AGRIC. - fruit
1-1-80 - 31-12-80
Squeeze on citrus farmers

HOUSE OF ASSEMBLY. The Marketing Amendment Bill was read a third time yesterday.

The Opposition objected to a clause, in the committee stage, which provided that farmers could be penalized who deliberately or negligently caused the Citrus Board and its pool of farmers a loss by giving incorrect estimates of the quantities they would deliver for the local and foreign market.

The Opposition said the clause allowed for the penalizing of farmers and the claiming of damages from a farmer even though the quick action of the board might have prevented any actual losses. It was not calculable damage.

The NHP member for East London North, Mr John Malcolmson, said that when a farmer failed to deliver for a shipment and the other farmers in the pool managed to pick oranges through the night and fill the booked shipping space, the loss they would have suffered through the negligence or deliberate action of the farmer could be calculated.

The Minister of Agriculture, Mr Hendrik Schoeman, said the measure was aimed at getting accurate estimates of expected stock to enable the board to plan its marketing effectively to the benefit of the pool of farmers it served.

Replying to the second reading debate, he said it would be a very happy day for him if the two organizations representing mealie farmers could solve their differences.

The government could not deviate from its policy which was to deal only with the South African Agricultural Union or its affiliates.

The South African Mealie Specialist Organization was receiving funds from the government as it was affiliated to the SAAU. But this did not mean that he or other farmers were taking sides against the SA Mealie Producers Industry in the dispute between the two organizations.

It was, however, noteworthy that financial support given to Sama was to the benefit of all mealie producers, irrespective of which organization they supported. – Sapa
Strike continues

A STRIKE by 750 workers at the Ceres Fruit Growers Co-operative continued yesterday in spite of efforts by the co-operative's management and union officials to break the deadlock.

The workers decided to walk out after a colleague, Mr. Klaus Markus, was asked to retire.

All those who walked out were subsequently fired, but the co-operative has offered to re-employ them. However, the strikers have refused to return to work without their colleague, Mr. Markus.

Mr. Jan Theron, an official of the Food and Canning Workers Union, is in Ceres negotiating on behalf of the 750 workers.

The company's general manager, Mr. Ben Laidik, confirmed yesterday that the dispute was still continuing, but refused to comment further.
Ceres Co-op
ARews 29/1/80
is back to normal

ALL activities at the Ceres Fruit Growers Co-op were back to normal. This follows the successful negotiations between representatives of the workers and the management, the firm’s general manager Mr Ben Ludik said today.

Mr Ludik said employees had been under a misapprehension that a worker would be paid off because of his part in negotiating a Conciliation Board agreement which came into effect on February 20.

About 700 workers decided to strike on Friday, February 15, automatically terminating their employment contracts with the co-op, he said.

‘All differences and misunderstandings were cleared up during negotiations on Wednesday. About five percent of employees who terminated service were not considered for re-employment.’
FRUIT exports passing through Durban are expected to rise by at least 25 percent this year, according to a spokesman for the Perishable Products Export Control Board.

Last year consignments of oranges, lemons and grapefruit passed through the port at the rate of 12,000 tons a week.

'Ve are aiming to push this figure up by a third this year,' the spokesman for the Board said yesterday. This will increase the tonnage of fruit moving through Durban to 16,000 tons a week.

The 1989 fruit exports from Durban harbour begin this month and the first major consignment will be loaded aboard the T 213 refrigerated cargo ship, Laura, formerly the Rothesay Castle, later this week.

Fruit exports will be maintained at around 1,600 tons a week for the first half of the month. 'We will reach the peak around April 21 and this will be maintained for the next few months,' the board spokesman said.

Fruit exports from Cape Town are already well underway.

Die huidige insinking in die S.S.K. van Kaapstad — volgens plaaslike persverslae neig dele van die gebied om te ontaard in doolhawe vir wetteloses — sal beswaarlik gestuit word, voordat 'n hoër besettingspeil verkry is vir die beskikbare sake-en kantoorruimte in die middestad en dit impliseer uitbreiding van werkgeleenthede in die stadskern.

Die owerer kan moontlik die verdere bevordering van groepsverhoudings deur uitbreiding van Kleurling-indiensneming in die Wes-Kaap in ag neem, by besinnings oor desentralisasie van staatsaktiwiteite. Spesifieke departemente — wat nie hierin by name hoef genoem te word nie — bied besonder toepaslike werk-saamhede soever dit taakinhoud en volumes van roetinwerk betref, vir nuttige indiensstelling van manlike Kleurlinge met sekondære onderwys-kwalifikasies, 80 000 van wie reeds teen 1981 nie elders in die Suid-Afrikaanse ekonomie andersins geabsorbeer sal kan word nie.

Uiteraard sal besluitie van dergelike belangrikheid berus by die hoogste gesagsvlak en derhalwe sou die verantwoordelike instansie(s) besmoontlik oorweging daaraan kan skenk dat 'n Kabinetskomitee ondersoek instel na desentralisasie-moontlikhede van owerheidsaktiwiteite, met spesifieke verwysing na heersende asook karakteristieke toestande in die Wes-Kaap.

Die BEO bepleit dan ook hiermee, oorweging van so 'n moontlikheid.
Apple workers get more pay

Labour Reporter

STRIKING workers of the Kromrivier Apple Co-op near Grabouw return to work today with a ‘significant increase’ in wages, negotiated during three days of talks with their bosses.

‘We are happy with the outcome and the workers are happy,’ the general secretary of the Food and Canning Workers’ Union, Mr Jan Theron, said today.

TRANSEEL

He said seasonal workers from outlying districts, whom management evicted from their Bet River hostel last week, would be brought back by bus today.

Contract workers sent back to Transkei would receive a payment equal to half their wages to mid-July, when their contracts would have expired.

Management guaranteed that of the 80-odd black workers, those on one-year contracts would be re-employed and those on six-month contracts would have first option of jobs next season.

Mr Theron said wages at Krounco were brought in line with those being paid for similar work at the Ceres Fruit Growers Co-operative, negotiated earlier this year at a conciliation board hearing.

A guaranteed minimum wage of R33.92 a week for piece work would be introduced. Minimum weekly wages for labourers would be increased to R23.92 for women and R26.22 for men.
CITRUS CROP

FM 9/5/80

Hard on consumers

The value of citrus exports jumped by 20% to a record R216m in 1979. SA's Citrus Exchange says it is optimistic that this success will be repeated in 1980.

Citrus exports have become a lucrative source of foreign exchange, with their total value having shot up more than four-fold since 1970. Of SA's total crop last year, 69% was exported, accounting for 93% of the citrus industry's gross earnings. The remaining 37% of production was sold at home and fetched some R166m, or 7% of total earnings.

Main markets abroad are in Canada, the Middle East and the Far East. Citrus Exchange commercial manager Ray Hauptfleisch attributes the big demand for SA produce in overseas markets to its availability there in the off-season.

But the foreign housewife's gain is the SA housewife's loss. With oranges, which form the bulk of citrus exports, selling last year at R9 per pocket overseas, the Citrus Exchange diverted supplies abroad to maximise earnings. Domestic prices then rose sharply as market supplies became scarce.

In justification, Hauptfleisch argues that an export market is essential if orange production is to survive in SA. Even at last season's high prices, domestic receipts failed to outweigh the costs of production by 30%: "If local growers were reliant on local markets they would dig out their trees," he says.

But then why does the Exchange sell oranges to the juice manufacturers at prices as low as 30c to 40c per pocket? Hauptfleisch points to this as proof that the local market is not under-supplied, claiming "that the consumer gets preference over the manufacturer."

WORK has begun on the first phase of a R10-million refrigerated holding store in Cape Town harbour—a project designed to provide storage for containers loaded with export shipments of fruit.

According to port officials the first phase will provide for 500 containers and is due to be ready for use towards the end of the 1992 fruit season.

The project, which will eventually provide for 2400 containers, is part of the R60-million alterations made to Cape Town harbour to enable it to fall into the containerisation pattern.

250-m tons

Port officials said that the bulk of South Africa's annual exports of 250-million tons of fruit, which earn the country more than R100-million in foreign exchange, will pass through the new holding sheds.

Port officials said that much of the fruit will be precooled to the required temperature in the harbour's existing cool chambers and then packed into containers before being moved to the holding store to await loading.

Cape Town harbour's precooling plant, which has 312 chambers, is the largest single-roof complex of its kind in the world.

Fruit Board

Officials of the Deciduous Fruit Board, which handles the bulk of South Africa's fruit exporting, said facilities in Grabouw and Ceres would also be used to precool fruit to the required shipping temperature before the container loads were moved to the harbour.

Port officials said the holding sheds were to be built similar to the inside of a cellular container carrier and the TEUs would be stacked five high.

WORKERS sort apples for export shipments which will go through Cape Town harbour's precooling plant—part of the annual fruit exports which earn the country more than R100-million in foreign exchange.
SA citrus faces tough export battle

By SIMON WILLSON
Industrial Reporter

THE EUROPEAN orange market is likely to be better supplied this year than at any time since 1978, so export prospects for South Africa are not as good as they were 12 months ago.

This was the orange-trade outlook given by Mr L. A. Danckwerts, chairman of the South African Co-operative Citrus Exchange, at the exchange's annual general meeting in Pretoria.

Mr Danckwerts said 1979 had been an "extremely good" year for South African orange exports because of supply shortfalls from Europe's traditional suppliers.

But unlike previous years when due to a variety of reasons our citrus, especially at the beginning of the season, arrived on a relatively undersupplied or even empty market, the outlook for this season is different.

"We expect to be faced, particularly in oranges, with a more 'normal' situation similar to pre-1977 years," Mr Danckwerts said.

The undersupply last year was evident by early April when it became clear that Spain and Morocco would have less fruit than normal and the resulting shortfall was partly met by Israeli Valencia lemons, leaving a gap in the market for South Africa.

When the Spanish crop came through late in the season South African sales dipped, first on the Continent and later in Britain, and at the end of November stocks had to be cleared by price cutting.

In 1979 South Africa sold 14 595 000 cartons of oranges at an average price of R8.42 each compared with the 15 662 000 cartons sold in 1978 at a R7.16 average.

This year most of the suppliers of the European orange market who fell short last year were poised to produce much more fruit this season, Mr Danckwerts said.

"Although Israel and Spain are not expected to present any serious overlap problems the quantity of oranges still due to arrive from Morocco is extremely large, and if the condition of this fruit does not deteriorate it will influence the market."

There were also indications of abnormally large volumes of oranges for export to Europe from California and Brazil.

"At present the total quantity could be as high as approximately 4-million cartons from Brazil and approximately 5-million from California."

In addition, there will be some small quantities from Argentina and about 1.6 million cartons from Uruguay. It all amounts to a crowded citrus scene and it looks as if we are in for a difficult first half of the orange season."

The outlook for grapefruit and lemons this year was better, although the high South African lemon sales last year, when Californian lemons were hit by frost and Italian and Spanish crops were 25% down, could not be expected because costs were now much higher.

The Japanese grapefruit market - South Africa's biggest outside Europe - suddenly collapsed at the end of last year and stocks had to be sold off at a loss. This year the Japanese consignment would be much lower.
Fair outlook for orange exports

Industrial Reporter

SALES of South African oranges in Europe are set for an upswing as the supplies of competitive fruit on the continent begin to fall away, the Citrus Exchange reports in its latest bulletin.

The likely upswing follows a strong demand for larger oranges on Western European markets, which have been supplied with an abundance of smaller fruit this year, the bulletin says.

It adds that current Western European sales of South African grapefruit and lemons are also good.

On the domestic market, the bulletin says large Valencias are in limited supply and retail prices are expected to increase to around R2.45 for a 10kg pocket.

Medium and small Valencias should continue to retail at the present price of about R1.50 to R2 a pocket.

Most major packhouses have now stopped packing grapefruit as supplies have been reduced, and, the bulletin says, grapefruit prices can be expected to increase shortly.

Lemons are scarce, but the bulletin says this is temporary as packhouses are concentrating on the Valencia orange crop.
SA fruit selling well overseas

CAPE TOWN. — South African fruit sold well overseas this year.

Gross income from exports rose by R25-million, the chairman of the Deciduous Fruit Board, Mr. Alex van Niekerk, said in his annual report.

South African fruit sold under the trade mark "Cape" was in tremendous demand overseas.

The fact that gross income from sales rose by 35% could be attributed mainly to the good prices realised abroad for South African apples. However, virtually all South African fruits did well.

Gross income from exports increased by 10% to R26.5-million, while payments to producers rose from R55-million to R68-million.

Mr. Van Niekerk said freight charges remained the largest cost factor and this year totalled 47% of all costs, 4% more than last year.

He also announced establishment of two committees, one in the Western Cape Valley and the other at Paarl, to investigate the availability of pre-cooling facilities inland.

The board hoped to be able to set up a "cold chain" through which it would be able to dominate the market for grapes in Europe.

The possibility of erecting a section of the Table Bay docks for cold storage and fruit exports would also be investigated — Cape.
Exports set to soar to R

Cape deciduous fruit growers are set fair for another fine export season this summer providing there is no natural disaster of severe proportions.

Provisional export estimates of the Deciduous Fruit Board (DFB) indicate that shipments abroad may reach 22m cartons, an advance of more than 1m on 1980. At the same time, price projections are equally bullish, although expectations in respect of apples have been pitched about 45-50c a carton lower than 1980’s average cif realisation of just over R12 a carton.

However, apple shipments are expected to rise to 10,5m cartons (9,8m), so payouts to farmers will at least match this year’s R86m (R41m).

All this means that 1981 turnover could go well over this year’s R245m (R206m) and may hit a figure somewhere between R250m-R280m.

A feature of the last season was that growers were able to contain export costs to a mere R117m (R112m), an increase of under 5% due to a favourable rand/dollar exchange rate which kept down the freight bill to an advance of only 4% on the previous season. It could happen again, although most pundits expect a strengthening of the dollar next year. Even if it does, there is potential relief in the prospect that a strong dollar will reflect in a downward adjustment of conference lines’ currency adjustment factor, now standing at just over 9%. On the 1980 export programme, sea and air freight made up 44% of total pool expenses.

The 1981 earnings outlook will once again be largely determined by the performance of apples on Euromarkets. Although SA is the largest southern hemisphere exporter to Europe, Cape apples do not exert much influence on the price, since out of 70m cartons offered for fresh consumption in the period April-August this year, SA supplies only 8m (11%).

The main factor determining price is the volume of apples offered by European growers for fresh consumption, compared with the portion of the crop bought (and destroyed) by the European community in terms of its intervention scheme.

Although the 1979/80 European crop was 2% larger than the previous season (and 6% up on average of the past five seasons), the monthly supply position was 17% down in April, 24% down in May and 42% down in June compared with 1978/79. What happened was that 459,000 t of apples (25m cartons) were bought and destroyed or turned into stock feed by the European farm authorities. It is understood that the intervention scheme is to be radically amended to weed out inefficient growers and restore a better balance between supply and demand.
Safmarine slammed over fruit delivery

By John Cavill
Financial Correspondent
The Star Bureau

LONDON — A high-speed dash by the Safmarine container ship Cedarberg, will still fail to get 20,000 cases of South African pineapples to Britain in time for the lucrative pre-Christmas market — the fourth year running South African fruit has missed the Christmas market.

This was claimed yesterday by Mr Keith Sims, managing director of JO Sims Ltd, one of London’s leading fruit importers.

“It is the fourth year something has gone wrong — and it could cost the pineapple growers more than R350,000,” said Mr Sims, who strongly criticized Safmarine’s decision to put the Cedarberg into dry dock in Cape Town.

Safmarine’s London office claimed that high winds delayed the Cedarberg’s getting into dry dock and so failing to sail yesterday as advertised.

“There is very little we can do,” said a Safmarine spokesman.

“It was beyond our control. But we are now hoping to leave on December 5 and will make full speed to Southampton.

“Unless bad weather delays the vessel it should arrive on December 18,” he said.

The Cedarberg will also be carrying 30,000 cases of peaches for the European markets.

“We would obviously have preferred to have had them on December 16 as planned,” said a DFB official here.

“It will present us with difficulties but we have made plans to shift the 10,000 cases for the British market as quickly as possible, including getting a dispensation to have them cleared by Customs as quickly as possible.”

But Mr Sims said Safmarine’s efforts to make up the delay were “a hit and miss affair and not good enough.”

He claimed the East London shippers of the 250 tons of pineapples, Shelford Firnery, would not have loaded the fruit had they been told the Cedarberg would not sail as planned.

“By the time the 23 containers of pineapples are unloaded and cleared we will be into the weekend (of December 20 to 21) and it will be Monday before the fruit gets onto the markets,” he said.

“That means we have effectively just 24 hours in which to sell 25,000 cases.

