters butter again

The margarine price war declared at the weekend is expected to aggravate even more a situation in which butter sales are low despite price cuts.

Mr Richard Cohen, a director of the Pick 'n Pay chain, said today that the margarine price war arose about three or four weeks ago when it was noted by the big producers that people's preferences had changed.

Two types of margarine which had been favourites were beginning to lose sales to two other types.

One of the manufacturers that was losing out decided to slash prices and so the price war began.

"It was purely coincidental that the price drop comes on the heels of a drop in the price of butter," Mr Cohen said.

He said sales of butter were "pathetic" and the margarine price drop would "aggravate the butter situation even more," he said.

A 500 g brick of margarine is now under 30 cents against 55 cents for a 500 g brick of butter at its reduced price.

He said sales of choice grade butter were so poor that a "percentage" of this butter had to be downgraded and made into second and third grade butter so that it can be sold."
Caution on new milk gradings

Johannesburg dairies are uncertain when they will introduce the different grades of milk and cream provided for by new regulations gazetted yesterday.

Mr. H. A. Reed, marketing manager of one of the major dairies and chairman of the Rand Milk Association, said today he believed dairies would take the new system "cautiously."

It would be some time before the new grades were introduced, he said.

He said his dairy already offered two types of cream, the normal whipping cream and a low-fat coffee cream, and three grades of milk, "normal" milk, skim-milk and a lowest long-life milk.

The dairy would certainly carefully consider the introduction of further grades.

He confirmed that there would be price differences between the different grades if they were introduced.

Other dairies approached by The Star were also uncertain if and when they would be introducing the new grades.

All seemed unsure of public demand for the new varieties.

Mr. J. B. Fisher, secretary of the Rand Milk Association, emphasised that the regulations did not compel dairies to introduce the grades, but merely provided for the introduction of the grades.

He said the regulations provided for a minimum butter fat content for basic milk of 3.5 percent. Previously, the minimum butter fat content for basic milk was 3.0 percent.

He too was uncertain when and if dairies would introduce the new grades, but said that if they were introduced the varieties would only be packed in non-returnable containers.

Milk delivered to homes would either be the standard (3.5 percent butter fat milk), gradinm milk:

Margarine prices queried.

Supermarket executives have reacted with suspicion to the news that the price of margarine is to be raised by 5c from September 16.

This comes hard on the heels of complaints by supermarket managers that margarine supplies have been small and difficult to get.

The margarine will still be 5c cheaper than previously. Cheaper brands will cost 20c. For 24c and their higher-priced rivals 24c.

"It must now be seriously asked whether the consumer and retailer are not being conned. It seems strange that the manufacturers have been in collusion to put the price up again on the same day."

"Where is free enterprise?" one chain store spokesman asked.

Spokesmen said butter sales were still very poor.

"People would rather buy margarine than low grades of butter. The situation might be different if the price for choice butter was cut, however"

Dairy Board at bay over butter

THE CHAIRMAN of the Dairy Board, Mr. Jan van Vuuren, yesterday defended the board's actions and said it was not to blame for the country's butter surplus.

He was replying to criticism of the Dairy Board by farmers at yesterday's Natal Agricultural Union congress.

Delegates had said the Dairy Board was going from 'one panic situation to another' and had made 'weird decisions which made no sense to either farmers or the public.'

Mr. van Vuuren told delegates that the main reason for the 'butter surplus in South Africa was severe competition from yellow margarine.'

He said that ever since the Government had allowed margarine to be coloured, some years ago butter sales had dropped by 60 percent. He said that over the same period milk production in South Africa had increased by some 50 percent in spite of increasing consumption of milk.

Mr. van Vuuren said the reason for the price of butter being raised in the face of a massive surplus, was that the Dairy Board had merely been trying to sell butter at a price which covered its cost of production.

He said another reason for the surplus was that vast amounts of milk powder had been imported at low prices from overseas countries which were also experiencing surpluses.

He said that because of this competition the surplus milk in the country could not be syphoned off into alternative by-products.

Mr. van Vuuren said the Dairy Board had no control over these imports.

R.F. Fuggle
Shell Professor

RFF/afa
Milk price rise is not likely

A coaching tie-in with Owen Metcalfe coaching course.
Thomson accorded all the personal attention and appreciated the
Southern Cape Sub-Union, both the indoor hockey facilities.

Liaison with S.A.H.U. Coaching Committee

The Sub-Committee has maintained its membership (co"
John Dickson's membership with the Chairman of the Committee.

Coaching Aids:
The availability of the various articles appeared in the May edition of the
importance of the Westminster and other world to all Clubs. Articles appearing in
hockey magazines are also repro"}

PLANS FOR 1978 SEASON

Like the previous section, this one is divided into two categories; the first dealing with a proposed calendar and the second with non-diarised activities. These activities have not been costed because the sub-committee views this to be confidential to the Western Province Hockey Association.

(i) Indoor Hockey Clinic (as for 1977)
(ii) W.P.H.A, Coaching Congress (All Club Coaches or Coaching Committees) to plan detailed activities and discuss Club requirements for 1978

March
Researchers Course (S.A.H.U)

April
: Representatives again to participate in National Under 18 Coaches Course.
(ii) Stellenbosch Camp for "senior" schoolboys
(iii) Provincial Coaches Course - 3 days - for Club Coaches and/or coaching committees to build Club coaches - a practical course.

May
Frontispiece: A selection from the annual exhibition of coaching aids and showing of Westminster coaches and umpires

(ii) 19th and 20th June - 2 two-day courses at George for South Cape Sub-Union players, coaches and umpires
(iii) Open House Clinics for schoolboys
Virus threat to city's milk supply averted

SWIFT action by farmers has averted a possible threat to Cape Town's milk supply after an outbreak of three-day-stiff-sickness (ephemeral fever) in dairy herds.

The disease, which drastically reduces milk production, has broken out in many areas in the Western Cape.

Already six cows have died but because of prompt action in vaccinating herds, milk production will not be seriously affected.

Veterinary experts have urged farmers to vaccinate herds which have not yet contracted the disease.

VIRUS

The virus disease, endemic to South Africa and South West Africa, causes stiffness in the joints and muscles of cattle with an accompanying fever. It has appeared sporadically from Durbanville to Porterville recently.

When one or two cows have contracted the disease it rapidly spreads through the entire herd and the only step left for the farmer to take is to nurse the herd through the sickness.

BED SORES

The disease can usually be overcome in about 10 days but without careful nursing, some cows may die.

Cows suffering from the disease can contract pneumonia and suffer from serious 'bed sores' if they are not made comfortable on straw, kept in the shade and given water and food regularly.

Three-day-stiff-sickness is a virus spread by biting insects and thrives in moist, warm conditions. Conditions for the virus have not been favourable in the Western Cape for several seasons, thus reducing the natural immunity to the virus which herds normally build up.

The combination of favourable conditions for the virus to spread from the Transvaal and the increased susceptibility of herds here to the disease has resulted in the serious outbreak.
DAIRY PRODUCE

Another price hike?

Dairy Board manager Piet Marée firmly denies there are plans afoot to increase retail prices on cheddar and gouda, pegged on June 15 1977 at R1.73/kg and R1.74/kg respectively.

Yet farmers are cheesed off. Since June 1975 their prices have not risen in line with labour and production cost increases. Since June 1976 farmers have had to pay a 12% levy on their basic price of 1.010c/100kg for industrial milk which effectively reduced this by 10c/100kg. This was reduced to 30c/100kg last year and an application to do away completely with the levy is before Minister of Agriculture Henk Schoeman now. As yet there's been no decision.

Marée points out there's a real danger that farmers will go out of dairying if they remain unhappy. “Production will decline and cheese stocks will run short again.”

There'll be no cheese or butter surpluses sold this year at heavily subsidised prices. Stocks of cheese are back to normal. 1976/1977 stocks of 3,860 t cost the Dairy Board R4m in subsidies on local and overseas markets. Currently there's no subsidy available. A dairy Board application for a 1978 government subsidy was turned down,
Surplus is sliced in cheese, butter.

Parliamentary Correspondent

CAPE TOWN — The butter and cheese surplus dropped dramatically at the end of last year.

While there was a surplus of 3,200 tons of butter and 3,300 tons of cheese in January, 1977, this had dropped to 100 tons of butter and 800 tons of cheese by December in spite of a price increase on June 15, 1977.

Figures given by Minister of Agriculture Mr. Hendrik Schoeman in reply to a question tabled in the House of Assembly by Mr. Philip Myburgh (FFP, Wynberg) also showed there had been a heavy drop in butter sales after the price increase.

Butter sales dropped by from 2,346 tons in June to 1,009 tons in July. Cheese did not show a marked drop in sales.

'The total butter sales were roughly the same in January, 1977, as they were in December, 1977.'
Dairy products were the most extensively advertised goods on television last month, according to a detailed survey conducted by J. Walter Thompson. JWT monitored every ad shown in the first four weeks of the commercial service, and found that more than $3-million was spent.

Dairy products, with a $200,000 expenditure on 13 brands, accounted for 7 percent of the total. JWT estimates that the rates will go up by about 30 percent in 1978.
MILK PRICE TO INCREASE SOON

Mercury Correspondent

PRETORIA – A substantial increase in the price of milk is considered certain, at the latest from June 1, it was learnt here yesterday.

Producers in the Western Cape are demanding a price rise of nearly 3 cents a litre.

However, the extent of the price rise will depend on the recommendation made by the SAAN’s fresh milk committee to the Dairy Board.

This is expected to happen early next month.

The board will then submit its recommendations to the Minister of Agriculture, Mr. Hendrick Schoeman.

Meanwhile the Deputy Minister of Agriculture, Mr. J. J. Malan, said in an interview yesterday that dairy farmers’ profitability was being fast overtaken by rising production costs and relief would have to be given.

This is the third year fresh milk farmers have had no price adjustments.

Mr. Malan said even measuring this against the Consumer Price Index, which had risen at a rate in excess of 10 percent a year, the farmer was entitled to relief.

“Milk is an essential basic food, and we must not allow a situation to develop where farmers abandoned the industry. This would lead to permanent shortages.”

Mr. Malan said because of low profitability, and the fact that dairy farming was a 24-hour operation, the number of dairy farmers was shrinking.

Mr. Malan said he had not seen details of cost increases but the farmer, like every other businessman, was entitled to an adequate return on his capital investment which, in the case of dairying, was heavy.
The coming merger of the Milk and Dairy Boards is welcome and long overdue. South Africa is burdened with control boards (22 at the last count) and the existence of two for such kindred products makes about as much sense as having separate Beef, Pork and Lamb Control Boards.

Now, at least, the marketing of milk and processed dairy products can be co-ordinated, as our Fair Deal team reported yesterday. If it does not bring prices down (which it should), the streamlining of administration and industrial planning must at least help to stabilise prices.

Gone, we hope, are the days when the price of butter rises in times of glut, and expensive advertising campaigns accompany shortages. Closer co-ordination of the fresh and industrial milk industries must surely benefit producer and consumer.

The consumer? The new Milk Products Board will have 13 members, of whom 12 will represent the industry and only one will watch consumer interests. It makes something of a mockery of the Government's claim to be more keenly aware than ever of consumer interests.

We urge the Minister of Agriculture, Mr Schoeman, to follow up the commendable merger of these two boards with another innovation — a control board on which the consumer has something more than token representation.
Pay up ‘or milk crisis’

Agricultural Correspondent

UNLESS the price of milk is increased by at least 15 percent to producers there will be a "monumental shortage" by the end of the year.

This warning was given yesterday by Mr. J. Mansfield, chairman of the East Griqualand Fresh Milk Producers' Union.

"Dairy farmers have had no price rise for their product, for two years in spite of production cost increases of 35 percent," he said.

Mr. Mansfield anticipated a "monumental shortage of milk" if no relief was granted to the industry.

He said farmers' production margins had dropped from 3.29c a litre to 1.64c in the two years.

"We anticipate that profits will be down to zero at the end of the year unless we get an increase," he said.

He said dairy farmers were now in a precarious position and many had already gone out of business.

"Eighteen months ago a good dairy cow was selling for R420 in the Transvaal. Now the price is down to R160, which is their slaughter value for meat."

Mr. Mansfield felt it was a pity that Minister of Agriculture Mr. Hendrik Schoeman had not granted producers an increase last year as requested.

"Now the increase, when it comes, will have to be double."

Disaster

He said dairy farmers sympathised with hard-pressed consumers but added that the industry faced disaster.

If producers get their increase it will add about 3c to the cost of a litre of fresh milk. Added to this could be a further 2c if distributors also ask for a rise to cover rising costs.

The milk industry is aware that each price increase brings consumer resistance and sales of milk drop off. However, the industry is now in such a serious position that lower sales no longer matter.

Their argument is that it is better to sell a small quantity of milk at a profit than larger volumes at no profit at all.

Dairy farmers also say there would be a phenomenal increase in the price of milk should they be forced to sell their herds.
Away with milk control

ACCORDING to Mr. J. Mansfield, chairman of the East Griqualand Fresh Milk Producers’ Union, the industry's profits will disappear by the end of the year unless the price of milk is increased by at least 15 percent.

Farmers and dealers are in business to make profits and if production costs go up then they can only compensate by increasing selling prices. But is there really any need for a controlled price?

In Natal it is anomalous that the price of milk is controlled only in Durban and Pietermaritzburg. Present prices fluctuate between 28 and 31 cents a litre depending on the supplier.

In the country where there is no control a surplus last November started a price war with milk dropping to 20 cents a litre in some stores. A fall in production in the late summer created a shortage and from April 1 prices rose to between 29 and 30 cents a litre.

Surely the lesson to be learned is that in the dairy industry too supply and demand should be allowed to determine prices.
Rise in milk price is looming

With a substantial increase in the price of milk looming large, farmers and distributors maintain they are not to blame.

Mr J B Fischer, marketing manager of the Clover division of National Co-operative Dairies and former secretary of the Rand Milk Association (RMA), told Fair Deal today that whatever increase the Minister of Agriculture, Mr Schoeman, granted would be "justified in every way."

A milk price increase is expected in the next few months.

The retail price on the Reef and in Pretoria is expected to go up by about 4 cents a litre to about 33 cents a litre in the supermarkets.

Mr Fischer said the milk price had not been increased for almost two years and this had been achieved only as a result of "considerable sacrifice" on the part of both the producer and the distributor.

He said the producer's price had increased over the period June 1976 to June 1978 (when the milk price was last adjusted) by 138.6 percent. In the same period, the cost of all farming requisites increased by 174.6 percent.

SUGAR INDUSTRY

Dr Campbell said the dairy industry the world over was facing a crisis precipitated chiefly by medical evaluation of its products. This evaluation was far less informed and far more forcefully motivated than the adverse health evaluation of sugar, for example. The sugar industry had prepared itself on a world-wide basis against attacks upon its industry.

The private sector of the Dairy Industry in South Africa, "battered as it was by price consideration and adverse publicity," should find a Dairy Public Relations Secretariat, totally divorced from the Milk Board.

TRANSPORT COSTS

Distributors had absorbed a shortfall in their controlled margins of 6.73 cents a litre since August 1976, he said.

At a symposium in Boksburg today, the assistant general manager of National Co-operative Dairies, Mr J M Herbstmann, said the cost of transporting milk had risen 20.30 percent in the past two years.

"Transport costs account for the remaining 10 percent of the milk producer's costs," he said.

A sharp price rise, especially in vehicle costs, over the past two years, had hit the transport industry. He said the cost of "horses" (the front end or part of a trailer) had increased by between 23 and 36 percent over the past two years.

The cost of spare parts had generally increased by between 60 and 100 percent. Wages had risen 23 percent and salaries between 18 and 20 percent.
Big milk price hike expected

By GERALD REILLY

FROM June 1 the price of milk will rise by about 12%, according to Pretoria sources.

This would push up the retail price on the Rand and Pretoria by about 4c to a supermarket average of 33c a litre.

And when the 4% general sales tax is levied from July 1 the price of milk — like the prices of all other basic foods — will rise again.

The additional milk price rise will be at least a cent a litre.

According to agricultural authorities the Government is disturbed at the large number of dairy farmers switching to other more profitable operations.

Dairy farmers were last granted an increase in 1978. Since then production costs have risen by more than 20%.

In Pretoria yesterday, the chairman of the Milk Board, Mr B. Davidtz, said the board would soon consider the price increase recommendation of the SA Agricultural Union.

This would then be passed on to the marketing council for its approval. It is reliably understood the increase will be approved.

Mr. Davidtz said his personal view was: that farmers and distributors should get an 18% increase.

If milk production continues to decline because of farmers moving out of the milk business then he could not see how shortages could be avoided.
Cheaper butter: only for some

A row has broken out over the Dairy Board’s latest move to clear stocks of low-grade butter. The board has dropped its price for table and household butter by 30 cents a lb — but to manufacturers only.

The board has emphasised to its agents that the price reduction applies to industrial consumers only (that is, any person or organisation that uses butter in a manufacturing process).

It has asked its agents to ensure that butter sold to industrial consumers does not end up in the retail market.

The supermarket chain, Checkers, says the board’s move will discriminate against the consumer.

EVERYONE

“If the Dairy Board has to dispose of a surplus, it should make this available to everyone — both industrial users and consumers,” says Mr Bob Harvey, executive vice-president of the chain.

Checkers claims that:

1. The price of table butter in supermarkets could be dropped from 74 cents to 60 cents for 500g and household butter from 70 cents to 50 cents for 500g. If the price reductions were made available to retailers.

2. The reduction has been available to manufacturers for two weeks already but no price reductions in cakes, biscuits, confectionery or sauces have been passed on to consumers.

3. There is “little difference” in quality between table butter and household butter. Household butter is 500g and often sold to consumers; it sells at 47 cents for 500g in most supermarkets.

CONCLUSION

Mr P. J. H. Marx, general manager of the Dairy Board says the cut has been offered to industrial consumers only because, in the past, when these lower grades of butter were made available to consumers, a considerable amount of confusion was created.

He says he was notified by the board that the butter had “gone off.”

He was asked if there was any demand for the reduced price butter and no sales have been made.

Mr Marx is adamant that the board does not have a shortage of this butter. “It’s just an accumulation,” he says. “But it’s significant when compared with our stocks of choice butter.”

There is usually very little demand for table or household butter. Weekly sales of choice butter are normally about 300 tons while only about 15 tons of table butter and three tons of household butter are sold each week.
Dairy products: massive price rises expected

Own Correspondent

DURBAN — Massive increases in prices of dairy products can be expected during the second half of 1978: ice cream from one company will go up 11 percent from June. Milk farmers are applying for a 2.8c a litre rise. And butter is expected to jump 6c a kilogram.

As dairy farmers were refused a milk price increase last year, it is certain that they will be granted a substantial rise this time, and talks have already taken place between farmers' representatives and officials of the Department of Agriculture.

One manufacturer has already announced that from June 5, take-home lines of ice cream and sorbet will go up about 11 percent wholesale. A spokesman blamed higher prices for dairy-based ingredients, sugar and other raw materials and higher costs, like electricity, and labour for the increase.

Butter up

Food industry sources believe butter will be increased by about 3c a kilogram. Margarine prices will also go up. Many shops are still selling margarine at below maximum prices and a cut-price war between cooking oil brands is raging.

However, present prices for these products can also be expected to go up soon.

‘Oil’ seed price increases are normally in line with maize price rises and, as maize farmers received 184 percent, oilseed farmers are hoping for an equivalent increase.
Butter, milk and cheese prices soar

CAPE TOWN—The price of butter, cheese and fresh milk will be increased from June 1.

Butter and cheese will cost more all over the country while milk prices will rise in the controlled areas of Pretoria, the Witwatersrand, Western Transvaal, Bloemfontein and the Cape Peninsula.

The chairman of the Dairy Board, Mr J J M. Janse van Vuuren, said the maximum retail price of butter would rise by 24c per kg.

The maximum price of cheddar and gouda cheese would increase by 27c per kg.

The chairman of the Milk Board, Mr Bruwer Davidtz, said the price of fresh milk would go up 3,5c per litre.

He said 24c of the increase would go to the producers.

An announcement about bringing prices into line in areas controlled by the Price Controller was under consideration.

The price to the producers since 1972 has been increased on June 1, 1976, and the present increase had been inevitable because of rising costs, Mr Davtz said.

He trusted that the present shortage of fresh milk in certain areas would be eliminated by the price adjustment.

The butter price would rise by 15 per cent from its present maximum retail price of R1.60 per kg to R1.84, and the cheese prices would increase by 15.5 per cent. Cheddar from R1.73 to R2 and Gouda from R1.74 to R2.01.

The increases had been approved by the Minister of Agriculture, Mr Henrick Schooman. — Sapa.
Cheese, butter, milk up

CAPE TOWN — The price of butter, cheese and fresh milk will be increased by about 15 per cent from June 1, it was announced here yesterday.

Butter and cheese will cost more all over the country, while milk prices will rise in the controlled areas of Pretoria, the Witwatersrand, Western Transvaal, Bloemfontein and the Cape Peninsula.

Prices will rise again by four per cent on July 3 when the new general sales tax is implemented.

The public relations officer for the Model Dairy in East London, Mr. Boet Rabie, said last night he was unable to comment on the rises in the milk price at this stage: "But you can rest assured we will look into it," he added.

The maximum retail price of butter will rise by 54c a kilogram, while maximum prices of cheddar and gouda cheese will increase by 22c a kilogram. The price of milk will go up 23c a litre.

The chairman of the Milk Board, Mr. B. Davids, said 2.4c of the milk price hike would go to the producers.

He said the price to the producers had last been increased in June 1976, and the present increase had been inevitable because of rising costs.

The chairman of the Dairy Board, Mr. J. van Vuuren, said: "The increase in the consumer prices of butter and cheese became unavoidable because of an upwards adaptation in the producer prices of butterfat and industrial milk (last increased on June 2, 1973).

"The producer price of industrial milk is being increased by R1.40 a kilogram to R1.85 a kilogram and that of butterfat by 22c a kilogram to R1.85 a kilogram. In the case of industrial milk this represents an increase of 13.9 per cent over three years and in the case of butterfat, an increase of 13.5 per cent over three years.

"Besides these increases there were also increases in the cost of production and distribution of butter and cheese.

"The surplus stocks of butter and cheese of recent times have been exhausted and the present production and consumption pattern, where we are entering the winter season, is such that shortages cannot be excluded," Mr. Van Vuuren said.

- Hot on the heels of the dairy produce increases was the news last night that margarine is likely to go up 10 per cent in the near future.

This follows an announcement by the Minister of Agriculture on Tuesday that the price of oil seed is to go up 8.9 per cent.

A director of a major producer of margarine emphasised the increase had nothing to do with the rise in the price of butter, cheese or milk. — DDC

SAPA.
Monthly milk bill will rise by R4.50

The milk price increase announced yesterday will push up the food bill of an average-size family by at least R3.15 a month or nearly R40 a year.

When the new general sales tax is added to the price of milk from July 3, such a family will have to pay at least R4.50 extra a month on milk or R54 a year, according to calculations today by the Housewives' League.

Increases in the price of fresh milk, cheese and butter were announced in Cape Town yesterday.

From June 1, the retail price of milk sold in shops in controlled areas will go up by 10.9 percent or 3.5 cents a litre to 32.5 cents a litre. Butter will go up 15 percent from its present maximum retail price of R1.60 a kg to R1.80 a kg.

Cheese prices will increase by 15.5 percent:

cheddar from R1.73 to R2 a kg; Gouda from R1.74 to R2.10 a kg. This increase will make cheese considerably more expensive than cheaper cuts of meat such as stewing beef which retails at about R1.38 a kg.

The butter and cheese increases apply throughout the country. Milk prices will rise in the controlled areas of Pretoria, Witwatersrand, Western Transvaal, Bloemfontein and the Cape Peninsula.

The Minister of Agriculture, Mr Hendrik Schoeman, who approved these increases, also announced yesterday a 9.9 percent increase in the price of seed oil. This is bound to push up the price of margarine as well as cooking and salad oils and peanut butter.

The Housewives' League is going to ask today for

To Page 3, Col 1

Milk bill will rise by R4.50

an urgent interview with the Minister of Agriculture to discuss agricultural products in general.

Mrs Joy Hurwitz, national president of the league, predicted the milk price increase would lead to a further drop in the consumption of fresh milk and an increase in the surplus of dairy products.

Mr Mike Hawkins, chief information officer of the Consumer Council, described the increase as "bitter blows to the already-harassed consumer."

Mr Eugene Rodofoss, ombudsman of the SA Council of Churches, said the government was turning the "year of the consumer" into a "sick joke."

There were only three solutions, he said. "Fire the Milk Board, fire the Dairy Board and fire Mr Hendrik Schoeman."

Mr Harry Schwartz, MP for Yeoville, said in Cape Town: "We are told that inflation is going to be dealt with. Yet, the major increases are in respect of administered prices. It is an ongoing process."

Mr Arthur Grobbelaar, general secretary of the Trade Union Council of South Africa, said: "Many parents will not be able to pay higher prices for these essential foodstuffs and will have to resort to inferior substitutes."

To Page 3, Col 1
The milk bungle

Nobody begrudges the dairy industry a fair return for its efforts in these inflationary times, but the real reason why milk has become a luxury item must be clearly stated. It is because the Government has failed to heed warnings going back 30 years that control of the industry is inefficient and wasteful.

Milk will become more expensive than petrol in “controlled areas” from June 1—because of the intolerable tangle of regulations, administered by two boards, which are effective in some areas and not in others.

Quota and levy systems which have discouraged production, varying health regulations and the complication of having two categories of milk have produced a system which has been criticised by successive experts and commissions. Yet only this year has the Government produced draft legislation for a single control board with nationwide authority.

It is a sorry tale of neglect, and as usual it is the consumer who pays the price.
This week's furore over the coming milk price increase is typical of the whole agricultural dilemma. As expected it was officially announced in midweek that the new price would be 3.5c a litre (a 13% increase). The last price increase was in 1975, so there can be no denying that both producers' and distributors' costs have risen.

Dairy farmers are believed to have demanded a 25% increase in the producers' price, but on the basis of the expected prices they will only get a 14.4% increase, while distributors (who are furious) will get 11.2%.

The reason the producers are getting so much less than they asked for is probably the fact that the new Marketing Council, with five economist members, is taking things in hand, so that the minister can no longer be pushed around by the producer majorities on control boards, as was sometimes suspected in the past.
Dairy men to discuss prices

EAST LONDON — The directors of Model Dairy, which supplies milk to East London, will be meeting next week to discuss the price of milk in the area.

The chairman of the Milk Board, Mr. B. Davidsza, announced on Wednesday the price of milk in controlled areas would go up 3,5c a litre from June 1.

East London falls outside the controlled areas of Pretoria, the Witwatersrand, Western Transvaal, Bloemfontein and the Cape Peninsula.

"This company has not yet considered a rise in the price of milk in East London in view of the announcement by the chairman of the Milk Board," the public relations officer for the Model Dairy, Mr. Boet Rabie, said yesterday.

"He said, however, nothing could prevent the increase in the price of milk when sales tax was introduced on July 3.

"This is something we can't absorb," said Mr. Rabie. — DDR.
Govt’s case for dairy price shocks

By GERALD REILLY
Pretoria Bureau

IN the wake of a storm of criticism, the Minister of Agriculture, Mr Hendrik Schoeman, yesterday put his case for this week’s shock price hikes for butter, cheese and milk.

His reasons:

1. The threat of a critical food shortage unless farmers received an “adequate” return on investment.

2. The strategic importance of maintaining increased food production.

Mr Schoeman also hinted at another rise in the price of brown and wholewheat bread later this year.

He said production of butter and cheese in the past two weeks had fallen short of demand by 100 tons. This could be attributed to the tendency for production to shrink because of low returns to producers.

Asked what he intended doing with the R230-million allocated to him in the Budget to support food subsidies, the Minister called the amount “a drop in the bucket”.

He was considering alternatives, he said.

Asked if the price of brown and wholewheat bread would rise again from the beginning of October, Mr Schoeman said:

“It has been suggested that the gap between brown and white bread is too wide.

“Hopefully the R45-million subsidy will last until the end of September. But with the sharp and sustained rise in the consumption of brown bread, because of the price gap, there is no certainty that it will.

“Millers and bakers would also have to be compensated for higher costs.”
Milk up by 3.5c a litre

Agricultural Correspondent

The price of fresh milk in Durban will increase by 3.5c a litre on June 1 and will increase by another 1c when the general sales tax comes into force on July 3.

Mr. Andrew Geils, manager of the Durban Milk Association, said yesterday that the new prices would be gazetted soon. He said distributors had been awarded an increase of 1.1c a litre and producers 2.4c.

The price of fresh milk delivered to homes will go up from 28.5c to 32c, and for milk bought in cafes the hike is from 31c to 34.5c. Mr. Geils warned the public to be on the look-out for cafes who "jumped the gun".

He said that when the general sales tax came into effect on July 3 the price would go up by approximately another 1c a litre. There was still some confusion as to how the tax would work and therefore no exact figure was available.
THE GREAT BUTTER BATTLE

BY TONY SPENCER-SMITH

Doctor Lashes Dairyman for Claims in Parliament

SUNDAY TIMES, MAY 28, 1972
Holes in SA cheese supplies

JOHANNESBURG—The Dairy Board is faced with having to import cheese and butter to alleviate its shortages over the next few months.

The director of the Dairy Board, Mr J. E. Roxby, yesterday blamed the shortages on low production, high consumption and the low prices farmers had been getting since 1975.

'Seasonal shortages in the production of gouda and cheddar cheese have aggravated the shortage,' he said. 'Many producers have left the industry and the low prices have meant cows have not been fed adequately. This affected production.'
New butter imports row

Mercury Correspondent

JOHANNESBURG — The Dairy Board, swamped by a butter and cheese mountain which was reduced largely by exports at a huge loss only 18 months ago, is faced with serious shortages which may have to be alleviated with imports.

Mr. T. E. Roux, the Board's director, yesterday blamed the shortages on low production, high consumption and low returns for dairy farmers.

"Seasonal shortages in the production of cheddar and gouda cheeses have aggravated the situation," he said. "Many producers have left the industry and, because of the low prices, those that remain have not been able to feed their cows adequately."

He said the recent price increases could stave off further production losses but would not dramatically increase supplies.

The butter and cheese mountain of 18 months ago had been reduced by local consumption and exports at a loss.

Consumers have also been blamed for the shortages, but yesterday Mrs. Yvonne Forshaw of the Housewives' League rejected this as "absurd."

She said: "The Minister of Agriculture told us that shortages were due to consumers who boycotted cheese for five days 18 months ago. He said this was 'thanks to trouble-making consumers that we have to import.' The Housewives' League rejects this claim as absurd."