“It is a disaster and would not be allowed to happen in any other country.”
Agriculture

3 - Fruit

2 Feb. 1979 - 30 June 1979
30. 11. 79

1979 - 1984
A. NATIONAL D. TECHNIQUES

<table>
<thead>
<tr>
<th>Sugar Technology</th>
<th>Meat Technology</th>
<th>Water Purification</th>
<th>Health Inspection</th>
<th>Medical Laboratory</th>
<th>TOTAL</th>
</tr>
</thead>
</table>

B. NATIONAL CENTER

<table>
<thead>
<tr>
<th>Electrical Eng. (Heavy Current)</th>
<th>Electrical Eng. (Light Current)</th>
<th>Mechanical Draughtsman</th>
<th>Building</th>
<th>Building Foremen</th>
<th>Works Inspectors</th>
<th>TOTAL</th>
</tr>
</thead>
</table>

D. Witwatersrand

The answers to Question 3 (how many African technicians would employ...) are tabulated on the following page.
CONTROL OF THE INTRODUCTION OF DECIDUOUS FRUIT INTO CERTAIN AREAS.—AMENDMENT

Under the powers vested in me by section 75 (2) of the Marketing Act, 1968 (Act 59 of 1968), I, Hendrik Stephanus Johan Schoeman, Minister of Agriculture hereby amend the prohibitions, permits and conditions prescribed in Schedule 4 of Government Notice R. 2194 of 3 November 1978, as amended, as set out in the Schedule hereto.

H. S. J. Schoeman, Minister of Agriculture

SCHEDULE

Schedule 4 to Government Notice R. 2194 of 3 November 1978, as amended, is hereby further amended by—

(a) the substitution for the expression "Annexure D" in clause 5 of the expression "Annexure C"; and

(b) the substitution for Annexure C of the following Annexure:

"ANNEXURE C

PERMIT

TO INTRODUCE APPLES OF COUNT CODES 7 AND 8 INTO THE TABLE BAY DOCKS AREA/PORT ELIZABETH DOCKS AREA

To

You are hereby authorised to introduce into the Table Bay Docks Area/Port Elizabeth Docks Area during the period of 31 July 1979 only a quantity of cartons containing apples of count codes 7 and 8 equivalent of the following percentage of the total number of cartons of apples of the following cultivars which you may introduce into such area: Provided that the quantity of cartons containing apples of count code 8 alone shall not exceed the percentage hereunder.

<table>
<thead>
<tr>
<th>Count codes 7 and 8 combined</th>
<th>Count code 8 alone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Starking</td>
<td>55</td>
</tr>
<tr>
<td>Golden Delicious</td>
<td>25</td>
</tr>
</tbody>
</table>

OM APPELS VAN TELLINGKODES 7 EN 8 IN TE BRING IN DIE TAFELBAAIL-DOKKEGEBIED/PORT ELIZABETH - DOKKEGEBIED

Aan

U word hierby gemagtig om slegs 'n hoeveelheid kartonne bevattende appels van tellingkodes 7 en 8 gesamentlik gelykstaande aan ondervermelde persentasies van die totale getal kartonne appels van ondervermelde cultivars wat u in Tafelbaai-dokkegebied/Port Elisabeth-dokkegebied gedurende die tydperk tot 31 Julie 1979 inbring, in sodanige gebied in te bring. Met dien verstaande dat die getal kartonne bevattende appels van tellingkode 8 alleen nie ondervermelde persentasies mag eerskry nie.

<table>
<thead>
<tr>
<th>Tellingkodes 7 en 8 gesamentlik</th>
<th>Count code 8 alleen</th>
</tr>
</thead>
<tbody>
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</tr>
<tr>
<td>Golden Delicious</td>
<td>25</td>
</tr>
</tbody>
</table>

Per pro Deciduous Fruit Board.

Per pro Sagtevruigeraad.

Hierdie permit word uitgereik behoudens die voorwaardes wat kragtens artikel 75 (2) van die Bemarkingswet, 1968 (Wet 59 van 1968), voorgeskryf is.

No. R. 903 27 April 1979

BEHEER OOR DIE INBRING VAN SAGTEVURGTE IN SEKERE GEBIEDE.—WSIGING

Kragtens die bevoegdheid my verleen by artikel 75 (2) van die Bemarkingswet, 1968 (Wet 59 van 1968), wysig ek, Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby die verbodsbepalings, permitte en voorwaardes voorgeskryf in Bylae 4 van Goewermentskennisgewing R. 2194 van 3 November 1978, soos gewysig, soos in die Bylae hiervan uiteengesit.

H. S. J. Schoeman, Minister van Landbou.

Bylae

Bylae 4 van Goewermentskennisgewing R. 2194 van 3 November 1978, soos gewysig, word hierby verder gewysig deur—

(a) die uitdrukking "Aanhangsel D" in klausule 5 te vervang deur die uitdrukking "Aanhangsel C"; en

(b) Aanhangsel C deur die volgende Aanhangsel te vervang:

"AANHANGSEL C

PERMIT

OM APPELS VAN TELLINGKODES 7 EN 8 IN TE BRING IN DIE TAFELBAAIL-DOKKEGEBIED/PORT ELIZABETH - DOKKEGEBIED

Aan

U word hierby gemagtig om slegs 'n hoeveelheid kartonne bevattende appels van tellingkodes 7 en 8 gesamentlik gelykstaande aan ondervermelde persentasies van die totale getal kartonne appels van ondervermelde cultivars wat u in Tafelbaai-dokkegebied/Port Elisabeth-dokkegebied gedurende die tydperk tot 31 Julie 1979 inbring, in sodanige gebied in te bring. Met dien verstaande dat die getal kartonne bevattende appels van tellingkode 8 alleen nie ondervermelde persentasies mag eerskry nie.

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</tr>
</tbody>
</table>

Per pro Sagtevruigeraad.

Hierdie permit word uitgereik behoudens die voorwaardes wat kragtens artikel 75 (2) van die Bemarkingswet, 1968 (Wet 59 van 1968), voorgeskryf is.
LEMOENE GAAN DUURDER WEES

DIE totale bemarking van Sitrusbeurs behartig. Met

Mr. Ray Hauptfleisch,
handelsbestuurder van die
Sitrusbeurs het aan Sake-
Rapport gesê: "Ons verwag
dat citrus uit Suid-Afrika
weer 'n goeie vraag op
wêreldmaatskappy aan
vind. Die verdraa van tot
om ons beskikkings is, sal na
raming, soortgelyk aan die
van verlede jaar wees, toe
die oes sowat 23 miljoen
pakke van 15 kg elk gelei-
wer het."

Verlede jaar het die cit-
trusoes. R120 miljoen aan
buitelandse valuta vir Suid-
Afrika verdien. Die aandui-
dinge is dat hierdie syfer
in die komende jaar met 'n
aansienlike bedrag oorskry
gaan word.

Lemoene wat in Suid-
Afrika gekweek word, het
in die vorige seisoen teen
20c elk op die Europese
markte (kleinhandel) verk
koop, vergelyk by die ge-
middelde van 8c elk in
plaaslike winkels.

Pomelo's
danksy die stigende
vraag in die buiteland, en
weens 'n produksie wat nie
omgewendbaar gestyg het
nie, kan daar verwag word
dat die plaaslike prys van
lemoene vanjaar gaan stig.

Volgens mnr. Haupt-
fleisch sal hierdie stygtings
een groot wees nie. Plaasli-
ke verbruikers sal egter
angemoedig word om
meer pomelo's te koop. Die
gedagte is vanselfsprekend
nie om pomelo's lemoene
moet vervang nie, maar dat
Suid-Afrikaners meer
bewus moet word van die
voedingswaarde en lekkor
na pomelo's in verhouding
terugstelling met ander
dele van die wêreld is die vrug-
toestand nie meer beperk
in Suid-Afrika nie.

Niewellemoene, wat vroeg
in die seisoen verskyn, be-
hoort vir selfs beskikkbaar
wees. Die leemoensoor kom
daselfde vandie Nieu-
ren van Oos-Transvaal en
de sentrale dele van
Noord-Transvaal.

Sapbedryf
Die sappige Valencia-
leemoene, wat later in die
seisoen hul verskynning
maak, sal waarskynlik nie
te volop wees nie. Hierdie
leemoensoor word gespot-
deels in die sapbedryf ge-
brui, maar geen tekort van
leemoensoap word verwag
nie. Die plaaslike vraag na
lemoensoap het tot op hede
nog nooit die aanbod oorskry
nie.

Volgens mnr. Haupt-
fleisch is die vooruitgese
dat die uitvoermark betref
heeltemal gunstig, dit
ondanks die verlies van
Iran as 'n kant. Voorsien van
om en voordat Iran be-

sluit het om 'n handelsboi-
kot teen Suid-Afrika te
handhaaf, het die land
dat sowat 1,5 miljoen pakke
t van 15 kg elk jaarlike
gekoop.

Die Sitrusbeurs verwag
dat die hoeveelheid wat
Iran gekoop het, bale mak-
liek deur die Europese mark
as geheel geabsorbeer sal
word.

Gehalte
Wat die gehalte-betref,
sal vanjaar se lemoene
weens die landwyd droogte
ieder week, maar die vraag sal
nog van die

Die Sitrusbeurs is ook
voorvereens om 'n groot
skaal se poging aan te dui
om die afset van suurle-
moene aan te moedig. Dit
geval vir selfs die uitvoer
as die blanke markte. Wat
suurleemoene betref,
word die kwaaieste mede-
dinging uit Kalifornië en
die lande om die Midde-
landse See ondervind.

Op die plaaslike mark
gaan kleinhandelaars
angemoedig word om hul
wiegabraai te besoek. Die
gedagte val saam met 'n
landwyd veldtog om
verbruikers aan te moedig om
suurleemoene as 'n
noodsaklike deel van
eenie vrugte- of groentes-
laat te beskou.
## GOVERNMENT GAZETTE, 4 MAY 1979

### No. 6423

#### Sections—Afdelings

<table>
<thead>
<tr>
<th>XII. Footwear, headgear, umbrellas, sunshades, whips, riding-crops and parts thereof; prepared feathers and articles made thereof; artificial flowers; articles of human hair; fans</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
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<tbody>
<tr>
<td>Skeeisel, hoofdskel, sambre, somsandbre, swepe, sywepe en onderdele daarvan; binde verse en artikels daarvan gemaakte; kunstbloem; artikels van mensenhaar; waaisers</td>
<td>6,7</td>
<td>5,4</td>
<td>2,3</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>XIII. Articles of stone, of plaster, of cement, of asbestos, of mica and of similar materials; ceramic products; glass and glassware</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td>Artikels van kip, van gips, van cement, van asbest, van mika en van dergelijke stowwe; keramiese produkte; glas en glasware</td>
<td>18,3</td>
<td>17,5</td>
<td>9,2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>XIV. Pearls, precious and semi-precious stones, precious metals, rolled precious metals, and articles thereof; imitation jewellery; coin Pêels, edel, en halfedelsteene, edelmetale, gewalte edelmetale, en artikels daarvan; nagepaste juweleriesware; munstukke</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6,4</td>
<td>3,8</td>
<td>48</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>XV. Base metals and articles of base metal Ondelmetale en artikels daarvan</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>96,6</td>
<td>87,2</td>
<td>37,2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>XVI. Machinery and mechanical appliances; electrical equipment; parts thereof Masjinerie en mekaniese toestelle; elektriese toestoe; onderdele daarvan</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>529,3</td>
<td>490,2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>XVII. Vehicles, aircraft, and parts thereof; vessels and certain associated transport equipment Voertuie, vliegtuie en onderdele daarvan; vaartuie en seker verwante vervoortstelling</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>330,5</td>
<td>299,4</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>XVIII. Optical, photographic, cinematographic, measuring, checking, precision, medical and surgical instruments and apparatus; clocks and watches; musical instruments; television image and sound recorders and reproducers; parts thereof Optiese, fotografiese, kinematografiese, meet-, kontrole-, presiese, mediese en chirurgiese inwerktuie en apparaat; klokke en horloges; musiekinwerktuie; televisiebeeld- en klangopnameapparatuur</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>71,0</td>
<td>50,2</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>XX. Miscellaneous manufactured articles Diverse vervaardigde artikels</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>11,0</td>
<td>9,0</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>XXI. Works of art, collectors’ pieces and antiques Kunswere, verzamelaarsartikels en antieke</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,5</td>
<td>0,7</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other unclassified goods Ander ongekategoriseerde goederen</th>
<th>1979</th>
<th>1978</th>
<th>1977</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,6</td>
<td>10,3</td>
<td>1,5</td>
</tr>
</tbody>
</table>

---

### NOTICE 325 OF 1979

**REGULATIONS RELATING TO THE GRADING, PACKING AND MARKING OF MANGOES INTENDED FOR EXPORT FROM THE REPUBLIC OF SOUTH AFRICA.—PROPOSED PUBLICATION**

The Division of Inspection Services of the Department of Agricultural Economics and Marketing intends to request the Minister of Agriculture to publish the regulations as set out in the Schedule hereto.

Interested persons are invited to furnish the Director, Division of Inspection Services, Private Bag X258, Pretoria, 0001, with any written comments or representations they wish to make in regard to the proposed regulations within three months of the date of publication of this Notice.

---

### KENNISGEWING 325 VAN

**REGULASIES MET BETREKKING TOT GRADERING, VERPAKKING EN MANGO'S BESTEMD VIR DIE UITVOER VAN DIE REPUBLIEK VAN SUID-AFRIKA.—PROPOSED PUBLIKASIE**

Die Afdeling Inspeksiedienste van Landbou-economie en -markering wil die Minister van Landbou te versoek om op gevolg van hierdie kennisgewing skriftelike vertoe wat hulle in verband met die lasies wil lewer aan die Direkteur, Afdeling Inspeksiedienste, Privaatsak X258, Pretoria.
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<td>General</td>
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<td>Quality requirements</td>
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</tr>
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<td>Containers</td>
<td>10</td>
</tr>
<tr>
<td>Packing requirements</td>
<td>11</td>
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<tr>
<td>Marking requirements</td>
<td>12-13</td>
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<tr>
<td>Inspection methods</td>
<td>14</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>BYLAE INHOUĐ</th>
<th>Regulaties</th>
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<tr>
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</tr>
<tr>
<td>Algemeen</td>
<td>2-8</td>
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<tr>
<td>Gehaltevereistes</td>
<td>9</td>
</tr>
<tr>
<td>Houers</td>
<td>10</td>
</tr>
<tr>
<td>Verpakkingsvereistes</td>
<td>11</td>
</tr>
<tr>
<td>Merkteorie</td>
<td>12-13</td>
</tr>
<tr>
<td>Onderzoekmetodes</td>
<td>14</td>
</tr>
</tbody>
</table>

**DEFINITIONS**

1. In these regulations, unless inconsistent with the context, a word or expression to which a meaning has been assigned in the Agricultural Produce Export Act, 1971 (Act 51 of 1971), shall have a corresponding meaning, and—

- "blemishes" means any external defect on the surface of the mango which affects the appearance of the mango detrimentally;
- "bruise" means any bruise or bruises which have as a result discoloration directly under the peel;
- "consignment" means a quantity of mangoes which is delivered at any one time under cover of the same consignment note, delivery note or receipt note or from the same vehicle, or if such quantity is subdivided into different cultivars or size groups, each quantity of each of the different cultivars or size groups;
- "consignment note" means a consignment note approved by the Director of Inspection Services;
- "container" means the container in which the mangoes are packed;
- "count" means the number of mangoes packed in a container;
- "decay" means a state of decomposition, fungus development or insect infestation, affecting the internal quality of the mangoes detrimentally;
- "Department" means the Department of Agricultural Economics and Marketing;
- "Director of Inspection Services" means the Director of the Division of Inspection Services of the Department;
- "foreign matter" means any material not normally present in, on or between the mangoes;
- "injury" means any wound or puncture which has penetrated the skin of the mango and exposes the flesh, with the exception of such wounds or punctures which have healed completely or have become calloused;
- "mango" means the fruit of the tree Mangifera indica;
- "maturity" means a state of maturity to such a degree that the flesh next to the pip has started to yellow and that the mango shall ripen normally;
- "the Act" means the Agricultural Produce Export Act, 1971 (Act 51 of 1971); and
- "well formed" means that the mangoes have a shape which is normally typical of the cultivar concerned.