Mr. Eugene Roodts, consumer ombudsman for the South African Council of Churches, said the minister and the Dairy Board should be fired.

"They have not only sawed prices but are now sawing between imports and exports. The quality of South African cheese is intolerable, and there are probably huge stocks of our exported cheese waiting to be returned to us."

A spokesman for a major dairy firm said yesterday that the Dairy Board should think in the long term. If prices had been kept high 18 months ago instead of dropping in response to consumer demands, there may not have been a new shortage.

Over the past nine years South Africa has experienced repeated shortages of dairy products. The first major surplus, in 1969, was followed by periods of shortage through to 1976.

The Dairy Board does not know who will supply the cheese and butter — they are still discussing the matter.
Hard line on new sales tax

Meanwhile, major supermarket chains yesterday came out in support of consumer bodies appealing for basic foodstuffs to be excluded from the tax.

CAPE TOWN - The failure of the Milk Board to have milk exempted from the new general sales tax indicates a hard line on the part of the authorities which has dashed hopes for tax relief on basic necessities.

The Secretary for Inland Revenue, Mr W. van der Wall, made it clear to the manager of the Milk Board, Mr A. Visser, earlier this week, that milk could not be allowed to escape the tax. Mr Visser appealed for the exemption on the grounds that milk was a basic vital commodity.

The rejection is in keeping with policy on the tax which demands that it have as wide a base as possible, but it will mean a substantial cost increase, especially at the bread line level, when the four per cent tax is introduced on July 3.

And, in addition to the tax, a large number of price increases stemming from higher rail tariffs and other increased costs have been thrust on the consumers.

Following on recent higher prices for coal, milk, butter and cheese, the wholesale price of cooking oil is to jump 30 per cent.

The Housewives' League has also made representations to the authorities, but its president, Mrs Joy Hurwitz, said she was not optimistic any relief would be received.

The Opposition spokesman on finance, Mr Harry Schwarz, has appealed for the tax to be postponed and for concessions on basic essentials of life.

But Inland Revenue officials maintain that near universality is necessary for the proper functioning of the scheme.

* Checkers' appeal; appliances price hike, page 6.
MILK SALES.

No winners

As fresh milk prices bounced up by about 13%, last week, thousands of South Africans probably turned to other forms of refreshment and munching their morning cereals dry.

Milk Board GM Arie Visser says price hikes have resulted in a 6%-7% drop in fresh milk consumption, or over 100,000 litres a day. Demand has taken 3.6 months to return to pre-increase levels.

Visser notes, however, that when prices last went up, in 1976, it was nearly a year before sales recovered. Since milk consumption has only risen by about 2% in the past year, he expects the fall-off in demand to be greater than usual this time.

Not everyone is as pessimistic. Rod-
Concern over rise in price of dairy foods

BLOEMFONTEIN. — The National Council of Women of South Africa has written to the Minister of Agriculture, Mr H. Schoeman, expressing concern at recent increases in the prices of dairy products and yellow margarine.

A spokeswoman for the council said what were once considered basic foods are now, increasingly, entering the luxury class.

The council was fully aware of the need for the producer to receive an adequate return for his produce, but this should not always be at the expense of the consumer.

The spokeswoman said a plea has been made to the Minister for other means to be found to subsidise foodstuffs basic to the health and well-being of the nation.

With escalating prices and the imminent sales tax, people with limited incomes will be forced more and more into leaving nutritious foods out of their diets as they try to balance their budget.

Delegates to the recent conference of the council heard a guest speaker say the "frustration tolerance of the working class was becoming so low, that out of sheer desperation for survival anything could be expected." Hunger was an uncomfortable bedfellow.

— Sapa.
Middelnederlandse literatuur refers to that part of Dutch literature which is written in the Middle Dutch language. It begins with the 13th century and ends in the 17th century. This period is known for its rich tradition of poetry, drama, and literary works. In the 16th century, the Middle Dutch language was replaced by the Low Dutch language, which is the forerunner of the modern Dutch language.

Dairy men: change to milk

EAST LONDON—Fears have become fact for cream producers. This is spelled out in a letter from the Dairy Board to the Eastern Agricultural Union, which says there is no future for cream producers in the dairy industry.

This policy decision was taken by the Board after taking into consideration the present number of active cream producers, the average income derived from cream and butter sales, and the high cost involved in handling and transportation of cream by butter factories.

Cream producers would be well advised to convert their supply of cream to the sale of milk wherever possible. The letter says:

The Milk Board has also resolved to close closely with the Meat Board and to counter-advertise for dairy products.

The other three control boards have expressed their support for this scheme and a steering committee is expected to be formed soon.

"On the same subject I would also like to refer you to a speech made by our chairman, who is a Member of Parliament, in which an appeal was made to the Minister of Agriculture and his colleagues in the Cabinet, if he is in the mood to prohibit this kind of advertising," said the manager.

The Dairy Board, Mr. P. E. Roux, wrote.

Delegates at the congress expressed concerns about the Board's decision, as it would mean extra transport costs to them.

They said that separated milk serves a valuable function on their farms in aar deur die feeding of labourers and animals. DDR ilk is on twelws met verloop die eerste maal opgetekeni. Daarby moet n mens die melodie by hierdie poëzie nie vergeet nie. In die tyd toe geskrewe of gedrukte poëzie n seldsaamheid was, was hierdie
Proposed Milk Board comes under fire

EAST LONDON — The past 12 months have been extremely important for the fresh milk industry on the Border. The most important matters were the possible extension of statutory control, the establishment of a fresh milk commodity committee of the EAU and the national dairy products campaign. Mr N. W. Lloyd told the EAU congress.

"Statutory control concerns the proposed establishment of a milk Board to control all milk and milk products on a national scale, and combining the fresh and industrial milk sections. At present there are a number of uncontrolled areas — Border, Natal, Eastern Province, Goldfields and Kimberley — and it is the intention of the Minister to extend control to these areas."

Mr Lloyd said a study group was set up by the Minister to study and draft a scheme for the new Milk Board. The study group worked for several months on the subject, and it became apparent that the intention was to include the uncontrolled areas in the scheme. The uncontrolled areas became very concerned over this move, as the study group had not had any consultations with the uncontrolled areas, which would be the most affected by the extension of control.

After considerable pressure had been applied, the National Marketing Council, with the study group, granted a hearing to the uncontrolled areas. These areas were requested to submit memoranda on the subject, particularly on the items which were necessary to make statutory control acceptable to the uncontrolled areas. A few months after submission of the memoranda, the proposed scheme was published in the Government Gazette. It was astounding to find that none of the uncontrolled areas requirements had been incorporated into the proposed scheme, except for one requirement that Border be kept separate from Eastern Province.

The uncontrolled areas had over a period of months given considerable attention and investigation to the subject at several meetings, and the basic consensus which had arisen from these meetings was that "control" had more disadvantages than advantages. Also because of the vast differences between areas it was necessary for the scheme to be greatly decentralised so as not to adversely disturb the fresh milk sector. Mr Lloyd said.

"Further representations have been made by the uncontrolled areas since the publication of the proposed scheme. The representations revolve around two basic points: Firstly, that if the new Board is to be a producer board then the producers (and in this case the fresh milk producers) must have the right to elect their representatives on to the Board. Secondly, that the scheme must be flexible, so that local conditions of each area are taken into account.

"Under the Marketing Act, the Minister has the sole right to appoint members of a Control Board. It is the intention that the SAAU will nominate two persons for each vacancy on a board, and for the Minister to then choose one of the nominations."

However, there is nothing to compel the Minister to accept these nominations. Therefore it is possible that Border will have no direct representation on the new Board, and this in turn means that the fresh milk producers will have no recourse against a Board which the interests of Border are not put first."

Mr Lloyd said one occurrence which was sure to benefit all the fresh milk producers on the Border was the establishment of a fresh milk commodity committee of the EAU. This committee was established after the producers of the three fresh milk cooperatives met in June, 1977. The committee is due to be constituted at this congress.

"I feel it is necessary to mention the national dairy products campaign. The campaign was started early in the year by the Albany Jersey Cattle Club. The idea behind the scheme is to improve the image of these products."

— DDR
‘Have faith in milk’

Staff Reporter

THE manager of the Milk Board yesterday appealed to milk drinkers to have faith in the products of the South African dairy industry, following a report published in the South African Journal of Science about contaminated milk.

Mr Visser said the report, quoted in yesterday’s Rand Daily Mail, was misleading.

The journal’s report said 50% of South Africa’s milked cows had mastitis and South Africans drank at least five million litres of pus a year in their milk.

Mr Visser said mastitis was an udder condition found in every country and possibly higher in South Africa than in some countries because of the warm climate. This called for stricter health regulations.

All milk in the major cities was purified by a clarifier and pasteurised to destroy any harmful bacteria, Mr Visser said.

He called on the writers of the article in the journal to fully inform the public and put the matter in the right perspective.

“I would like to assure all consumers of fresh milk that everything possible is being done to ensure only the highest hygienic quality of milk is made available for consumption,” Mr Visser said.

He said that one aspect of a report should not be extracted and “put in the limelight. It does not reveal good taste or judgement.” Mr Visser said.
East London milk safe says dairy.
THE R70-MILLION MILK DISEASE

EACH YEAR 77 MILLION LITRES GO DOWN THE DRAIN
Experts get together on milk problem

By ROY DEVENISH
Pretoria Bureau

MASTITIS, a major cause of milk contamination will be the subject of a symposium at which numerous experts — including two from overseas — will deliver 30 papers on the subject.

The disease is blamed for the loss of about 733-million litres of milk each year in South Africa, and according to the director of the South African Veterinary Association, Mr M C. Roos, as much as half the country's average dairy herd is contaminated to some extent.

The three-day symposium will be held from August 10 to 12 in the CSIR's conference centre in Pretoria.

Among the experts who will deliver papers are Dr O. Kåstrup from Denmark and Dr G. F. Morse from the United States.

The symposium will be opened by the Minister of Agriculture, Mr Hendrik Schooman.

According to Mr Roos, there was a vast lack of knowledge of the loss and effects of sub-clinical mastitis, although in general farmers were aware of the disease where it was clinical.

Mr Roos said: "In spite of the availability of remedies and methods of treatment, there has not been a permanent improvement."

He said it was hoped to formulate either a national or a regional plan of action to beat the disease.

Interested parties wishing to attend the symposium can contact the Veterinary Association, PO Box 26498, Arcadia, Pretoria, or telephone Pretoria 26-233.

Last week it was reported that according to the latest issue of the South African Journal of Science, South Africans drink about 5-million litres of cow's milk as a result of mastitis.
Drive to ‘rescue’ dairy industry

Own Correspondent

DURBAN — Dairy farmers, distributors and processors throughout the country have banded together to organise the appropriate machinery for a massive campaign to rescue the dairy industry from the state they claim it is in.

What started as a small movement in the Eastern Cape by dairy farmers who were concerned at the continual crisis in the industry, has spread nationwide with support from all sections, including all major breed societies.

The public relations officer of the National Dairy Products Campaign, Mr Alec Neave, said that until an organisation of this type became effective the fragmentation and duplication, and the poor image of this industry will continue.

Butter ‘myth’

A national workshop where ‘the whole issue would be discussed and fulltime personnel appointed. They would be responsible for advertising, public relations, collection and processing of industry data and legal work on behalf of and for the industry.

Mr Neave said the campaign aimed to explode the ‘myth’ that butter, cream and dairy products contributed to heart disease, and had been promised full support by interested parties in the industry.

The executive director of the Tongaat poultry division, Mr Cedric Savage, has predicted that the pig price war, which has sent prices in stores plummeting to below 50c a kilo in Natal and the Cape, will spread to the Transvaal in the next few weeks.
The membership fee in all addresses to passed Economics for membership in Economics. To member Jonathan information. Spee.

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Gill Raine
Jonathan Matheson
Jonathan Brodie
milk to be launched soon.

Pilot scheme on cheaper

By VIVA PARDASANt
Cafe owners apply to sell cheaper milk

By SHEILA STEVENS
Staff Reporter

The price of milk sold in cafes could drop if an application by cafe owners to sell milk in bottles as well as plastic containers and cartons is successful.

Milk in plastic containers and cartons costs 30c a litre in cafes, while milk delivered in bottles costs 30c or 40c a litre.

Mr Awie Visser, manager of the Milk Board, said the idea of milk in bottles would mean a higher turnover for cafes and a lower price for consumers. "Pricewise it's a good idea, but there are difficulties regarding the control and return of bottles," said Mr Visser.

Mr Visser said the Board favoured the idea and would hold discussions with milk distributors and local authorities to canvass their feelings on the matter. He was unable to say when the board would reach a decision regarding the cafe owners' application.

Some health departments specify that cafes can only sell milk in hermetically-sealed containers.

Consumer spokesmen yesterday welcomed the possibility of cafes selling milk in bottles.

"One can only support a reduction in the price of any basic food to the consumer," said Mrs Betty Hirzel, chairman of the Consumer Union.

Mrs Toni Kruize, secretary of the Housewives' League, said: "If it's going to mean cheaper milk, we welcome it."

But consumer ombudsman, Mr Eugene Roelofse, had certain reservations. "Provided that health regulations can be complied with, it would be a good thing," he said.

However, when one looks at the track record of cafe owners who have often jumped the gun on price rises and are so adept at selling off old stock at new prices, this move of theirs should be looked at very carefully."
Hendrik’s great milk dream turns sour

BY NICHEWOD

THE Milk Board has decided to drop a nationwide scheme to provide cheap milk to township residents, despite it having the personal backing of the Minister of Agriculture, Mr Schoeman.

The scheme was to supply milk nationwide, which was to be sold at R1.50 per litre. It started in Black townships. It was begun within two months.

All seemed to augur well for a massive scheme on the Witwatersrand. Milk Board general manager Mr Arie Visser spoke only last month of a home delivery scheme in the Rand’s Black townships, boosting sales of 770,000 litres a day to 300,000 and bringing down the price from 31c to the cheapest price in White areas: 30c.

Mr Visser also said the board was negotiating with Black businessmen in Soweto, Mamelodi and other areas. He expected the scheme to start next year.

“This scheme has been introduced in Rhodesia and has been an enormous success,” he added.

But this week Mr Visser told the Sunday Express there would be no more cheap milk schemes. There were, he said, certain “social factors” to be considered and these had altered the board’s approach to the implementation of a national scheme to market milk to the Black townships. One factor was the amount of acceptance of Administration Boards, which would implement the scheme.

The scheme was first thought of seven years ago, said Mr Visser, and things had changed since then. Townships were much larger, and working people could not be expected to walk far to collect their milk.

“In Soweto it would be necessary to establish a number of depots,” Mr Visser said, “and this would not be financially feasible.”

Mr Schoeman, however, has said he will fight on until cheap milk schemes were available to Black and White throughout the country. He did not believe such schemes were not feasible.

“I am determined to get this cheap milk scheme working for the masses,” he said.

The Bloemfontein pilot scheme, fully under way in October, has been financed by the Milk Board. It then increased its price from 31c to the current price, but has not sold the milk at 30c a litre.

Part of the profit made by the Administration Board is sold to Black townships to subsidise the costs of the scheme.

Board drops minister’s township plan

Strict Department of Health regulations forced the depot to introduce a new product, some see as an unnecessary and wasteful precaution. Filling the litre screw top stainless steel containers with milk — so that they are sealed for purchase. These are then unscrewed and poured into the containers bought by buyers.

Milk Board chairman Mr J. Boshoff said health regulations, acceptance of Administration Boards, and opposition from local retailers and distributors made implementation of a cheap milk scheme on a national level practically impossible.

“Because of strong feelings against Administration Boards we have had to watch the scheme very carefully,” said Mr Boshoff.

Our objective has been to utilise existing Black entrepreneurs.

The minister had to weigh up the price difference between the cost of milk and that paid by consumers.

Part of the profit made by the Administration Board is used to repay the Milk Board’s investment.

The scheme was not as profitable as expected.

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AGRICULTURE

3 - DAIRY PRODUCTS

17 JAN 1979 - 28 JULY 1979

28.12.79
No rush for dairy products

EAST LONDON — Local shoppers had shown very little reaction to the dairy price increase announced on Monday.

The manager of a local supermarket, Mr Alan Kelmore, said he had noticed very little increase in dairy sales yesterday, apart from the usual increase at the end of the month.

"But it was nothing like what happened two years ago when there was a margarine price increase," he said.

"We haven't had people buying bags of butter or things like that, but like last time we had a dairy price increase, things haven't changed radically," he said.

The manager of another supermarket, Mr V. Mitchell, said there had been a slight increase in cheese and butter sales, but this was to be expected at the end of the month.

"There has been no panic buying yet, just the usual slight increase in dairy sales," he said.

Both managers reassured shoppers that there would be no restrictions on how much they could buy.

Meanwhile, labour and political leaders yesterday urged the government to use some of its huge tax earnings from the continued high gold price to subsidise basic foods.

They see this not only as a humane way to relieve the spread of hunger in the townships, but as an investment in stability, particularly in the urban areas.

The Progressives' Federal Party's financial spokesman, Mr Harry Schwarzwald, said only a modest part of the gold bonanza would be sufficient to hold the price of mealie meal, bread, milk and other essential foods at a reasonable level.

The President of the SACTU, Mr Attie Nieuwoudt, said he was appalled at the rate and degree of recent price rises in essential foods and commodities.

"Where is it all going to end? The authorities seem to have lost control of prices. Virtually everyday there is an announcement about a new price rise."

The general secretary of the Trade Union Council of South Africa, Mr Arthur Grobbelaar, said the only defence the poor had against rising prices was to buy less food.

This meant hunger, and hunger meant the undermining of health standards and a background favourable to unrest.

In Cape Town, a spokesman for the SA Milk Distributors' Union said consumers thinking of switching from milk to artificial substitutes because of the price increase in dairy products should make sure they know exactly what they are buying.

"Replacing milk, universally accepted as one of the most important sources of proteins and vitamins, with synthetic substitutes is not a bargain on two scores - health and price.

Buying 125 g of artificial creamer and making a liquid substitute will give the consumer less than a third of a litre, and will cost 35c.

"Compare that with a litre of milk, delivered fresh, on the consumer's doorstep, for 35c."

EAST LONDON - Milk coupons bought in East London before the Friday deadline when the price of a litre goes up by 5c will still be valid after Friday.

Mr Boet Rabe, manager of Model Dairy here, said yesterday his firm would honour the old blue coupons "as long as the Model Dairy stands."

They represented the purchase price of a litre of milk, he said, and it would not be necessary to put an extra 5c with the coupon after the price had gone up as an SABC news item indicated yesterday.

But it appears this arrangement will apply only in East London.

Yesterday the Consumer Council said consumers using old coupons will not save any money.

"They will merely be giving themselves the extra trouble of adding 5c in cash to each coupon to get their milk delivered," said Mr Johann Verheem, director of the council, in Pretoria.

The council advised consumers not to try to stock up with old coupons in order to save.

But in East London, Mr Boet Rabe of Model Dairy said he had no objection to people buying the old blue discs, which were still freely available in shops yesterday.

They should ensure, however, that they paid the correct price - R6,05 plus sales tax - and not the price at which the new red coupons would be selling - R7,05 plus sales tax.

DVR-DDC.
Yellow spread banning unlikely

Staff Reporter

YELLOW margarine is unlikely to be banned but the advertising of the product will have to change, the Minister of Agriculture, Mr. Hendrik Schoeman, said yesterday.

A leading South African health authority and Professor of Community Medicine at the University of the Witwatersrand, Professor Harry Seftel, said it would be "grossly irresponsible to even think of banning yellow margarine".

Parliamentarians, he said, were representing vested interests, not health interests, and the Minister of Health had to look over his shoulder at the Minister of Agriculture before he made pronouncements affecting the health of the nation.

The increased sales of yellow margarine at the expense of butter sales blew up in Parliament last week after the Minister of Agriculture agreed with two opposition members that dairy farmers suffered from "misleading advertising" by margarine producers.

He said he may have to ban the sale of yellow margarine if advertisers did not "too-the-line": Five years ago producers gave their assurance that they would not advertise in a misleading way.

Mr. Schoeman said yesterday: "Not one had kept their promise".
NPU to settle butter ad battle

By ROY DEVENISH
Pretoria Bureau

THE BATTLE between the Dairy Board and margarine manufacturers will come to a head on Friday when the Newspaper Press Union will be asked to decide on the acceptability of two advertisements.

Since the introduction of yellow margarine, the Dairy Board and margarine manufacturers — each with their public relations consultants — have been fighting over advertisements linking cholesterol and heart disease.

Full-scale war broke out earlier this month when the Dairy Board's advertising agents formally complained to the NPU about two such advertisements, which appeared in local magazines and specialist medical journals.

At a meeting of the Consumer Union in Pretoria last week — at which the chairman of the Margarine Manufacturers Association, Mr. Willie Petersen, was the main speaker — documents relating to objections by the Dairy Board's advertising agents were distributed.

Mr. Petersen argued strongly for margarine as a substitute for butter.

An NPU spokesman said yesterday that the union would meet on Thursday to discuss the objections lodged against the advertisements.
The March 1 amalgamation of the Dairy Board and the Milk Board was the first move to implement the 1976 Marketing Commission's recommendation that there should be fewer, and physically smaller, control boards. It is also symbolic of the intention to pull both sides of the industry together into a properly co-ordinated whole.

The old Dairy Board had 18 members, the Milk Board 17. The new Dairy Control Board has only 13: four producers of fresh milk, four producers of industrial milk, two representatives of fresh milk distributors, two representatives of dairy products distributors, and a lone consumer. The chairman is Jan van Vuuren, ex-chairman of the Dairy Board, and the vice-chairman is Tulas de Villiers, formerly vice-chairman of the Milk Board.

The key manager's post has been advertised, apparently to find someone who knows both sides of the industry. All staff of both boards have been retained on existing salary, benefits and conditions for three years. In due course they will move into the Milk Board building.

The amalgamation clears the way for a long over-due rationalisation of the industry throughout the country. At present, fresh milk is only "controlled" in Pretoria, the Witwatersrand, the Cape Peninsula, Bloemfontein, and the W Transvaal. Natal and the E Cape, which are not under control, however, have representatives on the new board. There is an understanding that if these areas are not brought under control within a year, they will withdraw.

One of the first improvements should be better co-ordination on price policy between fresh and industrial milk to regulate supplies and distribution. In fact, the old water-tight compartments by which "fresh" and "industrial" milk are kept separate should gradually disappear. (In Natal they are already falling away.) All farmers will eventually have to meet certain standards. The regulations concerning stables, etc (some of which for fresh milk are absurd) will be reviewed and uniform regulations introduced for the whole industry.
NUTRITIONAL VALUES

<table>
<thead>
<tr>
<th></th>
<th>Fat Content</th>
<th>Calories</th>
<th>Sat. Fat</th>
<th>Polyunsatur. Fats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Butter</td>
<td>2%</td>
<td>1200</td>
<td>1%</td>
<td>18%</td>
</tr>
<tr>
<td>Brick Margarine</td>
<td>8%</td>
<td>1700</td>
<td>10%</td>
<td>14%</td>
</tr>
<tr>
<td>Refined Margarine</td>
<td>9%</td>
<td>1800</td>
<td>12%</td>
<td>12%</td>
</tr>
</tbody>
</table>

This diagram shows that the nutritional values of butter and all the margarines are identical. They have the same fat content and equal energy value. But the margarines are far higher in polyunsaturates and contain negligible cholesterol, a medically-accepted factor in heart disease.

**Buttering up margarine**

I MUST admit that for some time now I've thought that the topic of cholesterol in relation to heart disease was a highly controversial one.

But according to the margarine manufacturers, I have been wrong. Controversy exists only at the layman's level, with the exception of a relative handful of doctors, although there are some famous names among them.

"The overwhelming weight of extensive worldwide scientific and medical evidence supports the fact that a high blood cholesterol level is one of the main risk factors contributing to coronary heart disease," said a spokesman for the margarine manufacturers recently.

And when specifically asked about this, the National Research Institute for Nutritional Diseases went along with the manufacturers' view.

The whole subject has cropped up again because of recent statements by the Minister of Agriculture on the subject of yellow margarine. Exception has apparently been taken to some recent margarine advertising which implies that it is a healthier product to use.

"If you cut for your life." Here it is, and I don't currently about 50 percent.
Dairy products may cost more

PRETORIA — The prices of dairy products and margarine are expected to rise sharply at the end of the month, according to government sources here.

The SA Margarine Association says it works on a controlled margin, and it would be impossible for producers to absorb the big hike in oil seed prices, in addition to other cost increases, which became effective from the beginning of the month.

Today and tomorrow the Dairy Board meets here to consider its price recommendations, to the government.

Farmers, it is claimed, have a water-tight case for a substantial increase in both fresh and industrial milk. Their production costs, it is further claimed, have risen to a point where a large percentage of dairymen "won't even break even" this year.

The Minister of Agriculture, Mr Hendrik Schoeman, has indicated that government policy is to fully compensate farmers for higher costs and to ensure that returns on capital are reasonable.

He said last month the price of fresh milk would have to be raised by two to three cents a litre.

However, producers say that two or three cents a litre would only compensate for the steep rise in animal feeds following the 22 per cent hike in the maize price.

Other big cost rises were in fertilisers, power, fuel and farm machinery.

Distributors, too, are expected to demand compensation for increased costs. Their representatives will attend this week's Dairy Board meeting. They too have a strong case for compensation.

The deputy chairman of the Dairy Board, Mr J. J. De Villiers, said prices would have to be raised at least in proportion to the rise in costs.

Without this the drift of dairy farmers into other branches of farming would continue, and crippling shortages of dairy products would be the consequence.
There's a fair amount of angst pervading the Dairy Control Board as it struggles to rescue the ailing butter industry. The introduction of yellow margarine in 1971 was a bad dream. Butter sales slumped from a 1971 high of 33.5 t to a 1977 low of 17.7 t. Now, in an attempt to “make friends for butter,” the board is spending close on R200,000 on a media and TV promotional campaign which started in January. Handled by ad agency De Villiers & Co.

The problem is timing. The widespread drought is coinciding with the campaign causing butter production to plummet. For example, production in the first week in April was 248 t (336 t for the same period in 1976). Sales that week totalled 311 t (309 t in 1976). Available stocks were down to 1.965 t – 4,327 t in 1976.

Dairy Control Board joint manager Edie Roux admits the position is under review. “Because of the shortfall,” he says, “we’re looking at importing.”

He won’t disclose how much or from where butter will be imported. It is likely that 15% of 1979 consumption will be imported “at a lower price than locally produced butter.” This is all part of a general scheme to overcome a drought-induced shortage of milk products, says Roux. He doesn’t explain the anomaly increase asked for, but steep increases fuel and fertilizer costs have sent production costs so it could be in the region of 10% to 15%.

Despite the new 15% price increase, introduced margarine sales are expected to grow 9% to 10% in 1979. Sales in 1978 t yellow and white margarine totalled up healthy 80,000 t. Butter is not expected to 16,000 t in 1979.
MR HENDRIK SCHOEMAN's reassurance that housewives will not be deprived of yellow margarine is welcomed. Relief will be felt, of course, not only by householders but by all consumers fighting inflation. But Mr Schoeman is wrong in believing that the housewife "wants to eat yellow margarine". She doesn't, particularly. Most people, given the choice, would prefer butter, "unethical" advertising of margarine's alleged cholesterol-free qualities notwithstanding. Margarine's biggest selling point is simply its price. Half a kilogram of margarine costs the consumer 70c, compared with 92c for a similar amount of butter. The difference in the smaller 3/4 kg pack is 35c for butter and 46 for margarine. These figures count for more than any number of extravagant claims by the manufacturers of yellow margarine, and are the real reason for its popularity. If the minister of agriculture has any doubts about this assertion, he should put it to the test by dropping the price of butter to that of margarine. That would be the quickest way to stop people paying any attention to dubious cholesterol-content warnings.
Marge price rise may spark swing back to butter.

Consumer spokesmen have reacted strongly to the increased price of yellow margarine.

The price of margarine bricks has been increased by 10 percent (from 35c to 38c for 250g) and tubs of margarine have gone up by 11.8 percent, from 38c to 43c for 260g, because of increases in the price of oil seeds.

Consumer Council spokesman, Mr M Hawking, said: "The hard-pressed consumer cannot afford any more increases in foodstuffs."

"We are in the middle of a chain of reflex price increases and any manufacturer increasing his prices will have to expect a lower turnover."

Mrs Toni Fyres, national secretary of the Housewives League, deplored the increase.

"It is interesting that there is now little difference between the price of yellow margarine and that of butter. People may think it worthwhile to go back to butter," she said.

A spokesman for the Margarine Manufacturers' Association said in Johannesburg that margarine sales outnumbered butter sales by three to one.

When asked to comment on the likelihood of a switchback to butter, he replied: "I can't speak for the housewife."
Subsidy to keep milk price down

By LEON BEKKER

EFFORTS are being made by the Divisional Council to ensure that poverty-stricken mothers will not have to foot the bill for importing skimmed milk powder.

The powder is being imported to enable the council to continue its scheme to combat kwashiorkor, gastro-enteritis and malnutrition among toddlers in the Peninsula.

The Medical Officer of Health reported to a meeting of the council's health committee this week that drought conditions had caused a considerable decrease in milk production, and there was at present a country-wide shortage of skimmed milk powder.

The chairman of the committee, Mr Edward Austen, said last night the committee had given the MOH the go-ahead to accept a tender to supply the powder at R1.37 per kilo (plus 5c per kilogram sales tax).

In terms of the MOH's report, however, this would mean that the price per kilogram to the patient would go up from 90c to 72c per kilogram.

The health visitor, who supplies the powder to patients, has discretion in exceptional circumstances to provide the powder at a reduced price or free of charge.

The Department of Health has agreed to subsidize the purchase of skimmed milk powder by R19,140, a rate of 66c per kilo for 29,000 kilos.

In 1977 the department's contribution was R18,000. This amount was agreed to after the council had requested R28,000 for 500,000 kilos. After the department had originally agreed to this amount, it was cut to R18,000 because of the economic situation at that time.
CAPE TOWN — The price of all dairy products would go up soon but by what amount had still to be determined, the Minister of Agriculture, Mr. Schoeman, said today.

In Pretoria the manager of the Dairy Board, Mr. P. E. Roux, declined to comment on reports that milk would cost 12 percent more by June.

"The price of dairy products will be increased soon, but we have yet to decide by how much," he said.

"We are in a situation in which we are already having to import powdered milk so a price increase will have to be introduced to encourage farmers to produce dairy products."