**WOORDOMSKRYWINGS**

1. In hierdie regulasies, tensy uit die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Wet op Uitvoer van Landbouprodukte, 1971 (Wet 51 van 1971), 'n betekenis geheg is, 'n ooreenstemmende betekenis, en beteken—

- "bedert" 'n toestand van verrotting, swamontwikkeling of insekbesmetting wat die inwendige gehalte van die mango's nadeel beïnvloed;
- "besending" 'n hoeveelheid mango's wat op 'n bepaalde tydstip afgelever word onder dekking van dieselfde afleveringsbrief, vragbrief of ontvangbewys, of van dieselfde voertuig, of indien so 'n hoeveelheid ingedeel is in verskillende cultivars of groottegroepe, elke hoeveelheid van elk van die verskillende cultivars of groottegroepe;
- "besering" enige wond of prik wat die skil van die mango deurboor en die vlees blootstel, uitgesonderd suke wonde of prikke wat volkome genees of vereet geraak het;
- "Departement" die Departement van Landbou-ekonomie en -bemarking;
- "die Wet" die Wet op Uitvoer van Landbouprodukte, 1971 (Wet 51 van 1971);
- "Direkteur van Inspekstien" die Direkteur van die Afdeling Inspekstien van die Departement;
- "goedgevormd" dat die mango 'n vorm het wat normaalweg kenmerkend van die betrokke cultivar is;
- "houer" die houer waarin die mango's verpak is;
- "kneusplek" enige kneusplek of kneusplekke wat verkleuring direk onder die skil tot gevolg het;
- "ketsels" enige uitwendige gebrek op die oppervlakte van die mango wat die voorkoms van die mango nadeelig beïnvloed;
- "mango" die vrug van die boom Mangifera indica;
- "telling" die aantal mango's wat in 'n houer verpak is;
- "volwassenheid" 'n stadium van ryphed waar die vlees teenaan die pit begin geel verkleur het en waar die mango normaal sal ryf word;
- "vragbrief" 'n vragbrief deur die Direkteur van Inspekstienstede goedgekeur; en
- "vreemde stowwe" enige materiaal nie normaalweg in, op of tussen die mango's teenwoordig nie.
PART I

GENERAL

Notice

2. (1) Any person intending to export a consignment of mangoes, shall give written notice of his intention to the Director of Inspection Services, Private Bag X258, Pretoria, 0001, or to an inspector, at least four days prior to the date of export.

(2) Such notice shall state—

(a) the number and type of containers in the consignment;
(b) the name of the exporter or his agent;
(c) the port from which the export shall take place;
(d) particulars concerning the marking and destination thereof; and
(e) the date of export and, if exported by air, the scheduled time of departure.

Submission for inspection

3. Mangoes shall be submitted for inspection at least 24 hours prior to the loading thereof into the vessel, aircraft or vehicle in which it is intended to export the mangoes.

Consignment note

4. Every consignment of mangoes intended for export shall, when submitted for inspection, be accompanied by a consignment note duly completed in quadruplicate of which each copy shall have the same serial number and of which one copy shall become the property of the Department.

Inspection

5. (1) An inspector may in any consignment of mangoes abstract and open as many containers and inspect the contents thereof and remove samples of such contents for the purpose of further inspection or analysis as he may deem necessary: Provided that no consignment or count, as the case may be, may be rejected unless such consignment or count, as the case may be, is inspected in the manner as prescribed in Part VI.

(2) An inspector’s finding in relation to the containers opened by him by virtue of the provisions of subregulation (1) and the contents thereof, shall apply as a finding in respect of the whole consignment or count as the case may be, from which such containers were abstracted.

(3) Mangoes which have been inspected and approved for export may, at any time thereafter, be re-inspected by an inspector.

(4) If an inspector is satisfied after his inspection that the requirements of these regulations have been complied with in respect of the consignment of mangoes, he shall—

(a) in the case of an inspection, approve for export such consignment, either by marking or causing to be marked on each container or label affixed thereto the words “Approved by Government Inspector” or by issuing a certificate which indicates such approval, and

(b) in the case of a re-inspection, confirm the previous approval, granted in respect of such consignment, by issuing a certificate which indicates such confirmation.

DEEL I

ALGEMEEN

Kennisgewing

2. (1) Enige persoon wat van voornamelijk besending mango's uit te voer, moet skryf aan die Direktor van Inspeksiedienste, PrivaatPost, Pretoria, 0001, of aan ‘n inspecteur, ken dan sodanige voornemse minstens vier dae voor van uitvoer.

(2) Sodanige kennisgewing moet verstrekk—

(a) die aantal en tipe houers in die besending;
(b) die naam van die uitvoerder of sy afdeling;
(c) die hawe waarvan die uitvoer vind; en
(d) besonderhede ooreenkomende met die merktekens hiervan.

Aanbieding vir ondersoek

3. Mango’s moet vir ondersoek aangebied word nie later as 24 uur voor die inspending daarvan nie. Vlugtig of voertuig in diè geval.

Vragbrief

4. Elke besending mango's wat vir uitvoer moet word, moet die aanbieding daarvan vir ondersoek en geval word. ’n Vragbrief wat behoorlik voltooi is, word nie later as 24 uur voor die uitvoer nie, en sal as die gelid van die ondersoek genoot word.

Onskeiklikheid

5. (1) ’n Inspektor mag in ’n besending mango's wat vir reis oortrek word nie later as 24 uur voor die ondersoek en geval word. Indien ’n Inspektor die ondersteunende gegevens ontbeer het, moet hy dié voor die ondersoek aanvraag, en sal die geval as ondersoek word.

(2) Indien ’n Inspektor nie die ondersteunende gegevens voor die ondersoek het nie, moet hy die gevolgde staptegelyktes volg:

(a) in die geval van ’n ondersoek behoort die ondersoek na uitvoer gehad te word deur ’n Inspektor, en
(b) die geval van ’n ondersoek behoort die geval na uitvoer te word, en
Inspection fee
6. An inspection fee of 3c per container in a consignment of mangoes shall be paid to the Department by the exporter of mangoes when such mangoes are submitted for inspection.

Appeal
7. (1) Any person who feels aggrieved as a result of any decision or action taken by an inspector may appeal against such decision or action by submitting a written notice of appeal to an inspector within 24 hours after he has been notified of that decision or action and depositing within the said period with such inspector or at any office of the Division of Inspection Services of the Department a deposit of R21: Provided that a separate deposit shall be deposited in respect of each separate consignment and provided further that, if the notice of appeal and deposit are not submitted and deposited within the prescribed period of 24 hours, the appellant shall lose his right of appeal in terms of this regulation.
(2) An inspector may apply to mangoes in respect of which an appeal has been lodged, or to the containers thereof, any mark or marks which he may deem necessary for identification purposes and such mangoes shall not, without his consent, be removed from the place where they were inspected or where they are stored.
(3) The Secretary of the Department or an officer of the Department nominated by him, shall designate a person or persons who shall decide such an appeal, and such person or persons shall decide such an appeal within 48 hours (excluding Sundays and public holidays) after it was lodged, and the decision of the person or persons so designated, shall be final.

Exemptions
8. Notwithstanding anything to the contrary, the requirements of the Act and these regulations shall not apply—
(a) to mangoes intended for export to the Kingdom of Lesotho, the Kingdom of Swaziland, the Republic of Botswana, the Republic of Bophuthatswana, the Republic of Transkei and the Territory of South West Africa;
(b) to mangoes in respect of which the Director of Inspection Services has approved in writing that, subject to conditions determined with him they may be exported as an experiment, and in respect of which such conditions have been complied with;

Ondersoeksgeld
6. 'n Ondersoeksgeld van 3c per houer in 'n besending mango's moet aan die Departement, deur die uitvoerder van mango's, betaal word wanneer sodanige mango's vir ondersoek aangebied word.

Appèl
7. (1) Enige persoon wat hom deur 'n beslissing of optrede van 'n inspektor veronred ag, mag appèl aanteken teen sodanige beslissing of optrede deur binne 24 uur nadat hy van daardie beslissing of optrede in kennis gestel is, skriftelike kennisgaweg van appèl by 'n inspektor in te dien, en binne genoemde tydperk by die inspektor, of by enige kantoor van die Afdeling Inspeksiedienste van die Departement 'n deposito van R21 te deponer: Met dien verstande dat 'n afsonderlike deposito gedeponeer moet word ten opsigte van elke afsonderlike besending en met dien verstande verder dat indien die kennisgaweg van appèl en die deposito nie binne die voorgeskroewe tydperk van 24 uur ingediend en gedeponeer word nie, die appellant sy reg van appèl ingevolge hierdie reglasie verloor.
(2) 'n Inspektor mag aan mango's ten opsigte waarvan 'n appèl aangeteken is, of aan die houers daarvan, 'n merk of merke aanbring wat hy vir uitkenningsdoeleinders nodig mag ag en sodanige mango's mag nie sonder sy toestemming van die plek waar dit ondersoek of opgeheer is, verwysy word nie.
(3) Die Sekretaris van die Departement of 'n beambte van die Departement deur hom benoem, moet 'n persoon of persone aanwyks deur wie oor so 'n appèl moet beslis en sodanige persoon of persone moet daaroor beslis, binne 48 uur (uitgesonder Sondae en openbare vakansiedae) na indiening daarvan, en die beslissing van die aldus aangewe persoon of persone sal afdaa o weeings.
(4) Die aldus aangewe persoon of persone moet die appellant of sy verteenwoordiger minstens 2 uur kennis gee van die plek en tyd bepaal vir die verhoor van die appel en mag nadat die betrokke mango's vertoong en uitgekeen is en alle belanghebbendes aangehoor is, alle persone (met inbegrip van die appellant, sy verteenwoordiger en die inspektor) gelas om die plek waar die appel oorweg word, te verlaat.
(5) (a) Indien die appel gehandhaaf word, moet die bedrag wat ten opsigte daarvan gedeponeer is, aan die appellant terugbetaal word.
(b) Indien die appel van die hand gewys word, of indien die mango's waarop dit betrekking het, nie op die tyd en plek bepaal deur die genoemde persoon of persone vertoong word nie, sal die bedrag wat ten opsigte daarvan gedeponeer is, verbeur word.

Vystrellings
8. Nieteenstaande andersluidende wetsbepalings, is die voorskrifte van die Wet en hierdie regulasies nie van toepassing nie—
(a) op mango's wat vir uitvoer bestem is na die Koninkryk van Lesotho, die Koninkryk van Swaziland, die Republiek van Botswana, die Republiek van Bophuthatswana, die Republiek van Transkei en die gebied Suidwes-Afrika;
(b) op mango's ten opsigte waarvan die Direkteur van Inspeksiedienste skriftelik goedgekeur het dat dit onderworpe aan voorwaardes deur hom bepaal, by wysie van proefneming uitgevoer word en ten opsigte waarvan sodanige voorwaardes nagekom is;
PART II
QUALITY REQUIREMENTS

Class

9. (1) There is one class of mangoes namely Class 1.

Specifications

(2) The class mentioned in subregulation (1) shall comply with the following specifications:

<table>
<thead>
<tr>
<th>Quality factor</th>
<th>Class 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Specified defects:</td>
<td></td>
</tr>
<tr>
<td>(i) Appearance</td>
<td>Attractive.</td>
</tr>
<tr>
<td>(ii) Shape</td>
<td>Well-formed and typical of the cultivar concerned.</td>
</tr>
<tr>
<td>(iii) Maturity</td>
<td>Mature, well developed for the cultivar concerned.</td>
</tr>
<tr>
<td>(iv) Over-ripe</td>
<td>Shall not be over-ripe or show signs of &quot;jelly seed&quot;.</td>
</tr>
<tr>
<td>(v) Bruises</td>
<td>None.</td>
</tr>
<tr>
<td>(vi) Injuries</td>
<td>None.</td>
</tr>
<tr>
<td>(vii) Blemishes</td>
<td>None.</td>
</tr>
<tr>
<td>(viii) Heat or cold damage</td>
<td>None.</td>
</tr>
<tr>
<td>(ix) Shrivelling</td>
<td>None.</td>
</tr>
<tr>
<td>(x) Decay</td>
<td>None.</td>
</tr>
<tr>
<td>(xi) Foreign matter</td>
<td>None.</td>
</tr>
<tr>
<td>(b) Unspecified defects:</td>
<td></td>
</tr>
<tr>
<td>(i) Any other external or internal quality defect</td>
<td>None.</td>
</tr>
<tr>
<td>(c) Uniformity of size in the same container</td>
<td>Uniform.</td>
</tr>
</tbody>
</table>

(3) Deviations (according to number).—The class mentioned in subregulation (1) may deviate from the specifications prescribed in subregulation (2) to the extent set out hereunder:

<table>
<thead>
<tr>
<th>Quality factor</th>
<th>Class 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Decay</td>
<td>1</td>
</tr>
<tr>
<td>(b) Injuries</td>
<td>3</td>
</tr>
<tr>
<td>(c) All deviations combined, excluding those mentioned in paragraph (d): Provided that the limits in paragraphs (a) and (b) are not exceeded</td>
<td>10</td>
</tr>
<tr>
<td>(d) Size deviations</td>
<td>7</td>
</tr>
</tbody>
</table>

PART III
CONTAINERS

10. Containers containing mangoes shall—

(a) be suitable, clean, strong, unbroken and new;
(b) be provided with suitable lids; and
(c) have the following external dimensions:

400 mm in length, 300 mm in width and depth optional.

PART IV
PACKING REQUIREMENTS

11. (1) Mangoes shall be packed in single layers.
(2) Mangoes in the same container shall be uniform in size and of the same cultivar.
(3) The containers shall be packed to capacity.
(4) Mangoes may be wrapped or unwrapped: Provided that if mangoes are wrapped, suitable material shall be used.
(5) Sufficient ventilation shall be provided for, irrespective of the type of packing material used.

(c) op mango's wat ingeneem word vir verbruik op 'n skip of ander vervoer die buiteland; of
(d) op mango's wat as 'n geskenk uitgemaak en waarvan die netto massa nie 5 kg.

DEEL II
GEHALTEVEREISTES

Klas

9. (1) Daar is een klas Mango's namlik Klas 1

Spefisifikasies

(2) Die in subregulasie (1) genoemde en die volgende spefisifikasies voldoen:

<table>
<thead>
<tr>
<th>Gehaltefaktor</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Gespesifieerde gebreke:</td>
</tr>
<tr>
<td>(ii) Vorm:</td>
</tr>
<tr>
<td>(iii) Voldoeningheid:</td>
</tr>
<tr>
<td>(iv) Oorrop:</td>
</tr>
<tr>
<td>(v) Kwetsleewe:</td>
</tr>
<tr>
<td>(vi) Bessings:</td>
</tr>
<tr>
<td>(vii) Vlies:</td>
</tr>
<tr>
<td>(viii) Vlies- of kwetsleewe:</td>
</tr>
<tr>
<td>(ix) Verkruiming:</td>
</tr>
<tr>
<td>(x) Bederf:</td>
</tr>
<tr>
<td>(xi) Vreemd stowwe:</td>
</tr>
<tr>
<td>(b) Ongespesifieerde gebreke:</td>
</tr>
<tr>
<td>(i) Enige ander uitwendige of onvoldoende gehaltegebreke:</td>
</tr>
<tr>
<td>(c) Eenvormigheid van grootte in diezelfde houer:</td>
</tr>
</tbody>
</table>

(3) Afwykings (volgens getal).—Die (1) bedoelde klas mag tot die mate hier gesit afwyk van die in subregulasie (2) spefisifikasies:

<table>
<thead>
<tr>
<th>Gehaltefaktor</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Bederf:</td>
</tr>
<tr>
<td>(b) Bessings:</td>
</tr>
<tr>
<td>(c) Afwykings:</td>
</tr>
</tbody>
</table>

DEEL III
HOUERS

10. Houver tot 600 mango's mag tot die mate hier gesit afwyk van die in subregulasie (2) spefisifikasies:

<table>
<thead>
<tr>
<th>Gehaltefaktor</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Geskiwe, skoon, sterk, heel en nuur</td>
</tr>
<tr>
<td>(b) Van geskiwe deksels voorziene wees</td>
</tr>
<tr>
<td>(c) Die volgende buite-afmetings:</td>
</tr>
</tbody>
</table>
PART V

MARKING REQUIREMENTS

Marking of containers

12. (1) Each container containing mangoes shall be clearly and legibly marked in block letters with the following particulars:

(a) The name and address or trade mark of the producer, the exporter or owner in letters of at least 3 mm in height; and
(b) the class, count, cultivar and the shipping mark in letters of at least 10 mm in height on one end of the container.

(2) Labels on containers shall be clean, securely attached and not be superimposed on other labels.

(3) If the country to which mangoes are exported, prescribes requirements relating to the marking of containers which differ from the aforesaid requirements, the containers containing such mangoes shall, notwithstanding the provisions of this regulation, be marked in a manner so prescribed and approved by the Director of Inspection Services.

Prohibited particulars

13. No wording, illustration or other means of expression which constitutes a misrepresentation or which, directly or by implication, creates a misleading impression of the contents shall appear on a container which contains mangoes.

PART VI

INSPECTION METHODS

Sampling

14. (1) An inspector shall abstract at random for inspection purposes at least one per cent of the containers in a consignment and shall satisfy himself that the containers, so abstracted, are representative of all count groups in the consignment concerned.

(2) The entire contents of each container, abstracted for inspection, shall be inspected.

(4 May 1979)

DEEL V

MERKVEREISTES

Merk van houers

12. (1) Elke houer wat mango’s bevat moet in duidelike en leesbare blokletters met die volgende gegevens gemerk wees:

(a) Die naam en adres of handelsmerk van die produsent, eienaar of die uitvoerder met letters minstens 3 mm hoog;
(b) die klas, telling, cultivar en die verskyningsmerk met letters minstens 10 mm hoog op een eind van die houer.

(2) Etikette op houers moet skoon, stewig aangeheg wees en mag nie oor ander etikette geplak wees nie.

(3) Indien die land waar heen mango’s uitgevoer word vereiste met betrekking tot die merk van houers voor- geskryf wat verskil van voormelde vereistes, moet die houers van sodanige mango’s, nieeenstaande die bepa- lings van hierdie regulasie, gemerk word op ‘n wyse aldu voorgeskryf en deur die Direkteur van Inspeksie- dienste goedgekeur.

Verbode besonderhede

13. Geen bewoording, illustrasie of ander metode van begrënsing of indruk van die inhoud skeep, mag op ‘n wyse aldus voorgeskryf en deur die Direkteur van Inspeksiedienste goedgekeur.

DEEL VI

ONDERSOEKMETODES

Monsterneming

14. (1) ‘n Inspekteur moet ten minste een persent van die houers in ‘n besending vir ondersoek op ‘n ewekansige wyse ontrek en homself tevrede stel dat die houers, aldus ontrek, verteenwoordigend van die betrokke besending is.

(2) Die hele inhoud van elke houer wat vir ondersoek ontrek is, moet ondersoek word.

(4 Mei 1979)

NOTICE 326 OF 1979

DEPARTMENT OF AGRICULTURAL ECONOMICS AND MARKETING

REGULATIONS RELATING TO THE GRADING, PACKING AND MARKING OF AVOCADOS INTENDED FOR EXPORT FROM THE REPUBLIC OF SOUTH AFRICA.—PROPOSED PUBLICATION

The Division of Inspection Services of the Department of Agricultural Economics and Marketing intends to request the Minister of Agriculture to publish the regulations as set out in the Schedule hereto.

Interested persons are hereby invited to furnish the Director, Division of Inspection Services, Private Bag X258, Pretoria 0001, with any written comments or representations they wish to make in regard to the proposed regulations within three months of the date of publication of this Notice.

KENNISGEWING 326 VAN 1979

DEPARTEMENT VAN LANDBOU- EKONOMIE EN -BERMARKING

REGULASIES MET BETREKKING TOT DIE GRADERING, VERPAKKING EN MERK VAN AVOKADO’S BESTEM VIR UITVOER UIT DIE REPUBLIEK VAN SUID-AFRIKA.—VOORGE- STELDE AFKONDIGING

Die Afdeling Inspeksiedienste van die Departement van Landbou-ekonomies en -bermarking is voorneem- om die Minister van Landbou te versoek om die regul- lasies soos in die Bylae hiervan uiteengesit, af te kondig.

Retanghebbende persone word hierby versoek om binne drie maande vanaf die datum van publikasie hierdie kennisgewing skriftelike kommentaar of verwysings in verband met die voorgestelde regulasies aan die Afdeling Inspeksiediel Privatsak X258, Pretoria, 0001, te lever.
DEFINITIONS

1. In these regulations, unless inconsistent with the context, a word or expression to which a meaning has been assigned in the Agricultural Produce Export Act, 1971 (Act 51 of 1971), shall have a corresponding meaning, and—

“avocado” means the fruit of the plant *Persea americana* Miller;

“blemishes” means any external defect which affects the appearance of the avocado detrimentally;

“bruise of severe intensity” means any bruise of more than 10 mm in diameter which has as a result discolouration directly under the skin;

“clean” means free from spray residues, excessive dirt or foreign matter;

“consignment” means a quantity of avocados which is delivered at any one time under cover of the same consignment note, delivery note or receipt note, or from the same vehicle, or if such quantity is subdivided into different cultivars or size groups, each quantity of each of the different cultivars or size groups;

“consignment note” means a consignment note approved by the Director of Inspection Services;

“count” means the number of avocados packed in a container;

“decay” means a state of decomposition, fungus development or insect-infestation partly or completely affecting the internal quality of the avocados detrimentally;

“Department” means the Department of Agricultural Economics and Marketing;

“Director of Inspection Services” means the Director of the Division of Inspection Services of the Department;

“foreign matter” means any material not normally present in, on or between the avocados;

“injury” means any wound or puncture which has penetrated the skin of the avocado exposing the flesh, excluding such wounds or punctures which have healed completely or have become calloused;

“mature” means a stage of development of an avocado to a degree ensuring the proper completion of the ripening process;

“sunburn” means a condition where the appearance of an avocado is affected by the sun to a greater extent than to give it a greenish-yellow colour aggregating 10 per cent of the fruit surface;

“the Act” means the Agricultural Produce Export Act, 1971 (Act 51 of 1971); and

“well-formed” means that the avocado has a shape which is normally typical of the cultivar concerned.
PART I

GENERAL

Notice

2. (1) Any person intending to export a consignment of avocados shall give written notice of his intention to the Director of Inspection Services, Private Bag X258, Pretoria 0001, or to an inspector, at least four days prior to the date of export.

(2) Such notice shall state—

(a) the number and type of containers in the consignment;
(b) the name of the exporter or his agent;
(c) the port from which the export shall take place;
(d) particulars concerning the marking and destination thereof; and
(e) the date of export and, if by air, the scheduled time of departure.

Submission for inspection

3. Avocados shall be submitted for inspection at least 24 hours prior to the loading thereof into the vessel, aircraft or vehicle in which it is intended to export the avocados.

Consignment note

4. Every consignment of avocados shall, when submitted for inspection, be accompanied by a consignment note duly completed in quadruplicate of which each copy shall have the same serial number and of which one copy shall become the property of the Department.

Inspection

5. (1) An inspector may in any consignment of avocados abstract and open as many containers and examine the contents thereof and take samples of such contents for the purpose of further examination or analyses as he may deem necessary: Provided that no consignment may be rejected unless such consignment is inspected in the manner as prescribed in Part VI.

(2) An inspector’s finding in relation to the containers opened by him by virtue of the provisions of subregulation (1) and the contents thereof, shall apply as a finding in respect of the whole consignment from which such containers were abstracted.

(3) Avocados which have been inspected and approved for export may, at any time thereafter, be re-inspected by an inspector.

(4) If an inspector is satisfied, after his inspection that the requirements of these regulations have been complied with in respect of the consignment of avocados, he shall—

(a) in the case of an inspection, approve for export such consignment, either by marking or causing to be marked on each container or label affixed thereto, the words “Approved by Government Inspector”, or by issuing a certificate which indicates such approval; and
(b) in the case of a re-inspection, confirm the previous approval granted in respect of such consignment by issuing a certificate which indicates such confirmation.

Inspection fee

6. An inspection fee of 3.0c per container in a consignment of avocados shall be paid to the Department by the exporter of avocados when such avocados are submitted for inspection.

DEEL I

ALGEMEEN

Kennisgeving

2. (1) Iemand wat van voorneme is om 'n besending avokado's uit te voer, moet skriftelik aan die Direkteur van Inspeksiedienste, Privaatsak X258, Pretoria, 0001, of aan 'n inspakteur, kennis gee van sy voorneme minstens vier dae voor die datum van uitvoer.

(2) Sodanige kennisgewing moet verstrekk—

(a) die aantal en tipe houers in die besending;
(b) die naam van die uitvoerder of sy agent;
(c) die hawe waarvan die uitvoer sal plaasvind;
(d) besonderhede aangaande die merk en bestemming daarvan; en
(e) die datum van uitvoer en, indien per lug, die geskедeuleerde tyd van vertrek.

Aanbieding vir onderzoek

3. Avokado's moet vir ondersoek aangebied word minstens 24 uur voor die inspeksie daarvan in die skip, vlieg- of voertuig waarin dit beoog word om die avokado's uit te voer.

Vraagbrief

4. Elke besending avokado's wat vir uitvoer bestem is, moet by die aanbieding daarvan vir ondersoek, vergeel wees van 'n vraagbrief wat behoorlik in viervoud voltooi is waarvan elke afskriif dieselfde reeksnr na moet hê en waarvan een afskriif die eiendom van die Departement sal word.

Onderzoek

5. (1) 'n Inspektor mag in 'n besending avokado's soveel houers onttrek en oopmaak en die inhoud daarvan, onderzoek en monsters van sodanige inhoud neem vir die doel van verdere ondersoek of ontleiding as wat hy nodig mag ag: Met dien verstande dat geen besending afgekeur mag word nie teny sodanige besending ondersoek is op die wyse soos in Deel VI voorgestryf.

(2) 'n Inspektor se bevinding met betrekking tot die houers deur hom opgemaak uit hoofde van die bepaling van subregulascie (1) en die inhoud daarvan, sal as 'n bevinding ten opsigte van die hele besending waaruit sodanige houers onttrek is, geld.

(3) Avokado's wat vir uitvoer goedgekeur is, mag te enige tyd daarna, deur 'n inspecteur herondersoek word.

(4) Indien 'n inspecteur na sy ondersoek tevrede is, dat daar ten opsigte van die besending avokado's aan die vereistes van hierdie regulasies voldoen is, moet hy—

(a) in die geval van 'n ondersoek sodanige besending vir uitvoer goedgekeur deur of die woorde "Goedgekeur deur Staatsinspecteur", op elke houer of op elke etiket daaraan geheg, te merk, of te laat merk, of 'n sertifkaat wat sodanige goedkeureng aantoen, uit te reik; en
(b) in die geval van 'n heronderzoek, die vorige goedkeuring bekratig deur 'n sertifkaat wat sodanige bekratiging aantoen, uit te reik.

Onderzoeksgeld

6. 'n Onderzoeksgeld van 3.0c per houer in 'n besending avokado's moet aan die Departement, deur die uitvoerder van avokado's, wanneer sodanige avokado's vir inspeksie aangebied word, betaal word.
### Appeal

7. (1) Any person who feels aggrieved as a result of any decision or action taken by an inspector may appeal against such decision or action by submitting a written notice of appeal to an inspector within 24 hours after he has been notified of that decision or action and depositing within the said period with such inspector or at any office of the Division of Inspection Services of the Department a deposit of R21: Provided that a separate deposit shall be deposited in respect of each consignment and provided further that if the notice of appeal and deposit are not submitted and deposited within the prescribed period of 24 hours, the appellant shall lose his right of appeal in terms of this regulation.

(2) An inspector may apply to avocados in respect of which an appeal has been lodged, or to the containers thereof, any mark or marks which he may deem necessary for identification purposes and such avocados shall not, without his consent, be removed from the place where they were inspected or where they are stored.

(3) The Secretary of the Department or an officer of the Department nominated by him, shall designate a person or persons who shall decide such an appeal within 48 hours (excluding Sundays and public holidays) after it was lodged, and the decision of the person or persons so designated shall be final.

(4) The person or persons so designated shall give the appellant or his representative, at least two hours notice of the time and place determined for the hearing of the appeal, and may after the avocados have been produced and indentified and all interested persons have been heard, instruct all persons (including the appellant, his representative and the inspector), to leave the place where the appeal is being considered.

(5) (a) If the appeal is upheld the amount deposited in respect thereof shall be refunded to the appellant.

(b) If the appeal is dismissed or if the avocados to which it relates are not produced at the time and place determined by the said person or persons, the amount deposited in respect thereof shall be forfeited.

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### Exemptions

8. Notwithstanding anything to the contrary, the requirements of the Act and these regulations shall not apply—

- (a) to avocados intended for export to the Kingdom of Lesotho, the Kingdom of Swaziland, the Republic of Botswana, the Republic of Transkei, the Republic of Vryburg and the territory of South West Africa;

- (b) to avocados in respect of which the Director of Inspection Services has approved in writing that, subject to conditions determined by him, they be exported as an experiment and in respect of which such conditions have been complied with;

- (c) to avocados loaded as provisions for consumption aboard a ship or other means of transport to foreign countries; or

- (d) to avocados exported as a gift and of which the net mass does not exceed 5 kg.

### Vrystelling

8. Nieteensluitende andersluidende voorskrifte van die Wet en hierdie regte toepassing nie—

- (a) op avokado's wat vir uitoefening van Koningryk van Lesotho, die Koningryk van Swaziland, die Republiek van Botswana, die Republiek van Transkei, die Republiek van Vryburg en die gebied van Suidwest-Afrika bestem word;

- (b) op avokado's ten opsigte van die Inspektiedienste skriflik goedgekeur dat dit onderworpe aan voorwaardes is, by wys van 'n proefneming en die daarmee betrokke persone vertoon word nie; ten opsigte waarvan sodanige voorwaardes vir gebruik op 'n skip of ander vervoer in die buiteland; of

- (d) op avokado's wat ingesonde word vir gebruik op 'n skip of ander vervoer in die buiteland; of

- (e) op avokado's wat se redes van transport na die binneland of ten opsigte van die neto massa nie
PART II
QUALITY REQUIREMENTS

Class

9. (1) There shall be one class of avocados namely Class 1.

Specifications

(2) The class mentioned in subregulation (1) shall comply with the following specifications:

<table>
<thead>
<tr>
<th>Quality factor</th>
<th>Class 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Specified defects:</td>
<td></td>
</tr>
<tr>
<td>(i) Appearance</td>
<td>Attractive and clean.</td>
</tr>
<tr>
<td>(ii) Shape</td>
<td>Well-formed.</td>
</tr>
<tr>
<td>(iii) Maturity</td>
<td>Mature and contain not more than 80 per cent moisture but shall be firm and show no signs of softening.</td>
</tr>
<tr>
<td>(iv) Injuries</td>
<td>None.</td>
</tr>
<tr>
<td>(v) Blotches</td>
<td>None.</td>
</tr>
<tr>
<td>(vi) Bruises of severe intensity</td>
<td>None.</td>
</tr>
<tr>
<td>(vii) Discolouration</td>
<td>Free from excessive discolouration.</td>
</tr>
<tr>
<td>(viii) Decay</td>
<td>None.</td>
</tr>
<tr>
<td>(ix) Foreign matter</td>
<td>None.</td>
</tr>
<tr>
<td>(b) Uniformity of size in the same container.</td>
<td>Uniform.</td>
</tr>
<tr>
<td>(c) Unspecified defects:</td>
<td>None.</td>
</tr>
<tr>
<td>(i) Any other external or internal quality defect.</td>
<td>None.</td>
</tr>
<tr>
<td>(d) Chemical treatment</td>
<td>Shall be treated with a fungicide as prescribed by the Department of Agricultural Technical Services.</td>
</tr>
<tr>
<td>(e) Prevention of drying out</td>
<td>May be treated with a preparation as prescribed by the Department of Agricultural Technical Services.</td>
</tr>
<tr>
<td>(f) Pedicels</td>
<td>(i) The pedicels shall not exceed 8 mm in length.</td>
</tr>
<tr>
<td></td>
<td>(ii) Fruit without pedicels shall be waxed: Provided that a maximum of 20 per cent of fruit without pedicels shall be allowed after 1 May.</td>
</tr>
</tbody>
</table>

(3) Deviations (according to number).—The class mentioned in subregulation (1) may deviate from the specifications prescribed in subregulation (2) to the extent set out hereunder:

<table>
<thead>
<tr>
<th>Quality factor</th>
<th>Class 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Decay</td>
<td>%</td>
</tr>
<tr>
<td>(b) Injuries</td>
<td>3</td>
</tr>
<tr>
<td>(c) Bruises of severe intensity</td>
<td>3</td>
</tr>
<tr>
<td>(d) All other deviations combined</td>
<td>15</td>
</tr>
<tr>
<td>(e) All deviations combined: Provided that the limits in paragraphs (a), (b), (c) and (d) are not exceeded</td>
<td>15</td>
</tr>
</tbody>
</table>

PART III
CONTAINERS

10. (1) Containers containing avocados shall

(a) be suitable, clean, strong, unbroken and new; |
(b) be provided with suitable lids; and |
(c) have the following outside dimensions: 400 mm in length and 300 mm in width with depth optional. 8005—2

DEEL II
GEHALTEVEREISTES

Klas

9. (1) Daar is een klas avokado's naamlik Klas 1.