In Pretoria consumer organisations said rises in the price of dairy products were "inevitable" after the series of increases in other spheres.

The discussions between Mr. Schoeman and the Egg Control Board, the newly formed National Egg Producers' Co-operative (Nepco), the SA Poultry Association, the Marketing Council and Department of Economics and Marketing concerned the proposed price increase in view of the increased production costs caused by the rise in the prices of maize, fish meal, electricity and fuel.

Egg producers threatened an 8 percent price rise this week.

Sources said the Cabinet food committee was expected to approve substantial increases in the prices of dairy products later this week. — Own Correspondents and Sapa.
Schoeman confirm
dairy price rises

PRETORIA — South Africa is running into what could be the most serious shortage of dairy products in 25 years.

The Minister of Agriculture yesterday confirmed that the prices of dairy products would be increased from the beginning of next month.

And farmers warn that unless the increases are adequate, South Africans will have to learn to live with recurring and worsening shortages of dairy products.

The Dairy Board refused to comment yesterday.

A senior official said the board would make a comprehensive statement on the milk shortage later this week.

The board met last month and, it is understood, recommended substantial price adjustments for fresh milk, butter, cheese and industrial milk.

Mr Schoeman is on record as saying that there is justification for a 2c to 3c a litre increase in the price of fresh milk.

Milk distributors also claim that fuel, vehicle and other cost increases have eroded their profit margins and that they, too, must be given relief.

It was reliably learnt yesterday that large quantities of butter and cheese will have to be imported until production increases next summer.

In addition, the manager of the National Co-operative Dairies, Mr J. H. Dreyer, said the milk shortage in the Transvaal and Free State means powdered milk will have to be imported from Europe — possibly until the end of the year.

Meanwhile, beef producers expect the floor price of beef to be raised next month by at least 10 per cent, according to agricultural authorities.

The Meat Board meets tomorrow and Friday to formulate its floor price recommendations.

These will be submitted to the marketing council. The final decision will be made by Mr Schoeman.

Beef farmers, it was pointed out, "desperately" need the protection of an adequate floor price.

What farmers are also certain to raise prices in October.

And, according to Government sources in Pretoria, if the price of wheat rises and the Government refuses to raise the bread subsidy, then the price of bread will go up.

This will mean that all basic foods — mealie meal, dairy products, sugar, bread and all other wheat products — will have been increased in price this year. And the floor price of meat is virtually certain to go up at the end of July. — DDC.
Dairy products shortage: butter to be imported

Pretoria Bureau

Butter and cheese are to be imported from Europe because of severe country-wide shortages — and milk supplies in some areas are moving into a "shortfall situation."

The manager of the newly formed Dairy Control Board, Mr. Eddie Roux, announced in Pretoria today that because of serious shortages in dairy products at present, available supplies were far below normal consumer demand.

The first consignment of imported butter and cheese was expected in South Africa in the next few weeks. The first consignment of about 2300 tons of butter from Europe would arrive at the beginning of June and the first consignment in a total of about 600 tons of cheese to be imported would arrive at the end of June.

Mr. Roux added that production of fresh milk in the Witwatersrand, Pretoria and Cape Peninsula regions had reached an unacceptably low level.

The Minister of Agriculture, Mr. Schoeman, said in Cape Town yesterday that the prices of all dairy products would go up, but the amount still had to be determined.

LONG TERM

He said the National Marketing Board was studying price rises and the extent of the increases would be decided on their report.

Hannes Ferguson, The Star's farming correspondent, writes that the situation, which has arisen in the dairy industry, with production no longer keeping pace with demand, stresses the need for a long-term price policy.

Since November 1967 industrial milk producers have paid a levy to cover losses on the exportation of South African dairy products on an unfavourable world market and to help the Dairy Control Board get rid of surpluses on the internal market.
PRETORIA — Large quantities of butter, cheese and powdered milk are to be imported from Europe to counter the local production crisis, the Dairy Board announced in Pretoria yesterday.

The manager of the board, Mr Eddie Roux, however, gave the assurance that the prices of imported dairy products would be no higher than local prices.

He confirmed that serious milk shortages were being experienced throughout the country.

The first imports are expected within a few weeks.

On local producer prices, Mr Roux said, increases seemed inevitable from the beginning of June.

The first consignment of about 2,500 tons of butter is expected at the beginning of next month.

and the first imports of about 600 tons of cheese at the end of June.

The expected butter shortage from now until September, Mr Roux said, was about 19 per cent of normal consumption or about 2,900 tons. The cheese shortfall amounted to 12 per cent or 3,500 tons.

The skimmed milk shortage amounted to 29 per cent, and full cream powder to 19 per cent.

The board, Mr Roux said, had issued permits for the importation of 6,000 tons of skimmed milk powder and 2,000 tons of full cream powder.
Agricultural Correspondent

THE Milk Board announced yesterday that more than 11,000 tons of dairy products were to be imported because of a shortage in South Africa.

The imports will be made up of 8,000 tons of powdered milk; 2,500 tons of butter and 600 tons of cheese.

The board predicted a big increase in the milk price and said the milk shortage would worsen unless farmers were encouraged to produce more.

According to the Milk Board the price of butter and cheese will not go up because of the imports.

It described the shortage as "serious".

Milk Board spokesman Mr. Eddie Roux said droughts, increases in production costs and levies paid by farmers since 1967 had so weakened the finances of milk producers that many farmers had been forced off the land or switched to other lines of farming.

Commenting on the shortage in the light of last year's surplus of dairy products Mr. J. E. Mansfield, chairman of the East Griqualand Fresh Milk Producers Union, said the situation had arisen because of poor planning.

He said the Government had reacted too late to low producer prices which had forced dairy farmers to give up and it had failed to introduce production control by a system of milk quotas.

Mr. Mansfield said he did not foresee a milk shortage in Natal this winter because the province had not suffered from "as serious a drought" as the rest of the country.

He said the Minister of Agriculture would soon announce increases in the milk price.

He added both producers and distributors had applied for hikes in view of escalating production costs.

Mr. Mansfield would not speculate on the amount of the milk price increase.
GOVERNMENT NOTICES

DEPARTMENT OF AGRICULTURAL ECONOMICS AND MARKETING

DAIRY CONTROL SCHEME

TIME AND MANNER OF PAYMENT OF LEVIES AND SPECIAL LEVIES ON FRESH MILK

The Minister of Agriculture has, under the powers vested in him by section 89 of the Marketing Act, 1968 (Act 59 of 1968), made the regulations set out in the Schedule hereto.

SCHEDULE

1. In this notice, unless inconsistent with the context, a word or expression to which a meaning has been assigned in the Dairy Control Scheme, published by Proclamation R. 290 of 1978, shall have a corresponding meaning and—

“month” means the period extending from the first to the last day, both days inclusive, of any of the 12 months of a year.

2. A levy and special levy imposed under section 21 or 22 of the said Scheme on fresh milk produced for sale in the Bloemfontein, Cape Peninsula, Pretoria, Western Transvaal and Witwatersrand areas as defined in section 1 of the said Scheme shall be paid to the Dairy Control Board at the times and in the manner as set out in regulation 3.

3. (1) In the case of a producer, producer-distributor or producer to whom a permit has been issued in terms of section 36 of the said Scheme, who delivers fresh milk to distributors, producer-distributors or the surplus pool mentioned in section 37 of the said Scheme, payment of such levy and special levy shall be made by means of a set-off by the Dairy Control Board against any amount of money that may be due by that Board to the person concerned.

(2) In the case of a producer-distributor or a producer to whom a permit has been issued in terms of section 36 of the said Scheme, who delivers fresh milk to persons other than distributors, producer-distributors or the surplus pool mentioned in section 37 of the said Scheme, payment of such levy and special levy shall be made direct to the Dairy Control Board on or before the seventh day of each month following the month in which such fresh milk was sold, and which payment shall be accompanied by a return which shall be furnished as prescribed by the Dairy Control Board in terms of the provisions of section 29 of the Dairy Control Scheme.

4. These regulations shall come into operation on the date of publication thereof and Government Notices R. 1654 of 23 October 1964 and R. 1053 of 1 July 1966 are repealed with effect from the same date.

No. R. 1036 18 May 1979

GOEWERMENTSKENNISGEWINGS

DEPARTEMENT VAN LANDBOEKONOMIE EN -BEMARKING

SUWELBEHEERSKEMA

TYD EN WYSE VAN BETALING VAN HEFFINGS EN SPEISIALE HEFFINGS OP VARSMEK

Die Minister van Landbou het, kragtens die bevoegdheid hom verleen by artikel 89 van die Bemarkingswet, 1968 (Wet 59 van 1968), die regulasies in die Bylae hiervan uitgeeg nagesien.

BYLAE

1. In hierdie kennisgewing, ten spyte van die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Suiwelbeheerskema, afgekondig de Proklamasi R. 290 van 1978, 'n betekenis geheg is, 'n ooreenstemmende betekenis en beteken—

“maand” die tydperk wat strek van die eerste tot die laasste dag van enige maand van die jaar.

2. 'n Heffing en spesiale heffing opgeëind ingevolge artikel 21 of 22 van genoemde Skema op varsmeel wat geproduseer is vir verkoop in die Bloemfontein-, Kaapse Skiereiland-, Pretoria, Wes-Transvaal- en Witwatersrandgebied, soos omgeskryf in artikel 1 van genoemde Skema, moet aan die Suiwelbeheersraad betaal word op die tye en wyse soos uitgeleg in regulasie 3.

3. (1) In die geval van 'n produent, produent-distrueeër of produent aan wie 'n permit kragtens artikel 36 van die genoemde Skema uitgereik is, wat varsmeel aan distrueeërs, produent-distrueërs of die surplusspool genoem in artikel 37 van die genoemde Skema lever, geskied die betaling van sodanige heffing en spesiale heffing by wyse van 'n verrekening deur die Suiwelbeheersraad deur enkele bedrag geld wat deur daardie Raad aan die betrokke persoon verskyle mag wees; en

(2) In die geval van 'n produent-distrueër of 'n produent aan wie 'n permit kragtens artikel 36 van die genoemde Skema uitgereik is wat varsmeel aan persone anders as distrueërs, produent-distrueërs of die surplusspool genoem in artikel 37 van die genoemde Skema lever, geskied die betaling van genoemde heffing en spesiale heffing regstreek tot aan die Suiwelbeheersraad of deur die seconde dag van die maand wat volg op die maand waarin sodanige varsmeel verkoop is, en welke betaling vergeel moet gaan na.
Rights, wrongs of dairy farming

It is of major importance for farmers to know how to produce either beef, milk or mutton from pastures, the senior pasture officer of the Fertilizer Society of South Africa, Mr P. Rudert, said when he addressed farmers at a pasture day held on the farm Silverdale, of Mr John Meyer, near Kidd's Beach.

Mr Rudert, who spoke on the principles and practices in animal management, focussed attention mainly on beef and milk production. An important aspect of the meeting was how beef production can be successfully carried out with pineapple production.

"We must emphasise that ruminants are not merely garbage bins that can make do with anything," Mr Rudert said.

"As a result of the high cost of grain, we all want to get away from feeding grain and replace this with either grazing on veld, pastures, or even feeding waste products. For this reason it is the utmost importance that farmers know the value of the type of food they are offering to their animals in terms of growth reproduction and production.

"The price of feed input, however, is not the end of the story as we are faced with the problem at the other end — marketing. In the case of beef our only guarantee is the floor price for a particular grade, and as for milk we are better off as there are no auction fluctuations and we can adjust to a particular market. "

"Essential requirements in successful meat and milk production, Mr Rudert said, are: adequate clean water; organic matter — carbohydrates, lipids (the energy sources), proteins and vitamins; mineral elements in veld grasses. Improved pastures, feeders, grains and feed mixtures — often too high or too low, relative to animal needs.

"There are indications that it is not very profitable to breed young stock on pasture as the cost per cow, and the return per weaned calf usually cancel each other out as a result of the low price obtained for weaner calves. Stud breeding, however, is a different matter," Mr Rudert said.

"Pastures must be an integral part of any dairy enterprise. It is also important to have the correct type of pasture, the right quantity and that there is a fodder flow."

"Purchase price; type of animal; age of marketing; need for additional feed and the correct method of feeding; feed cost; fertilizer cost; and marketing and grade.

"The dairy farmer without pastures will have to be satisfied with low profits. Small dairy units without pastures are doomed to failure. It is therefore of the utmost importance to establish a dairy farm in an area where pastures can be cultivated and where high quality roughage can be produced," Mr Rudert said.

"Lack of energy is the most common deficiency of dairy cows. Cows cannot produce milk at peak levels if their rations are too low in energy. Most of the energy required is supplied by carbohydrates and fats in forage and grain," Mr Rudert said.
Dairy products up from next month

Own Correspondent

PRETORIA - From June 1 all dairy products would cost more, the Minister of Agriculture, Mr Hendrik Schoeman, said in an interview yesterday.

He said his discussions with the National Marketing Council on the Dairy Board's recommendations for price rises were still in progress. He hoped to make an announcement next week.

However, producer sources said yesterday that they expected increases of up to 12 percent to be authorized.

Mr Schoeman said food prices in South Africa were lower than in virtually all countries in the Western world. Unless farmers were given prices which assured them of a reasonable return, acute and permanent shortages would be inevitable in South Africa.

Dairy farmers were turning to other types of agriculture, and unless this trend could be reversed, "this country will have to put up with chronic shortages of dairy products".

Last week the Dairy Board announced that because of drought and shrinking production, 11,000 tons of dairy products were to be imported. This included 9,000 tons of skimmed and full-cream powdered milk, 2,000 tons of butter and 600 tons of cheese.
Milk rise 'could increase surplus'

The proposed increase in the price of all dairy products from June 1 could lead to a greater milk surplus, consumer spokesmen have warned.

The Minister of Agriculture, Mr H Schoeman, has said all dairy products — including fresh and industrial milk, butter and cheese — must go up in price to protect the dairy industry.

The national secretary of the Housewives' League, Mrs Tom Frere, has warned that a rise in the price of milk will only decrease consumption, and increase the existing surplus (estimated at 15 percent at the end of last month).

"If the increase is so big as to benefit the farmer, it will only be a temporary respite — because it will kill the fresh-milk industry within a year," said Mrs Frere.

"We feel sorry for the farmer, because this increase will not help him."

Asked for his comments on the forthcoming increase, Mr Eugene Roelofse, consumer ombudsman for the SA Council of Churches, said: "Why? Have they got another surplus?"

He continued: "The standard justification for a price increase for food is that the producer has to contend with higher costs."

"It is noticeable that the Minister has said little about what he intends to do to reduce these costs. Has he ordered an inquiry into the prices and distribution of animal feeds? If not, why not?"
LEVIES ON CERTAIN DAIRY PRODUCTS

In terms of section 79 (a) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Dairy Control Board, referred to in section 6 of the Dairy Control Scheme, published by Proclamation R. 290 of 1978, has, in terms of section 21 of that Scheme, with my approval imposed the levies set out in the Schedule hereto.

H. S. J. SCHOEMAN, Minister of Agriculture.

SCHEDULE

1. In this notice, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Dairy Control Scheme, published by Proclamation R. 290 of 1978, shall have a corresponding meaning.

2. The following levies are hereby imposed on milk powder and skim-milk powder which is imported into the Republic:
   (a) Milk powder: 16c per kg;
   (b) skim-milk powder: 32c per kg.

3. This notice shall come into operation on the date of publication thereof.

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through a nek between two hills and then had to make a big detour round some dongas. We were then about five miles from N'Qutu and outspanned. It was about half past two and the oxen had been going all the time since six o'clock. We started off at four o'clock and got in about a quarter to seven. We learnt afterwards that those two niggers had put three Boers on our trail and fortunately they had taken the Nondweni road knowing the other road was impassable I expect. Some native scouts from N'Qutu had to turn back to avoid them.
Mercury Reporter

THE dairy produce price hikes announced yesterday were deplored by supermarkets and described as "disastrous" by the Housewives' League of South Africa.

Mr. Alan Gardiner, Pick 'n Pay's chief in Natal, was "taken aback" by the size of the increase in milk, butter and cheese and said the control of the marketing of these products "have been very badly mishandled".

Checkers' Natal regional manager, Mr. G. R. Gilzean, said: "We deplore these price increases and we feel free enterprise in the agricultural section would not allow this sort of thing. We will be selling our existing stocks at present prices as long as they last but naturally milk will have to go up immediately."

A vice-president of the Housewives' League of South Africa, Mrs. Jean Tatham, said the league was appalled by the lack of concern shown by the Government.

"The Government has allowed increases in fertiliser, maize and fuel which have pushed up the farmer's costs and now we are catapulted into an inflation spiral," she said.

Some of the "millions" from general sales tax should be used to keep basic foods at a realistic level.

"This increase has spelled the death knell of the dairy industry," said Mrs. Tatham.

Mr. Aubrey Muir, secretary of the Milk Producers' Union said the 3,5c given to the farmer would be "gratefully received" as it was considerably more than the 2,75c the minister had been asked for."
SA. stunned by dairy price hikes

JOHANNESBURG — Consumers were shocked and horrified yesterday by the massive hike in the prices of milk, butter and cheese.

The increases were announced by the chairman of the Dairy Control Board, Mr. J. Van Vuuren, with the approval of the Minister of Agriculture, Mr. Hendrik Schoeman. They take effect from June 1.

The increases are:

Producers' prices: Butterfat 36c/kg., industrial milk 350c/100kg., fresh milk 3.5c/litre.

Consumers' prices: Butter 40c/kg., Cheddar cheese 48c/kg., Gouda cheese 52c/kg., fresh milk 5c/litre.

Uneconomical

In the statement Mr. van Vuuren says that production costs had increased to such an extent since the previous price adjustment, that the production of fresh and industrial milk had become uneconomical for producers.

Mr. Eugene Roelofse, ombudsman for the South African Council of Churches, said: “It is quite clear that the Government has abdicated in the face of strident demands by farmers who would like to have more money in the bank.

“It is equally clear that the Government doesn’t give a fig for the problems of the consumer, who is expected to bear an increasing burden of higher costs.”

Dr. Nihat Moltana, the chairman of the Committee of Ten said he thought it was a sad thing when the basic commodities that keep people healthy are being priced out of reach of those who need them most.

Stunned disbelief

The country’s largest food retail companies reacted with stunned disbelief when they heard of the increases.

Comments from top management members of Checkers, Pick ‘n Pay and OK Bazaars ranged from “ludicrous” and “shocking” to “unbelievable.”

A director of OK Bazaars, Mr. Ralph Horwitz, said it was terribly unfortunate that the rises should have been announced at the present time.

National merchandise manager for Checkers, Mr. Harry Goldberg, described the increases as “ludicrously high” and said they were indicative of governmental and control board interference.

Mr. Raymond Ackerman, of Pick ‘n Pay said he was “absolutely stunned and shocked” by the extent of the increases.
A dairy survey by the Daily Dispatch revealed that while most consumers abhor rocketing prices of necessities they accept them as something they have no control over.

But many of the Eastern Cape's dairy farmers will welcome the increases and the president of Eastern Agricultural Union, Mr H. J. D. Matthews, was among them.

An irate Mrs Kate Koekemoer said: "What bugs me about the government is that when there is a surplus they put the price up."

She said she preferred butter to margarine. The price rise meant she would have to use more margarine, but she would continue using butter.

Miss Ethel Jack, an Mdantsane resident with four children, said she would find the increase hard-hitting as she buys two litres of milk a day and often uses cheese to feed her hungry family.

When a reporter announced the increases to Mrs Una Packery she said: "You've nearly taken my breath away. We knew the prices would go up, but not as much as that-and these are things that everybody needs."

Mrs Mônica Coetzer said: "It's terrible. These are nutritious foods. It will really hit those people who are not well off."

A widow, Mrs Edna Gahler, said: "I just don't know what to say. There seems no end to it."

She said she used butter and would continue to use it but would watch how much she spent on it now that it was more than R1 for 500 g from Friday.

But Mr Matthews said the dairy price increases were enough to keep the dairy farmer afloat.

"In view of the costs involved in dairy farming an increase of some nature was inevitable. A lot of dairy farmers in this area have given up dairy farming because there is not enough in it," he said.

A dairy farmer himself, Mr Matthews said he hoped the increases would not bring about a drop in consumption.

The manager of the Model Dairy in East London, Mr Boet Rabie, said the increase in the milk price was "one hell of a wallop" to the housewife and there was sure to be consumer resistance and he expected consumption to drop.

"There have been tremendous price increases on the farms and the farmer is simply not making ends meet, so some sort of increase is essential," he said.

While there was a national shortage of milk there was only a slight shortage in this area. — DDR
Supermarkets are almost cleared of butter today and there will be no more until imported supplies arrive in a fortnight.

Today some supermarkets accused suppliers of holding back supplies in anger, but suppliers claimed they were short on supplies themselves.

Mr P E Roux, manager of the Dairy Control Board in Pretoria, said: "Today butter was in very short supply and neither the Board nor suppliers was holding back supplies to supermarkets."

At Rand Cold Storage, one of the major suppliers of dairy products to supermarkets, there is no butter or cheese.

Mr A Sutherland, national sales manager for Saco, another major supplier, said his company did not have large quantities of butter, but had managed to continue suppling.

Mr C Gous, Transvaal buyer of perishable goods for Pick 'n Pay, said they had a warehouse full of butter and would hold the prices up until their stocks dried up.

The SA Milk Distributors' Union has urged the public not to switch to artificial substitutes, because "it is not a bargain on health and price."
Milk, butter, cheese cost more

CAPE TOWN — The chairman of the Dairy Control Board, Mr J. van Vuuren, yesterday announced increases in the prices of dairy products.

The new prices, approved by the Minister of Agriculture, Mr Hendrik Schoeman, will be effective from Friday.

Consumer prices for butter will rise by 40c a kilogram, fresh milk by 3c a litre, cheddar cheese by 48c a kilogram and gouda cheese by 52c a kilogram.

The percentage increase for butter and milk will be 23 and 13 per cent respectively.

The prices to producers will rise by 3.5c a litre for fresh milk, 359c a 100 kg for industrial milk and 35c a kg for butterfat.

In a statement, Mr Van Vuuren said production costs had increased to such an extent since the previous price adjustment that the production of fresh and industrial milk had become uneconomical for producers.

Several producers had left the industry which had resulted in shortages of certain products, making it necessary to import. It was hoped that as a result of these price increases, producers would continue to produce and also increase their deliveries of fresh and industrial milk. — SAPA.

Anger at dairy price hikes

Johannesburg — Reaction to the latest wave of increases in the prices of dairy products ranged from anger to disbelief.

The managing director of Pick 'n Pay, Mr Raymond Ackerman, said he was “absolutely stunned and shocked” by the extent of the increases.

A director of OK Bazaars, Mr Paeph Horwitz, said it was terribly unfortunate that the rises should have been announced at the present time.

“We knew something was imminent and that there would have to be some incentive to persuade farmers to go back into dairy. But if the market had been played fair and square there would have been no need for this.”

The national merchandising manager for Checkers, Mr Harry Goldberg, described the increases as “ridiculously high” and said they were indicative of government and control board interference.

The president of the SA Confederation of Labour, Mr Attie Nieuwoudt, said: “Where is it all going to end? Day after day the price spiral spins faster. We are all getting poorer.”

It was the poorer worker, Mr Nieuwoudt stressed, who was hardest hit. The decline in living standards had become critical, and the drift of thousands of families into poverty had to be stopped.

The general secretary of the Trade Union Council of South Africa, Mr Arthur Gobbeliër, agreed it was the whites and blacks at the lower end of the income ladder who were suffering most.

“Dr Nthato Motlana, chairman of the Soweto committee of 10, said he thought it a sad thing when the basic commodities that keep people healthy were being priced out of reach of those who needed them most.”

East Londoners react, page 17.
Spree empties shelves of dairy products

Spree's popular brand of butter, milk and cheese has left many supermarkets with shelves empty, and new stock will only become available once the increased price is in force.

Both suppliers and supermarkets have denied holding back butter at the old price.

M F R Roux, manager of the Dairy Products Control Board, has explained that butter is in very short supply, and the situation will improve only once imported stocks arrive in a week or a fortnight.

Supermarkets have promised to give consumers the benefit of the old price for as long as their existing stocks last, but some spokesmen doubt whether these will hold out to Friday.

The Consumer Council has warned consumers against stocking up milk coupons in a bid to avoid paying an extra five cents a litre from Friday.

Council director Mr J W Verheem explained the coupon is a token for a dairy to deliver a litre of milk at the ruling price.

"Consumers who get a large supply of old coupons will not save any money," he said.

A call on the Government to increase subsidies for basic foodstuffs, letting people share in the current gold bonanza, has been made by Mr Harry Schwarz, Opposition spokesman on finance.

"The hardship which is being caused to the lower income groups by the spate of current price increases is real," said Mr Schwarz.

He said the Government did not seem to appreciate the difficulty which was being created by the increases in Government-administered prices.

The producer will get only 3,5c of the fresh milk price rise of 5c a litre, an amount which will not cover the increase in his costs, says the South African Agricultural Union.

In the Reef area the producer price for fresh milk is 19,615c a litre and this has now been increased to 23,115c, says the SAU.

Most consumers will be paying 30c a litre for milk delivered to their homes, and even less if they buy it from milk depots or supermarkets.
No rush for dairy products

EAST LONDON — Local shoppers had shown very little reaction to the dairy price increase announced on Monday.

The manager of a local supermarket, Mr Alan Felmore, said he had noticed very little increase in dairy sales yesterday, apart from the usual increase at the end of the month.

"But it was nothing like what happened two years ago when there was a margarine price increase," he said.

"We haven't had people buying cans of butter or things like that, but like last time we had a dairy price increase, things have not changed radically.

The manager of another supermarket, Mr V. Mitchell, said there had been a slight increase in cheese and butter sales, but this was to be expected at the end of the month.

"There has been no panic buying yet, just the usual slight increase in dairy sales," he said.

Both managers reassured shoppers that there would be no restrictions on how much they could buy.

Meanwhile, labour and political leaders yesterday urged the government to use some of its huge tax earnings from the continued high gold price to subsidise basic foods.

They see this not only as a humane way to relieve the spread of hunger in the townships, but as an investment in stability, particularly in the urban areas.

The Progressive Federal Party's financial spokesman, Mr Harry Schwartz, said only a modest part of the gold bonanza would be sufficient to hold the price of mealie meal, bread, milk and other essential foods at a reasonable level.

The President of the SA Confederation of Labour, Mr Attie Nieuwoudt, said he was appalled at the rate and degree of recent price rises in essential foods and commodities.

"Where is it all going to end? The authorities seem to have lost control of the prices. Virtually every day there is an announcement about a new price rise."

The general secretary of the Trade Union Council of South Africa, Mr Arthur Grobbelaar, said the only defence the poor had against rising prices was to buy less food.

This meant hunger, and hunger meant the undermining of health standards and a background favourable to unrest.

In Cape Town, a spokesman for the SA Milk Distributors' Union said consumers thinking of switching from milk to artificial substitutes because of the price increases in dairy products should make sure they know exactly what they are buying.

"Replacing milk, universally accepted as one of the most important sources of proteins and vitamins, with synthetic substitutes is not a bargain on two scores — health and price.

Buying 125 g of artificial creamer and making a liquid substitute will give the consumer less than a third of a litre, and will cost 35c.

"Compare that with a litre of milk, delivered fresh, on the consumer's doorstep, for 35c." — DDR-DDC.

Old tokens good in EL

EAST LONDON — Milk coupons bought in East London before the Friday deadline when the price of a litre goes up by 5c will still be valid after Friday.

The manager of Model Dairy here, Mr Boet Rabe, said yesterday his firm would honour the old blue coupons "as long as the Model Dairy stands."

They represented the purchase price of a litre of milk, he said, and it would not be necessary to put an extra 5c with the coupon after the price had gone up as an SABC news item indicated yesterday.

But it appears this arrangement will apply only in East London.

Yesterday the Consumer Council said consumers using old coupons will not save any money.

"They will merely be giving themselves the extra trouble of adding 5c in cash to each coupon to get their milk delivered," said Mr Johann Verheem, director of the council, in Pretoria.

The council advised consumers not to try to stock up with old coupons in order to save.

But in East London, Mr Boet Rabe of Model Dairy said he had no objection to people buying the old blue discs, which were still freely available in shops yesterday.

They should ensure, however, that they paid the correct price — R6.05 plus sales tax — and not the price at which the new red coupons would be selling — R7.05 plus sales tax. — DDR-DDC.
Dairy Board bungling

The enormous increases in the costs of dairy products is a shocking indictment of the government's contempt for the man and woman in the street.

They are also an example of bungling bureaucracy at its worst.

For far from bringing relief to dairy farmers, which is the intention of the price hikes, it is likely to have the reverse effect.

There will be fierce consumer resistance to having to pay an extra five cents a litre for milk, an extra 40 cents a kilogram for butter, and up to 52 cents a kg for cheese, and this alone will push down the demand for these products.

But, moreover, the staggering additional costs will put them beyond the purse of the bulk of the population, the poorer sections of the community and the pensioners.

We have every sympathy with the dairy farmers who have been hard hit by the 22 per cent increase in the price of maize.

We will have just as much sympathy with them when, as a result of the government action, they may find themselves worse off than they were before.

Much of the blame for the present situation can be levelled at bungling by the Dairy Board which because of its lack of real control of the industry finds itself with a mountain of surplus butter and cheese at one stage of the year, and at the next has to resort to imports because of the acute shortage of the products.

If the board were run as a private enterprise its lack of foresight and planning would quickly put it out of business.

The Minister of Agriculture, Mr. Schoeman, told Parliament recently that the 22 boards established under the Marketing Act cost the taxpayer the staggering sum of R21.8 million to maintain last year.

These range from R4.45 million for the Citrus Board down to R35 473 for the Lucerne Seed Control Board.

Six boards controlling basic essentials of life like potatoes, eggs, milk, maize, meat and dairy products cost R8.7 million to maintain.

This is creeping socialism which the country can ill-afford, and controls which the country could well do without.
R9.4m milk import

THE ASSEMBLY — South Africa will import R9.4 million worth of powdered milk during 1978, the Minister of Agriculture, Mr. Hendrik Schoeman said yesterday.

Replying to a question tabled by Mr. Rupert Lorimer (FFP, Orange Grove), the Minister said approximately 8,000 tons of powdered milk would be imported this year.

The reason was that "the production of industrial milk is insufficient for the manufacture of all kinds of industrial milk products, such as cheese and milk powder. The available industrial milk is for economic reasons mainly diverted to cheese factories".