Spesifikasies

(2) Die in subregulasie (1) genoemde klas moet aan die volgende spesifikasies voldoen:

<table>
<thead>
<tr>
<th>Gehaltefaktor</th>
<th>Klas 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Gespesifieerde gebreke:</td>
<td></td>
</tr>
<tr>
<td>(i) Voorkoms</td>
<td>Aantreklik en skoon.</td>
</tr>
<tr>
<td>(ii) Vorm</td>
<td>Goeide of gevormd.</td>
</tr>
<tr>
<td>(iii) Volwassenheid</td>
<td>Volwasse en nie meer as 80 percent voeg bevat nie meer form wees en geen teken van sagworing toon nie.</td>
</tr>
<tr>
<td>(iv) Besterings</td>
<td>Geen.</td>
</tr>
<tr>
<td>(v) Letse</td>
<td>Geen.</td>
</tr>
<tr>
<td>(vi) Knies van ernstige intensiteit</td>
<td>Geen.</td>
</tr>
<tr>
<td>(vii) Verkleuring</td>
<td>Vry van ooromtige verkleuring.</td>
</tr>
<tr>
<td>(viii) Bederf</td>
<td>Geen.</td>
</tr>
<tr>
<td>(ix) Vreemde stowwe</td>
<td>Geen.</td>
</tr>
</tbody>
</table>

| (b) Eenvormigheid van grootte in dieselfde houer | Eenvormig. |
| (c) Ongespesifieerde gebreke: | |
| (i) Enige ander uitwendige of inwendige gehaltegebreek | Geen. |
| (d) Chemiese behandeling | Moet met ’n swamdoder behandel word soos deur die Departement Landbou-tegnesedensie voorgeskryf. |
| (e) Voorkoming van uitdroging | Mag met ’n middel soos deur die Departement Landbou-tegnesedensie voorgeskryf behandel word. |
| (f) Bloemste | (i) Bloemste moet nie langer as 8 mm wees nie. |
| | (ii) Vrugte sonder bloemste moet gewaks wees nie. |
| | (iii) Vrugte sonder bloemste moet gewaks wees nie. |

(3) Afwykings (volgens getal).—Die in subregulasie (1) bedoelde klas mag tot die mate hieronder uiteengesit, afwyk van die in subregulasie (2) voorgeskryf spesifikasie:

<table>
<thead>
<tr>
<th>Gehaltefaktor</th>
<th>Klas 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Bederf</td>
<td></td>
</tr>
<tr>
<td>(b) Besterings</td>
<td></td>
</tr>
<tr>
<td>(c) Knies van ernstige intensiteit</td>
<td></td>
</tr>
<tr>
<td>(d) Alle ander afwykings gesamentlik</td>
<td></td>
</tr>
<tr>
<td>(e) Alle afwykings gesamentlik: Met dien verstande dat die perke in paragraaf (a), (b), (c) en (d) nie oorskry word nie.</td>
<td></td>
</tr>
</tbody>
</table>

DEEL III
HOUERS

10. (1) Houers wat avokado’s bevat, m

(a) geskik, skoon, sterk, heel en nuut |
(b) van geskikte deksele voorsoen we |
(c) die volgende buite-aftelings belet: 400 mm in breedte en diep
PART IV
PACKING REQUIREMENTS

11. (1) Avocados in the same container shall be of the same cultivar and shall more or less correspond in ripeness, shape and appearance.

(2) Each avocado may be wrapped separately in suitable paper, cellophane or other suitable material:

Provided that newspaper shall not be used for this purpose.

(3) Avocados shall be firmly packed.

(4) Avocados shall be packed—

(a) to a suitable pattern in single layers; and

(b) to the full capacity of the container.

(5) The maximum count per container shall be as follows:

<table>
<thead>
<tr>
<th>Cultivar</th>
<th>Maximum count per container</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hass...</td>
<td>28</td>
</tr>
<tr>
<td>Fuerte...</td>
<td>22</td>
</tr>
<tr>
<td>Edranol...</td>
<td>20</td>
</tr>
<tr>
<td>Ryan...</td>
<td>20</td>
</tr>
<tr>
<td>Carlton...</td>
<td>20</td>
</tr>
<tr>
<td>Nabal...</td>
<td>14</td>
</tr>
<tr>
<td>Collinson...</td>
<td>14</td>
</tr>
<tr>
<td>Other cultivars...</td>
<td>20</td>
</tr>
</tbody>
</table>

PART V
MARKING REQUIREMENTS

12. (1) Containers containing avocados shall be clearly and legible marked in block letters with the following particulars:

(a) The name and address or trade-mark of the owner, the producer or the exporter in letters of at least 3 mm in height;

(b) the words “CLASS 1” and “AVOCADOS” in letters of at least 10 mm in height; and

(c) the cultivar, count group and shipping mark in letters of at least 10 mm in height.

(2) If containers are marked by means of affixing labels thereto such labels shall be clean and securely attached and shall not be superimposed on other labels.

(3) If the country to which avocados are exported, prescribes requirements relating to the marking of containers which differ from the aforesaid requirements, the containers containing such avocados shall, notwithstanding the provisions of this regulation, be marked in a manner so prescribed and approved by the Director of Inspection Services.

Prohibited particulars

13. No wording, illustration or other means of expression which constitutes a misrepresentation or which, directly or by implication, creates a misleading impression of the contents shall be marked on a container containing avocados.

PART VI
INSPECTION METHODS

Sampling

14. (1) An inspector shall abstract at random for inspection purposes a number of containers and shall satisfy himself that the containers so abstracted are representative of the consignment concerned.

(2) The entire contents of each container abstracted for inspection shall be inspected.

May 1979

DEEL IV
VERPAKKINGSVEREISTEN

11. (1) Avokado's in dieselde huize selfde cultivar wees en min of meer tyfheid, vorm en voorkoms.

(2) Elke avokado mag afsonderlik in geselofaan of ander geskikte materiaal toegesig word.

Met dien verstande dat koerantpapier nie gebruik mag word nie.

(3) Avokado's moet stuwig verpakk—

(a) volgens 'n geskikte patroon in wees; en

(b) tot die volle inhoudsvermoë van pak wees.

(5) Die maksimum telling per houer is

<table>
<thead>
<tr>
<th>Cultivar</th>
<th>Maximum telling per houer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hass...</td>
<td>28</td>
</tr>
<tr>
<td>Fuerte...</td>
<td>22</td>
</tr>
<tr>
<td>Edranol...</td>
<td>20</td>
</tr>
<tr>
<td>Ryan...</td>
<td>20</td>
</tr>
<tr>
<td>Carlton...</td>
<td>20</td>
</tr>
<tr>
<td>Nabal...</td>
<td>14</td>
</tr>
<tr>
<td>Collinson...</td>
<td>14</td>
</tr>
<tr>
<td>Ander cultivars...</td>
<td>20</td>
</tr>
</tbody>
</table>

DEEL V
MERKVEREISTES

12. (1) Houers wat avokado's bevat, moet lesbare blokletters met die volgende wees:

(a) Die naam en adres van handelsmerk, die produenter of die uitoefenaar minstens 3 mm hoog;

(b) die woorde "KLAS 1" en "AVOCADO" in letters van minstens 10 mm hoog; en

(c) die cultivar, tellinggroep en verkoopletters van minstens 10 mm hoog.

(2) Indien houers ander merkwerk deur middel van etikette daaraan moet sodanige etikette aangeheg wees en mag nie opgeplak word nie.

(3) Indien die land waarheen avokado's verendaar moet betrekking tot die boormal wat verskil van voorsienings, moet die houers van sodanige avokado's, met behulp van hierdie regulasies, gebruik maak van die inspeksiedienste van die Inspektiedienste.

Verbode besonderhede

13. Geen bewoording, illustartie of ander beskrywings wat 'n wanvoorsieningsreg wat registreer of 'n implikasie 'n misraak van die inhoud skep, mag op 'n houer bevat, verskyn nie.

DEEL VI
ONDERSOEKEMETODES

Monsterneming

14. (1) 'n Inspektieur moet 'n aantal houers op 'n ewekansige wyse onttrek en stel dat die houers aldus onttrek van die betrokke besending is.

(2) Die totale inhoud van die houers moet onderzoek word.

(4 Mei 1979)
NOTICE 327 OF 1970
REGULATIONS RELATING TO THE GRADING, PACKING AND MARKING OF LITCHIS INTENDED FOR EXPORT FROM THE REPUBLIC OF SOUTH AFRICA.—PROPOSED PUBLICATION

The Division of Inspection Services of the Department of Agricultural Economics and Marketing intends to request the Minister of Agriculture to publish the regulations as set out in the Schedule hereto.

Interested persons are hereby invited to furnish the Director, Division of Inspection Services, Private Bag X258, Pretoria, 0001, with any written comments or representations they wish to make in regard to the proposed regulations within three months of the date of publication of this Notice.

SCHEDULE

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DEFINITIONS

1. In these regulations, unless inconsistent with the context, a word or expression to which a meaning has been assigned in the Act. shall have a corresponding meaning, and—

"blemishes" means any external defect which affects the appearance of the litchi detrimentally and which is caused by extraneous factors such as hail, sun, wind, insects, cold, heat, handling practices or transport;

"clean" means free from spray residues, excessive dirt or foreign matter;

"consignment" means a quantity of litchis which is delivered at any one time under cover of the same consignment note, delivery note or receipt note, or from the same vehicle, or if such quantity is subdivided into different cultivars or size groups, each quantity of each of the different cultivars or size groups;

"consignment note" means a consignment note approved by the Director of Inspection Services;

"container" means the container in which litchis are packed;

"decoy" means a state of decomposition, fungus development or insect-inestation affecting the quality of the litchi detrimentally;

"Department" means the Department of Agricultural Economics and Marketing;

"diameter" means the greatest diameter of a litchi measured at right angles to the longitudinal axis of the litchi;

"Director of Inspection Services" means the Director of the Division of Inspection Services of the Department;

"foreign matter" means any material not normally present in, on or between the litchis;

"injury" means any wound or puncture which has penetrated the skin of the litchi exposing the flesh, excluding such wounds or punctures which have healed completely or have become calloused;

KENNISGEWING 327 VAN 1979
REGULASIES MET BETREKKING TOT DIE GRADERING, VERPAKKING EN MERK VAN LIETJIES BESTEM VIR UITVOER UIT DIE REëPUBLIC VAN SUID-AFRIKA.—VOORGE- STELDE AFKONDIGING

Die Afdeling Inspekstieniste van die Departement Landbou-ekonomie en -bemarking is voornemens om die Minister van Landbou te versoek om die regulasies soos in die Bylae hiervan uiteenestel, af te kondig.

Belanghebbende persone word hierby versoek om binne drie maande vanaf die datum van publicering van hierdie kennisgewing skriftelike kommentare of vertoe wat hulle in verband met die voorgestelde regulasies wil lever aan die Direkteur. Afdeling Inspekstieniste, Privaatsak X258, Pretoria, 0001, voor te lê.

BYLAE

INHOUD

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</tbody>
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WOORDOMSKRYWINGS

1. In hierdie regulasies, tensy uit die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Wet betekenis geheg is, 'n ooreenstemmende betekenis en beteken—

"bederf" 'n toestand waar verrotting, swaamontwikkeling of inseksbesmetting die gehalte van die lietsjies nadelig beïnvloed;

"besending" 'n hoeveelheid lietsjies wat op 'n bepaalde tydskrap afgelever word onder dekkings van dieselfde aflweeringsbrief, ekgbrief of ontvangsbewys, of van dieselfde voorgoed, of indien so 'n hoeveelheid ingedeel is in verskillende cultivars of groottegroepes, elke hoeveelheid van elk van die verskillende cultivars of groottegroepes;

"boring" enige wond of prik wat die skil van die lietsjie deurboor en die vlees blootstel, uitgesonderd sulke wonde of prikke wat volkome genees of vereelt geraak het;

"Departement" die Departement van Landbou-ekonomie en -bemarking;

"deur-nee" die grootste deursnee van 'n lietsjie reg- hoekig met die lengte-as van die lietsjie gemet;

"die Wet" die Wet op Uitvoer van Landbouprodukte, 1971 (Wet 51 van 1971);

"Direkteur van Inspekstieniste" die Direkteur van die Afdeling Inspekstieniste van die Departement;

"gesond" vry van inseksbeskading, uitwendinge of inwendige fysiologiese of ander gebreke wat die kwaliteit van die lietsjies ongelooflik maak;

"voorafverpakking" dat die lietsjie 'n vorm het wat normaalweg kenmerkend van die betrokkene cultivar is;

"houer" die houter waarin die lietsjies verpak is;

"leës" enige uitwendinge of gebreke wat die vorm van die lietsjies nadelig beïnvloed en wat deur ulfaktoes soos hael, son, wind, insekte, koue, hitte, teringspraktike of vervoer veroorzaak is;
"litchis" means the fruit of the plant *Litchi chinensis*; "ripe" means a stage of development where the colour and taste are acceptable; "sound" means free from insect damage, external or internal physiological or other disorders which may affect the quality of the litchi detrimentally; "the Act" means the Agricultural Produce Export Act, 1971 (Act 51 of 1971); and "well-formed" means that the litchi has a shape which is normally typical of the cultivar concerned.

**PART I**

**GENERAL**

**Notice**

2. (1) Any person intending to export a consignment of litchis, shall give written notice of his intention to the Director of Inspection Services, Private Bag X258, Pretoria, 0001, or to an inspector, at least four days prior to the date of export.

(2) Such notice shall state—

(a) the number and type of containers in the consignment;

(b) the name of the exporter or his agent;

(c) the port from which the export shall take place;

(d) particulars concerning the marking and destination thereof; and

(e) the date of export and, if by air, the scheduled time of departure.

**Submission for inspection**

3. Litchis shall be submitted for inspection at least 24 hours prior to the loading thereof into the vessel or vehicle in which it is intended to export the litchis.

**Consignment note**

4. Every consignment of litchis shall, when submitted for inspection, be accompanied by a consignment note duly completed in quadruplicate of which each copy shall have the same serial number and of which one copy shall become the property of the Department.

**Inspection**

5. (1) An inspector may in any consignment of litchis abstract and open as many containers and examine the contents thereof and take samples of such contents for the purpose of further examination or analysis as he may deem necessary: Provided that no consignment may be rejected unless such consignment is inspected in the manner as prescribed in Part VI.

(2) An inspector's finding in relation to the containers opened by him by virtue of the provision of sub-regulation (1) and the contents thereof, shall apply as a finding in respect of the whole consignment from which such containers were abstracted.

(3) Litchi which have been inspected and approved for export may, at any time thereafter, be re-inspected by an inspector.

(4) If an inspector is satisfied after his inspection that the requirements of these regulations have been complied with in respect of the consignment of litchis, he shall—

(a) in the case of an inspection, approve for export such consignment, either by marking or causing to be marked on each container or label affixed thereto, the words "Approved by Government Inspector," or by issuing a certificate which indicates such approval and;

"lietsjes" die vrug van die plant *Litchi*, "ripe" n stadium van ontwikkeling en smaak aanvaarbaar is; "skoon" vry van spuitreeste, oortolike vreemde stowwe; "vragbrief" n vragbrief deur die Inspectiedienste goedgekeur; en "vreemde stowwe" enige materiaal as in, op of tussen die lietsjes teenwoordig is.

**DEEL I**

**ALGEMEEN**

**Kennisgewing**

2. (1) Iemand wat van voorneemse en lietsjes uit te voer, moet skriflik aan van Inspectiedienste, Private Bag X258, of aan 'n inspecteur, kennis gee van sy tens vier dae voor die datum van uitvoer.

(2) Sodanige kennisgewing moet verstreek:

(a) die aantal en tipies stowwe in die bereik van die inspecteur;

(b) die naam van die uitvoerder of sy agent;

(c) die hawe waarvan die uitvoer word uitgevoer;

(d) die reserverende liggaam dat mengende daarvan en;

(e) die datum van uitvoer en, indien geskiedelike tyd van vertrek.

**Aanheding vir ondersoek**

3. Lietsjes moet vir ondersoek aangerekens word tans 24 uur voor die inskeping daarvan voertuig waarin dit beoog word om die vrug te voer.

**Vragbrief**

4. Elke besending lietsjes wat vir vrug moet, moet die aanheding daarvan in deel wees van 'n vragbrief wat behoort voltooi is waarvan elke afskrif dusseels moet he en waarvan een afskrif die eie Departement sal word.

**Ondersoek**

5. (1) 'n Inspecteur mag in 'n besending houers onttrek en oopmak en die in onderzoek en monsters van sodanige in die deel van weder onderzoek of ondersoek nodig mag as: Met dien verstande dat afgekeur mag word nie tensy sodanige onderzoek is op die wyse soos in Deel VI.

(2) 'n Inspecteur se bevinding met behulp van houers deur hom oopgemaak uit hoofd lings van subregulasie (1) en die inhoud as 'n bevinding ten opsigte van die waaruit sodanige houers onttrek is, geld.

(3) Lietsjes wat vir vrug goedgekeur enige tyd daarna deur 'n inspecteur ter wondere.

(4) Indien 'n inspecteur, na sy onderzoek, dat daar ten opsigte van die besending vereistes van hierdie regulasies voldoen is:

(a) in die geval van 'n ondersoek, vrug vir vrug goedgekeur deur "Goedgekeur deur Staatsinspecteur", of op 'n etiket daaraan geheg, te merk, of 'n sertifikaat wat sodanige toon, uit te reeik; en
(b) in the case of a re-inspection, confirm the previous approval granted in respect of such consignment by issuing a certificate which indicates such confirmation.

**Inspection fee**

6. An inspection fee of 3c per container in a consignment of litchis shall be paid to the Department by the exporter of litchis when such litchis are submitted for inspection.

**Appeal**

7. (1) Any person who feels aggrieved as a result of any decision or action taken by an inspector may appeal against such decision or action by submitting a written notice of appeal to an inspector within 24 hours after he has been notified of that decision or action and depositing within the said period with such inspector or at any office of the Division of Inspection Services of the Department a deposit of R21. Provided that a separate deposit shall be deposited in respect of each separate consignment and provided further that if the notice of appeal and deposit are not submitted and deposited within the prescribed period of 24 hours, the appellant shall lose his right of appeal in terms of this regulation.

(2) An inspector may apply to litchis in respect of which an appeal has been lodged, or to the containers thereof, any mark or marks which he may deem necessary for identification purposes and such litchis shall not, without his consent, be removed from the place where they were inspected or where they are stored.