In reply to another question, tabled by Mr. Nigel Wood (NRP, Berea), Mr. Schoeman said 834,612 kg of cheese, valued at R1 623 011, had been imported into South Africa during 1978.

(News by Barry Street, Press Gallery, House of Assembly, Cape Town)
Stores say they are not exploiting dairy crisis

By LIZ McGREGOR

SUPERMARKET CHIEFS yesterday denied that they had removed cheese and butter from shelves to re-mark them under the new price on June 1.

They were reacting to widespread rumours following the shock increase in the price of dairy products announced this week. The price of butter will go up by 40c a kilogram, cheddar cheese by 48c a kilogram, sweet milk cheese by 62c and milk by 5c a litre.

Mr Norman Lebow, the senior buyer for Pick 'n Pay, said last night that many people had been saying that they'd be holding back stocks to cash in on the new prices.

"This is not true — it's just that we have not been able to cope with the rush of people trying to buy up stocks before the price increase comes into effect.

"The area merchandising manager for Checkers, Mr Mike Allen, said that his firm would sell off all old stock at the old prices.

The chairman of the Cape Town branch of the Housewives' League, Mrs Peggy Borekenhagen, said that milk was an essential food with a high proportion of protein.

"A lot of people, particularly blacks and lower-income whites, will now be deprived of this very necessary food.

She said that although the league was not calling for a boycott of these products, they advised consumers to buy only what was essential for immediate consumption.

The chairman of the Cape Fresh Milk Producers' Union, Mr Tobias de Villiers, said farmers felt that the price increases were not exorbitant when one considered farmers had recently had to absorb, including a 22.7 percent increase in the price of maize.

The Minister of Agriculture, Mr Hendrik Schoeman, said yesterday in a written reply to a question from Progressive Reform Party member for Sandton, Mr Rupert Lorrimer, that South Africa will import 800 tons of powdered milk this year at a cost of R380 000.

He said that the production of industrial milk was not sufficient for the manufacture of all kinds of milk products.

The director of the Consumer Council, Mr Johann Verheeuw, advised consumers not to stock up with milk coupons in an attempt to avoid paying the extra 5c a litre from June 1.

"They will merely be giving themselves the extra trouble of adding 5c in cash to each coupon to get their milk delivered because the coupon is just a token for a dairy to deliver a litre of milk at the ruling price.

Mr H Bryant of Kupugani suggested soya milk as a high protein alternative to cows' milk. He said that a 500 gram packet of soya beans, costing 24c, would produce a litre of milk when mixed.

Both the Housewives League and the South African Milk Distributors' Union have warned consumers not to switch from milk to artificial substitutes in reaction to the increase in the price of milk as the artificial product has very little nutritional value.

In a statement issued yesterday, the union said artificial creamer provides 270 percent less protein and 236 percent more fat and carbohydrate. Recent research showed that the artificial product contains a higher proportion of harmful fats than does light dairy cream.

Manufacturers of the artificial creamers could not be reached for comment.
Butter profit rip-off

Sandi Hudson

RETAILERS stand to make massive profits when the dairy product increases come into effect next month, because there is no way of stopping them from increasing the price of old stock.

This is one of many shocks for consumers following the announcement by the chairman of the Dairy Control Board, Mr. J. van Vuuren, of the price rises to come into effect on June 1.

However, the increases in the price of fresh milk will not take effect in Natal until June 9 and not, as earlier stated, on June 1, the Durban Milk Association announced yesterday.

Spokesmen for Durban suppliers said they were "scraping the bottom of the barrel" to get butter and cheese because their coldrooms were empty.

Mr. P. J. Black, the dairy manager of Saccsa, the South African Co-operative Creamery Association, said they were completely out of stock. Retailers and consumers had anticipated the price increases and stocks had been dwindling.

The manager of Federated Meats, Mr. J. O. D. Clifford, said the situation was desperate. They had no stock left and did not know when new stocks were coming in.

Mr. A. Selinsky, manager of the Durban North Hypermarket, said they had sufficient stocks of cheese but only enough butter to last them a day. Yesterday they were having to restrict customers to only 2kg of butter each.

Mr. W. Melville of the Spar organisation said they had enough stocks to keep them going.

Commenting on the cheese increase, he said initially there would be resistance and consumers would not buy but it would tail off "and people would become immune to the new prices".

However, the Milk Distributors' Union has warned against replacing milk with synthetic substances.

"Milk is universally accepted as one of the most important sources of protein and vitamins. As far as food value related to cost goes, milk is cheap. Research has shown that artificial products contain a higher proportion of harmful fats than light dairy cream," said Mr. Lloyd Whitfield, a spokesman for the union.

Meanwhile, a spokesman for the Dairy Control Board in Pretoria said the consumer could expect to pay exactly the same price for imported cheese and butter as he did for local products, because price differences between local and imported products would be equalised.
SPECIAL LEVIES ON CERTAIN DAIRY PRODUCTS.—AMENDMENT

In terms of section 79 (a) of the Marketing Act, 1968 (Act 59 of 1968), as amended, I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Dairy Control Board, referred to in section 6 of the Dairy Control Scheme, published by Proclamation R. 290 of 1978, has in terms of section 22 of that Scheme with my approval, further amended the special levies, published by Government Notice R. 2036 of 29 October 1976, as amended, as set out in the Schedule hereto.

H. S. J. SCHOEMAN, Minister of Agriculture.

SCHEDULE

1. The Schedule, to Government Notice R. 2036 of 29 October 1976, as amended, is hereby further amended by the substitution for clause 6 of the following clause:

"6. A special levy at the following rates is hereby imposed on the following dairy products:

(a) A special levy of 5,0c per kg on factory cheese of the Gouda type.
(b) A special levy of 4,4c per kg on factory cheese other than the Cheddar or Gouda type.
(c) A special levy of 1,8c per kg on condensed milk, including unsweetened condensed milk.
(d) A special levy of 1,4c per kg on condensed skim milk.
(e) A special levy of 6,1c per kg on milk powder.
(f) A special levy of 4,4c per kg on skim-milk powder."

2. This notice shall come into operation on the date of publication thereof.

No. R. 1139 1 June 1979

PRICES OF CERTAIN DAIRY PRODUCTS AND MINIMUM TRANSPORT RATES

In terms of section 79 (b) of the Marketing Act, 1968 (Act 59 of 1968), as amended, I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Dairy Control Board, referred to in section 6 of the Dairy Control Scheme, published by Proclamation R. 290 of 1978, has, in terms of sections 34 and 35 of that Scheme, with my approval imposed

H. S. J. SCHOE MAN, Minister of Agriculture.

SCHEDULE

1. In this notice, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Dairy Control Scheme, published by Proclamation R. 290 of 1978, shall have a corresponding meaning, and—


PRICES OF CREAM AND INDUSTRIAL MILK

2. (1) No butter manufacturer shall acquire cream of the grade indicated hereunder otherwise than at prices other than those specified below:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Price per kg butterfat in the cream</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>220</td>
</tr>
<tr>
<td>Second</td>
<td>214</td>
</tr>
<tr>
<td>Third</td>
<td>208</td>
</tr>
</tbody>
</table>

(2) No cheese manufacturer or condensed milk manufacturer shall acquire industrial milk at a price other than 1 500c per 100 kg of such milk containing 35 per cent butterfat:

Provided—

(a) that such price shall be reduced or increased by 19c per 100 kg of industrial milk for every 0.1 per cent butterfat such milk contains below or above 35 per cent butterfat respectively; and

(b) that the prohibition under this subclause shall not apply to the sale of industrial milk to a Government controlled educational institution.

3. The butter manufacturer, cheese manufacturer or condensed milk manufacturer acquiring cream, and industrial milk, as the case may be, shall deduct from the prices fixed in subclauses (1) and (2) the actual railage and/or road transport service charges incurred from the place where such cream or milk is produced or from the premises of the person from whom such cream or milk is acquired, as the case may be, to the said manufacturer’s premises which are registered as a creamery, cheese factory, condensed milk factory, milk powder factory or skim-milk powder factory, in terms of section 3 of the Dairy Industry Act, 1961 (Act 30 of 1961), as amended, or in respect of which the said manufacturer is registered as a producer of creamery butter, factory cheese, condensed milk, condensed skim-milk, milk powder or skim-milk powder in terms of section 33 of the Dairy Control Scheme published by Proclamation R. 290 of 1978, but where such cream or milk is not transported by railway and/or road transport service, the said manufacturer shall deduct from the prices fixed in subclauses (1) and (2) the transport costs, incurred by him in connection with the transport of such cream or milk by any other method from the place where such cream or milk is produced or from the premises of the person from whom such cream or milk

het ter vervanging van die verbodsbepaalings afgekondig deur Goewermentskennisgewing R. 1097 van 26 Mei 1978, soos gewysig.

H. S. J. SCHOE MAN, Minister van Landbou.

BYLAE

1. In hierdie kennisgewing, tensy uit die samehang anders blyk, het ’n woord of uitdrukking waaraan in die Suidewelbeheerskema, afgekondig deur Proklamasi R. 290 van 1978, ’n betekenis geheg is, ’n ooreenstemmende betekenis, en beteken—

“graad” ’n graad voorgeskry by regulasie kragtens artikel 29 van die Wet op die Suidewelnywerheid, 1961 (Wet 30 van 1961).

PRYSE VAN NYWERHEIDSMELK EN ROOM

2. (1) Geen betervervaardiger mag room van die graad aangedui, verkry nie behalwe teen die pryse hieronder vermeld:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Prys per kg buttervert in die room</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eerste</td>
<td>220</td>
</tr>
<tr>
<td>Tweede</td>
<td>214</td>
</tr>
<tr>
<td>Derde</td>
<td>208</td>
</tr>
</tbody>
</table>

(2) Geen kaas- of kondensmelkvervaardiger mag nywerheidsmelk verkry nie teen ’n ander prys as 1 500c per 100 kg van sodanige melk wat 35 percent buttervet bevat.

Met dien verstande—

(a) dat sodanige prys met 19c per 100 kg nywerheidsmelk verminder of vermeerder moet word vir iedere 0,1 percent buttervet wat sodanige melk onder skiedelik minder of meer as 35 percent buttervet bevat; en

(b) dat die verbod ingevoelige hierdie subklusule nie op die verkoop van nywerheidsmelk aan ’n staatsbeheerde opvoedkundige inrigting, van toepassing is nie.

(3) Die botter-, kaas- of kondensmelkvervaardiger wat room of nywerheidsmelk, na die geval, verkry, moet die werkleike spoorvrag en/of padvervoerdienste koste vanaf die plek waar daardie room of melk geproduceer word of vanaf die persele van die persoon van wie daardie room of melk verkry is, na die geval, na die genoemde vervaardiger se persele wat kragtens artikel 3 van die Wet op die Suidewelnywerheid, 1961 (Wet 30 van 1961), sons gewysig, as ’n botterfabriek, kaasfabriek, kondensmelkfabriek, melkpoesiefabriek of afgeroomdelskemelkpoesiefabriek, geregistreer is, of ten minste waarvan die koper kragtens artikel 33 van die Suidewelbeheerskema, afgekondig deur Proklamasi R. 290 van 1978, as ’n producent van fabriekswet, fabriekswet, kundensmelk, gekombineerde afgeroomde melk, melkpoesie of afgeroomdelskemelkpoesie geregistreer is, afreken van die prysie vasgestel in subklausules (1) en (2) maar waar sodanige room of melk nie deur die spoorweg- en/of padvervoerders vervoer word nie, moet genoemde vervaardiger die vervoerkoste wat deur hom aangegaan word in verband met die vervoer van sodanige room of melk op enige ander wyse vanaf die plek waar sodanige room of melk geproduceer word of vanaf die persele van die persoon van wie daardie room of melk verkry is, na die geval, na die vervaardiger se persele hierbo genoem, langs die kortste roete, afrek.
is acquired, as the case may be, to the said manufacturer’s premises as set out above, by the nearest route. Provided that such transport costs shall be charged at a rate not less than that fixed below for the distance indicated:

<table>
<thead>
<tr>
<th>Distance</th>
<th>Minimum transport rate per 100 kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–8 km</td>
<td>72</td>
</tr>
<tr>
<td>8, 1–16 km</td>
<td>113</td>
</tr>
<tr>
<td>16, 1–24 km</td>
<td>146</td>
</tr>
<tr>
<td>24, 1–32 km</td>
<td>165</td>
</tr>
<tr>
<td>32, 1–40 km</td>
<td>180</td>
</tr>
<tr>
<td>40, 1–48 km</td>
<td>192</td>
</tr>
<tr>
<td>Over 48 km</td>
<td>201</td>
</tr>
</tbody>
</table>

**BUTTER PRICES**

3. No person shall sell creamery butter of the grade indicated hereunder and packed in the unit of weight concerned or portion thereof at prices above the maximum prices specified hereunder:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Maximum selling price per kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Choice</td>
<td>c</td>
</tr>
<tr>
<td>Table</td>
<td>224</td>
</tr>
<tr>
<td>Household</td>
<td>218</td>
</tr>
</tbody>
</table>

Provided—

(a) that creamery butter bearing the registered trade mark “Erica” and packed by the manufacturer thereof in packets containing 50 gram and 100 gram not of such butter, shall not be sold at a price above 1c and 2c per packet respectively; and

(b) that the maximum selling prices shall not apply to creamery butter packed in packages each containing not more than 25 gram net of such butter.

**CHEESE PRICES**

4. No person shall sell factory cheese—

(1) of the Cheddar type and the grade indicated hereunder at prices above the maximum prices fixed hereunder:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Maximum selling price per kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>c</td>
</tr>
<tr>
<td>Second</td>
<td>248</td>
</tr>
<tr>
<td>Third</td>
<td>228</td>
</tr>
</tbody>
</table>

(2) of the Gouda type and the grade indicated at prices above the maximum prices fixed hereunder:

<table>
<thead>
<tr>
<th>Grade</th>
<th>Maximum selling price per kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>First</td>
<td>c</td>
</tr>
<tr>
<td>Second</td>
<td>253</td>
</tr>
</tbody>
</table>

5. The maximum selling prices fixed in clause 4 shall not apply to factory cheese—

(a) packed by a cheese manufacturer, process cheese manufacturer or agent of the Dairy Control Board in consumer size packets which are heat sealed and each of which bears the name and address of the producer, the grade of the cheese contained therein and a recognised brand name clearly printed on the wrapper or on a label attached to the packet.

van die prys vasgestel in subklusies (1) en (2): Met dien verstande dat sodanige vervoerkoste gevorder moet word teen ‘n tarief wat nie minder mag wees nie as die hieronder vasgestel vir dié afstand daarteenoor vermeld:

<table>
<thead>
<tr>
<th>Afstand</th>
<th>Minimum veroortoentarief per 100 kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–8 km</td>
<td>72</td>
</tr>
<tr>
<td>8, 1–16 km</td>
<td>113</td>
</tr>
<tr>
<td>16, 1–24 km</td>
<td>146</td>
</tr>
<tr>
<td>24, 1–32 km</td>
<td>165</td>
</tr>
<tr>
<td>32, 1–40 km</td>
<td>180</td>
</tr>
<tr>
<td>40, 1–48 km</td>
<td>192</td>
</tr>
<tr>
<td>Bo 48 km</td>
<td>201</td>
</tr>
</tbody>
</table>

**BOTTERPRYSE**

3. Niemand mag fabrieksboter van die graad hieronder aangedui en verpak in die betrokke gewigseenheid of gedeelte daarvan teen hoër prys as die maksimum prysse hieronder vasgestel, verkoop nie:

<table>
<thead>
<tr>
<th>Graad</th>
<th>Maximum verkopprys per kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Koper</td>
<td>224</td>
</tr>
<tr>
<td>Tafel</td>
<td>218</td>
</tr>
<tr>
<td>Huw</td>
<td>212</td>
</tr>
</tbody>
</table>

Met dien verstande—

(a) dat fabrieksboter wat deur die vervaardiger daarvan onder die geregistreerde handelsmerk “Erica” verpak is in pakkies wat 50 gram en 100 gram netto van sodanige boter bevat nie teen ‘n hoër prys as onder skiedelik 1c en 2c per pakke verkoop mag word nie; en

(b) dat die maksimum verkoopprys nie van toepassing is nie op fabrieksboter verpak in pakkies wat elk hoogstens 25 gram netto van sodanige boter bevat.

**KAASPRYSE**

4. Niemand mag fabriekskaes—

(1) van die Cheddartipe en die graad hieronder aangedui teen hoër prysse as die maksimum prysse hieronder vasgestel, verkoop nie:

<table>
<thead>
<tr>
<th>Graad</th>
<th>Maximum verkopprys per kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eerste</td>
<td>245</td>
</tr>
<tr>
<td>Tweede</td>
<td>228</td>
</tr>
<tr>
<td>Derde</td>
<td>229</td>
</tr>
</tbody>
</table>

(2) van die Goudatipe en die graad hieronder aangedui teen hoër prysse as die maksimum prysse hieronder vasgestel, verkoop nie:

<table>
<thead>
<tr>
<th>Graad</th>
<th>Maximum verkopprys per kg</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eerste</td>
<td>253</td>
</tr>
<tr>
<td>Tweede</td>
<td>243</td>
</tr>
</tbody>
</table>

5. Die maksimum verkoopprys vasgestel in klusule 4 is nie van toepassing nie op fabriekskaes—

(a) verpak deur ‘n kaasvervaardiger, proses-kaasvervaardiger, of agent van die Suiwelbeherraad in pakkies van huishoudelike grootte wat hitteverseël is en op elk waarvan die naam en die adres van die verpakker, die graad van die kaas en ‘n erkende handelsnaam—of op die omslag van, of op ‘n etiket aangeheg aan die pakkie—duidelik aangetoon word;
(b) which is sold as whole, uncut and, in the case of Cheddar cheese, weighs not more than 5 kg and, in the case of Gouda cheese, weighs not more than 1 kg; and

(c) of the Cheddar type, graded as specially matured and covered with a red wax.

6. The prices fixed in clauses 3 and 4 apply in respect of the sale of butter or cheese delivered at the premises of the purchaser, and no charge shall be made in respect of the transport costs, except in the case of butter or cheese delivered by the transport services of the South African Railways and Harbours, when the actual cost of transporting such butter or cheese, be it by rail or road, from the creamery or cheese factory concerned or premises of an agent of the Dairy Control Board, as the case may be, to the premises of the buyer, may be added to the fixed price and may be calculated to the nearest 1c per kg greater than such cost.

7. This Notice shall come into operation on 1 June 1979 and repeals Government Notice R. 1097 of 26 May 1978, with effect from the same date.

No. R. 1140

DAIRY CONTROL SCHEME

PRICES OF FRESH MILK

In terms of section 79 (b) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Dairy Control Board, referred to in section 6 of the Dairy Control Scheme, published by Proclamation R. 290 of 1978, has in terms of section 34 of that Scheme, with my approval, fixed the prices of fresh milk as set out in the Schedule hereto in substitution of the prices published by Government Notice R. 1085 of 26 May 1978.

H. S. J. SCHOEMAN, Minister of Agriculture.

SCHEDULE

1. In this notice, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Dairy Control Scheme, published by Proclamation R. 290 of 1978, shall have a corresponding meaning.

2. No distributor or producer-distributor shall acquire fresh milk intended for sale in the controlled areas mentioned below, from a producer of fresh milk at a price other than a price in respect of the area in question, fixed hereunder:

<table>
<thead>
<tr>
<th>Controlled area</th>
<th>Price per litre for fresh milk</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Pretoria</td>
<td>23,215</td>
</tr>
<tr>
<td>(b) Witwaterstrand</td>
<td>23,115</td>
</tr>
<tr>
<td>(c) Cape Peninsula</td>
<td>22,515</td>
</tr>
<tr>
<td>(d) Bloemfontein</td>
<td>22,215</td>
</tr>
<tr>
<td>(e) Western Transvaal</td>
<td>23,005</td>
</tr>
</tbody>
</table>

3. This Notice shall come into operation on 1 June 1979 and repeals Government Notice R. 1085 of 26 May 1978 with effect from the same date.

No. R. 1140

SUIWELBEHEERSKEMA

PRYSE VAN VARSVELK

Kragtens artikel 79 (b) van die Bemarkingswet, 1968 (Wet 59 van 1968), maak ek, Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby bekend dat die Suiwelsebeheeraad, genoem in artikel 6 van die Suiwelbeheerskema, afgekondig deur Proklamasiie R. 290 van 1978, kragtens artikel 34 van daardie Skema, met my goedkeuring, die pryse van varsvelk in die Bylae hiervan uiteengesit, varsvelk het ter vervanging van die pryse afgekondig deur Goewermentskennissgewing R. 1085 van 26 Mei 1978.

H. S. J. SCHOEMAN, Minister van Landbou.

BYLAE

1. In hierdie kennissgewing, tansy uit die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Suiwelbeheerskema, afgekondig deur Proklamasiie R. 290 van 1978, 'n betekenis geheg is, 'n ooreenstemmende betekenis.

2. Geen distributeerder of produsent-distributeerder mag varsvelk wat bestem is vir verkoop in die onderstaande beheerde gebiede, van 'n produsent van varsvelk verkry nie teen 'n ander pryse as 'n pryse ten opsigte van die betrokke gebied soos hieronder vasgestel:

<table>
<thead>
<tr>
<th>Beheerde gebied</th>
<th>Prys per liter vir varsvelk</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Pretoria</td>
<td>23,215</td>
</tr>
<tr>
<td>(b) Witwaterstrand</td>
<td>23,115</td>
</tr>
<tr>
<td>(c) Kaap Skiereiland</td>
<td>23,215</td>
</tr>
<tr>
<td>(d) Bloemfontein</td>
<td>22,005</td>
</tr>
<tr>
<td>(e) Wes-Transvaal</td>
<td>23,215</td>
</tr>
</tbody>
</table>

VANS FOR EAST LONDON

Electric milk delivery
MILKED DRY!

While prices were being kept artificially low, the dairy industry was slowly strangling.

VER WILSON

The numbing rise in the price of dairy products has again put the spotlight on the continuing South African controversy over control boards.

Once more we are left to suffer the inadequacies of anachronistic systems which was designed for the 1930s and has patently failed to keep pace with changing times and commercial practices.

Plain-dressed housewives reel in shock at this week's increases and ask, quite rightly, what led to a situation where it was necessary to put up prices by such an enormous amount?

In the case of butter and cheese, Friday's increases range from a staggering 65 to 58 cents.

But demands for an explanation have been met by typical bureaucratic silence.

"Come back"

The Dairy Board manager, Mr P. R. Ross, told me: "I don't want to discuss this matter now. Come back in a month's time."

In the absence of an official explanation, I learnt elsewhere that the reason for the big price rises is directly linked to the great butter boom of 1976.

That was when a storm erupted over the Dairy Board's decision to raise prices where South Africa was in fact burdened with a surplus - a "buttermountain" which had to be absorbed at a cost.

The idea was to deplete that glut but amid public outcry the Government backed down and scrapped the increase of 30 cents/kg for butter and 17 cents for cheese.

Prices were held down until a year ago when they went up by almost the same amounts - 30 cents/kg for butter and 15 cents for cheese.

But, and this is the nub of the matter, it seems that while prices were being kept artificially low, the dairy industry was slowly strangling.

Farmers were wrestling with rocketing production costs while the central board responsible for their welfare was systematically steering clear of price rises.

Amid the confusing silence from the Dairy Board this week, one senior official told me:

"If we had not had to discard the 1976 price rise, then we wouldn't have been in this mess and the current price increase would not be as severe."

Now we have a carbon-copy of the 1976 situation when the Minister of Agriculture says price hikes are vital to stimulate the dairy industry which, we are led to believe, is in a parlous state.

An imbalance between production and consumption has been allowed to develop, with a growing number of farmers quitting the dairy industry because of its non-profitability.

The Dairy Board warned of this situation in 1976 and if a crisis is looming, it must take full responsibility. As a central board it has obviously failed in its prime function to keep the industry in a healthy state.

And there can be no doubt about the seriousness of the situation. The general director of the SA Agricultural Union, Mr Piet Staal, said bluntly:

"Farmers are turning their backs on the dairy industry, either quitting altogether, or cutting down on their involvement because they are unable to absorb rising production costs any longer."

Disastrous

"If prices were not increased, we might have found ourselves in a disastrous situation in six or eight months where the industry would have reached such a low ebb that we would have become almost permanently dependent on imports."

And that would have cost the consumer a lot more.

Mr Staal emphasized that there is very little middleman take-off in the dairy industry. Up to 90 per cent of what housewives pay for milk, butter and cheese goes back to the farmer.

"If we can assure you that as long as the dairy industry makes satisfactory profits."

Ironically, it seems that the Dairy Board's main fault lies in its inability to effect price rises. It allowed itself to be brow-beaten by public opinion in 1976 when price rises were imperative for the welfare of the dairy industry.

Where the Board failed was obviously in the propaganda and marketing fields.

It convinced itself of the need for the price rise but failed to persuade the public which reacted with righteous anger. And, naturally, when the price rise was withdrawn, the result was hailed as a monumental victory for consumerism.

This should not happen in a free enterprise system. Has any big commercial manufacturer ever instituted a price rise, deemed essential for viability, then backed down because of a public outcry?

Last year South Africa's 22 agricultural control boards cost the taxpayer R15-million to operate - a lot of money for a system which cannot even ensure the smooth running of a primary agricultural industry such as dairy farming.

Agricultural economist, Professor A. W. Kassier of Stellenbosch University, discusses the Dairy Board as a "mismanagement." for allowing a situation to develop where prices had to be put up by such a large amount.

"Understandingly the public is upset. If the Dairy Board bumbled, then it did so in waiting too long to put up prices. I would call this mismanagement because the result is going to be consumer resistance. The Dairy Board is cutting its own throat."

Vagaries

The answer, says Prof Kassier, would be a price adjustment every six months to accommodate the seasonal vagaries of the agricultural industry. This would not preclude the possibility of prices going down and it would ensure that the industry is linked firmly to the laws of supply and demand.

What the Dairy Board - and in fact all boards - requires is a drastic reappraisal which would free them from top-down Government control and its inherent red tape.

"I do not advocate total freedom. I believe an element of Government intervention is necessary, but our boards should be more autonomous."

"They should hire professional businessmen who will make the boards more marketing-oriented and less control-oriented."
Dairy men slam call

Agricultural Correspondent

SPEAKMEN for the dairy industry have strongly criticised yesterday's call by the Housewives' League for a week-long token boycott of fresh milk, butter and cheese.

The league said a token boycott had been called to show their anger and frustration at the massive increases in dairy product prices.

According to the national executive of the Housewives' League a boycott was the only way to make consumer views heard.

Mr. Russell Stephens, managing director of Rosemarie Dairies, said in Durban last night the demand was "naive and counter-productive."

He said: if successful, the boycott would do irreparable harm to the milk industry. "Dairy farmers are already dropping out like flies because of rising production costs which cannot be absorbed."

The league has asked consumers to cut out or cut down on their purchases of dairy products from June 7 to June 14.

Although the league does not ordinarily approve of boycotts, it considers the circumstances justify our action," the statement says.

The chairman of the Natal and Eastern Griqualand Fresh Milk Producers Union, Mr. J. E. Mansfield, said while nobody liked price increases, especially food, the price rise for milk had been long overdue.

He said a boycott would only worsen the problem because a lower volume sold would increase farmers' production costs.

A spokesman for Clover Dairies, which distribute large quantities of milk, described the proposed boycott as "an emotional call". He said dairies had received only 1.5c of the 5c milk price increase.
Trade Union Structure

With the admission of Blacks to the statutory industrial relations system, these approaches are possible:

- permitting Black unions to register as such alongside unions for other races, resulting in a racially segregated union structure;
- involving a prohibition on mixed unions;
- including the registration only of mixed unions, resulting in an integrated union structure and implying a prohibition on unions that limit their membership to particular race groups.

The Commission concludes that both trade union organisations should be afforded full freedom of association in that individuals should be free to join any appropriate association of their own choosing, whether or not race, colour or sex is a criterion of membership, irrespective of the position of their membership in regard to race or colour.

In the bargaining and dispute prevention and settlement procedures for the collective activities of its members, each trade union which meets the requirements for registration, and any trade union which is provided for in a statute common to all, is afforded full freedom of association for the purpose of bargaining and the making and enforcement of collective agreements.

Management

In harmony with the principle of maximum self-government by employee (and employer) organisations, the Commission was...
Mark-up concerns:

On milk

The price per litre of milk to be paid to dairy farmers may rise sharply on the...
Buyers sour on dairy foods boycott

CONSUMERS are still buying milk, cheese and butter despite an urgent appeal by the Housewives’ League to boycott dairy products for a week.

A survey done in a departmental store revealed that buyers had not taken much notice of the appeal to support the boycott.

Mrs O N Morris, said: “I don’t support the boycott; but it might work for the first few weeks.”

Mr C E Enslin said he thought the idea of a boycott was good, but nothing will work because people still need the essential commodities.

Mrs Delia Jackelow said she would continue buying dairy products because “what can you do about it? We will be cutting off our own noses to spite our faces”.

Mrs A Stander, of Blue Hills, who bought four litres of milk, said: “We stay on a diet and used to get our milk from four cows. But we sold them because the price of feed was too expensive.”

A store manager said dairy products were selling as usual, but there had been a decrease in the sale of bulk packages. He noted that very few people bought butter because margarine was a good substitute.
Holy cow!

Last summer's drought, one of the worst in 50 years, and rapidly rising production costs, are the main reasons for the recent hike in prices of dairy products. But there are deeper, long-term, problems in the industry.

Fresh milk output (see graph) has not increased in the past six years, though producer prices have more than doubled.

The dairy industry, the most unwieldy and complex branch of the whole agricultural sector, has been undergoing drastic changes in the past few years. Most fresh milk producers are full-time dairy farmers because fresh milk production calls for intensive operation. The hygiene standards required are much higher than for industrial milk.

But industrial milk and butterfat production has traditionally been regarded as a sideline by most farmers. In most cases there is little supplementary feeding, so production, dependent on natural grazing and rainfall, tends to be erratic.

Paradoxically, it is in times of drought that producers turn to dairying because it produces a regular income, whereas in good seasons crops and beef yield better returns.

The introduction of yellow margarine in 1972 caused an upheaval in the industry as butterfat producers were persuaded (with price and levy adjustments) to switch to industrial milk (used for cheese and milk powder.)

The number of butterfat producers shrank from 45 000 in 1972 to 14 000 in 1978, while industrial milk producers increased from 15 600 to 25 000. But some 20 000 farmers left the industry, or turned to other products.

35 members, were amalgamated into a new Dairy Board with only 13 members. But the principle of statutory producer majorities on control boards has unfortunately been retained.