(3) The Secretary of the Department or an officer of the Department nominated by him, shall designate a person or persons who shall decide such an appeal within 48 hours (excluding Sundays and public holidays) after it was lodged, and the decision of the person or persons so designated shall be final.

(4) The person or persons so designated shall give the appellant or his representative at least two hours notice of the time and place determined for the hearing of the appeal, and may after the litchis have been produced and identified and all interested persons have been heard, instruct all persons (including the appellant, his representative and the inspector), to leave the place where the appeal is being considered.

(5) (a) If an appeal is upheld the amount deposited in respect thereof shall be refunded to the appellant.

(b) If an appeal is dismissed or if the litchis to which it relates are not produced at the time and place determined by the said person or persons, the amount deposited in respect thereof shall be forfeited.

**Exemptions**

8. Notwithstanding anything to the contrary, the requirements of the Act and these regulations shall not apply—

(a) to litchis intended for export to the Kingdom of Lesotho, the Kingdom of Swaziland, the Republic of Botswana, the Republic of Transkei, the Republic of Bophuthatswana and the territory of South West Africa;

(b) to litchis in respect of which the Director of Inspection Services has approved in writing that, subject to conditions determined by him, they be exported as an experiment and in respect of which such conditions have been complied with;

(b) in the geval van 'n herondersoek, die vorige goedkeuring bevestig deur 'n sertifikaat wat sodanige bevestiging aantoen, uit te reik.

**Ondersoeksked**

6. 'n Onderzoeksgeld van 3c per hoer in 'n besendig litsjes moet aan die Departement, deur die uitvoerder van lietsjes, wanneer sodanige lietsjes vir inspeksie aangebied word, betaal word.

**Appel**

7. (1) Iemand wat hom deur 'n beslissing of optrede van 'n inspekteur veroor reg, mag appel aanteken teen sodanige beslissing of optrede deur binne 24 uur nadat hy van daardie beslissing of optrede in kennis gestel is, 'n geskrewe kennisging van appel by 'n inspekteur in te dien, en binne genoemde tydperk by dié inspekteur, of by enige kantoor van die Afdeling Inspeksiedienste van die Departement 'n deputo van R21 te deponer. Met dien verstande dat 'n afsonderlike deputo gedeputeer moet word ten opsigte van elke afsonderlike besending en met dien verstande verder dat indien die kennisging van appel en die deputo nie binne die voorafgeskrewe tydperk van 24 uur ingediend en gedeputeer word nie, die appellant sy reg van appel ingevoelige hierdie regulasie verwerp.

(2) 'n Inspekteur kan aan lietsjes ten opsigte waarvan 'n appel aangeteken is, of aan die houers daarvan, 'n merk of merke aanbring wat hy vir uitkenningsdoeleindes nodig mag en sodanige lietsjes mag nie, sonder by toestemming, van die plek waar dit inspekteer of opgeborg is, verwys en word nie.

(3) Die Sekretaris van die Departement of 'n beampte van die Departement deur hom benoem, moet 'n persoon of persone aanwes deur wie oor so 'n appel beslis moet binne 48 uur (uitgesonder Sondae en openbare vakansiede) na indiening daarvan en die beslis­sing van die alduis aangewese persoon of persone sal afdoen dees.

(4) Die aldus aangewese persoon of persone moet die appellant of sy verteenwoordiger minstens twee uur kennis gee van die tyd en plek bepaal vir die verhoor van die appel en mag nadat die betrokke lietsjes vertoon en uitgekeer is en alle belanghebbendes aangehoor is, alles persone (met inbegrip van die appellant, sy verteenwoordiger en die inspekteur) gelas om die plek waar die appel oorweeg word, te verlaat.

(5) (a) Indien 'n appel gehandhaaf word, moet die bedrag wat ten opsigte daarvan gedeputeer is, aan die appellant terugbetaal word.

(b) Indien 'n appel van die hand gewys word of indien die lietsjes waarop dit betrekking het nie op die tyd en plek bepaal deur die genoemde persoon of persone vertoon word nie, sal die bedrag wat ten opsigte daar­van gedeputeer is, verwerp word.

**Vrystelling**

8. Nieteenstaande ander studeerende wetshandhavings is die provisie van die Wet en hierdie regulasies nie van toepassing nie—

(a) op lietsjes wat vir uitvoer bestem is na die Koninkryk van Lesotho, die Koninkryk van Swaziland, die Republiek van Botswana, die Republiek van Transkei, die Republiek van Bophuthatswana en die gebied van Suidwes-Afrika.

(b) op lietsjes ten opsigte waarvan die Direkteur van Inspeksiedienste skriflike goedkeur het dat dit, onderwors aan voorwaardes deur hom bepaal, by wysie van 'n proefneming uitgevoer word en ten opsigte waarvan sodanige voorwaardes nagekom is;
(c) to litchis loaded as provisions for consumption aboard a ship or other means of transport to foreign countries; or
(d) to litchis exported as a gift and of which the net mass does not exceed 5 kg.

PART II
QUALITY REQUIREMENTS

Class

9 (1) There shall be one class of litchis namely Class 1.

Specifications

(2) The class mentioned in subregulation (1) shall comply with the following specifications:

<table>
<thead>
<tr>
<th>Quality factor</th>
<th>Class 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Specified defects:</td>
<td></td>
</tr>
<tr>
<td>(i) Appearance</td>
<td>Sound and attractive.</td>
</tr>
<tr>
<td>(ii) Shape</td>
<td>Well-formed.</td>
</tr>
<tr>
<td>(iii) Minimum diameter</td>
<td>30 mm.</td>
</tr>
<tr>
<td>(iv) Maturity</td>
<td>Nine and firm.</td>
</tr>
<tr>
<td>(v) Injuries</td>
<td>None.</td>
</tr>
<tr>
<td>(vi) Blemishes</td>
<td>None.</td>
</tr>
<tr>
<td>(vii) Discolouration</td>
<td>Free from excessive discolouration.</td>
</tr>
<tr>
<td>(viii) Decay</td>
<td>None.</td>
</tr>
<tr>
<td>(ix) Stems</td>
<td>Shall have firmly attached stems. Provided that when litchis are packed loose, the stems may be removed close to the stem-end.</td>
</tr>
</tbody>
</table>

| (x) Foreign matter | None. |
| (b) Uniformity of size in the same container | Uniform. |
| (c) Unspecified defects: | |
| (i) Any other external or internal quality defect | None. |

(3) Deviations (according to number).—The class mentioned in subregulation (1) may deviate from the specifications prescribed in subregulation (2) to the extent set out hereunder:

<table>
<thead>
<tr>
<th>Quality factor</th>
<th>Class 1</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Decay</td>
<td></td>
</tr>
<tr>
<td>(b) Injuries</td>
<td></td>
</tr>
<tr>
<td>(c) All deviations combined, excluding those mentioned in paragraph (d): Provided that the limits in paragraphs (a) and (b) are not exceeded</td>
<td></td>
</tr>
<tr>
<td>(d) Minimum diameter:</td>
<td></td>
</tr>
<tr>
<td>(i) smaller than 30 mm but not smaller than 22 mm</td>
<td></td>
</tr>
<tr>
<td>(ii) smaller than 22 mm</td>
<td></td>
</tr>
<tr>
<td>(iii) (i) and (ii) collectively: Provided such deviations are individually within the limits as specified above</td>
<td></td>
</tr>
</tbody>
</table>

PART III
CONTAINERS

10. (1) Containers containing litchis shall—
(a) be suitable, clean, strong, unbroken and new;
(b) be provided with suitable lids;
(c) have the following external dimensions:
| (i) 400 mm in length and 300 mm in width | |
| (ii) 200 mm in length and 300 mm in width | |
(d) have a maximum depth of 87 mm (internal dimensions): and
(e) in the case of wooden containers, be suitably strapped after packing to prevent spillage in the event of nails or staples pulling loose. Wire, plastic tape or other suitable material may be used for this purpose.

(c) op lietjies wat ingeneem word as voorbehoud op 'n skip of ander voertuig gebruik; of
(d) op lietjies wat as geskenke uitge- wys word waarvan die netto massa nie 5 kg oorskyn.

DEEL II
GEHALTEVEREISTES

Klas

9. (1) Daar is een klas lietjies naamlik

Specifikasies

(2) Die in subregulering (1) genoemde klas moet aan die volgende specifikasies voldoen:

<table>
<thead>
<tr>
<th>Gelaltefaktor</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Gespecificeerde gebreke:</td>
<td></td>
</tr>
<tr>
<td>(i) Voorkoms</td>
<td>Gesond en aan</td>
</tr>
<tr>
<td>(ii) Vorm</td>
<td>Goedgevormd.</td>
</tr>
<tr>
<td>(iii) Minimum durensse</td>
<td>30 mm.</td>
</tr>
<tr>
<td>(iv) Ryhpheid</td>
<td>Ryp en formaat</td>
</tr>
<tr>
<td>(v) Beterings</td>
<td>Geen.</td>
</tr>
<tr>
<td>(vi) Letsels</td>
<td>Geen.</td>
</tr>
<tr>
<td>(vii) Verkleuring</td>
<td>Vry van kontak</td>
</tr>
<tr>
<td>(viii) Bederf</td>
<td>Geen.</td>
</tr>
<tr>
<td>(ix) Stingsels</td>
<td>Geen.</td>
</tr>
</tbody>
</table>

| (x) Vreemde stowwe | Geen. |
| (b) Ongeespeisefie gebreke: | |
| (i) Enige ander uitwendige | Geen. |
| (ii) Inwendige gebreke | Geen. |
| (c) Eenvormigheid van groote | Eenvormig. |
| in dieselfde houer | |

(3) Afwykings (volgens getal).—Die (1) bedoelde klas mag tot die mate besig afwyk van die in subregulering (2) specifikasies:

<table>
<thead>
<tr>
<th>Gelaltefaktor</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Bederf</td>
<td></td>
</tr>
<tr>
<td>(b) Beterings</td>
<td></td>
</tr>
<tr>
<td>(c) Alle a. afwykings gesamentlik uitgesonderd</td>
<td></td>
</tr>
<tr>
<td>paragraaf (d) genoem: Met diens versoerende</td>
<td></td>
</tr>
<tr>
<td>perke in paragraaf (d)</td>
<td></td>
</tr>
<tr>
<td>(d) Minimum durensse—</td>
<td></td>
</tr>
<tr>
<td>(i) kleiner as 22 mm</td>
<td></td>
</tr>
<tr>
<td>(ii) kleiner as 22 mm</td>
<td></td>
</tr>
<tr>
<td>(iii) (i) en (ii) gesamentlik: Met diens versoerende</td>
<td></td>
</tr>
<tr>
<td>sodanige afwykings individueel blits</td>
<td></td>
</tr>
<tr>
<td>perke soos hierbo geskiedt is.</td>
<td></td>
</tr>
</tbody>
</table>

DEEL III
HOUERS

10. (1) Houers wat lietjies bevat, moet
(a) gesikk, skoon, sterk, heet en nuut
(b) van gesikkte deksels voorstien
(c) die volgende boute-afmetings het
| (i) 400 mm lank en 300 mm breed | |
| (ii) 200 mm lank en 300 mm breed | |
| (i) en (ii) gesamentlik: Afwykings | |
| (i) en (ii) gesamentlik: Afwykings | |
| (c) in geval van houers, met | |
| (b) gesikkte wyse vorgebeel word in | |
| geval waar spykies of kramme toegelaat | |
| Draad, plastiekband of ander geskick | |
| vir die doel gebruik word. | |
Going for broke

PRODUCE MARKETS

The Rigam business plan, plotted by the state's Department of Agriculture, shows a significant increase in produce sales. The plan, known as the "Five-Year Plan," aims to increase sales by 25 percent by the year 2000. The plan includes strategies to improve marketing, increase production, and expand distribution channels.

One of the main objectives of the plan is to increase the availability of fresh produce in urban areas. The plan also targets rural areas, where produce is often harder to come by. To achieve this, the plan includes the development of new farmers' markets and the expansion of existing ones.

The plan also focuses on improving the quality of produce. This includes an emphasis on organic farming and the use of sustainable practices. The goal is to increase the number of organic farms by 50 percent by 2000.

In addition, the plan includes initiatives to increase the number of local businesses that sell produce. This includes the development of new farmers' market initiatives and the expansion of existing ones.

The plan also includes a focus on education and training. This includes the development of new training programs for farmers and the expansion of existing ones. The goal is to increase the number of trained farmers by 25 percent by 2000.

Overall, the plan is designed to increase the availability and quality of produce in the state, while also increasing the number of local businesses that sell it. The plan is expected to increase sales by 25 percent by the year 2000.
DEFINITIONS

1. In these regulations, unless inconsistent with the context, any word or expression to which a meaning has been assigned in the Act, shall have a corresponding meaning and—

"banana" means the fruit of the plant Musa acuminata, M. paradisiaca, M. sapientum or M. cavendishii; Provided that the neck shall be deemed to be part of the fruit;

"circumference" means the largest circumference measured at right angles to the length of the banana;

"cluster" means the stem collar with a number of bananas attached to it, but not a natural hand of bananas;

"code number" means an identification number issued by the Banana Board, referred to in section 3 of the Scheme, to a producer of bananas or another person packing bananas for a producer or the owner of bananas;

"cold damage" means a state where exposure to a temperature not conducive to maturity of green bananas causes the peel to be affected and that such affected parts of the peel appear glossy or watery;

"consignment" means a quantity of green bananas of the same grade delivered at any one time under cover of the same consignment note, delivery note or receipt note or from the same vehicle;

"damaged" means a state in which the banana is broken, cracked or has obviously been injured to such an extent that the flesh is exposed or that the banana has obviously been snapped;

"decay" means a state of decomposition or fungus development, excluding cigar end rot, partly or completely affecting the quality of bananas adversely;

"foreign matter" means any matter not normally present in, on or between the bananas;

"fully grown" means that bananas are properly swollen without marked ridges;

"green" means that the banana does not show signs of maturity in relation to colour and firmness;

"inspector" means a person authorised by the Board in terms of section 32 of the Scheme, to conduct inspection of green bananas;

"length" means the distance between the point of the stalk where it is attached to the stem collar and the tip of the banana, measured along the outer curve of the banana;

"light" in relation to cigar end rot, means a type of dry fungus rot, limited to the blossom end of the banana, which has no discolouration as a result and is not longer than 5 mm from the blossom end;

"major" in relation to cigar end rot, means a type of dry fungus rot which has as a result a dark discolouration of the flesh of the banana which goes further than 5 mm from the blossom end;

"minor" in relation to cigar end rot, means a type of dry fungus rot limited to the blossom end of the banana and which does not detrimentally affect the appearance of the banana;

"production area" has the same meaning as the meaning attached to it in the Scheme;

"single banana" means bananas which have been removed from the stem collar or part from a stem collar;

"sun or heat damage" means a state where the surface of green bananas appears yellow-white to brown as a result of sun or heat damage;

WOORDOMSKRYWINGS

1. In hierdie regulasies, teny die samehang anders blyk, het 'n woord of uitdrukking waaraan in die Wet 'n betekenis geheg is, 'n ooreenstemmende betekenis en beteken—

"bederf" 'n toestand van verrottig of swamontwikkeling, uitgesonder sigaarentverrottig, wat die gehalte van die piesangs deels of in die geheel nadelig beïnvloed;

"behandling teen kaargaatverrottig" dat piesangs vir minstens 30 sekondes in of 'n Thibendazole oplossing van 200 mg per kg ondergedompel is of in enige ander soortgelyke geskikte swamsmiddel;

"besending" 'n hoeveelheid groen piesangs van selfde graad wat op 'n bepaalde tydperk afgelever word onder dekkig van selfde aflwerlingsbrief, vragbrief of ontvangsblou, of van selfde voortuig;

"beskikbaar" 'n toestand waar die piesang in so 'n mate gebreek, gebars of opsigtelik beseer is dat die vlees blootgestel is of dat die piesang opsigtelik geknak is;

"deelhand" die stamkraag met 'n aantal piesangs daaraan, maar nie in natuurslike hand piesangs nie;

"die Skema" die Piesangskema afgekondig deur Proklamase R. 109 van 1976 se genoegs;

"die Wet" die Bemarkingswet. 1968 (Wet 59 van 1968);

"enkel piesangs" piesangs wat van die stamkraag of gedeelte van 'n stamkraag verwyder is;

"ernstig", met betrekking tot sigaarentverrottig, 'n tipe van droë swamverrottig wat 'n donker verkleuring van die vlees van die piesang tot gevolg het en verder as 5 mm van die blommet struk;

"gering", met betrekking tot sigaarentverrottig, 'n tipe droë swamverrottig wat tot die blommet van die piesang beperk is, en geen afbreuk aan die voorkoms van die piesang doen nie;

"gegoedvorm" die farsoen van 'n hand of 'n piesang van enige cultivar, kenmerkend van daardie cultivar;

"groen" dat die piesang nog nie teken van rypwonding met betrekking tot kleur of waterigheid toon nie;

"inspekteur" 'n persoon aan wie die Raad ingevolge artikel 32 van die Skema magtiging verleen het om inspeksie op groen piesangs uit te voer;

"kodenummer" 'n identifikasienummer wat deur die Piesangraad vermeld in artikel 3 van die Skema toegelaat word aan 'n produent van piesangs of 'n ander persoon wat piesangs ten behoeve van 'n produent verpak of die eienaar van piesangs;

"kouedesakking" 'n toestand waar blootstelling aan 'n temperatuur wat nie vir rypwonding van groen piesangs bevorderlik is nie, veroorsaak dat die skil aangetas word en dat sodanige aangepaste deel van die skil plaaslik of waterig voorkom;

"lengte" die afstand tussen die punt van die stingel waar dit aan die kraagdeel gegee is en die punt van die piesang gemaat langs die buitenste buiging van die piesang;

"lig" met betrekking tot sigaarentverrottig, 'n tipe swamverrottig wat tot die blommet van die piesang beperk is, maar geen verkleuring in die vlees tot gevolg het nie en hoogstens 5 mm van die blommet struk;

"omtrek" die grootste omtrek gemaat reghoekig met die lengte van die piesang;

"piesangs" die vrug van die plant Musa acuminata, M. paradisiaca, M. sapientum of M. cavendishii. Met dien verstande dat die nekkant word deel van die vrug te wees;
“the Act” means the Marketing Act, 1968 (Act 59 of 1968);
“the Scheme” means the Banana Scheme, published by Proclamation R. 109 of 1976, as amended;
“treatment against stem collar decay” means that bananas shall be immersed for at least 30 seconds in a Thiabendazole solution of 200 mg per kg or in any similar suitable fungicide;
“well formed” means the shape of a cluster or a banana or any cultivar, typical of that cultivar.