The Marketing Council has been strengthened from six to eight members. Efforts to bring in new blood from outside unfortunately failed, as men of sufficient calibre from the private sector are not attracted by government salaries.

There are now four producers and three civil servants on the Council, and one vacancy.

The control boards' powers, however, have been slightly curtailed in that the Minister is empowered to determine prices on the recommendation of the Council, without having to refer back to the boards, as previously. The Minister is no longer bound to accept nominations to the boards by representative organisations.

The way is now open for further rationalisation and modernisation of the industry. The distinction between "fresh" and industrial milk should gradually disappear, and side-line production be replaced by efficient modern methods. There must be incentives for efficient producers.

Priorities are:
- better co-ordination between prices of fresh and industrial milk
- more frequent and regular price adjustments, upwards and downwards.

(In times of surpluses, for instance of fresh milk, producers have been penalised by levies on surplus production - as high as 6c a litre at one stage - but these go into the Stabilisation Fund instead of being passed on to the consumer as a price reduction);
- The Marketing Commission's recommendation for changing from fixed producer prices for industrial milk and butterfat to fixed minimum prices must be implemented to eliminate unfair competition between co-operatives and private manufacturers.
- As soon as possible the sale of fresh milk must be put on a quality basis.
H. S. I. SCHOOMAN, Minister of Agriculture

June 1978

In terms of Section 79 (5) of the Marketing Act,

MAXIMUM PRICES OF MILK IN CERTAIN CONTROLED AREAS

No. R. 1204
8 June 1979
**SCHEDULE**

1. In this notice, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Dairy Control Scheme, published by Proclamation R. 290 of 1978, shall have a corresponding meaning, and—

   "milk" excludes industrial milk and sterilised or UHT-pasteurised milk.

2. No person shall sell milk, high fat milk, low fat milk or skimmed milk in the controlled areas mentioned below at a price higher than a price in respect of the area and category in question, as stated hereunder:

<table>
<thead>
<tr>
<th>Controlled area</th>
<th>Category</th>
<th>Milk or fresh milk</th>
<th>High fat milk or milk with cattle breed denomination</th>
<th>Low fat milk or low fat fresh milk</th>
<th>Skimmed milk or skimmed fresh milk</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Per £</td>
<td>Per 500 ml</td>
<td>Per 250 ml</td>
<td>Per £</td>
</tr>
<tr>
<td>A. Pretoria</td>
<td>(a) In glass bottles and plastic sachets:</td>
<td>c</td>
<td>c</td>
<td>c</td>
<td>c</td>
</tr>
<tr>
<td></td>
<td>(i) Cash over counter ..................</td>
<td>34,5</td>
<td>17,5</td>
<td>10,0</td>
<td>35,5</td>
</tr>
<tr>
<td></td>
<td>(ii) Delivered on premises of purchaser for cash</td>
<td>33,5</td>
<td>18,0</td>
<td>10,0</td>
<td>36,5</td>
</tr>
<tr>
<td></td>
<td>(b) In any container other than glass bottles and plastic sachets</td>
<td>41,0</td>
<td>21,0</td>
<td>11,0</td>
<td>42,0</td>
</tr>
<tr>
<td>B. Witwatersrand</td>
<td>(a) In glass bottles and plastic sachets:</td>
<td>c</td>
<td>c</td>
<td>c</td>
<td>c</td>
</tr>
<tr>
<td></td>
<td>(i) Cash over counter ..................</td>
<td>34,5</td>
<td>17,5</td>
<td>10,0</td>
<td>35,5</td>
</tr>
<tr>
<td></td>
<td>(ii) Delivered on premises of purchaser for cash</td>
<td>35,5</td>
<td>18,0</td>
<td>10,0</td>
<td>36,5</td>
</tr>
<tr>
<td></td>
<td>(b) In any container other than glass bottles and plastic sachets</td>
<td>41,0</td>
<td>21,0</td>
<td>11,0</td>
<td>42,0</td>
</tr>
<tr>
<td>C. Western Transvaal</td>
<td>(a) In glass bottles and plastic sachets:</td>
<td>c</td>
<td>c</td>
<td>c</td>
<td>c</td>
</tr>
<tr>
<td></td>
<td>(i) Cash over counter ..................</td>
<td>34,5</td>
<td>17,5</td>
<td>10,0</td>
<td>35,5</td>
</tr>
<tr>
<td></td>
<td>(ii) Delivered on premises of purchaser for cash</td>
<td>35,5</td>
<td>18,0</td>
<td>10,0</td>
<td>36,5</td>
</tr>
<tr>
<td></td>
<td>(b) In any container other than glass bottles and plastic sachets</td>
<td>41,0</td>
<td>21,0</td>
<td>11,0</td>
<td>42,0</td>
</tr>
<tr>
<td>D. Bloemfontein</td>
<td>(a) In glass bottles and plastic sachets</td>
<td>c</td>
<td>c</td>
<td>c</td>
<td>c</td>
</tr>
<tr>
<td></td>
<td>(b) In any containers other than glass bottles and plastic sachets</td>
<td>35,5</td>
<td>18,0</td>
<td>10,0</td>
<td>36,5</td>
</tr>
<tr>
<td>E. Cape Peninsula</td>
<td>(a) In glass bottles and plastic sachets:</td>
<td>c</td>
<td>c</td>
<td>c</td>
<td>c</td>
</tr>
<tr>
<td></td>
<td>(i) Cash over counter ..................</td>
<td>34,5</td>
<td>17,5</td>
<td>10,0</td>
<td>35,5</td>
</tr>
<tr>
<td></td>
<td>(ii) Delivered on premises of purchaser for cash</td>
<td>35,0</td>
<td>18,0</td>
<td>10,0</td>
<td>36,0</td>
</tr>
<tr>
<td></td>
<td>(b) In any container other than glass bottles and plastic sachets</td>
<td>40,0</td>
<td>21,0</td>
<td>11,0</td>
<td>41,0</td>
</tr>
</tbody>
</table>
**BYLAE**

1. In hierdie kennisgewing, teny uit die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Suwelbeheerskema afgekondig by Proklamasie R. 290 van 1978, 'n betekenis geheg is, 'n coreenstemmende betekenis en beteken—

   "milk" nie ook nywerheidsmelk en gasteriliseerde- of UHT-gepasteuriseerde melk nie.

2. Niemand mag melk, hoëvetmelk, laevetmelk of afgeroomde melk in die ondergenoemde beheerde gebiede verkoop teen 'n hoër prys nie as die prys ten opsigte van die betrokke gebied en kategorie, soos hieronder vermeld:

<table>
<thead>
<tr>
<th>Beheerde gebied</th>
<th>Kategorie</th>
<th>Melk of vars melk</th>
<th>Hoëvetmelk of melk met bestraatening</th>
<th>Laevetmelk of laeevars melk</th>
<th>Aferoomde melk of afgeroomde vars melk</th>
</tr>
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<td>Per l</td>
<td>Per 500 ml</td>
<td>Per 250 ml</td>
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<td>A. Pretoria</td>
<td>(a) In glasbottels en plastieksakkies:</td>
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<td></td>
<td>(i) Konstant oor toonbank</td>
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<td>(ii) Afgelever by persoon oor koper vir konstant</td>
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<td>(b) In houers anders as glasbottels en plastieksakkies</td>
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<td>34,5</td>
<td>17,5</td>
<td>10,0</td>
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<td>35,5</td>
<td>18,0</td>
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<td>36,5</td>
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<td>41,0</td>
<td>21,0</td>
<td>11,0</td>
<td>42,0</td>
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<td>B. Witwatersrand</td>
<td>(a) In glasbottels en plastieksakkies:</td>
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<td>(ii) Afgelever by persoon oor koper vir konstant</td>
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<td>(b) In houers anders as glasbottels en plastieksakkies</td>
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</table>
3. Any person to whom the provisions of clause 2 apply shall display the prices fixed in that clause on a poster, prominently installed in or on the premises at which such milk is being sold.

4. This Notice shall come into operation on 8 June 1979 and repeals Government Notice R. 1185 of 9 June 1978 with effect from the same date.

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
No. R. 1205 8 June 1979
MAXIMUM PRICES OF MILK.—AMENDMENT

1. Elias George de Beer, Price Controller, acting under the powers assigned to me in terms of section 4 of the Price Control Act, 1964 (Act 25 of 1964), do hereby, further amend Government Notice R. 1027 (Government Gazette 4715) of 23 May 1975, as amended, as follows:

1. The following clause is hereby substituted for clause 1:

"1. (1) The maximum price at which fresh milk may be sold to a distributor within the municipal area of Kimberley by a producer or may be purchased by such a distributor from a producer, is 23,115c per litre.

(2) The maximum price at which fresh milk may be sold to a distributor at Durban or Pietermaritzburg by a producer or may be purchased by such a distributor from a producer is 23,058c per litre.

(3) The maximum price at which fresh milk may be sold to a distributor in the Port Elizabeth area by a producer or may be purchased by such a distributor from a producer, is 22,295c per litre.

(4) The maximum price at which fresh milk may be sold to a distributor within the Orange Free State Goldfields by a producer or may be purchased by such a distributor from a producer, is 22,604c per litre.”

2. The following Schedule is hereby substituted for the Schedule:

E. G. DE BEER, Price Controller.

“SCHEDULE
PART A—DURBAN AND PIETERMARITZBURG
1. Milk sold by licence holder of restaurant, refreshment room, tea-room or general dealers business:

(a) In 250 ml cartons or plastic containers..... 11.5c/container
(b) In 500 ml cartons or plastic containers..... 21.0c/container
(c) In litre cartons or plastic containers..... 39.5c/container
(d) In litre sachets.......................... 38.5c/litre
(e) In 2 litre cartons or plastic containers..... 79.0c/container

2. Milk delivered by a dairy to persons other than persons referred to in Item 1 above:

(a) In 500 ml cartons or plastic containers..... 21.0c/container
(b) In litre glass bottles:
   (1) Cash.................................. 37.0c/bottle
   (2) Credit.................................. 37.0c/bottle
   (3) Coupon.................................. 37.0c/bottle

3. Milk sold and delivered by a dairy to a licensed boarding-house keeper or licensed hotel keeper or to the holder of a licence authorising him to sell milk:

(a) In 250 ml cartons or plastic containers..... 40.5c/litre
(b) In 500 ml cartons or plastic containers..... 37.0c/litre
(c) In litre cartons or plastic containers..... 36.2c/litre
(d) In litre sachets.......................... 35.4c/litre
(e) In 2 litre cartons or plastic containers..... 35.6c/container
(f) In cans in quantities of 10 litres or more at any one time........ 34.1c/litre

3. Iemand op wie die bepalings van kloosule 2 van toepassing is, moet die prys in daardie kloosule vasgestel, op 'n plaats wat op 'n opsigtelike plek in of op die perseel waar sodanige melk verkoop word aangebring is, vertoon.


DEPARTMENT VAN HANDEL EN VERBRUIKERSAKE
No. R. 1205 8 June 1979
MAKSIMUM PRYS VAN MELK.—WYSIGING

E. Elias George de Beer, Priekonsoler, handelende kragte die bevoegdheid my verleen met dek al die regte van wet op Prysbeheer, 1964 (Wet 25 van 1964), wysig hierby verder Geneemakerskennisegwing R. 1072 (Staatskoerant 4715) van 23 Mei 1971, soos gewysig, soos volg:

1. Kloosule 1 word hierby deur die volgende kloosule vervang:

“1. (1) Die maksimum prys waarteen versmelk aan 'n distribueerder binne die munisipale gebied van Kimberley deur 'n produent verkoop mag word, of deur 'n distribueerder van 'n produent gekoop mag word is 23,115c per liter.

(2) Die maksimum prys waarteen versmelk in Durban of Pietermaritzburg deur 'n produent aan 'n distribueerder verkoop mag word, of deur 'n distribueerder van 'n produent gekoop mag word, is 23,058c per liter.

(3) Die maksimum prys waarteen versmelk aan 'n distribueerder in die gebied Port Elizabeth deur 'n produent verkoop mag word, of deur 'n distribueerder van 'n produent gekoop mag word, is 22,295c per liter.

(4) Die maksimum prys waarteen versmelk aan 'n distribueerder binne die Orange-Vrystaatse goudveld deur 'n produent verkoop mag word, of deur 'n distribueerder van 'n produent gekoop mag word, is 22,604c per liter.”

2. Die Bylae word hierby deur die volgende Bylae vervang:

“BYLAE
DEEL A.—DURBAN EN PIETERMARITZBURG

1. Melk verkoop deur liseisiehouer van restaurant, verwersingskamer, teekenaar of algemene handelsaandehouer:

(a) In 250 ml-karton- of plastiekkhouers..... 11.5c/houer
(b) In 500 ml-karton- of plastiekkhouers..... 21.0c/houer
(c) In literkarton- of plastiekkhouers..... 39.5c/liter
(d) In litersaksies.......................... 38.5c/liter
(e) In 2-literkarton- of plastiekkhouers..... 79.0c/houer

2. Melde wat deur 'n melkverkoper afgelever word aan ander persone as die genoem in item 3 hiervan:

(a) In 500 ml-karton- of plastiekkhouers..... 21.0c/houer
(b) In litergabsaksies:
   (1) Kontant.................................. 37.0c/bottel
   (2) Krediet.................................. 37.0c/bottel
   (3) Koopbon................................. 37.0c/bottel

(c) In kanne in hoeveelhede van 5 liter en meer op 'n keer........ 36.0c/liter

3. Melk verkoop en gelever aan 'n gelisensieerde liseisiehouer, of gelisensieerde hotelhouer of aan 'n hoer van 'n liseisiehouer wat hom magtig om melk te verkoop:

(a) In 250 ml-karton- of plastiekkhouers..... 40.5c/liter
(b) In 500 ml-karton- of plastiekkhouers..... 37.0c/liter
(c) In literkarton- of plastiekkhouers..... 36.2c/liter
(d) In litersaksies.......................... 35.4c/liter
(e) In 2-literkarton- of plastiekkhouers..... 35.6c/houer
(f) In kanne in hoeveelhede van 10 liter of meer op 'n keer........ 34.1c/liter
PART B—PORT ELIZABETH

1. Bottled milk sold on credit and delivered to the purchaser at premises of seller, and milk sold either for cash or on credit or per coupon and delivered to the purchaser elsewhere than at premises of seller:

(a) If the quantity thus sold and delivered in litre bottles does not exceed 10 litres:

(i) Credit .................................. 35,8c/litre
(ii) Coupon .................................. 35,5c/litre
(iii) Cash ..................................... 33,5c/litre

(b) If the quantity thus sold and delivered at any one time in litre glass bottles exceeds 10 litres ........................................ 34,5c/litre

2. Milk sold for cash and delivered to purchaser at premises of seller in a container supplies by purchaser ........................................... 34,0c/litre

3. All sales and deliveries other than:

(i) Those specified in 1 and 2 above; and
(ii) Sales and deliveries in connection with State-aided Milk and Butter Scheme:

(a) If the quantity sold and delivered at any one time is not less than 10 litres but less than 41 litres .............................. 33,0c/litre
(b) If the quantity sold and delivered at any one time is 41 litres or more .............................. 32,5c/litre

4. Milk sold in plastic containers:

(i) In 500 ml containers ................................ 21,0c/container
(ii) In litre containers ................................ 40,0c/container

5. Milk sold by licence holder of restaurant, refreshment room, tea-room or general dealers business:

(a) In litre glass bottles:

(i) Credit .................................. 35,8c/litre
(ii) Cash ..................................... 35,8c/litre

(b) In carton containers .......................... 40,0c/litre.

E. G. DE BEER, Price Controller.

DEEL B.—PORT ELIZABETH

1. Melk in bottels, op krediet verkope aan die koper by die perseel van die verkoper gelever, en melk vir kontant of op krediet of per koepoekon verkope aan die koper gelever op 'n ander plek as die perseel van die verkoper:

(a) As die hoeveelheid aldus op 'n slag verkope en gelever in literglasbottels hoogstens 10 liter is:

(i) Krediet .................................. 35,8c/liter
(ii) Koepoekons ...................... 35,5c/liter
(iii) Kontant ................................ 33,5c/liter

(b) As die hoeveelheid aldus op 'n slag verkoepe en gelever in literglasbottels meer as 10 liter is ........................................ 34,5c/liter

2. Melk vir kontant verkope, en by die perseel van die verkoper aan, koper gelever in 'n houer deur die koper verskaf .............................. 34,0c/liter

3. Alle ander verkope en aflerweings as:

(i) Dié vermeld in artikels 1 en 2 hierbo; en
(ii) verkope en aflerweings in verband met Staatsondersteunde Melk- en Botter-skeema:

(a) As die hoeveelheid op 'n slag verkope en gelever minstens 10 liter maar minder as 41 liter is .............................. 33,0c/liter
(b) As die hoeveelheid op 'n slag verkoepe en gelever 41 liter of meer is ........................................ 32,5c/liter

4. Melk in plastiekhouers:

(i) In 500-ml-houers ................................ 21,0c/houer
(ii) In literhouers ................................ 40,0c/houer

5. Melk verkope deur lisensiehouer van restaurant, verversingskamer, teekamer of algemene handelaarsbesigheid:

(a) In literglasbottels:

(i) Krediet .................................. 35,8c/liter
(ii) Kontant ................................ 35,8c/liter

(b) In kartonhouers .......................... 40,0c/liter,

E. G. DE BEER, Pryskontroleur.
Buyers ignore dairy boycott call

EAST LONDON: Housewives here have not taken much notice of a call by the Housewives' League to cut down on dairy purchases. Shopkeepers reported normal sales of all dairy products yesterday.

A statement issued by the league in Johannesburg this week called on the public to "cut out or cut down" purchases of fresh milk, butter and cheese from June 7 to June 14 "to show their anger and frustration at the massive increases in dairy product prices."

The manager of a local supermarket, Mr V. Mitchell, said there had not been a drop in dairy sales and he did not think many housewives knew of the league's decision.

Another shopkeeper said business had been quiet, but there was not a marked drop in trading. He said "slow trade was normal for this time of the month."

The marketing manager of Model Dairy, Mr Boet Rabe, said he would like to know why people were boycotting a healthy product such as milk and not boycotting petrol.

"The farmers have been battling with costs for years and this latest increase will not really cover their losses."

"I would welcome someone from an organisation such as the Housewives' League so I could explain all our problems in the dairy industry." He said the dairy was delivering the usual amount of milk to stores in East London and there had not been a change in the sales pattern yet.

—DDR.
On-off butter shortage baffles consumers

JOHANNESBURG — The shortage of butter and cheese in South Africa has come to an end because of the low consumption rate after the last price increase.

Mr E. Roux, the manager of the Dairy Board, said this week supplies were back to normal.

"The price increase on June 1 seemed to put things 'right again,'" he said. "There was a natural piling up of stocks when consumer resistance to prices began to be felt. It was also helped by the importing of cheese and butter from the European Economic Community countries."

In June this year, the government announced it had supported all farmers in their bid for higher prices. Butter went up by 40c/kg, cheddar cheese by 48c/kg and gouda cheese by 32c/kg. Butter fat went up by 38c/kg.

In May, it was announced South Africa was going to import large quantities of butter and cheese, "because of the local production crisis."

Mrs Joy Hurwitz, chairman of the Housewives' League, said she was "utterly bewildered" by the latest announcement that the shortage was over.

"I think it was absurd to import from overseas to compete with local markets, especially when, I believe, there was never a drastic shortage anyway." There had been a normal annual shortage due to winter and the tail-end of the drought and there had been no need to import tons of dairy produce from abroad and push up prices with it, she said.

"Our organisation looked into this very carefully and there did not appear to be a shortage of any great importance. I am quite sure there was consumer resistance but surely not to the extent that the shortage — so bad four weeks ago — could be suddenly totally alleviated?"

"Now we are told: 'No more shortage.' Why did they have to import at all?"

Mr Eugene Roelofse, ombudsman for the South African Council of Churches, said he thought the latest development "the joke of the century."

"The Dairy Board first began importing because they said there was a shortage due to lack of production as a result of the drought, but a year ago they announced they were forced to put up their prices because there was a surplus of dairy products. They must be the laughing stock of the entire country. Nobody seems to know what is going on."

DDC.
Butter, cheese supplies now ‘back to normal’

Ow Correspondent

Johannesburg. — The shortage of butter and cheese in South Africa has come to an end — because of the low consumption rate after the last price increase.

Mr. P. E. Roux, the manager of the Dairy Board, said this week that supplies were back to normal.

The price increase on June 1 seemed to put things right again,” he said.

There was a natural piling up of stocks when consumer resistance to price began to be felt. It was also helped by the importing of cheese and butter from the European Economic Community countries.

In June this year, the government announced that they had supported all farmers in their bid for higher prices. Butter went up by 80 cents a kilo, cheddar cheese by 48 cents a kilo and gouda cheese by 33 cents a kilo. Butter fat went up by 35 cents a kilo.

In May, it was announced they were going to import large quantities of butter and cheese because of the local production crisis.

Bewildered

Mrs. Joy Hurwitz, chairman of the Housewives’ League, said she was utterly bewildered by the latest announcement that the shortage was over.

“I think it was absurd to import from overseas to compete with local markets, especially when I believe there was never a drastic shortage anyway. All it was was a normal annual shortage due to the winter and the tail-end of the drought. There was no need to go importing tons of dairy products from abroad and shoot up prices with it.”

“Our organization looked into this very carefully and there did not appear to be a shortage of any great importance. I am quite sure there was consumer price resistance but surely not to the extent that the shortage — so bad four weeks ago — could be suddenly totally alleviated.”

Joke

“Now we are told, no more shortage, so why did they have to import at all?”

Mr. Eugene Roelofse, ombudsman for the South African Council of Churches, said he thought the latest development was “the joke of the century”.

“The Dairy Board first began importing because they said there was a shortage due to lack of production because of the drought. But a year ago they announced they were forced to put up their prices because there was a surplus of dairy products. They must be the laughing stock of the entire country. Nobody seems to know what is going on.”
No. R. 2872 28 December 1979
SPECIAL LEVIES ON CERTAIN DAIRY PRODUCTS.—AMENDMENT

In terms of section 79 (a) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture, hereby make known that the Dairy Control Board, referred to in section 6 of the Dairy Control Scheme, published by Proclamation R. 290 of 1978, as amended, has in terms of section 22 of that Scheme, with my approval further amended the special levies, published by Government Notice R. 2036 of 29 October 1976, as amended, as set out in the Schedule hereto.

H. S. J. SCHOEMAN, Minister of Agriculture.

SCHEDULE

1. The Schedule to Government Notice R. 2036 of 29 October 1976, as amended, is hereby further amended by the substitution for clause 6 of the following clause:

"6. A special levy at the following rates is hereby imposed on the following dairy products:

<table>
<thead>
<tr>
<th>Dairy product</th>
<th>Rate c per kg</th>
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<tbody>
<tr>
<td>(a) Factory cheese:</td>
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<tr>
<td>(01) Cheddar</td>
<td>8.0</td>
</tr>
<tr>
<td>(02) Gouda</td>
<td>13.0</td>
</tr>
<tr>
<td>(03) Any type other than (01) or (02)</td>
<td>4.4</td>
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<td>(b) Condensed milk, including unsweetened condensed milk...</td>
<td>1.3</td>
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<tr>
<td>(c) Condensed skim-milk</td>
<td>0.9</td>
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<tr>
<td>(d) Milk powder</td>
<td>4.6</td>
</tr>
<tr>
<td>(e) Skim-milk powder...</td>
<td>3.0*</td>
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2. This Notice shall come into operation on 1 January 1980.

No. R. 2872 28 December 1979
SPECIAL TELEFONIE OP SEKERE SUIT PRODUKTE.—WYSIGING

In gevolge artikel 79 (a) van die Verordening (Wet 59 van 1968), maak ek, Hendrik Stephanus Schoeman, Minister van Landbou hierby bekend met die Suwelbeheer, genoem in artikel 6 van die Suwelbeheerskema, afgerekend by Proklamasi van 1978, sons gepaard, hierdie bepaling van artikel 22 van die Skema, met die voorwaarden die spesiale afgekondig in Government Notice R. 290 van 29 Oktober 1976, sons gepaard, verder gepaard in die Bylae hiervan nedeegel.

H. S. J. SCHOEMAN, Minister van Landbou.

BLYAEG

1. Die Bylae van die Verordening van 29 Oktober 1976, sons gepaard, word hier deur deur Artikel 6 deur die volgende te vervang:

"6. 'n Spesiale telefoon teen die volgende word hierby opgeë in die volgende suwelprodukte:

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<thead>
<tr>
<th>Suwelproduk</th>
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<tbody>
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<td>(a) Fabriekskaas:</td>
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<tr>
<td>(01) Cheddar</td>
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</tr>
<tr>
<td>(02) Gouda</td>
<td></td>
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<td>(03) 'n Ander type as (01) of (02)</td>
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<tr>
<td>(b) Konfeksele, indutse suwelcondensed melk...</td>
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<td>(c) Konfeksioneerde afgekomende melk...</td>
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<tr>
<td>(d) Melkpoeder...</td>
<td></td>
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<tr>
<td>(e) Afgekomende melkpoeder...</td>
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2. Hierdie Kennisging tree in werking op die volgende:

1980.
Hansard 1980

3 (daery)
Cheese

319. Mr. N. B. WOOD asked the Minister of Agriculture:

Whether the Republic imported cheese during 1979; if so, (a) what quantity and (b) at what total cost?

The MINISTER OF AGRICULTURE:

Yes.

(a) Cheddar .................. 598 473 kg
Exotic kinds ............... 1 279 946 kg

(b) Cheddar .................. R953 928
Exotic kinds: Costs unknown. Imports are effected by the Trade.
The Minister of Agriculture and Fisheries for Saskatchewan, for the years ending March 31, 1943.

1. The Minister of Agriculture and Fisheries, for the years ending March 31, 1943.

2. The Minister of Agriculture and Fisheries, for the years ending March 31, 1943.

3. The Minister of Agriculture and Fisheries, for the years ending March 31, 1943.

4. The Minister of Agriculture and Fisheries, for the years ending March 31, 1943.

5. The Minister of Agriculture and Fisheries, for the years ending March 31, 1943.

6. The Minister of Agriculture and Fisheries, for the years ending March 31, 1943.
MARCH 1980

(1) Approximately 320,000 tons in liquid form.

(2) (a) Yes, but only in the form of whey powder as an ingredient of other products. Quantity not known.

(3) and (4) Particulars not available. The marketing of whey or other related products is a function of the Dairy Board of Ireland.

The MINISTER OF AGRICULTURE

(5) Whether any new use has been discovered in the Republic.

(6) Whether the unit of consumption of cheese in the Republic.

(7) Whether any fat has been imported in cheese.

(8) Amount of whey produced during the past year in the Republic.

(9) Whether the unit of consumption of cheese in the Republic.

(10) Whether any fat has been imported in cheese.

(11) Whether the unit of consumption of cheese in the Republic.

(12) Whether any fat has been imported in cheese.
AGRIC. - Dairy

3

1-1-80 - 31-12-80
Butter and cheese prices to drop

Butter and cheese will drop sharply in price until the Dairy Board has got rid of its surplus. Butter will soon cost more because the National Egg Producers' Cooperative (NEPCO) will increase prices at the end of the month.

The wholesale price of butter will come down by 27 percent and the wholesale price of cheddar by 28 percent on March 24.

Gouda is not affected because there is no surplus.

Some supermarket chains are reducing their prices immediately.

Mr. John Barry, area manager of Pick n Pay, said butter had already been marked down in his firm's stores from R1.06 for 500 g to 77c.

Cheddar had been marked down from R2.46 a kg to R1.82 a kg.

NO DELAY

"We have decided to do this without delay, although we shall be selling at below cost, so that the consumer does not have to wait," he said.

Mr. Barry said he did not think the surplus would last long and that prices would return to normal.

Checkers was selling butter at R1.13 for 500 g and cheddar for R2.45 a kg today.

A spokesman said he expected the new lower prices today, 78c a packet for butter and the high R1.70s for the low R1.60s a kg for cheddar.
OK enters food war and slashes butter, cheese and meat prices

BY PAUL DOLD
Financial Editor

THE supermarket price war took a dramatic turn last night when the giant OK Bazaars entered the fray announcing it is slashing butter and cheese prices as well as offering substantial discounts on meat.

General manager (sales promotion) Mr Allan Fabig says that butter prices are being cut by 23 percent from R1.00c to 75c for a 500g pack while cheddar cheese is being reduced from R2.45 to R1.85 a kg.

Mr. Meyer Kahn

He said that the OK had been in touch with the Dairy Board to order substantial additional butter consignments and that prices would be maintained as long as stocks last. The campaign would help to diminish the country’s butter and cheese surplus.

"The butter is being sold below cost and cheese around cost. In addition, OK are running a 14 shopping day red meat promotion offering popular cuts of meat at discounts of from 20 to 30 percent off yesterday’s price. The first four cuts are barbecues, now R1.28 per kg, super half lamb at R2.28 per kg, stewing beef grade 1 R1.38 per kg and grade 1 topside beef roast at R2.58 per kg."

Prices are being slashed at all of OK’s 146 stores throughout the country. The latest development is highly significant in that it underscores the new competitiveness of the OK under its new managing director, Mr Meyer Kahn. This is probably the first time that the OK has led the other supermarkets in this type of discounting.

I understand that the OK has several other promotions lined up and the group is highly confident that its new aggressiveness in the market place will be maintained. Clearly, after some three years after vast reorganization Meyer Kahn’s new style of management is coming to fruition at a time when retail sales are about to boom.

The OK is backing its promotions with vast advertising campaigns in newspapers across the country and will be using television for part of the campaign as well. The butter, cheese and meat campaign is being launched in morning newspapers.

The group is delighted with sales in the Western Cape and particularly its Kemilworth store which is producing tremendous turnovers and profits although it is close to one of Pick ‘n Pay’s largest supermarkets in the country.

This success has no doubt given OK added confidence that it can compete with the best chains in the country. The Kemilworth store is the first of OK’s new style department stores in the Cape and negotiations are underway for further openings.

The group realizes that in this region many of its stores are old but management hopes to soon add similar stores to Kemilworth in and around Cape Town.
The price of eggs is going up again in March 31 —

Eggs up, butter

Staff Reporter

Early morning.

The price of eggs is going up by 2c a dozen and
the price of butter and cheese is due to go up by 2c a dozen and

Transitional and Free State.

and it's the third increase since December in the

consequence of the consumer government.

Staff Reporter
PRICES of choice butter and cheddar cheese are back up again today.

The general manager of the Dairy Code Board, Mr F. E. Roux, announced in Pretoria yesterday that the price reduction promotion campaign had ended.