PART I
GENERAL

Purpose of regulations

2. These regulations have been made for the purpose of control over the quality of single green bananas intended for orderly marketing in certain delimited marketing areas under a permit issued by the Banana Board in terms of section 39 of the Scheme.

Inspection

3. (1) An inspector may abstract and open as many containers in any consignment of green bananas and examine the contents thereof and remove samples of such contents for the purpose of further examination or analysis as he may deem necessary: Provided that the inspector shall, for the purposes of regulation 9, draw an inspection sample of 100 bananas at random from each individual container, which may consist of clusters or loose bananas, as the case may be.

(2) An inspector’s finding in relation to the containers opened by him by virtue of the provisions of subregulation (1), and the contents thereof, shall apply as a finding in respect of the whole consignment from which such containers were abstracted.

PART II
QUALITY REQUIREMENTS

Grade

4. (1) There shall be one grade of green single bananas, namely “Single”.

Specifications

(2) The grade mentioned in subregulation (1) shall comply with the following specifications:

<table>
<thead>
<tr>
<th>Quality factor</th>
<th>Single bananas</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Stem collar…..</td>
<td>The collar shall be trimmed neatly and not more than 15 mm–20 mm from the necks: Provided that single bananas shall not be attached to a stem collar or part thereof.</td>
</tr>
<tr>
<td>(b) Maturity.......</td>
<td>Green but fully grown.</td>
</tr>
<tr>
<td>(c) Decay ........</td>
<td>Shall be treated.</td>
</tr>
<tr>
<td>(d) Treatment against stem collar decay</td>
<td>None. Provided that snapped necks of bananas shall be allowable.</td>
</tr>
<tr>
<td>(e) Damage.........</td>
<td>None. Provided that the fruit is not discoloured brown or black.</td>
</tr>
<tr>
<td>(f) Wiltedness.....</td>
<td>Allowable: Provided that damage is restricted to the surface and the flesh is not exposed.</td>
</tr>
<tr>
<td>(g) Sun or heat damage</td>
<td>Allowable: Provided that the fruit is not discoloured brown or black.</td>
</tr>
<tr>
<td>(h) Cold damage...</td>
<td>Allowable: Provided that the fruit is not discoloured brown or black.</td>
</tr>
<tr>
<td>(i) Insect infestation or insect damage</td>
<td>Allowable: Provided that such marks are superfi cial and do not cover more than 50% of the area of the banana.</td>
</tr>
<tr>
<td>(j) Blemishes and marks of a light intensity including light dry orchard marks</td>
<td></td>
</tr>
</tbody>
</table>

“produksiegebied” het dieselfde betekenis as die betekenis daaraan geheg in die Skema;
“son- of hittebeskadiging” n toestand waar die oppervlakte van groen piesangs geel-wit tot bruin as gevolg van son- of hittebeskadiging vertoon;
“volgorde” dat piesangs behoorlik uitgesel is sonder opmerkelike riwwes en
“vreemde stowwe” enige vreemde materiaal nie normalweg in, of op tussen die piesangs teenwoordig nie.

DEEL I

ALGEMEEN

Doel van regulasies

2. Hierdie regulasies is gemaak vir die doel van beheer oor die kwaliteit van enkel groen piesangs bestem vir ordelike bemarking in sekere afgeskakkelde bemarkingsgebiede kragtens 'n permit uitgereik deur die Piesangraad ingeval artikel 39 van die Skema.

Inspeksie

3. (1) ’n Inspecteur mag in ’n besending groen piesangs soveel houers onttrek en oompak en die inhou daarvan inspecteer en monsters van sodanige inhou neem vir die doel van verdere inspeksie of ontleding as wat hy nodig mag ag: Met dien verstande dat ’n inspecteur by die toepassing van regulasie 9, ewekansig uit elke individuele houer ’n inspektionsmonster van 100 piesangs, wat uit deelhange of los piesangs na gelang van die geval, mag bestaan, moet trek.

(2) ’n Inspecteur se bevinding met betrekking tot die houers deur hom oompak uit hoofde van die bepaling van subregulasie (1), en die inhou daarvan, geld as ’n beslissing ten opsigte van die hele besending waaruit sodanige houers onttrek is.

DEEL II

GEHALTEVEREISTES

Grade

4. (1) Daar is een graad groen enkel piesangs, naamlik “Enkel”.

Spesifikasies

(2) Die in subregulasie (1) bedoelde graad moet aan die volgende spesifikasies voldoen:

<table>
<thead>
<tr>
<th>Gehaltefaktor</th>
<th>Enkel piesangs</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Stankraag......</td>
<td>Die kraag mag netjie en nie verder as 15 mm–20 mm vanaf die nekke gesny wees nie: Met dien verstande dat enkel piesangs nie aan ’n kraag of kraaggedeelde geheg mag wees nie.</td>
</tr>
<tr>
<td>(b) Ryphlof.........</td>
<td>Geen</td>
</tr>
<tr>
<td>(c) Beder...........</td>
<td>Moet behandel wees.</td>
</tr>
<tr>
<td>(d) Betandeling teen kraagentverrot-ting</td>
<td>Geen</td>
</tr>
<tr>
<td>(e) Beskadiging......</td>
<td>Geen</td>
</tr>
<tr>
<td>(f) Verlupheid......</td>
<td>Geen</td>
</tr>
<tr>
<td>(g) Son- of hitte- beskadiging</td>
<td>Geen</td>
</tr>
<tr>
<td>(h) Koehetbeskadiging</td>
<td>Met dien verstande dat dit lig is.</td>
</tr>
<tr>
<td>(i) Insekbesmetting of insektebeskadiging</td>
<td>Toelaatbaar: Met dien verstande dat dit slegs oppervlakkig is en die skil nie tot op die vlees beskadig is nie.</td>
</tr>
<tr>
<td>(j) Letsels en merke van ’n lige intensiteit waarby die druppels van de enkel piesang selde is.</td>
<td>Toelaatbaar: Met dien verstande dat dit slegs oppervlakkig is en nie meer as 50% van die skiloppervlakte van die piesang beslaan nie.</td>
</tr>
</tbody>
</table>
(3) Maximum allowable deviations per consignment* (by number).—The grade mentioned in subregulation (1) may deviate from the specifications prescribed in subregulation (2) to the extent set out hereunder:

<table>
<thead>
<tr>
<th>Quality factor</th>
<th>Single bananas</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Bananas attached to one stem collar provided that they are adjoining—</td>
<td>Allowable: Provided that the keeping quality and ripening of bananas is not adversely affected.</td>
</tr>
<tr>
<td>(i) 3 bananas attached to one stem collar</td>
<td>Allowable: Provided that they are adjoining.</td>
</tr>
<tr>
<td>(ii) 2 bananas attached to one stem collar</td>
<td>Allowable: Provided that they are adjoining.</td>
</tr>
<tr>
<td>(iii) Deviations in (i) and (ii) collectively</td>
<td>15 per container.</td>
</tr>
<tr>
<td>(b) Size deviations where the length of bananas is less than 150 mm and at least 140 mm or the circumference of bananas is less than 95 mm</td>
<td>15 per container.</td>
</tr>
<tr>
<td>(c) Decay, damage, ripeness, major wildness and major color end rot (by percentage and if decay does not exceed 2 per cent)</td>
<td>8%.</td>
</tr>
<tr>
<td>(d) All other quality defects</td>
<td>15%.</td>
</tr>
<tr>
<td>(e) Quality defects collectively, excluding those in subparagraph (a); provided that such deviations are individually within the specified limits:</td>
<td>15%.</td>
</tr>
<tr>
<td>(i) maximum per consignment*</td>
<td>30%.</td>
</tr>
<tr>
<td>(ii) maximum per individual deviating container</td>
<td></td>
</tr>
</tbody>
</table>

PART III
CONTAINERS
5. Containers containing bananas shall be clean, firm and whole.

PART IV
PACKING REQUIREMENTS
6. Single bananas shall be packed in the container according to the following method:

(a) Layers of single bananas along the length of the container with the fingertips pointing towards the bottom and the collars or stem ends next to the sides of the container so that the bananas lie horizontally;

(b) a few single bananas may be placed in the space between layers prescribed in (a) if the packer is of the opinion that the fruit in the layers might possibly shift to the middle of the container during further handling of the container;

DEEL III
HOUERS
5. Houers wat piesangs bevat, moet skoon, stig en heel wees.

DEEL IV
VERPAKKINGSVEREISTES
6. Enkel piesangs moet volgens die volgende metode verpak wees:

(a) Lae enkel piesangs aan elke lengtekant van die houer met die vingerpunte na onder en die knoë of nekke teenaan die kante van die houer sodat die piesangs horisontaal lê:

(b) 'n paar enkel piesangs mag in die opening tussen die in paragraaf (a) voorgeskakelde te lae geplaas word indien die verpakker van mening is dat die vrugte in bedoelde ree met die verdere hantering van die houer waarskynlik na die middel van die houer sal skif:

* Deviations in a consignment shall be determined according to the average deviation per container in the sample inspected (refer regulation 3).

** Afwykings in 'n besending volgens die gemiddelde afwykings per houer in 'n monder wat geinspekteer is, bepaal word (verwyrs regulasie 3).
REGULATIONS RELATING TO THE GRADING, PACKING AND MARKING OF GREEN SINGLE BANANAS INTENDED FOR SALE UNDER A PERMIT ISSUED BY THE BANANA BOARD IN TERMS OF SECTION 39 OF THE BANANA SCHEME

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.

No. R. 1097

25 May 1979

SCHEDULE

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CG 64 60

No. R. 1097

25 Mei 1979

REGULASIES MET BETREKKING TOT DIE GRADERING, VERPAKKING EN MERK VAN GROEN ENKEL PIESANGS BESTEM VIR VERKOOP KRAGTENS 'N PERMIT UITGEREIK DEUR DIE PIESANGRAAD IN TERME VAN ARTIKEL 39 VAN DIE PIESANGSKEMA

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 uiteengesit, gemaak.

BYLAE

INHOUD

Regulaties

Woordomskrywings ........................................ DEEL I

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Houers .................................................. DEEL IV

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PART V
MARKING REQUIREMENTS

7. Each container containing bananas shall be marked clearly and legibly in block letters with the following particulars:

(a) On both ends of the container in block letters of at least 20 mm in height with—

(i) the code number of the producer or packer or the owner, where the latter is not the producer or the packer; and

(ii) the grade of the bananas, i.e. “Single”.

(b) On only one end of the container in block letters of at least 5 mm in height with—

(i) the date on which the bananas were sent out of the production area; and

(ii) the name and address of the marketing agent or the addressee.

Prohibited particulars

8. No wording, illustration or other means of expression which constitutes a misrepresentation or which directly or by implication creates a misleading impression of the contents, shall appear on a container which contains green bananas.

PART VI
INSPECTION METHODS

Determination of size

9. (1) An inspector shall, in determining possible deviations from the size requirements of bananas, apply the measuring method.

(2) With the application of subregulation (1), “measuring method” means the method according to which, in determining the length and circumference each individual banana in the sample shall be measured.
LEVY AND SPECIAL LEVY ON DECIDUOUS FRUIT.—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 Deciduous Fruit Board referred to in section 3 of the Deciduous Fruit Scheme, published by Proclamation R. 288 of 1962, as amended, has in terms of sections 18 and 19 of the said Scheme with my approval, further amended the levy and special levy published by Government Notice R. 2391 of 1 December 1978, as amended, as set out in the Schedule hereto.

H. S. J. SCHOEMAN, Minister of Agriculture.

SCHEDULE

1. The Schedule to Government Notice R. 2391 of 1 December 1978, as amended, is hereby further amended by the substitution for subparagraph (ii) of clause 2 (c) of the following subparagraph:

"(ii) Freestone peaches and nectarines, produced in the controlled area (other than freestone peaches and nectarines produced in the Magisterial Districts of George, Humansdorp, Knysna and Uniondale) and sold in the marketing area, the registration area, South West Africa, Bophuthatswana, Lesotho, Transkei and Swaziland under authority of a permit issued in terms of section 17 (p) (ii) of the said Scheme: Provided that the levies contemplated in subparagraph (i) and (ii) shall not apply to deciduous fruit purchased from

G66460

to take a wagon next time.

2. This Notice shall come into operation on 4 June 1979.

HEFFING EN SPEISALE HEFFING OP SAGTEVRUGTE.—WYSIGING

Kragtens artikel 79 (a) van die Bemarkingswet, 1968 (Wet 59 van 1968), maak Hendrik Stephanus Johan Schoeman, Minister van Landbou, hierby bekend dat die Sagtevrugteskema, afgekondig deur Proklamasiie R. 288 van 1962, soos gewysig, kragtens artikels 18 en 19 van genoemde Skema, met my goedkeuring, die heffing en speciale heffing afgekondig deur Goewermentskennisgewing R. 2391 van 1 December 1978, soos gewysig, verder gewysig het soos in die Bylean hiervan uiteenge

H. S. J. SCHOEMAN, Minister van Landbou.

BYLAE

1. Die Bylean van Goewermentskennisgewing R. 2391 van 1 December 1978, soos gewysig, word hierby verder gewysig deur subparagraaf (ii) van klousule 2 (c) deur die volgende subparagraaf te vervang:

"(ii) Loslipperkes en kaakkers in die beheerde gebied geproduceer (behalwe loslipperkes en kaakperskes in die Landbodistrikte George, Humansdorp, Knysna en Uniondale geproduceer) en verkoop in die registriesgebiede, die bemarkingsgebiede, Suidwes-Afrika, Bophuthatswana, Lesotho, Transkei en Swaziland kragtens 'n permit uitgereik in terme van artikel 17 (p) (ii) van genoemde Skema: Met dies verstande dat die subparagraaf (i) en (ii) beoogde heffings nie van toepassing is op sagtevrugte wat van die Raad gekoop is.

staatkoerant. 25 Mei 1979

No. 6460

13

the Board, or from a person who sold such deciduous fruit under authority of a permit referred to in the said paragraph (ii)."

2. This Notice shall come into operation on 4 June 1979.

I went again to see the O.C. convoy escort and the transport Officer and told them that, if necessary, positive orders would be issued to give me a guide, wagon and the necessary oxen. I must say they took it very well, and the latter did all he could to help me. I selected a covered wagon - there were only three in the convoy - and this did not please the Sergeant Conductors as they sleep in them when empty. They told the transport Officer that the team would not pull it as they were weak. Thereupon I asked for 32 oxen. This at once settled matters, and they said if I would be content
Pat on the back for pineapple growers

The co-operation and support of pineapple growers in the Border area were commended by the officer in charge of East London's Agricultural Research Station, Dr. D.P. Keetch.

"Farmers regularly make sections of their pineapple lands available for research and for this we are indeed grateful. Without this cooperation research prospects could be greatly handicapped," Dr. Keetch said.

It leaves no doubt, however, that the work carried out by the research station is greatly appreciated by pineapple growers. Since its establishment 23 years ago very valuable information has been passed on to farmers.

The following is a brief sketch by Dr. Keetch of the history of the research station.

The Agricultural Research Station at East London, which is one of a number of research centres in the Republic under the control of the Citrus and Subtropical Fruit Research Institute, is concerned with all aspects of pineapple cultivation and production throughout South Africa.

The first steps towards the formation of the Research Station occurred in April 1956 when a number of scientists attached to the Eastern Cape Region of the Department of Agricultural Services were given offices at East London airport in buildings formerly occupied by air crews during World War II. Towards the end of 1958 the buildings of the present research station were completed at a cost of some R520,000.