He said there was no longer any need to continue the campaign as it had proved more successful than was originally anticipated.

This means that from today the maximum controlled price of R1.25 a kg for choice butter and R2.49 a kg for cheddar cheese will again apply instead of the special price of R1.20 a kg and R2 a kg for butter and cheese respectively.

"Already the butter and cheese sales exceed the target figures set by the board for the promotion campaign," Mr Roux said.

He pointed out these sales were related only to wholesale transactions and he doubted whether consumers had managed to take up the full quantities acquired by retailers.

Mr Roux appealed to retailers to continue selling butter and cheese at reduced prices until their stocks reached the same level as before the reduction. — Sapa.
Maize price rise set to hit consumers

By GERALD REILLY
Pretoria Bureau

The consumer prices of maize products are expected to go up by between 20% and 25% from the beginning of May.

The Maize Board meets the Minister of Agriculture, Mr Hendrik Schoeman, next Monday and the Cabinet is expected to approve the new price at Tuesday's routine meeting.

The higher maize price will generate a new wave of food price rises and coming on top of last month's big bread price rise, will impose further hardships on the lower income groups.

Among the wide range of food prices which will be directly affected are meat, pork, poultry and dairy products.

A Meat Board spokesman said the higher maize price would obviously be taken into account when a new floor price for beef was fixed in June.

Maize was a major factor in production costs of beef, as well as in the pork, dairy and poultry industries.

Dairy farmers are already clamouring for higher prices because of rocketing costs and substantial increases in the prices of milk, butter and cheese are expected to be imposed from June 1.

One source said yesterday if dairy farmers were to be compensated for increased costs, the price rises would have to be at least 20%.

It is understood that maize farmers' net increase is likely to be about 15%.

The current crop is expected to be slightly in excess of 10 000 000 tons.

This will leave a surplus of about 3 000 000 tons for export.

Under existing overseas market conditions, taking into account the coming maize price rise, losses on each ton could exceed R35 which would involve a total loss for the season of about R140 000 000.

The Maize Board does not have the resources to meet the loss. Its stabilisation fund is already in the red to the extent of R5 000 000.

A big levy is, therefore, expected to be imposed on producers, which will cut deeply into the increased price.

Economists pointed out yesterday that the big maize price rise, taken with the higher bread and wheat product prices last month, would have a strong inflationary influence.

They pointed out too, that the increase of R10 000 000 to R50 000 000 in the maize subsidy announced by the Minister of Finance in last month's Budget would have only a marginal effect on prices.
Dairy wanted
wages inquiry

By STEVEN FRIEDMAN
Labour Reporter

Mr Nel said he did not believe the investigation had been ordered because of that dispute. "Ours does not centre round wages," he said.

But he welcomed the probe, saying: "An inquiry into the labour situation is the best way for us to clear our name. I have been arguing for an independent inquiry for some time.

"I am sure all dairy employers will join me in welcoming this. We have nothing to hide."

He added that "a wage increase in the industry is due now."

The board will revise minimum wages in the industry. Mr Nel says his company pays well above these. Though he had suggested an inquiry, he added: "I don't know whether this suggestion reached the ears of officials."

March 12, 1980

secretary
D.S. Edwards

The first session of the Commission at which evidence will be received.

The necessary documents can be submitted by Wednesday, March 26, 1980.

In order that the necessary documents can be submitted by Wednesday, March 26, 1980.

To provide oral evidence, those wishing to do so should follow up by the pre-sen.

The commission would prefer submissions on this subject to the addressesses to the present address.

This circular therefore is an invitation to the addressesses to present...
Milk to cost more from next month.

THE ASSEMBLY. — The milk price will be increased next month, the Minister of Agriculture, Mr Hendrik Schoeman, said yesterday. He gave no indication of the likely price rise, but stated emphatically that there could be no Government subsidy to keep the price down.

It would cost R18-million to subsidise 1c on the price, he said, and 1c on a litre currently costing 41c would be meaningless.

Mr Schoeman was replying during the second reading debate on the Budget to Opposition suggestions that the bread price should have been kept down through subsidies.

The Opposition should not simply call for subsidies, but say exactly what subsidies they wanted and how they proposed to take the money from the taxpayer.

Brown bread was already subsidised by 1c a loaf and white bread by 4c. Each cent in subsidy cost the state R15-million.

The milk price rose by 3.5c a litre in June 1979 and 5c a litre in June last year. There has been speculation that the increase could be another 5c or 6c a litre this year if the monthly price rises substantially in May.
MARGARINE
Spread it thin

Margarine prices are likely to escalate steeply before mid-year. SA Margarine Association chairman Jurgen Böls says producers have applied to the Price Controller for a hike based on an expected increase of 20% in raw material prices.

Says Böls, “If you look back at the price increases in previous years, these have been well below the rises in raw materials.” Cost efficiencies in the industry are responsible for the fact that “we would anticipate the new price to be well below that of production cost increases.”

Böls will not reveal what he expects this price to be. Crucial will be the increases awarded to producers of sunflower seeds in the next two weeks. The Oil Seeds Control Board will not tell what price increase kit has asked of the Price Controller.

Production costs

But, a spokesman for the Oil Seed Committee of the SA Agricultural Union tells the FM, producers of sunflower seed were awarded a 29% price increase last year. Production costs had, however, increased by 15%.

Without revealing what increases producers asked for this year, he said: “It could be in the region of about 30%.” At the moment sunflower seed sells for R180/t. Annual 1980 production is projected at 329 000 t, up from 1979’s 312 252 t.

The SA Agricultural Union points out: “Crops have been attacked by parasites. In some regions, yields are expected to be half that of original targets.”

SA production “more or less balances out with demand, which grows 5% to 6% annually in real terms.” However, should agricultural ethanol production be given ministerial sanction, the SAAU expects sunflower seed production to increase dramatically. In that case, price increases are likely to be substantial.

Margarine consumption is expected to be 82 000 t this year. Butter production and demand is expected to trail sadly at 16 000 t. Margarine sales growth in the last couple of years has been 7% to 8%. But Böls expects this to drop to 5% this year.

“I believe white consumption (roughly 70% of total sales), will remain stable. Sales to whites are close to saturation point already.” He expects sales to remain fairly constant “unless eating habits change substantially and whites decide to eat less meat and more bread.”

Should better pay and more job opportunities arise for blacks, “growth of margarine sales to blacks could increase 8% to 10%,” he reckons.

Currently, margarine bricks sell from 64c to 72c/500g in supermarkets. Soft margarine in plastic tubs sells at “about 10c higher.” Butter sells at just over R1.

In an attempt to reduce a “temporary seasonal butter surplus,” the Dairy Control Board recently (March 21 to 27) sold off in excess of 1 500 t each of butter and cheese at sharply reduced prices.

Dairy Control Board GM, Edu Roux says the price was cut 54c per kilo — roughly 24%. Yet he does not expect the promotion to have achieved a permanent upturn in sales. What tends to happen is that wholesalers and consumers stockpile during the promotion, and a “tail-off in sales follows.”

Roux certainly does not expect butter sales to pick up to 1973 levels of 40 000 t the year yellow margarine was first introduced, let alone the 1971 high, when butter sales reached 54 000 t.

Following “a re-orientation programme, butter production has more recently stabilised down to meet demand which slight seasonal fluctuations. Sales are increasing very modestly at an annual 1%-2%. We don’t foresee any real change this.”

He says he’s “pretty happy about the situation.” Nevertheless, Roux expresses some misgivings about the coming summer butter production. It could be inequitable because of drought and inadequate maize production.

Projections for butter production this season will only be possible in October, the “watershed” month. Should there be a demand shortfall, present stocks are likely to carry consumers through the period.
**Milk to go up soon**

THE ASSEMBLY — An increase in the milk price is to be announced in May, the Minister of Agriculture, Mr Hendrik Schoeman, said yesterday.

Mr Schoeman gave no indication of the likely price rise, but stated emphatically that there would be no government subsidy to keep the price down.

It would cost R10 million to subsidise one cent on the price, and a cent on a litre currently costing 41 cents would be meaningless, he said.

The milk price rose by 3.5 cents a litre in June 1978 and by a further 5 cents a litre in June last year. There has been speculation that the increase could be another 5c or 6c a litre this year if the mealie price rises substantially in May.

There is no milk subsidy in the budget. The butter price subsidy has dropped from R4 million last year to R2.5 million this year, while a further R1 000 is allocated for an import and export losses subsidy.

— PDC

Risk Allocation by Contracts within a Firm: Wage and Employment Security

The so-called owners of the firm borrow or hire resources as well as use their own. They buy equipment; they lease it; they hire (rent) labor. In each contract the risk-bearing depends on differences in attitudes toward risks, beliefs about the prospects of success, and the ability to usefully direct and to monitor performance of the resources.

For example, some employees make long-term contracts (formal or tacit) at agreed wages. Most resources (and people are resources) face fluctuating demands for their services. Transient, imperfectly predictable fluctuations in demand will create either (1) Instant changes in wage rates if employment is not changed, or (2) Instant changes in employment if the wage rate is not changed. Neither alternative is necessarily as acceptable as (3) a steadier job at a lower, but more assured, wage. In the first two arrangements, employed inputs bear more of the risks of varying incomes over the future: like stockholders, they bear the risks of the market value changes of their own resources. The third arrangement, however, indicates that some employees act more like moneylenders who are promised a fixed interest rate (though lower than the average on riskier common stocks) regard-
We examined specialization in the piece-part output. We found that people, when working with each other or with other people's sources of demand, can produce something that is different. This is a fact that needs to be explored further. The marginal cost of producing an additional unit of output is important in this context. The marginal cost is the cost of producing one more unit of output. When the marginal cost is less than the price, the enterprise can profit. However, when the marginal cost is greater than the price, the enterprise will lose money. It is therefore important to have a clear understanding of the marginal cost in order to determine whether an enterprise should continue to produce or not. The marginal cost is the difference between the total cost of producing one additional unit of output and the price at which that unit is sold. We need to ensure that the price is high enough to cover the marginal cost of production. We also need to consider the total cost of production. The total cost is the sum of all the costs incurred in producing the units of output. We need to ensure that the price is high enough to cover the total cost of production. In this situation, the price is $1.50. The total cost of producing the units of output is $2.50. The enterprise will make a profit if the price is greater than the total cost. When the price is less than the total cost, the enterprise will incur a loss.
Milk and maize go up

CONSUMERS, hammered on all sides by rising living costs and mounting inflation, can hardly be expected to view with equanimity the new maize price and the coming increase for milk to be announced next month by the minister of agriculture. Neither does anything to allay cost-of-living anxieties. Metal-tinned consumers will be hit almost immediately and there will be a ripple effect among a wide range of basic consumer goods. Coming so soon after the bread-price hike which took the gilt off the budget gingerbread, the new cost of milk, whatever it may be, and that of maize will hurt those most dependent on the basic necessities of life.

Neither can consumers be expected to cheer the recent announcement that the Dairy Board has contributed R65000 to rugby tours of the Republic. That the finance comes from an advertising budget and has nothing to do with the milk price cannot excuse a ham-handed essay in public relations. On a broader front it is simply not good enough for the minister of agriculture, Mr Schoeman, to talk in glib terms of the impossible cost of providing government subsidies. What is required is a close examination of the cost of basic foodstuffs, the role of control boards, and the efficiency of the industries on which the public welfare depends.

If the public is to pay through the nose it must be assured that there is efficiency. There is plentiful evidence that this is the case.
Milk price to rise — probably 20%

By GERALD REILLY
Pretoria Bureau

The milk price will rise by about 20% at the end of the month, according to agricultural authorities in Pretoria.

The South African Agricultural Union submitted its price recommendation to the marketing council this week, based on an estimate that dairy farmers' costs had risen by between 25% and 30% during the past 12 months.

If the Cabinet Food Committee does authorize a 20% increase, the price of a litre of home-delivered milk will rise to about 42c with GST added.

The price in cafes would rise to about 51c a litre.

The spokesman for the SAAU said that official Department of Agriculture figures showed that farmers' real incomes had shrunken by 7% a year over the past five years.

This means they are absorbing part of their production costs and that their operations are becoming progressively less comfortable.

However, when the price was fixed, the demand and the ability of the consumer to pay were factors which had to be taken into account.

The Minister of Agriculture has stated it would be impossible to subsidise milk.

The retail price of sugar will rise about 10% today, South African Sugar Association chairman, Ian Smeaton, said this week.
Margarine price up by 15%

Pretoria Bureau
Margarine prices have been increased by more than 15%, according to a notice in yesterday's Government Gazette.

The price controller, Mr. Dugald De Beer, said the increases were caused mainly by the steep rise in the price of oil seeds, an increase in wages and the cost of packaging materials.

The price of 250g of margarine in a tub goes up by 6.5c or 15.3%, and in other packs by 5.6c or 14.3%, bringing the maximum retail-tub price for 250g up to 46c, and other packs of 250g to 46c.

The manager of the Dairy Control Board, Mr. P. E. Leroux, said the price rise in dairy products, including milk, would be in the vicinity of 15%.

If the price on all dairy products goes up by 15%, the price of a litre of milk in a plastic pack would rise from 43c to just under 50c. A rise in the price of butter would take the maximum price for choice grade from R2.24 a kg to R2.58. A kilogram of cheese would cost R2.85.

*** TOTAL VALID STUDENT RECORDS: 98
*** TOTAL INVALID RECORDS: 0

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4. Whenever the Board has imposed a prohibition under section 44 of the said Scheme, he may recover the amount of any levy or special levy due to him, by deducting it from any amount payable to the butter manufacturer or cheese manufacturer concerned under section 45 (5) or 47 (5) of the said Scheme.

5. These regulations shall come into operation on the date of publication thereof and repeal Government Notice R. 2003 of 29 October 1976 with effect from the same date.

No. R. 1183
9 June 1980

MAXIMUM PRICES OF MILK IN CERTAIN CONTROLLED AREAS

In terms of section 79 (1) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture and Fisheries, hereby make known that the Dairy Control Board, referred to in section 6 of the Dairy Control Scheme, published by Proclamation R. 290 of 1978, as amended, has in terms of section 34 of that Scheme, with my approval, fixed the prices set out in the Schedule hereof, in substitution of the prices published by Government Notice R. 1204 of 8 June 1979.

H. S. J. SCHOOEMAN, Minister of Agriculture and Fisheries.

SCHEDULE

1. In this notice, unless inconsistent with or in any other way contrary to the provisions of this Scheme, any word or expression has been assigned the meaning assigned to it in the Dairy Control Scheme, published by Proclamation R. 290 of 1978, as amended, shall have the corresponding meaning, and—

"Durban Area" means the area within a radius of 25 km from the City Hall, Durban, including Amanzimtoti, Hillcrest and Vonde.

"milk" excludes industrial milk and sterilised or UHT-poorterse milk.

"Pietermaritzburg Area" means the area within the Borough of Pietermaritzburg.

2. No person shall sell milk, high fat milk, low fat milk or skimmed milk in the controlled areas mentioned below at a price higher than a price in respect of the area and category in question, as stated hereunder.

<table>
<thead>
<tr>
<th>Controlled area</th>
<th>Category</th>
<th>Milk or fresh milk</th>
<th>High fat milk or milk with cattle breed denomination</th>
<th>Low fat milk or low fat fresh milk</th>
<th>Skimmed milk or skimmed fresh milk</th>
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<td>Per 250 ml</td>
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<td>(a) Pretoria</td>
<td>(i) In glass bottles and plastic sachets:</td>
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<tr>
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<td>(a) Cash over counter:</td>
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<td>(b) Delivered on premises of purchaser for cash:</td>
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<td>(ii) In any container other than glass bottles and plastic sachets:</td>
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<td>(b) Witwatersrand</td>
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<td>(c) Western Transvaal</td>
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<td>(a) Cash over counter:</td>
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<td>Controlled area</td>
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<td>(d) Bloemfontein</td>
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<td>(ii) In any container other than glass bottles and plastic sachets</td>
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<td>(c) Cape Peninsula</td>
<td>(i) In glass bottles and plastic sachets</td>
<td>38,0</td>
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<td>(a) Cash over counter</td>
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<td></td>
<td>(b) Delivered on premises of purchaser for cash</td>
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3. The prices specified hereunder are the maximum prices at which fresh milk may be sold in the "Durban Area" and "Pietermaritzburg Area" by any person to any other person.

(a) Milk sold by licence holder of restaurant, refreshment room, tea-room or general dealer's business: Maximum price

(i) In 250 ml cartons or plastic containers | 13,0 c/containers.

(ii) In 500 ml cartons or plastic containers | 25,5 c/container.

(iii) In 1 litre cartons or plastic containers | 45,0 c/container.

(iv) In 1 litre sachets | 41,0 c/litre.

(b) Milk delivered by a dairy to persons other than persons referred to in paragraph (a) hereof,

(i) In 500 ml cartons or plastic containers | 21,5 c/containers.

(ii) In 1 litre glass bottles:

(a) Cash | 42,0 c/bottle.

(b) Credit | 43,9 c/bottle.

(c) Coupon | 40,2 c/bottle.

(iii) In cans in quantities of 5 litres or more at any one time | 41,0 c/litre.

(c) Milk sold and delivered by a dairy to a licensed boarding-house keeper or licensed hotel keeper or the holder of a licence authorising him to retail milk:

(i) In 250 ml cartons or plastic containers | 45,5 c/litre.

(ii) In 500 ml cartons or plastic containers | 42,0 c/litre.

(iii) In 1 litre cartons or plastic containers | 41,2 c/litre.

(iv) In 1 litre sachets | 40,4 c/litre.

(v) In 2 litre carton or plastic containers | 41,2 c/litre.

(vi) In cans in quantities of 10 litres or more at any one time | 39,1 c/litre.

4. Any person to whom the provisions of clause 2 apply shall display the prices fixed in that clause on a poster, prominently installed in or on the premises at which such milk is being sold.

5. This notice shall come into operation on 9 June 1980 and replace Government Notice R. 1204 of 8 June 1979 with effect from the same date.

BYLAE

1. In hierdie kommissie, tersy uit die samehang anders blyk, het 'n wonder van uitdrukking waaraan in die Suidwesbeheerskema afgekondig by Proefdruisie R. 290 van 1978, sowy gewysig, 'n betekenis gehebbeg in 'n meerstemmende betekenis en betekenis.

"Durbangebied" die gebied binne 'n straal van 35 km van die Durbanse stadstaaf af, wat ook Amatola, Holmfield en Verloam insluit.

"milk" nie ook nywerheidsmelk, en gesteriliseerde- of UHT-gestereiliseerde melk nie.

"Pietermaritzburggebied" die gebied wat binne die munisipale gebied van Pietermaritzburg val.

2. Niemand mag melk, bevriskmek, laevemelk of afgeroomde melk in die ondergenoemde beheerde gebiede verkop teen 'n hoër prys nie as die prys ten opsigte van die betrokke gebied en kategorie, sowy hieronder vermeld.

<table>
<thead>
<tr>
<th>Beheerde gebied</th>
<th>Kategorie</th>
<th>Melk van vasmelk</th>
<th>Hovemelk of melk met boerenvan</th>
<th>Laevemelk van laevavasmelk</th>
<th>Afgeroomde melk van afgeroomde vasmelk</th>
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<td>(i) In houder as glasbottels en plastieksakke</td>
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CONTINUED
Wide concern at dairy price rise

PRETORIA. — Rising food prices are a source of major concern and deserve the urgent attention of top Government leaders.

The public relations officer for the Consumer Council, Mr Mike Hawkins, said price increases which came into effect on dairy goods next week were a "tremendous cause for concern.

If surpluses now arose because of reduced demand for products, the Dairy Board would have to bear full responsibility, he said.

Mr Hawkins said the increases were expected. They were a direct result of increases in the price of maize and other production costs earlier this year.

**EFFECT**

The full effect of the maize price increase has not yet been felt, he warned. "Food manufacturers have still to feel the impact.

Milk, butter and cheese will go up in price by 15 percent on Monday.

The chairman of the Dairy Board, Mr J.J.M. van Vuuren, announced in Cape Town that the maximum retail price of milk would increase by 15 cents a litre and delivered milk by five cents a litre except in the Peninsula where it would rise by 4.3 cents a litre.

**INCREASED**

A 500 g pack of butter would cost 17 cents more while cheddar and Gouda cheese would go up by 38 cents a kilogram.

The real cost increases for the producer and secondary processors of dairy products had actually increased by between 20 and 22 percent. After consultations with the Minister of Agriculture, however, it had been decided not to pass on the full rise in production costs. — Argus Correspondent, Sapa.
PROCLAMATION
by the State President of the Republic of South Africa
No. R. 96, 1980
DAIRY CONTROL SCHEME.—AMENDMENT

Whereas the Minister of Agriculture and Fisheries 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 as set out in the Schedule hereto, to the Dairy Control Scheme published by Proclamation R. 290 of 1978, as amended, and has, under 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 section 15 (3) of the said Act, I hereby declare that the said amendment shall come into operation on the date of publication hereof.

Given under my Hand and the Seal of the Republic of South Africa at Warmbaths on this Sixteenth day of May, One thousand nine hundred and Eighty.

M. VILJOEN, State President.
By Order of the State President-in-Council:
H. S. J. SCHOEMAN.

SCHEDULE

The Dairy Control Scheme published by Proclamation R. 290 of 1978, as amended, is hereby further amended—

(a) by the substitution for section 21 of the following section:

"21. (1) The Board may, subject to the provisions of section 43 of the Act, with the approval of the Minister and on such basis as the Board may determine, impose a levy on a dairy product or on a dairy product of a particular class, grade or standard of quality which—

(a) in the case of fresh milk—

(i) is sold by producers or producer-distributors through the Board;

(ii) is sold by producers or producer-distributors otherwise than through the Board;

PROKLAMASIE
van die Staatspresident van die Republiek van Suid-Afrika
No. R. 96, 1980
SUIWelbeHEERSKEMA.—WYSIGING

Nadat die Minister van Landbou en Visserye kragtens artikel 9 (2) (c), saamgekeer met artikel 15 (3) van die Bemarkingswet, 1968 (Wet 59 van 1968), die voorgestelde wysiging in die Bylae hiervan uiteengesit, van die Suiwelbeheerskema, afgekondig soos deur Proklamasie R. 290 van 1978, soos gewysig, aangeneem het, en kragtens artikel 12 (1) (b) van genoemde Wet goedgekeur van die voorgestelde wysiging aanbeveel het.

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

Gegoe onder my Hand en die Seël van die Republiek van Suid-Afrika te Warmbad, op heda die Sestigende dag van Mei Eenduisend Negehonderd-entagig.

M. VILJOEN, Staatspresident.
Op las van die Staatspresident-in-rade:
H. S. J. SCHOEMAN.

BYLAE

Die Suiwelbeheerskema afgekondig soos deur Proklamasie R. 290 van 1978, soos gewysig, word hierby verder gewysig—

(a) deur artikel 21 deur die volgende artikel te vervang:

"21. (1) Die Raad kan, behoudens die bepaling van artikel 43 van die Wet, met die goedkeuring van die Minister en op 'n grondsag wat die Raad bepaal, 'n hefiting op 'n suiwelprodukt of op 'n suiwelprodukt van 'n bepaalde idas, graad of kwaliteitstandaard wat—

(a) in die geval van vars melk—

(i) deur produusente of produsent-distribueerders deur bemiddeling van die Raad verkkoop word;

(ii) deur produusente of produsent-distribueerders anders as deur bemiddeling van die Raad verkkoop word;

147—A

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MILK PRODUCTION

Rationing rumours

Doorstep level rumours that milk might soon have to be rationed in Natal and the Transvaal are premature. But it is true, however, that drought and inflation are causing concern at all levels in the industry, from the cow to the carton.

The drought is most severe in Natal and the Eastern Cape, where most of the farmers who keep dairy cows have them as their main line of business. They cannot afford to cut back production, especially during the "quota earning" months of early winter, which are used by the Dairy Board to establish how many litres a day each farmer may sell at the full price during the subsequent summer.

Therefore, instead of selling cows to make their home-grown feed stocks last longer, they are forced to buy-in hay and grain-based concentrates. Thus, milk deliveries are maintained at the expense of farm balance sheets. For a while, indeed, there is even a tendency for many of these farmers to expand production.

As long as credit is available to purchase more cows and extra concentrates, the family dairy farmer will struggle to maintain his income from less profitable litres by producing more of them. This helps to explain why the volume of milk received by Natal dairies was actually higher in June this year than it was last. But it leaves dairymen apprehensive about the supply position later on.

Now that the quota earning period is over, there is a strong temptation for overstretched farmers to change tack and conserve what roughages they still have by culling low producing cows. A Friesland yielding 22l a day can justify a concentrate based "complete feed" because she brings in R35 a week. But her less efficient sister, giving only 10l, will earn her keep only if she can forage for it in a field or be fed on cheap conserved roughages like silage or hay.

But even hay is no longer cheap. Large-
lly as a result of the drought, the price of ergasios hay has doubled in the last 12 months to approximately R120 t. Meanwhile, good veld hay, which would have been difficult to sell at 80c a bale a year ago, is currently fetching R2. There are about 40 to 50 bales in a ton. Farmers paying those prices and running up debts with their feed companies, will feel the financial pinch only next summer when they want to plant their forage crops for the ensuing winter. Cash generally flows inwards on a dairy farm from May to October (as winter feed is turned to milk) and out again from November until April (as fodder banks are replenished.)

Faced with the prospect of a huge increase in their overdrafts before next autumn, a lot of the smaller and less efficient dairy farmers are likely to call it a day — or perhaps be forced to by their bank managers. The favourite time for selling up in is March or April. As the summer grazing comes to an end and quota-hungry competitors bid for the down-calving heifers and freshly calved cows, they need to establish a record of high winter production. At this year's dispersal sales, Frieslands in milk were fetching anything between R500 and R900 each. Next year they could be higher.

A side effect of the drought has been to upset fertility and breeding patterns. So a lot of cows and heifers that ought to be calving next autumn are likely to come into milk too late to meet the March to June deadline. Early spring rain could still save the day in Natal and the Eastern Cape, where planted rye grass and clover pastures would be quick to respond.

So too could the situation in the Transvaal. There the position is different but in many ways more critical. A higher percentage of the Witwatersrand's fresh milk comes from mixed farms and large intensive units where the cows are fed a lot of concentrates. After three years, during which the price fixers have been more sympathetic to grain producers than they have to dairymen, there is a real risk of a fresh milk shortage because too many dairy farmers have already given up.

The Dairy Board can avert disaster in the short term by diverting industrial milk (normally used for cheese, condensed milk and so on) to long-life milk plants, and by forcing yoghurt makers to use reconstituted powder milk. This would release the fresh milk they use at the moment for liquid consumption.

But that is not a long-term solution. When prices have to be fixed next winter, the Transvaal dairy farmers will be looking for a percentage increase greater than that awarded to the maize producers on whom they rely for feed.
Milk rise unlikely before June

Consumer Reporter

Milk is unlikely to go up in price again before June, in spite of statements by farmers that an increase is necessary, says the chairman of the Cape Dairy and Cheese Association, Mr M Henning.

But he expects a rise next June when the price of maize usually goes up.

Mr Henning said the results of a questionnaire issued by the Housewives' League of South Africa, which disclosed that a quarter of the respondents had cut down on fresh milk since the last two price rises, were misleading.

POWDERED MILK

According to the results of the survey, published in the current issue of the league's newsletter, many people have switched to buying powdered milk for economy.

Mr Henning said figures issued by the Dairy Board showed that fresh milk consumption in the Cape had increased by 2.3 percent since last year.

"In other centres milk consumption is also up. The increase varies from 1.8 percent to 5 percent," he said.

"And the results of our surveys show that powdered milk is bought mainly for convenience by people who cannot take advantage of home deliveries — such as couples who are both out at work and have no servant, and who do not want to pay a higher price for a non-returnable bottle from a corner cafe."

"In view of this, the results of the Housewives' League questionnaire are surprising. I can only think it is not based on a true cross-sample of the population."

Mr Henning said the dairies were not in favour of a price increase at the present time. "But the farmers are entitled to a reasonable profit," he went on.

"We hope it will not be necessary for them to ask for an increase in price until the next increase in the price of maize." Mr Henning said that, although in theory an increase could be avoided if fresh milk consumption went up to such an extent that farmers could sell more, he doubted whether this could work in practice."
Milk industry fights 3-year stagnation

Three years ago the Dairy industry put up the price of butter and became embroiled in a public storm. The result was stagnation but during the period a number of important structural changes have taken place.

In the public relations field, useful co-ordination and a much better communication with the media have already been achieved.

Six regional committees, adequately funded, direct local efforts to improve the image of dairy products. Overall advertising is done by the Dairy Control Board.

Recent market surveys have revealed that the milk and dairy products market still has a large growth potential.

Meat prices are soaring. Not everything that goes up will come down, and meat is sure to go into orbit. Milk and cheese may have to substitute for meat as sources of protein.

The milk market among blacks has the most obvious growth potential, especially in Johannesburg.

Organised efforts have already been made to increase black milk consumption.

Promising results are expected from the electrification of Soweto, where electric fridges will increase the consumption of perishable products. House to house deliveries will then be practical.

Prohibit

Negotiations with various Community Councils are in progress. The trend of thought is to establish joint milk distribution companies which are in time to pass into black hands.

On the road the dairy industry has now taken, other control boards may well follow.

By concentrating on marketing and less on control, they may lose much of their bureaucratic ways.

When the marketing act, as it stands today, prohibits control boards from acting as business organisations, the latter solution would seem to create a wider foundation on which to function together with the dairy sector, creating a community of interests with the whole industry which controls.

Under totally different circumstances, the meat industry may move into the same direction as the dairy industry with the creation by the SA Meat Producers’ Organisation of its “brain-trust” for information and planning.

One day we might even wake up to find the Meat Board functioning as a part of the meat industry, incorporated. Wouldn’t that be a day to roll out the pork barrel?
AGRICULTURE - OTHERS

MILK + DAIRY PRODUCTS

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No change of tempo in price rise tango
Price of milk still in balance

Mercury Reporter

MILK prices in Natal will not necessarily follow proposed increases in the Transvaal, according to the secretary of the Natal Fresh Milk Producers' Union, Mr A Muir.

Mr Muir said last night the plight of the dairy industry in Natal still had to be examined.

'Delegates from the South African Fresh Milk Producers' Union are meeting in Pretoria today to discuss all matters relating to the dairy industry. Recommendations will then be submitted to the South African Agricultural Union,' he said.

'Mr Muir said any decision taken by the SAAU would go before the Dairy Control Board, and from there to the Marketing Board and finally the Minister of Agriculture would decide on whether there would be a blanket increase or whether each province would have its own increase.

Support for the proposed price hike has come from an unexpected quarter.

Mrs Marcia Watkins, chairwoman of the Natal branch of the Housewives' League, said last night consumers had shown little discretion when buying.

'When you consider that consumers of all races readily pay 51c for a litre of totally non-nutritious fizzy drink, then to pay a few cents more for a litre of wholesome milk is surely not asking too much?'

Last year the chairman of the Fresh Milk Producers' Association, Mr Denis Thompson, warned that there would be a price increase in April this year instead of June, as usual. Speculation is now rife that a large increase will come sooner.

The warning was echoed by Dr Louis Theron, chairman of the milk committee of the South African Agricultural Union.

He said that because of the dear beef prices farmers were slaughtering dairy cattle. Dr Theron said that some dairy farmers were earning as little as 1c a litre on fresh milk.

The last price increase was last June, when consumers had to pay an extra 1c a litre.
Price of milk may go up by 8c a litre in April

A big increase in the price of milk — possibly as high as 8c a litre — is considered certain towards the end of April.

Yesterday the fresh milk committee of the South African Agricultural Union met in Pretoria to discuss price recommendations.

These will be forwarded to the Dairy Board, which will submit recommendations to the Marketing Council.

The Cabinet is expected to approve of a price rise during March.

Yesterday the chairman of the fresh milk committee, Dr Louis Theron, declined to say what the recommendation was. However, other authorities believed a reasonable price rise would be between six and eight cents a litre.

Dr Theron did say, however, that by April, milk farmers' production costs would have increased by 23% in the previous 12 months.

This included an expected rise of 15% in milk transport charges.

Yesterday the Dairy Board said a shortage of fresh milk had developed mainly because of drought conditions in the major producing areas. Milk production was shrinking because of lack of profitability.

Farmers claim the public and Press have become 'too emotional' about the milk price.

Their view is that the milk price rise should be compared with the extent of price rises in other sectors of the farming industry, as well as in the manufacturing and retail industries.

(continued)

-- Architecture --
Anger at predicted milk price increase

Staff Reporter
A MILK price rise of 8c a litre, predicted for April, has met with a stormy response from consumer organisations.

Mr Louis Theron, chairman of the fresh milk committee of the South African Agricultural Union, has declined to say what recommendations were made at a meeting of the committee in Pretoria on Friday, but authorities suggested a reasonable price rise would be between 6c and 8c a litre.

Mrs Joy Hurwitz, president of the Housewives League, said her organisation would definitely object to such a high increase.

"Milk is a basic protein food and with the high meat, fish and chicken prices and the egg shortage, every effort must be made to keep the price reasonable," she said.

She condemned the slaughtering of dairy stock by farmers to take advantage of the meat prices, and said this would "inevitably lead to soaring costs for the consumer".

"It is a deplorable situation — dairy farmers owe some allegiance to consumers who are already having to pay ridiculously high prices."

Mrs Hurwitz said any increase in the price of a basic food should be carefully investigated, with consideration for the effect it could have on the health of the consumer.

Mr Eugenio Reoliase, consumer ombudsman for the South African Council of Churches, said if such an increase were to take place it could be blamed on the Government's attempts to maintain the support of farmers for the forthcoming election.

"We have a Government of farmers who are reliant on the votes of farmers — and they will always put their needs first," he said.

"I have yet to see one act by the Government which demonstrates concern for the consumer."

Mrs Betty Iluzel, chairman of the Consumer Union, said "I am going to take a very strong line at the discussion with the Dairy Board, but I doubt if there is anything we can do — this price rise is inevitable."

Mrs Sheena Dunn of Black Sash said such a price rise would be appalling, as the prices of most foodstuffs were already beyond the means of the poor.

She said that with the rapid rise in food prices the poor experienced inflation to a greater degree because a bigger proportion of their incomes was spent on food.

"The milk price rose 15% on June 9 last year to 49c a litre for milk sold in cafes on the Witwatersrand. The predicted increase would raise the price to 57c a litre."
Now dairy goods go into price spiral

The price of dairy products could rise by up to 20 percent soon if a request for a new price increase is approved.

Saps quotes the chairman of the Western Cape Dairy Producers Union, Mr J Nel, as saying yesterday that such an increase was essential to keep the dairy industry viable. The requested increase was not excessive as dairy farmers were facing with a 20 percent increase in production costs.

A country-wide shortage of dairy products was threatening and farmers should be encouraged to increase production. If a worthwhile increase in dairy prices was not approved, many dairies would have to cease production.

Official figures released in Pretoria yesterday show that food prices on the Witwatersrand increased by more than 24 percent in the past year.

The highest single countrywide increase was for meat prices, which rose by 50.5 percent in January compared with January last year, according to the Consumer Price Index.

The Department of Statistics has reported a 25.4 percent hike in food prices throughout the country during the past 12 months.

Above average

The Witwatersrand recorded an above-average figure of 24.86 percent; Pretoria registered 20 percent.

The lower income groups, once again suffered most by having to pay 16.7 percent more for food in January this year, compared with January last year.

The middle income group saw an increase of 16.4 percent, while the higher income groups now have to pay 15.8 percent more for food.

In the past 12 months, there has been a 17.2 percent increase in all stores, including those on the Witwatersrand. The increase for Pretoria is 15.2 percent.

At the beginning of this month, beer prices were increased by an average of 15 percent. The price of spirits went up by about 10 percent recently.

On top of this, a 10 percent wine increase has been approved and will come into effect within the next two months.

It was reported from Cape Town yesterday that South Africa is to import 4.5 million tons of cotton this year from Chile and Peru.
Blacks, whites slam Indian area

By JOUBERT MALHERBE

Blacks and whites in Pretoria have criticised the Government's decision to proclaim the dairy farm area west of Pretoria an Indian Group Area.

Only the Laudium Management Committee supported Friday's announcement in the Government Gazette, while spokesmen for the Pretoria City Council, the Atteridgeville management committee and the Administration Board for the central Transvaal said they were opposed to the move.

Yesterday Mr U. Ahmed, the vice-chairman of the Laudium management committee, said he welcomed the proclamation, which would help to ease the housing shortage.

"About 1 500 families are currently on the housing waiting list. The proclamation of Claudius as an Indian Group Area as well as town development at the dairy farms will greatly contribute to solving the housing crisis," he said.

It is envisaged that the township will provide economic housing, while provision will also be made for stands on which owners could build their own houses.

Concerning the antagonism expressed by residents in Atteridgeville, Mr Ahmed said blacks had to realise that they and the Indian community were at the mercy of the Government.

Mr S. Ramnala, secretary of the Atteridgeville Community Council said yesterday that his community was "very unhappy about the proclamation."

They had requested an interview with Dr P. Koonhof, Minister of Co-operation and Development, about the matter but had received no reply from his office.

"We will be sandwiched between two Indian Group Areas. We also believe that because Indian traders are more advanced than black traders, it could mean the death knell for commercial development in Atteridgeville."

The community council had circulated a petition to oppose the proclamation and about 3 000 residents had already signed it, Mr Ramnala said.

Mr Phillip Nell, chairman of the management committee of the Pretoria City Council, said that they were forced to accept the decision. They objected to the proclamation because the dairy farm area was the logical place for the proclamation of another white group area.
Milk Powder Raw on the Boil

ADVERTS AND PACKAGING ARE MISLEADING, SAYS DAIRY FOUNDATION

Sunday Times, March 20, 1971
Dairy farms issue: CC to meet Government

By MONK NKOMO

A MEETING between the Atteridgeville/Saulsville Community Council and the Government is in the pipeline following the Government’s final declaration to issue the “dairy farms” to Indians.

The notification appeared in the Government Gazette last Friday.

Mr Joe Tshabalala, chairman of the Atteridgeville/Saulsville Community Council, told SOWETAN that he was most disturbed at the decision.

“We have tried to come to a logical conclusion with the Government. But our pleas were ignored,” he said.

He said that a special council meeting would be held on Friday to discuss the issue.

“I have never felt so awfully bad in my life before,” Mr Tshabalala said.

The Community Council had on numerous occasions, protested against the allocation of the “dairy farms” to the Indians. According to Mr Tshabalala, a meeting with the Leudium management committee would be held “as soon as possible and before it could meet with the Cabinet.”

[Signature]

SOWETAN 13/11/75
CONTROLLERS of the multi-million rand milk-substitute manufacturing industry came out fighting this week against the Dairy Control Board and the Dairy Foundation in defence of their products.

And as the dispute over claims that some milk-substitute manufacturers are misleading the public by giving the impression their products are as good as fresh milk, it was held up the board and the foundation were accused of an efficiency and of lacking in marketing expertise.

Milk-substitute manufacturers said their products received adverse publicity because they were cheaper than those marketed by the boards.

Mr. Bill Stewart and Mr. John Vincent, directors of the American-based Carnation Company said: "It is painfully obvious that certain products are being highlighted by the board and the foundation because of the threat they pose to the products marketed by their organisation."

The row over milk-substitute products erupted last week when the Dairy Foundation charged that some milk-substitute products are 'soaked' and advertised as if they have the same nutritional value and chemical composition as fresh milk.

The foundation said tests had shown that some milk-substitute products probably contain percentag of coconut oil, which is harmful, especially to those who have heart ailments.

Explaining why their products were being criticized, the Carnation Company said: "When we introduced to South Africa, the dairy industry controlled the amount of coconut oil the manufacturers could market for fear of hitting the butter market. At that stage a number of adverse articles appeared on the health aspect of margarine as against butter."

"The next problem was the introduction of dairy creamers and the continual unfavourable articles about these products by the dairy industry."

"And now we have the all-out war against milk-substitute products that are appearing on the market now."

Mr. Stewart and Mr. Vincent said it was important to note that all these products had been accepted and passed by health authorities in South Africa and in other countries.

The Carnation men denied they used coconut oil in their milk-substitute products.

Mr. Eddie Bous, manager of the board, bluntly told the milk-substitute manufacturers that if they persisted in giving the public the impression their products were as good as fresh milk "we will fight you with everything we have."

"Refrain from using dairy terms such as cream, crumber, dairy, milk as well as milk bottles, cream or milk cans in the packaging and advertising of your products and the dairy industry and the control board will let you be on your merry way," Mr. Bous said.
Dairy men say rise in milk price is essential

Own Correspondent
EAST LONDON: Unless the government takes drastic measures to help dairy farmers and increases the price of milk, rationing could become a reality in East London and the surrounding area.

The chief executive of Model Dairies, Mr M. Gatske, said this earlier this week shortly before leaving for Pretoria to attend a national meeting of the South African Agricultural Union Fresh Milk Commodity Committee.

The committee intends asking for an increase of about 20 percent in the milk price.

Mr Gatske added that this area was not a controlled one, so the milk price could be increased without government permission. He said Model Dairies had not done this because they wanted to “keep in line with the rest of the country’s dairy producers and distributors”.

He said the critical condition of the dairy economy had caused the recent increase in the price of milk by-products such as yoghurt, buttermilk, mass and cottage cheese.

“These by-products form a small percentage of our total sales, but we thought it would relieve the pressure on the dairy farmers and ourselves if we increased by-products in the interm and not milk. It was an emergency measure, to keep dairy farmers and ourselves in business.”

Mr. Gatske said the government was meant to announce the annual milk increase on April 1, but this had not been done, so the committee was meeting to make demands.

At present Model Dairies imports between 25 and 30 percent of its milk from Port Elizabeth and Queenstown. Mr Gatske said the whole country, except for the Alexandria belt and Port Elizabeth, was in a bad way. United Dairies was supplying not only East London, but also cities further north.

The drop in the number of dairy farmers because of the recent drought and army worm, the increased production costs, the non-viability of dairy farming as opposed to beef farming, and the increase in labour wages were cited as reasons for the crisis.

“Over the past 18 months our number of suppliers dropped from 162 to 73 and of those 73 quite a few want to get out of dairy farming.”

The drought experienced in the Border region, followed by the heavy rains and army worm, the droppings of which are toxic to cows, have caused this disbursement with dairy farming.

Mr. Gatske mentioned the case of a farmer who had lost 19 of his milk cows, valued at a minimum of R800 each, in one day due to army worm. Replacing dairy cows was not easy today, as good dairy cows were practically impossible to get and were extremely expensive. Consequently, a lot of farmers had decided to switch from dairy farming, even though they found it difficult to sell their equipment.

Mr E W Kruse, a director of Model Dairies, and himself a farmer, said farmers were unhappy, as production costs had risen by 23 percent and farmers were unable to meet this. Mr Gatske said the recent 15 percent increase in workers’ wages had also caused problems.

Mr. Gatske said there would be “some very strong talking” at the meeting this week, where the government was to reply to suggested price increases put forward by the committee in February.
TABLE 11
THE PRIMARY FEES PAYABLE FOR IN-PATIENTS ARE THE FOLLOWING:

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<th>Single persons without dependents</th>
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The fees for semi-private and private wards at our request are fixed tariffs.

Monarch Maternity hospital, Tygerberg hospital, Groot Schuur hospital, Red Cross Childrens hospital, Peninsula Maternity hospital, Karl Bremer hospital (partly).

Persons whose nett assessed tax per year is less than R240,00 are entitled to a rebate on the maximum daily fee. This is granted on submission of the relevant tax assessment form (I.T.34). The rebate ranges from 9% if the total assessed tax is between R0,01 to R15,00 (Daily tariff will then be: teaching hospitals: 70c, at a non-teaching hospital 60c) to 5% in respect of the total assessed tax being between R250,00 and R240,00 per year (Daily tariff will be: teaching hospitals: R13,30 and non-teaching hospitals: R11,40.)

This way of calculating a rebate takes into account the income of a person as well as the number of dependents he/she has. This is because tax payments decreases with the number of dependents a person has. We therefore see that the less tax the person pays the lower his/her income or the greater number of dependents he/she has, the greater the rebate. This rebate will be calculated in the following manner: for e.g. Single with one dependent: Monthly income R250,00: Annual tax (P.A.Y.E.) R16,10 x 12 = R193,20: percentage rebate 20%.

In-patients are either classified as hospital patients’ or as ‘private patients’. This is according to the gross monthly income of the family. If a family’s income is less than the income ceilings below, the person is classified as a ‘hospital patient’.
No date yet for milk price hike

EAST LONDON — The country's milk producers and distributors are all "in the dark" as to when the Minister of Agriculture will announce the milk price increase.

Model Dairy's chief executive, Mr. M. Gatcke, said this yesterday when summing up the results of the meeting of the South African Agricultural Union's fresh milk commodity committee held in Pretoria on Thursday.

Mr. Gatcke said the committee had tried to get an appointment with the minister, Mr. P. T. du Plessis, but his secretary had said the minister was fully booked for a while. The minister had all the detailed recommendations and demands of the dairy industry, so now it was up to him.

"We had hoped he would announce the milk increase at the same time as the maize price, but nothing has come of that. Now the dairy farmer will have to pay more for his maize feed, which worsens the existing situation," said Mr. Gatcke.

The maize increase meant an increase in production costs for the farmers, many of whom were deciding whether or not to pull out of the dairy industry.

"Some farmers have put their farms up for sale, and are just waiting for the announcement of the increase to see whether they'll stay or pull out."

Asked whether the Eastern Cape and Border, which are uncontrolled areas and not under the Dairy Control Board, would go ahead with their own increase if they felt the government's one was inadequate, Mr. Gatcke said: "That's the million dollar question."

"However, this is a small area and if we put up the price on our own, there would be a bit of ill-feeling among the public."

"We will wait and see what the government grants and the reaction of the rest of the dairy industry before we take any action."

Mr. Gatcke said rationing of milk in East London would be a drastic measure, and obviously every other alternative would be tried before Model Dairy introduced such a scheme. He said the major problem was that the industry here relied on dairy farmers and not the Dairy Control Board, so it depended on the conditions of the farmers, although more milk could be imported from Port Elizabeth and Queenstown if needed.

The chief executive of the Kokstad Milk Depot, Mr. Ray Pringle, said yesterday in the event of Model Dairy being forced to ration milk, the Kokstad Depot would be able to increase their supply to the area.

Mr. Pringle said he did not know the amount of the Model Dairy daily supplies, and therefore could not say how far supplies from Kokstad could go to ease the shortage. He estimated they would be able to supply about a third of the Model Dairy output, but did not think the situation would "induce milk being rationed."

Mr. Gatcke said he did not feel the Kokstad Depot had the "back-up at this stage, although they could probably supply the milk after a while."
Milk could cost average family more than R30 a month.
Milk price to rise? Views on causes vary

JOHANNESBURG. - South Africans, reeling under a spate of rocketing food price increases, now face another — that of milk.

Milk producers have asked for a price hike, a request that if it is granted, a carton of milk will cost about 30c in a cafe and about 80c at a supermarket.

In 1979 South African milk was the second most expensive in the world. Since then it has risen by 65 percent and, at present prices a family of five living on the Department of Health’s recommended 3 litres a day would be paying R2.80 a month for milk.

For such a family living at the poverty datum line of R200 a month, purchases of milk alone was represented nearly 35 percent of their income.

What is wrong with the South African milk industry?

Dating back to 1947, when a leading veterinary authority, Dr E J Mullinger, made proposals for improvements in the local industry, the milk buffoons have agreed on one thing — that South African dairy cows are amongst the most inefficient producers of milk in any comparable country.

Feed, management

Basically, the scientists allege, the failure of South African cows to produce more milk can be blamed on inadequate feeding and poor management in the dairy industry.

On this point, the scientists, including members of the Council for Scientific and Industrial Research’s (CSIR) Milk Institute, and the producers, represented by organized agriculture through the Committee of the SA Union of Agricultural Workers, remain at loggerheads.

An expert, the Department of Agricultural Technical Services believes that as claimed in a 1979 report of the department, milk production in South Africa could be increased dramatically through proper feeding and management.

This turn, could lead to a price cut.

Among the more startling claims was that the milk production of 36 to 50 percent of all milkers could be increased by 50 to 70 percent, without better feeding. And, if more efficient methods of herd management were used.

The CSIR experts advise that yields could be obtained from herds that would have required better feeding, but he saw as the main problem inefficient herd management.

Mastitis

"It won’t pay to feed a cow better if mastitis control is not taken care of. From 30 to 50 percent of all milkers don’t exercise proper mastitis control and 30 to 50 percent don’t dry the cows in time before calving. This affects production," he said.

"Rearing dairy cows at the right time and in the proper rearing of heifers, important in herd selection and replacement, is also crucial," he said.

Contributing to inefficiency in the dairy industry was the fact that in many areas — such as the maize triangle, which contains some 35 percent of the country’s dairy animals — mixed farming was the order of the day, and dairy herds tended to be neglected, building up management problems.

One of the greatest anomalies of the dairy industry was that farmers whose expenses were highest were often those who made the greatest profit. These were the farmers whose land was near the cities, where the prices of land were high, making it prohibitively costly for these dairymen to produce any food at all.

Most profitable

"These farmers have to buy expensive feedstuffs such as maize, protein and roughage mixes, and pay high prices for their land. The only factor in their favour is that in comparison to farming in the outlying areas, is that they may pay less for transport. Yet through greater efficiency and because they specialize in dairy farming, these operations are among the most profitable," he said.

"Cooperatively, in areas where costs could be reduced by farmers producing their own feeds and on their own comparatively cheap land, dairy farming was often inefficient, yields were poor, and unit production costs consequently high.

What would happen if the ideal was achieved and milk production was doubled? "This would depend on how many farmers achieved this," the expert said. "If it is applied in general, there would probably be a surplus of milk and the price would have to be reduced."

The expert felt greater efficiency could be achieved only by the use of more dairy extension officers in the field to educate farmers on the benefits of greater efficiency.

"This would almost certainly force the less-efficient farmer out of business and this, in some respects, results in higher production of milk that is geared not to the production of the best farmers but to that of the worst."

Disagreement

The claims is that one of the main reasons for this policy is to keep farmers on the land.

Dr Louis Theron, head of the Milk Committee, his panel and several of the farmers interviewed disagree strongly with the expert.

The South African Agricultural Union had claimed that milk production could be doubled were purely theoretical.

According to Dr Theron and his panel, the traditional pattern of milk production — by specialist dairy farmers in certain areas and mixed farmers in others — could not simply be changed overnight.

They said the department’s 1979 criteria of poor management and low production had been based on samples which did not reflect the proper position. In the sample, they alleged, had been black producers and considering the poor production from them at the time, inclusion of these farmers in the sample was unfair.

Dr Theron said milk production could be looked at from various points of view, including the number of years a cow was con- densed milk. In this regard South Africa’s record was far better than that of the USA, the UK and Israel and even "ultra-efficient" West Germany.

And, he said, in the US and Europe all milk surpluses were paid for through taxes. In South Africa, however, there was no such thing. There was no milk surplus — powdered milk was imported to make up for shortages.

Among the reasons for the high price of milk is labor costs. Farmers among these is maize, which overall, according to the SAU, represents nearly 20 percent of total operating costs in the production of feed, such as lucerne, to go down and make up for the slack.

The SAU team also says the department’s views on mastitis (a disease of the under-producing pas cells in milk) was almost certainly based on random general examples rather than any comprehensive scientific study, of which there seems to be only one in South Africa, several years ago. They said the findings of this study indicated levels of mastitis almost identical to those in the UK and Britain.

Another milk industry demand is that the price is geared to keep the more efficient farmers in the milk industry.

Top producers

According to the Milk Committee, its representations on prices are based only on what it views as prices from producers belonging to the organization’s milk-recording scheme. This scheme seems to about 30 percent of the country’s producers. The figure is at the top end of efficiency scales in the industry.

Thus, according to Dr Theron, there is no question of supporting a price hiked to suit the less efficient non-members of the scheme.

These representations go to the Dairy Control Board, then on to the Marketing Board and finally to the Minister of Agriculture, who makes the decision on the price increases.

The farmers receive an average of just above R1 for a fresh milk, from which a 2c per litre deduction is then made for transport charges.

Whoever is right, one thing is certain — annual milk price rises are inevitable at each fixing of the milk price. The price is modified such as sunflower seed, used in all milk feed, as the cost of raw materials.

In the case of the maize industry, there is evidence that the price is determined not in terms of the costs of the effi- cient 20 percent of the total production, but on the 40 percent which do not.

And on the end it’s the consumer who’s paying for ineffi- ciently. Whether that’s in the milk industry or allied products on which dairy farmers rely.
Milk price set to rise

Argus Correspondent

PRETORIA. — An increase of 15 to 20 percent in the price of fresh milk is imminent.

The increase is likely to be between 6c and 8c a litre.

This could increase the current home delivery price and cafe price - respectively 35c and 41c a litre - to as much as 41c and 48c a litre.

Industry sources said today the Cabinet's food committee would deal with the matter soon. However, an announcement was not expected before June 1.

At the same time the price of industrial milk is also expected to rise, but experts would not speculate on the amount as too many factors were involved.

PRODUCTS

Nevertheless, price increases in both commodities would also result in increases in products such as yoghurt, butter, cheese and powdered milk.

In the main, the higher fresh milk price is aimed at alleviating dairy farmers' increased production costs. It does not make provision for an increase in distributors' costs.

Farmers received a 3.5c a litre increase on June 9 last year. Current prices a litre of fresh milk are: Pretoria 28.715c; the Wintersrand 26.615c; Bloemfontein 25.715c; Cape Peninsula 26.015c; Natal 26.555c; Western Transvaal 26.505c.

Dairy Board levies of 0.417c a litre are deducted from these prices.
Powder's taking over from cows

Pretoria Bureau

COWS are not producing enough — so large South African dairies are importing powdered milk.

And prices of fresh milk, butter and cheese may rise soon, The Minister of Agriculture, Mr. P. du Plessis, is due to make a statement next week.

There is a general shortage of dairy products. It is not limited to milk and the shortage is expected to last throughout the winter.

Earlier this year, producers sought higher prices, but were unsuccessful.

The manager of National Co-operative Dairies, Dr. M. Herman, said there were three main reasons for the shortage.

These were:

- An increase in consumption during the past year of about 10%.
- Farmers' switching from milk to beef farming, and
- Drought, which has seriously cut production in certain areas.

Like other 'milchliter', Dr. Herman believes it imperative the industry be made more profitable to stop the drift of established dairy farmers into other branches of farming.

The Dairy Board declined to comment on proposed increases.

However, speculation is that the current home-delivered price on the Rand of 41.5c a litre could rise to 47c, and the cafe price of 49c to 55c.

But dairy farmers fear the Government might only agree to marginal increases. If this happened, they warned, South Africa was in for a prolonged and increasingly serious shortage of fresh milk and other milk products.
Now milk to go up ‘by 5 or 6 cents a litre’

AN increase in the retail price of milk of “between 5c and 6c a litre” was likely, the Minister of Agriculture, Mr Pietie du Plessis, said yesterday.

He said significant increases in the production costs of milk over the past year, coupled with a shortage of dairy products, had made a higher milk price “unavoidable”.

“There is a tremendous shortage of milk, and we don’t like importing dairy products from overseas.

“As a result it has become necessary to stimulate the industry through a price increase.”

The increase, expected towards the end of the month, will push the retail price of milk to around 52c a litre for home deliveries and close on 55c a litre for milk bought at cafes.

The South African milk price – in 1977 the second-highest in the world – has soared by more than 60 percent since then and will now be among the most expensive in the world.

By GHERARD PIETERSE

With this further 13 percent increase.

Mr du Plessis said: “We have looked at the whole situation very carefully, and I believe that an increase of between 5c and 6c a litre in the retail price would be realistic.

Mrs Joy Hurwitz, national president of the Housewives’ League, deplored the increase.

“It is going to affect the poor people with fixed incomes, pensioners and children, who must have milk for proper growth.”

While expressing her appreciation that the planned increase was not as high as in previous years, she criticised the fact that it was above the 10 percent maximum pleaded for by the league.

Mrs Hurwitz urged dairies to return to glass bottles to bring down the price.

“A decrease of between 6c and 7c a litre can be achieved if glass is used rather than plastic containers, which are becoming increasingly popular.”

The PFP spokesman on social welfare and pensions, Mr Alf Widman (MP Hillbrow), slammed the increase.

“Our pensioners are already having a hard time making ends meet on their meagre pensions of R109 a month.

“I believe the time has come for the Government seriously to consider subsidising milk, as it is one of the basic staple foods.”

Mr du Plessis said much soul-searching had been done and he had taken advice from a wide range of people and bodies in determining the new price.

“It is normal to adjust the milk price at this time of the year along with the price of maize and oil seed.”

It was important to ensure a continuous and adequate supply of milk to the consumer, Mr du Plessis said.

This could be done only by ensuring that farmers received a fair price for their commodity.

“We were careful not to over-stimulate the industry by putting the price too high.”

This could have the result of an oversupply, with corresponding losses to the farmer.
Milk price rise is likely

By GERALD REILLY
Pretoria Bureau

The Minister of Agriculture is expected to announce an increase in the price of milk later this week, according to Pretoria sources.

This will be a particularly serious blow to the country's low-income group workers who have had to absorb the shock earlier this month of a 12.5% increase in the consumer price of maize.

Already their cost of living, according to the latest consumer price index, has risen during the past 12 months by more than 30%.

And yet another shock lies just ahead.

The Minister of Finance, Mr. Horwood, is expected to announce in the budget in August that the bread subsidy cannot be increased to the extent necessary to avoid a bread price hike.

In the mini-budget debate in the Assembly in February, the Minister said if the price of bread was not raised soon the Government's food subsidy bill would rise above R500-million.

It is calculated that the price of white bread could rise to 37c a loaf from the current level of 32c a loaf and the more heavily subsidised brown and wholewheat by at least the same amount.

Meanwhile the general manager of the National Co-operative Dairies, Dr. M. N. Herman, said the current milk shortage amounted to between 10% and 15%.

Perturbed milk would have to be imported in large quantities, said Dr. Herman.

The home delivered price on the Rand could rise to 47c a litre from the present price of 41.5c, and the cafe price from 46c to 55c.
1,000 tons of butter may be imported

Consumer Reporter

RESERVES of butter were running low, and up to 1,000 tons may have to be imported within the next two or three months, Mr. Jaap de Bruyn, chief public relations officer of the Dairy Board, said today.

Supermarket spokesmen report that they have had difficulty at times in obtaining supplies of cheddar cheese.

And Mr. M. Henning, head of Royal Dairy and former chairman of the Cape Dairymen's Association, said there was a shortage of fresh milk in the Western Cape.

Mr. Henning said dairies were able to maintain supplies of milk but they sometimes had difficulty at weekends.

Mr. de Bruyn said the shortage of milk and some dairy products was because farmers found the production of milk — particularly for manufacturing purposes — unprofitable and were turning to other kinds of farming.

At the same time milk consumption had risen by 10 percent in the past year.

He said he expected the price of fresh milk to rise between 15 percent and 17 percent soon. Butter would probably go up by about 15 percent.

"The farmers have asked for a 20 percent increase in the price of milk," he said.
Costs, low profits force dairy farmers to sell herds.

The Star-Telegram May 12, 1981
Storm of protest at Dairy Board donation

By Charlene Beltrame

Dairy Board plans to contribute R28 000 toward expense of rugby tests played by the Springboks against the Irish and the New Zealand teams have raised a storm of protest.

Last year the board was attacked after the two Bob tests by consumer groups and welfare organisations for donating R54 000 toward cocktail parties and T-shirts.

It was pointed out then that the money could have bought 200 000 litres of fresh milk for starving children — at retail prices.

MALNUTRITION

At producer prices, the figures double. If the money were added to the measure R730 000 Government subsidy on skimmed milk to combat kwashiorkor, considerably more children would be assisted than the 530 white and 36 000 black malnourished children who benefited last year.

Milk is particularly effective in combating pellagra, a malnutrition-related disease. In 1976/77, there were an estimated 1000 cases of pellagra, according to the Department of Health.

It is for these reasons the Institute of Race Relations, the Black Housewives' League and the Housewives' League have condemned the Dairy Board plan.

Mrs Ina Periman, of the Institute's Operation Hunger project, pointed out that Enderdale hospital in Pretoria has estimated that at least 40 children in the area die each month from malnutrition.

Mrs S Motlana, of the Black Housewives' League and an executive member of the SA Council of Churches, said: “If the money was given to combat rural and urban malnutrition at least we could point to one thin line of goodness from the Government.”

Mrs Y Parks-Hay of the Housewives' League said she was staggered and disgusted by the Dairy Board plan.

“It would create far more goodwill if they sponsored clinics and could say that children are alive because of their sponsorship.”
Milk donations slammed

CONSUMER and race relations groups have again attacked the Dairy Board which plans to repeat its policy of devoting almost its entire advertising budget to promoting rugby tests.

The Dairy Board met yesterday to discuss the amount it intends donating.

Last year it was pointed out that the money spent then — R65 000 — could have bought 250 000 litres of fresh milk for starving children at retail prices.

Last winter the Hunger Concern Programme estimated 50 000 children would die of hunger.

At producer prices the figure would have doubled for the amount of milk donated and children benefiting. Added to the meagre R75 000 Government kwashikor subsidy, which sponsors powder milk to baby clinics, the money would have stretched further.

The Institute of Race Relations, the Housewives League and the Black Housewives league have united in strongly condemning the Dairy Board plans.

"Milk is a basic, daily necessity, there should be no need to advertise it. It's prices not advertising that increase consumption." Mrs Yvonne Foreshaw of the Housewives League said.

A Dairy Board spokesman said the money would be spent on promoting the Irish rugby tour and a donation to the New Zealand Rugby Board.

Mrs I Perlman of the Institute of Race relations' Operation Hunger said the figures were: "Particularly appalling coupled with widespread malnutrition and rural poverty."

Mrs S Motlana, president of the Black Housewives League and an executive member of the SA Council of Churches said: "If the money was given to combat urban and rural malnutrition among children, at least we could point to one thin line of goodness from the Government."
The Dairy Board gets sour

THE Dairy Board plans to spend a whopping R23,000 on the mighty tests between the Springbok and the Irish, and also the New Zealanders.

As far as the board is concerned, it is a simple marketing idea. But for our people, it is yet another example of how money can simply be thrown down the drain when we are hungry.

When the Dairy Board spent R65,000 on a similar exercise last year, it was pointed out to them that more good could have come out of spending the money on having at least 250,000 litres of milk for starving children.

It is indeed strange that money for little exercises like these is always available, yet when money has to be found for genuine cases of need, we are told there just is not enough money going around.

In fact, today the Cabinet will discuss the possibility of an increase in the price of milk. Dairy farmers have reportedly demanded an increase, and it is almost a foregone conclusion that the price of milk will go up.

Can people then be blamed for feeling cheated when thousands of rands are spent on cocktail parties and T-shirt gimmicks, and at the same time be told to fork out more for their litre of milk?

The Department of Health has estimated that there are 100,000 cases of pellagra in this country. Milk is effective in combating this disease. Can the rugby players live with their consciences by drinking (not milk) to each other’s health while people are starving?

It is a serious indictment on our society that we let this
great given to ease hunger

Westlake groups want reply

Rejection to controversy over Ruby test donation

Subsidise milk

Says It May
Milk price rise will hit township blacks hardest

By VITA PALESTRANT
Consumer Mail Editor

The monthly cost of milk from a cafe for a family of five will increase from R2.50 to R3.00. Home-delivered milk will rise from R2.00 to R2.30. This is the effect of the new 5c or 14.5% increase in the consumer price of milk announced yesterday. Butter and cheese also increased by 11.5% and 21%, respectively.

This means 500 g of cheese butter goes up from R1.20 to R1.44, 1 kg of cheddar cheese from R2.60 to R3.10 and 1 kg of gouda from R2.90 to R3.32 — all excluding GST.

The producers' price of milk has increased by between 15% to 16% and distribution has risen by about 10%.

The more expensive cafe prices apply to blacks in the townships where home deliveries do not apply — as where the increase will be hardest felt.

The cafe price of milk has risen from 60c a litre to 85c and delivered milk has increased from 41.5c to 55c a litre (both including GST).

The Johannesburg Chamber of Commerce Minimum Living Level for a Soweto family of five: latest figures 1989 is R22.93 and food accounts for R22.52.

Milk accounts for as much as 22% of the food bill — or 15% of the MLL.

South African milk prices are among the highest in the world. Since 1966 the price of milk has increased by about 75%.

Yesterday's increase has been blamed on milk shortages and the reduction in the number of dairy producers.

Earlier this month, the Housewives' League appealed to the Minister of Agriculture, Mr. F. P. de Klerk, to keep the milk price increase to a minimum.

By the end of the year it is likely South African workers will be paying 80c for the two most basic foods — brown bread and milk.

Predictions are that brown bread will rise from 20c a loaf to 30c at the start of the new milk season in October.

Mr. J. G. van der Merwe, director of the South African Coordinating Consumer Council, expressed regret at the 10% increase in the price of milk and noted that the price of milk had not been fixed below the inflation rate.
UNIVERSITY OF CAPE TOWN
EXAMINATION ANSWER BOOK

DAIRY PRODUCTS

Now import permits

The price of dairy products went up this week. And government has taken further steps to meet demand by granting import permits for butter and milk to the value of R50m in February. This puts the retail market.

Dairy Board GM, Eddie Roux, says private companies have been granted these permits by the board for the import of 500,000L of milk powder, both skim and full cream.

The board itself will handle butter imports. And Roux says there will probably be need to step up the import of both products later this year as demand is rising steadily. He estimates the demand for imported milk powder at another 500,000L and for butter up to 500,000L.

The Dairy Board and private firms are shopping in European countries where prices are currently cheaper than in SA.

NOTE CA:

1. Enter the question number in the box on the right.
2. Blue answers in demand. But where there is also a shortage under which. (e.g. exam
3. Names not to be used.
4. Do not enter any dish. The difference will go into the Dairy Board's stabilisation fund. Roux.

WARNING

1. No books, notes, pieces of paper or other material may be brought into the examination room unless candidates are so instructed.
2. Candidates are not to communicate with other candidates or with any person except the invigilator.
3. No part of an answer book is to be torn out.
4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

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.

Every easy to say. I told you so.

As for the future, Roux predicts the shortage will continue next year and possibly become even worse than it is now.

So what one wonders is the level of price incentive needed to stimulate production? SA consumers will, no doubt, be finding this out in the next year.

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Who's milking whom?

Last week the FM spoke to Minister of Agriculture and Fisheries, Pieter de Plessis, on a wide range of issues including the recent rise in the price of dairy products.

FM: Why is the price of dairy products being raised?

Du Plessis: We are experiencing a rather serious shortage of fresh milk and have to re-allocate industrial milk to supplement fresh milk supplies. I've granted import permits for powdered milk and I am on the point of granting import permits for butter. Because of this shortage, we are not meeting demand and in order to stimulate increased production, it is absolutely imperative to increase the price.

Secondly, the farmers' costs are rising, particularly labour, machinery and transport costs. Dairy work is a killing job, a 365-day-a-year job and I don't think people realise the influence of transport costs on milk production. I think, in the light of all this, we did tremendously well in limiting the increase.

Is the 15%-18% increase in line with the increased costs of production?

The increase in the price of milk has not kept pace with general inflation rate since 1975. The inflation rate since then is 9% . The price of other food-stuffs has risen 115%. Dairy and dairy products has risen 73%. In the shorter term, the inflation rate in the year from April to April was 16.3%, with lucerne meal up by 18%. In addition machinery and transport were subject to regular price increases. I think we can be very glad.

Why did this milk shortage develop and what does the department intend doing to ensure this situation is resolved?

With beef farming becoming more profitable, farmers have tended to switch from dairy farming. The temptation has been too great. However, we can't afford a shortage of milk in this country. Dairy and dairy products are such a basic commodity. It is important that SA is self-sufficient and, as I've said, the only way to increase production is by price incentives. Also, my department is doing its level best to increase the efficiency of production to avoid the need for imports. Sometimes it is cheaper to import, especially from the subsidised EEC countries. But no country can build a future on imported food.

How can consumers be protected from the shortages and accompanying price increases, especially when so many depend on dairy products as sources of protein?

One way is to deny farmers' increases. However, this would result in eventual shortages. The other answer is to subsidise the industry. This year, government subsidies will run to R300m. Bread is subsidised and the dairy industry is supported to the extent of R4m. The difficulty in providing subsidies is that they apply to the richest as well as to the poorest, when the poor need it most.

Therefore, subsidies alone are not the answer. If we adopt a policy where the poorest can have plenty, we're in for such a socialist system that it's not true. We'll have to subsidise with nonpoint. We must not lose sight of the fact that salaries are increasing and the percentage increase in the low income groups is very high. In real terms, the highest gains have been for blacks and coloured. If you look at the staple diet of people in SA for blacks it is undisturbed maize and for coloureds, mainly bread. Take, for example, the price of an 80 kg bag of maize. Where would you find it cheaper?

What about the white pensioners?

A social pension is not the obligation of the State. In my own case, I pay R700 a month towards retirement annuity. I started paying towards a pension when I was lean years, when I started farming, and sometimes I was not even in a position to write out a cheque. What then is the solution, if one considers, as you say, that any decision you take will be unpopular, either to farmer or consumer?

Real economic growth is still the answer to bring prosperity to all the people. Free enterprise, in the end, will prove the best for all the people in this country. In a way we are socialist, but I think, in a good way.

What is SA's aim in terms of its agricultural policy?

We must be self-sufficient, as far as food production is concerned. About 26m people are dependent on our system. However, I think we must not only be self-sufficient, but we must be in a position to export food. We are at the borders of one of the world's biggest potential markets -- Africa.

What, in general terms, are the biggest problems facing agriculture and what are SA's biggest contributions to combat them?

One of the biggest problem areas is the increase in production costs. Inflation is not only the public's enemy. It is also the farmers' enemy. With inflation, input costs are so much higher. In a factory, one can increase the output to reduce unit costs, there is a very high risk factor involved in agricultural production. The trouble with agriculture is that you can't regulate and you can't control production. If we can't keep inflation under control, SA will price itself out of the agricultural export market, as we currently export about 20% of our total production. It's very important that the food price does not get out of hand. A very big achievement, however, is in the field of research. It is the result of advanced research that SA is one of the seven net exporters of food in the world.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University.
DURBAN — Two hundred tons of butter destined for the South African market was shipped from Ireland yesterday, according to Dairy Board officials.

This is the first consignment of 1,000 tons of Irish butter which the Dairy Board has bought in anticipation of a national shortage. The butter — worth more than R2 million — will be sold in South African shops at the same price as local butter and should be on the shelves towards the end of the month.

The public relations officer of the Dairy Board, Mr Jan de Bruyn, said from Pretoria that this was the first time South Africa had imported butter since 1974.

"We are anticipating a shortage and have bought the butter now rather than waiting for the shortage to hit us unprepared," Mr De Bruyn said.

He said the shortage was the result of dairy farmers quitting because they were not making enough money on milk.

"Many have turned to beef and some have left farming altogether. The drought in many parts of the country is also a contributing factor."

He said the board had bought from Ireland because their prices were best. Now was the best time to buy because Europe had a glut of dairy products at this time of year.
2. cont........

(1) Plot this demand on graph paper.

(2) Now suppose the "crop" amount and 70 million gross value of the crop over the ten successive years the annual import of choice butter from Ireland and, depending on consumption, may import a further 800 tons. The price will be the same as for local butter.

(3) Calculate the demand and low production, had reduced the bureau's reserve of dairy products. The price would have to be received for each of these years, if the demand curve of each of the ten years.

(4) Construct a schedule in order to make the gross value of the crop in each year equal to the average annual gross value. Plot this schedule on the same paper as the demand curve. (It will be a curve of unit elasticity).

(5) From the demand curve find the total amount which must be offered on the market in order to fetch the prices discovered in part (4). From these amounts make a schedule showing how much the government would have to buy or sell for each total output.

(6) Draw up a schedule showing how much the government would have to buy or sell in each of the ten successive years of part (2). Would the government have to sell a total greater than the amount it would have to buy over the ten years? Does the answer mean that stabilization of the gross value of a crop is impossible?
Butter to be imported to ease new shortage

Consumer Mail

The present butter shortage has led the Dairy Board to import 1,000 tons of butter, costing between R2.5 million to R3 million, said Mr. P. E. Roux, general manager of the board yesterday.

A drop in milk production is responsible for the shortage. The board is having to import 300 tons of skim milk powder.

Over the past few years, the Dairy Board has been faced with a series of shortages and surpluses and has been accused of incompetence.

Last month, the price of butter rose by 11.5% or 30c a kilogram and milk rose by 6c a litre. At the time, there was an outcry from consumer organisations which said the increases were excessive.

The price of South African milk is among the highest in the world.

But Mr. Roux said the 14.5% increase in the price of milk was unlikely to stimulate production: "We are going to have more shortages, particularly at the end of the year and during the winter of 1982."

Producers claim the increase was too small to make dairy farming viable and many were moving into other farming activities like beef farming, which were more profitable.

In addition milk consumption had gone up during some months by 10%.

The imported butter at R2.50 to R2.55 a kilogram is cheaper than local butter which sells at R2.83 (choice) and R2.82 (table).

Taking the cost of importing into account, Irish butter will now come to more or less the same cost as local butter...

"We may even make a little on this deal. This will go into the board's stabilisation fund, which is used for the benefit of consumers and manufacturers," he said.

Mr. Roux said it took relatively short notice to get the imported butter and the board would be watching the situation carefully over the next few months.
THOUSANDS of litres of milk went down the drain in the Peninsula at the weekend — and all for nothing.

It was a 'flavour problem,' a spokesman for the dairy which distributed the milk explained today.

'Dreadful anaesthetic-tasting' milk made residents of Constantia, Meadowridge, Diep River and Durbanville worried that the milk was contaminated and many refused to drink it.

There was no harm in drinking it, the financial director of Van Riebeek Dairy, Mr S Maxwell, said today.

Samples of the milk had been sent to the Health Department and tests showed the milk was not contaminated and did not present any health hazard.

Apparantly the strange taste was caused by chemicals which had been used to wash a tanker. It affected all the milk in one of the silos which amounts to about 30,000 bottles of milk.

The strange taste was discovered on Friday and the contents of about 20,000 bottles were destroyed before they were sent out.

For some people the taste was 'very faint,' others said it was 'too exactly for words.'

The dairy has undertaken to replace all the affected milk.
Bell-John Prize
For the best all-round student in any year of study.
P C Key

P R Swift

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize
For the highest marks in Professional Practice.

I : N D G Sessions
II : A R Low Keen
III: No award

LTA Prizes
for the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

Award for the best student in theDonald Construction.

Reginal Planning

Quantity Surveying

(Continued)
NOT MUCH CREAM FOR DAIRY FARMERS

DAIRY farming is constantly in the news these days. "Price of milk is falling again", "Farmers in despair" and so on.

The farmers complain they do not get a fair return on their money. The public means that the price of milk is consistently high.

To find out what the actual cost is, we visited one of the leading consultants in the dairy field, Derek Broom of Xmpo and what he said made a lot of sense.

The average farmer has a dairy herd of 100 to 200 cows which he can make at least 10 percent. To do this he must have a farm of roughly 100 hectares, for each cow requires about two acres.

The price of land per hectare in the Xmpo-Dempster-Dunn'sbrook area is about R500 a hectare and thus the farmer's expenditure on land alone is R50,000. Over and above that there is the stock, the implements and all the other things that go to make a farm. The cost of a good cow can be approximately R1,000.

Mr Broom estimated that a farmer starting from scratch would need a capital investment of close on a quarter of a million rand. In fact he calculated that this would cost at least minus R150,000 a cow, allowing for replacements when the cows go out of milk.

The main dairy area in Natal is Frielands with Parmos coming in a poor second and the rest, such as Avshires all meet anywhere. Farmers today—unless they are sold farmers—do not use bulls at all and to reach 80 to 90 cows, new stall yards, new milking parlours are needed. There is no artificial insemination that can be found. Mr Broom is 100 percent in favour of artificial insemination.

In the disputed areas of Xmpo, Duncsbrook and Underberg, the average dairy farmer has a herd of about 20 cows. The cost of feed is very high and the maize shortage is a factor in the cost of feed being about 75 cents per litre of milk produced. The cost of the maize has been high. The cost of feed has been high. The cost of feed has been high. The cost of feed has been high. The cost of feed has been high.

The actual percentage of milk sold is about 4/5 percent of the milk produced. Many farmers say that they would be happier having their money in the building societies.

Mr Broom says that it is the men who are the problem. Mr Broom says that it is the men who are the problem. Mr Broom says that it is the men who are the problem. Mr Broom says that it is the men who are the problem.

There is not a real shortage in Natal to any extent, but in the Transvaal there is a dire shortage, for there are many farmers who have given up dairy farming. Milk is sent from Natal to the Transvaal.

Mr Broom says that the Transvaal farmers have given up dairy farming. Milk is sent from Natal to the Transvaal.

Mr Broom says that the Transvaal farmers have given up dairy farming. Milk is sent from Natal to the Transvaal.

Mr Broom says that the Transvaal farmers have given up dairy farming. Milk is sent from Natal to the Transvaal.
viii Population policy and measures become more viable when communities take prime responsibility for their health, when land is expressed as an asset in which individuals enjoy but a share, when some part of the direct costs of services are borne by users, when specialist roles are provided in greater number and when economic security is underwritten by the state and enhanced by membership of community organisations (the Es and LC in particular).

ix Each 'society of actors' provides a valuable laboratory for research and for evaluation as it represents a managed body with specified goals and known means.

x Problems of maintenance, a dichotomy with centralised capital and current budgeting, are resolved in the household nature of community management.

Some of the above are depicted in Figure 11. It illustrates a valley, the families of which have formed a CLC and made progress on the deconcentration and arrangements of land use. Individual residential plots; an allotment; a garden scheme; arable, intensive (dairy) pasturing and extensive grazing; woodlots and a communal forest; conjunctive canal, well and lift irrigation; rural electrification; and the beginnings of villageisation are shown.

FOOTNOTES TO CHAPTER 16


5. This accords with the call for greater local participation and decentralisation, particularly in the third world. See, for instance, Jan Soliman, Planning for Development in Sub-Saharan Africa, New York, Praeger, 1974.

6. In some countries strong groups opposed to any reform of the planning system have arisen simply to defend interests that have arisen; see Andzej Kobosk, 'Bureaucracy and Interest Groups in Communist Societies: The Case of Czechoslovakia', in Studies of Comparative Communism, 4,1, January 1971, pp.77-79.
Milk producers to ask for early price increases

By Caroline Braun, Consumer Reporter

The Transvaal Fresh Milk Producers' Association will send a telegram to the Minister of Agriculture, Mr P T C du Plessis today urging him to revise the milk price as soon as possible.

At the association's annual general meeting in Alberton yesterday, milk producers said the 6c a litre increase in June was unsatisfactory, and that a critical milk shortage could result next year unless drastic steps were taken to raise the price.

If South Africa had insufficient milk supplies, milk would have to be imported — and the consumer would pay dearly.

In his annual report, the chairman, Dr Louis Theron, said the June increase had already been swallowed up by mounting costs. Any increase took 13 months to have a positive effect on the producers' pocket, so it was in the government's interest to act as soon as possible, before more milk producers left the industry.

Dr Theron said the annual milk price increases should be granted earlier in the year — say February.

Dr Theron said much harm had been done to the dairy industry during the past year by consumer organisations which had made unnecessary and inaccurate statements to the public about the dairy industry and the price of milk.

Many farmers had left the industry.

He called on milk producers to reorganise themselves into a united and responsible body, which could counter these unjustified attacks on the dairy industry, and put the record straight.
The fresh milk industry is being squeezed. The controlled areas (which make up around 90% of total output) are showing a production decline of around 10%. If present trends continue, things could get worse.

The reason? The average number of fresh milk producers is decreasing. Figures record a drop from an average of 1,947 producers in the period January-June 1980 to an average of 1,868 for the same period in 1981. In the month of June 1981, the fall-off was even more significant — from 1,958 (in June 1980) to 1,825.

Average daily sales through the Dairy Board were 1,183,876 for the six month period, January-June 1980, compared to 1,532,531 for the same period in 1981.

Producers leaving the industry tend not to return. Farmers either leave the land or diversify into more profitable areas. On the Highveld — which accounts for 45% of national consumption — producers are moving into more mechanised and, therefore, profitable fields.

Maize is one of the favoured alternatives, but whereas maize and dairy farming were previously complementary, they are now competing for investment.

The SA Dairy Foundation's economic consultant, Chris Jordan, explains: "Farmers are moving into enterprises that do not make the same claims on management. The dairy business is seven-days-a-week. Labour is scarce and profit margins tight. Consequentially, farms are falling into the hands of the larger producer. Economies of scale are possible and, because of increased efficiencies, the larger farmer can survive on the low margin. In any case, although the newcomers are able to meet demands better than smaller concerns, many are also diversifying away from milk."

Against this backdrop of shortage, fresh milk consumption is increasing at around 1% a year. This growth figure is not likely to slacken if the request for a 4c increase, now being presented by the SA Agricultural Union to the Marketing Council, is approved.

Latest estimates (1977) put total household expenditure on milk at around R400m. Jordan estimates an annual growth of around 10%, allowing for both an increase in consumption and price.

The situation will tighten further as the number of producers continue to drop. Increases in production, in Jordan's view, will come only with a rise in production per producer. More capital investment will consequently be necessary.

The director of the Federation of Milk Commissioners, Mr. Jordan, explains: "The current negative trend means that costs and prices have to be increased. We must integrate the milk and cream industry. We have to improve the milk contract system so that farmers and processors benefit.

In addition, the milk producer must be provided with services to improve the quality of milk."

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Milk supplies ... facing short deliveries
Dairy farmers churn out their grievances

By Caroline Braun

The Housewives' League was given a resounding rap on the knuckles by Transvaal dairy farmers this week.

At the annual meeting of the Transvaal Fresh Milk Producers' Association, Thursday milk producers repeatedly slammed the Housewives' League for making "emotional, sensational and unjustified statements" about the milk price.

In the line of attack were the media, especially the Press, which carried these statements.

"Consumers have no idea how milk is produced. They know nothing about production costs or the risks of producing a perishable product. They seem oblivious of the fact that we are also affected by inflation," a dairy farmer said.

"Consumer organisations run to the Press with unbounded and insensi-
Court stops book by milk union

JOHANNESBURG—A Rand Supreme Court judge has interdicted the South African Milk Distributors' Union from distributing a 20-page booklet comparing powdered milk with natural milk.

The order was sought by Mr Tony Ball, a general manager of Borden Foods (Pty) Ltd which distributes food products—mainly milk powder.

The booklet entitled What are you feeding your family is published by the South African Milk Distributors' Union.

Mr Ball said that the booklet made a comparison between the ingredients of artificial milk substitutes and the ingredients of pure milk.

Suggestion

He said that Borden Foods and other manufacturers of similar products were in competition with the dairy industry.

The dairy industry had attempted to suggest that milk powders were unhealthy in comparison with dairy products.

Borden Foods does not contend that its products are similar products have any health advantages over milk.

Borden Foods submits that the distribution of this booklet has caused it and will continue to cause it, the gravest commercial harm in a highly competitive market and that it will tend to have an adverse effect on the sale of its products.

The union had been asked to desist but an undertaking had not been given.

Mr Acting Justice Slomowitz interdicted and restrained the union, or its agents or servants from disseminating or distributing or in any way circulating the booklet.

The Court ordered the union to pay the costs of the application for the interim interdict. The return date of the rule nisi is October 27. (Sapa)
Govt blamed for delay on milk price

By GERALD REILLY

MILK producers claim the Minister of Agriculture is stalling on a decision on the higher milk price demanded by the South African Agricultural Union (SAAU) two-and-a-half months ago.

The Dairy Board considered a 5c a litre claim and sent its recommendation to the Marketing Council weeks ago.

Producers warned that South Africa would run into a serious and permanent milk shortage unless their demand was met.

The current shortage was an early warning of what would soon deteriorate into a crisis, they said. The milk price was raised by 5c a litre in June but the producer got only 5c a litre of this.

Switching

A SAAU economist, Mr G V White, said the demand for a 5c a litre increase was supported by a "simple range of cost increases since June," including fuel, steel, building materials, interest rates, wages and cattle feeds.

Statistics supported the claim that large numbers of farmers were abandoning fresh milk farming and switching to other branches of agriculture.

Between June 1980 and June 1981 the number of registered dairy farmers had decreased from 1,909 to 1,823. Production had also dropped significantly. It had fallen by 28,000 litres when the first six months of 1980 were compared with the same period this year.

Escalate

"The indications are that the number of farmers leaving the industry will escalate until a price is paid that gives them a fair reward for their huge capital investment and compensates them adequately for their seven-day-a-week operation," Mr White said.

The SAAU estimated it would cost at least R170,000, excluding the price of land, to start an average-size dairy farming business. "If he put that in a building society, he would earn R20,000 a year with no risk and no 12-hours-a-day seven-days-a-week," Mr White said.
Milk price decision likely soon

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Argus Correspondent

PRETORIA.—The Cabinet is expected to decide on an increase in the milk price soon.

Dr. Louis Theron, chairman of the fresh milk committee of the South African Agricultural Union, said today it was expected that the Minister of Agriculture, Mr. Pieter du Plessis, would “give attention” to the matter this week.

The increase was requested because the producer does not find the industry rewarding,” he added.
Blends ‘short on nutrition’

Milk is underpriced, warns industry chief

By Caroline Braun, Consumer Reporter

Milk in South Africa is underpriced, claims Mr. John Fisher, vice-chairman of the Rand Milk Association.

He reached this assessment after analyzing production and processing costs, world milk prices and farm value.

Mr. Fisher, who was addressing consumer organizations at the Johannesburg Country Club yesterday, said: “If consumers are to continue receiving the quality and variety of dairy products they must accept that the price of milk will have to rise.

In the case of the milk producer, production costs such as fertiliser, manure and fuel have increased alarmingly. There is nothing he can do except absorb the costs until he is granted an increase in the price of milk.

“Early this year, the producer calculated that he needed an additional 6,5c a litre to cover his increased costs. The distributor, with his higher packaging and transport costs, needed an extra 3c a litre.

The Government, however, only granted the producer 4,5c and the distributor 3c a litre. This caused much dissatisfaction and disillusionment and resulted in a certain number of milk producers leaving the industry,” he said.

Referring to world prices, Mr. Fisher said the South African milk price was sixth lowest of 25 countries, “Our butter and cheese are both third cheapest.”

Turning to food value, he said milk was still one of the cheapest sources of protein, calcium, lactose, animal fat and essential vitamins.

Over the past 10 years, the price of milk has increased about 200 percent, while the national average wage of a labourer in commerce and industry has increased 350 percent.

Deposits on bottles are the problem

Consumer Reporter

It is not possible to sell milk in glass bottles through retail outlets because of difficulties with deposits on bottles and crates, said Mr. Fanie Lombard, chairman of the Rand Milk Association.

He told a meeting of consumer organizations yesterday that supermarkets were not prepared to pay a deposit on milk crates, although they happily paid a deposit on cold drink crates.

“The dairy industry loses nearly R1-million a year on crates that circulate through the depots. The industry could not bear the additional loss of millions of crates at supermarkets,” Mr. Lombard said.
Govt is likely to raise price of milk

The latest in a long series of Government-administered food price rises this year — another hike in the milk price — is expected to be announced after the first meeting of the Cabinet in November.

Farmers have accused the Minister of Agriculture of deliberately delaying a decision on what they claim is an "open and shut case" for a price rise.

The South African Agricultural Union had demanded a 5c a litre increase.

Shortage

The Cabinet is likely to approve a 3c to 4c hike, it is learnt.

Fresh milk producers warn that a chronic milk shortage is unavoidable unless farmers are granted regular increases on a scale which would compensate for the capital investment involved in a seven-day, five-week dairy farm operation.

The SAAU has pointed out that in the past 18 months more than 100 dairy farmers have abandoned dairy farming as unprofitable.
Prices of milk, cheese, butter may rise

By GERALD REILLY

CONSUMERS will be paying at least another 3c a litre for their milk from the end of next week, according to Pretoria sources.

And it's not only milk — the prices of butter and cheese are also certain to be adjusted in relation to the milk price hike.

The Dairy Board's recommendation to the Marketing Council included a hike in milk, and cheese price rises, it was learnt yesterday.

Milk was raised by 6c a litre in June. At the same time butter was increased from R2.65 to R2.80/kg — a rise of 11.6%.

Cheddar

Cheddar was increased from R2.90/kg to R3.45 — a rise of 17.7% — and good cheese rose from R2.95/kg to R3.53 — a hike of 17.2%.

The expected increases will complete a "full house" of Government-administered food prices this year.

Industrial milk prices will also rise next week and this is expected to mean an adjustment of condensed milk and powdered milk prices.

And according to agricultural authorities in Pretoria the food price merry-go-round will continue next year.

Demands

Early in the new year, the commodity committees of the South African Agricultural Union meet to assess production cost rises for the past 12 months, and to formulate demands for compensation.

This has happened with regularity over the past 25 years, and agricultural authorities say they cannot remember when last a year passed without basic food prices being increased.

The Economic Research Bureau at the University of Stellenbosch this week warned of falling standards of living next year across a broad front.

This supports the view of economists that wage and salary
Bigger milk price increase sought

July 29, 1971
Mooing for more

This week's increase in dairy prices is the second this year. As such, it is against the Department of Agriculture's policy of allowing only one hike a year, but, hopefully, the move will arrest the deflation of farmers from the ailing dairy industry.

The increase, although small, came by way of a 4% increase in the price of fresh milk, 5.9% on cheddar and gouda cheese and 9.1% on the price of butter.

The new benefits will go to dairy producers alone. With the two increases of this year, farmers will be receiving an additional 6c/l, for which they asked in April. In June they got another 4.5c/l, and distributors took 1.5c/l.

Distributors had vainly asked for a 3c share of the latest increase. However, they and consumers believe this was justified. Betty Hirzel, chairman of the South African National Consumers Union and a member of the Dairy Board, supports the latest 2c concession on fresh milk — on condition that it all goes to producers.

John Fisher, vice-chairman of the Rand Milk Association, says it will hopefully curb the disillusionment among dairy farmers. Consumption of liquid milk in SA over the past 12 months, he notes, increased 7%-8%.

Conclusion: South Africans can afford milk, and it is underpriced.

Industry insiders say the recent defection of dairy farmers to beef and maize farming has been overwhelming. They maintain that the high price of beef affords more incentive than milk.

Joy Hurwitz, national president of the Housewives League, says dairy farmers can leave the dairy market and create a void.

She believes the Dairy Board should supplement distribution of fresh milk. "It cannot be the consumer that always bears the increases of production costs," she says.

"Rising prices of fresh milk are forcing many consumers, especially blacks, to buy powdered milk which does not have the same nutritional value."

The idea of a quality purchase scheme — a system of tiered prices for different grades of fresh milk — is being deliberated. Yet even if it were implemented, it may still offer little incentive to dairy farmers.

In the long run, they are bound to win the day. As one says: "The way to the consumer's pocket is through his stomach."