Today the Research Station covers an area of some 570 ha, much of which has been retained as indigenous bush and forest. With a staff of 15 officers and 86 labourers the station is one of the largest centres for pineapple research in the Southern Hemisphere.

One member of the research station staff is stationed at Bathurst and another at Pinetown (Natal) to attend to the needs of pineapple farmers in the nearby production areas.

The current research programme covers investigations and experiments into: 1. the control of plant parasitic nematodes, insects and mites, 2. fertilisation and forcing by means of hormones, 3. plant propagation and plant selection, 4. weed control, 5. the relationships between climate and the growth and yield of pineapple plants, 6. pineapple fruit diseases and disorders.

Much of the above work could not be undertaken without the understanding and fullest co-operation of the pineapple farmers, their representative committees and associations and the canning factories.

The results of the research work are communicated to farmers in various publications of the Department of Agricultural Technical Services at meetings and demonstrations and in early morning radio talks.
Oranges are likely to cost more this season

The South African Co-operative Citrus Exchange has taken charge of the marketing and distribution of the local orange crop — a move which officially marked the start of the 1979 orange season.

The Citrus Exchange predicts strong demand for South African fruit on world markets this season, and estimates supplies at the same level as last year, when the crop produced some 28 million 15kg equivalents for export.

Exports of citrus last year produced R110 million in foreign exchange and continued their steady growth pattern both in quantity and value.

South African oranges sell in the European retail markets for about 20 cents per kg compared with the local price of about 8 cents.

With heavy export demand for South African fruit and a normal overall crop, an undersupply position can be expected to push the local price of oranges slightly higher this year.

The early season varieties — Navel and Midseasons — should be freely available and will come mostly from the bigger growing areas of the Eastern Transvaal, Lowveld and the central Northern Transvaal.

The Juicy Valencia oranges, which come onto the market later in the season and are used substantially for juice processing, are expected to be in short supply.

This year South Africans will be encouraged more strongly than ever before to consume more grapefruit.

Grapefruit will start pouring onto the market with the start of sales mainly from the Eastern Transvaal, Natal and Swaziland.

Due mainly to increased plantings, especially of the Rose (pink) variety, the availability of grapefruit on the local market is expected to increase substantially over the next few years. Yet consumer research shows that 40 per cent of South Africans never buy grapefruit and per capita consumption is very low.

The Citrus Exchange is putting a great deal of effort into marketing grapefruit this year with heavier advertising and more aggressive advertising to encourage consumers to eat the bigger grapefruit, i.e., the smaller ones; and drink more Citruscale-approved, processed grapefruit juice.

A major incentive for consumers will be the fact that retail prices for the fruit are expected to be equal to or lower than those of last year. In addition, the popular Rose fruit will make up about 1 per cent of all local grapefruit this year.

Heavy lemon plantings in recent years have meant that the lemon crop is expected to increase 40 per cent by 1982.

With export prospects looking up this season and less competition than usual expected from the Mediterranean countries and California — there should be a boost in demand for this growing crop. However, the Citrus Exchange is injecting increased funds into promoting the use of lemons. It is encouraging housewives to use lemons in dishes as well as for drinking, and is advising greengrocers to tag lemons onto all their fresh produce sales.

Picked and ready for packing — crates full of oranges make their way from the orchards to the pack houses.

Margins on loose and prepacked lemons, this starts with a major national multiple offer of 6 lemons for 29 cents. Prices of lemons at wholesale levels will be unchanged from those of 1978.
EXPORTS

The EEC gets tough

SA exporters are heading for hard times in European markets. Although a great deal of secrecy surrounds the Tokyo round of multi-lateral trade talks in Geneva, enough information has emerged to confirm that SA is faring poorly in efforts to negotiate not only lower tariffs in Europe but some form of compensatory treatment for the loss of its favoured position in British markets.

According to the EEC offer lists in respect of canning, SA gains are virtually nil. For example, the EEC offered to cut the common external tariff (CET) on grapefruit segments from 20% to 17%, fruit cocktail from 22% to 20% and canned mandarin oranges by the same meagre margin. It originally intended to include peaches, pears and pineapples (the volume sellers) on the list, with a 5% or 6% cut in the CET, but these were deleted on the insistence of the French and the Italians.

European canners can supply on average no more than 25% of the community’s demand for canned deciduous fruit but the EEC is committed to the protection of the least efficient of its members, hence the protective barriers.

If this kind of thinking prevails across the full spectrum of trade with Europe, prospects seem dim that SA will export much more than primary products and raw materials — on terms which suit the Europeans.

Nor does there seem to be any limit to the scope and range of non-tariff barriers which the people in Brussels can devise. Starting next season is a device called the “production aid system.” It amounts to a subsidy on the production of canned peaches and tomatoes to compensate Italian canners for their high production costs. The aid system is an equaliser and will work primarily against the Greeks.

In practice it will mean that Italian canners of average efficiency will get their fresh fruit for nothing; if they are super-efficient it will mean that they will receive more aid than they pay for their fruit.

The worrying thing is that, with the exception of Belgium, quality is a secondary consideration to price with most European consumers. And although the currency factor has helped SA exporters who sell in rands/dollars, there is no way SA can begin to pare prices 50%. On top of that there is mounting competition from Third World exporters, mainly Francophone and Commonwealth states in Africa which enter Europe duty free.

Argentina, too, is getting a firm grip in Europe, assisted by a 25% government subsidy, while in the US growers with heavy surplus production subsidise canners to take fruit off their hands and drop it off in Europe, as happened last year.

Underlying all these problems is genuine concern in Europe that incipient trade action against SA may materialise into a real embargo. Buyers are reluctantly having to negotiate alternative sources of supply, thus adding another dimension to the marketing problems of exporters.

Implications for SA are grim. Canning may be small beer compared with total exports, but it is important for the Cape region. It’s a trade of 8m cartons worth R80m to R90m a year, 90% of it from export earnings. It involves 2,500 farmers and maybe 20,000 farm workers producing 185,000 t of raw fruit worth about R20m a year; not to mention 14 major canneries employing 14,000 blacks and 4,000 whites and a wage bill of R14m a year for the blacks alone.

In addition, the canners pay Metal Box Company R26m a year for cans; they pay the sugar industry about R8,5m a year for consuming 40,000 t of sugar; and the shipping companies receive about R8m a year in freight charges.
### BUSINESS OF THE DISTRIBUTION SYSTEM

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### COMMENTS

- **Orange Crop**
  - The orange crop is looking promising with good yields expected.
  - Prices have increased by 10% compared to last season.

- **Lemon**
  - Lemon sales are up by 5% due to increased demand.
  - Wholesale prices have risen to 12% higher than last year.

- **Grapefruit**
  - Grapefruit sales are down by 3% due to a slight decrease in demand.
  - Retail prices are 7% lower than last year.

### Future Outlook

- **Export**
  - Export volumes are expected to increase by 15% due to strong demand from overseas markets.
  - Wholesale prices are expected to rise by 10%.

- **Domestic**
  - Domestic sales are stable with a slight increase in local demand.
  - Retail prices are expected to remain steady.

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**Rich Citrus Exports**

- Citrus exports are expected to be up by 20% compared to last year due to higher demand from foreign markets.
- Quality standards are expected to remain high.
- Prices are expected to be up by 15%.

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**Trends**

- **Quality**
  - Quality standards are expected to remain high.
- **Volume**
  - Volumes are expected to be up by 20%.
- **Prices**
  - Prices are expected to be up by 15%.
Agricultural Correspondent

NATAL'S Indian and White banana farmers could benefit from increased sales if the Banana Board took over marketing their fruit, says Natal's representative on the board.

Mr. Corky Kelly said yesterday that all farmers would make about 60c more a box through savings in transport if the board did the marketing.

At present Natal's surplus bananas have to be sent by road to the Reef for ripening and distribution to other provinces.

If the new scheme is accepted, Natal will be zoned into production and marketing areas to improve efficiency.

Markets

Mr. Kelly said new markets in the Transkei, Ciskei and other African areas for Natal fruit had been planned.

Under the present marketing policy of the board, it had virtually no control over Natal and farmers of all race groups were losing as a result.

He said they had been given freedom to adapt the Banana Board's control measures to suit local needs and protect the traditional Indian way of marketing their fruit.

Agreed

The board had agreed to accept loose fingers — which were normally thrown away — if they were first grade.

A ready market had been found for them and Blacks would be able to buy bananas at reasonable prices.

Mr. Kelly said the main opposition to the Banana Board's take-over of marketing in Natal appeared to have fallen away and the majority of Indian growers had welcomed the scheme.

Mr. Kelly assured Indian growers that the Squatters' Market and the Clairwood Indian Producers' Market would be left untouched by the scheme.

"Indian growers can continue as they have done for many years," he said.
Indians to oppose plans for banana marketing

27/9/79

INDIAN banana farmers said yesterday that they would "strongly oppose" any moves to control the production and marketing of bananas.

They were commenting on a report in the Mercury yesterday in which Mr. Corky Kelly, Natal representative on the Banana Board, said that Indian and White banana farmers could benefit from increased sales if the board took over marketing their fruit.

Mr. Sunny Venketasamy, vice-president of the Natal Indian Agricultural Union, said Indian banana farmers at a meeting this week decided to lodge their objections to the move.

He said they were opposing the move for several reasons. "Any form of control in the production and marketing of the fruit would seriously affect the Indian farmer because they were growing bananas under difficult conditions.

"Most of their fruit would not qualify for grading because of the high standard set by the board."

Mr. C. S. Mudely, secretary of the Natal Indian Canegrowers' Association, said his association was also strongly opposed to the move.

The production and sales of bananas must be regulated by supply and demand, and not by the control board, he said, pointing out that there were 160 Indian banana farmers in Natal, and the introduction of any form of control, might force them out of business.
FRUIT EXPORTS

Till the pips squeak

Dire warnings of a slump in the R200m-a-year apple industry take some swallowing as producers head for what looks like their best-ever crop. Growers are, however, far from jubilant despite the prospect of topping last-year's 9.5m export cartons by 10%. As shipping rates rise the farmers get less from a mainly European market where an oversupply of local apples is already depressing international prices.

"If freight rates can't be controlled, there'll be no apples to export. By 1982 we'll be selling at a loss," says Apple Producers of Elgin Co-op chairman Guy Bradley.

"A R3.61 carton of apples already costs another R7.51 to get to Europe. The country is going to lose R10m a year in foreign exchange because shipping costs will kill us," says Apco general manager Robin McGregor.

After a 208-strong meeting at Grabouw recently, directors of the Fruit Board (DFB) top officials should have the message — if they didn't know before. There is something going radically wrong if each year an industry expands production from which it earns progressively less.

In these circumstances, there is growing frustration among growers over having to hand over the foreign marketing of their produce to a quasi-government department.

News that another SA-European freight rate rise of around 15% is on the cards (FM last week) only compounds their fears that local apples could lose substantial ground in traditional markets, notably the UK, to Australian and New Zealand suppliers while rapidly emerging Argentine and Chilean growers claim their portion.

The trend is certainly ominous. Annual export of apples has, with odd exceptions, been steadily upwards (see graph) from 300 000 m³ in 1967 to last year's record 300 000 m³. Provisional estimates for this year's total exports indicate that even this will be topped by another 20 000 m³. Each m³ contains 350 kg.

With recent production costs being restrained, from an average R3.10 a carton in 1971 to R3.75 this year, growers should be optimistic. Instead, they find themselves fighting on two fronts. At home the cost of getting each 18 kg carton of apples to the market, including road, rail, land transport, cooling, storage and inspection, has gone in two years from R5 to R7.61. In the same period the sea freight component of this total on the same carton has risen from R2.70 to R3.90.

To make matters worse, foreign buyers are paying less. Down from R12.50 last year to R12.50 this year.

The return on each carton is already marginal. Out of the R4.40 present return must be deducted R3.50 production costs. We just can't afford to pay more for freight with the European price dropping at the same time," says Bradley.

DFB chairman Alex van Niekerk confirms that producers are having a thin time. "We followed the European season when consumer resistance at already built up. With much slower buying we came into the market also with poor specification fruit and the price went down about 12%," he says.

Van Niekerk sees the key to the long-term lifting of apple exports as the elimination of poor specification, a strong type rather than bad fruit shipments. A new five-year corporate marketing plan will project "what the various international markets want and the expected prices" so that growers will know which fruit to supply.

This throws the ball back on local growers to deliver the goods. But there is no much that can be done about shipping rates. Van Niekerk promises that further attempts will be made to secure the best freight deals possible but declines to commit himself on keeping them at what seems to be the critical benchmark, though the DFB works in m³ of R4 a carton for the sea leg.

Both the DFB and growers are however, in the same boat when it comes to keeping up export volume at almost any price. About 50% of the SA annual crop goes overseas and there is no possibility of the local market absorbing surpluses caused by export cutbacks.

McGregor points out that for each export contract high grade apples sold overseas the local market takes only two cartons with the residue mainly lower grade going to processors of fruit drinks.

Circumstances appear to be forcing both DFB and growers closer together in co-ordinated revamping of their export market, taking the most appropriate apples from the orchard to foreign buyers as expeditiously and cheaply as possible. Both, as well as the country as a whole, have much to lose if their efforts do no fructify.
SA’s 22 control boards manage vast millions on behalf of their shareholder farmers. But they are a long way from being regarded as sophisticated financial institutions or money market players.

An exception is the Deciduous Fruit Board. Not only has it demonstrated it is one of the country’s more efficient control boards by successfully exporting R200m worth of fruit but, this year, it also earned a sort of “super profit” on purely financial transactions.

During 1979 the board’s financial team of Wilton Eaton, assistant GM for finance, and chief accountant Barend Kritzinger, introduced an aggressive policy designed to make greater use of the millions the board has lying around in foreign markets from time to time. “We decided that the financial traditions of the board needed revitalising,” says Eaton. “And, with the full support of the board, we reorganised our entire outlook.”

The first tradition to be jettisoned was the almost automatic renewal of the board’s insurances, the premiums for which amounted to R1.4m in 1978. Its insurance is divided into three sections: marine, credit guarantees covering political and commercial risks, and a loss of revenue policy which insures against any catastrophe.

Big premium saving

In what Eaton describes as a “change in insurance philosophy,” the board decided to accept the first R500 000 aggregate loss, and the resulting saving in premium was R405 000. “We had a few claims,” admits Eaton, “but nothing like in the past. Because we knew we were carrying the first loss, everyone was a little more careful. But our savings are going to be about R200 000 net.

For short-term finance, the board has in the past, like other control boards, borrowed from the Land Bank. Explains Eaton: “Land Bank money would have cost us 8.5% so we asked for, and received, ministerial approval to approach the open market and we invited five banks to tender.” For the first time in the DFB’s history, therefore, two banks were used for the provision of short-term finance. A total of R402m was borrowed at an average rate of 6.3%. Had the board borrowed at Land Bank rates, the interest bill would have been R50 000 more.

With short-term borrowings secured, Eaton and Kritzinger applied the same competitive principles to their foreign banking policy and to the flood of money resulting from sales.

To gear themselves for this market, they introduced changes to their communications network round the world markets. This included enlarging their telex centre, while actual fruit marketing instructions were relayed via their computer hook-up.

The board trained two of its internal accountants in exchange methods and set about playing the world money markets. Says Eaton: “We used 14 banks in all — buying foreign currencies wherever they suited us. When we had a million or two available, we got onto the telex and asked for quotes in particular currencies. It was like a miniature money dealer’s control room.” What surprised the DFB team was that most of the time it received better quotes from SA banks. During this short period — barely five months — the board bought and sold R90.4m in foreign currency and showed a net profit on its forex dealings of over R60 000.

By anticipating the rand’s appreciation against the US dollar, the DFB claims it made another R50 000. And, by selling forward sterling for dollars earlier in the year when the pound was taking a battering, it made another R40 000 once sterling recovered. Although the final figure is not available, Eaton estimates that the board will have made a super profit of almost R250 000 on financial dealings.

Out of the board’s R200m sales, no less than R110m is earmarked for freight (which alone accounts for a staggering R80m), distribution and handling costs. The balance is repatriated to the farmers.

Concludes Eaton: “This is the first year we have played the world’s forex markets and we have learnt a lot by our experience which has been a good one. We have relied heavily on financial experts to advise us and the success we have had this year has encouraged us to repeat the exercise in 1980.”
APPLE INDUSTRY

1984 for apples also

SA apple growers may find it hard to digest the gloomy forecast in an MBA thesis on the economic structure of the South African apple industry and its future projections. In his 120 page report Richard von Hoesslin, from UCT's Graduate School of Business, confirms the report in the FM (October 5) that the industry is facing a serious financial crisis.

Von Hoesslin says SA's R140m apple market is being threatened by an over supply in both the domestic and foreign fresh markets. He predicts that by 1984 the supply of apples will exceed demand by 30%.

"Up until 1974 apple production was highly profitable but since then there has been a substantial decline in the average net income - from R 199 to R248.56 in 1973 to R249.31 in 1977."

Apec's general manager, Robin McGregor and Deciduous Fruit Board (DFB) chairman, Alex van Heerden, both admit that apple growers are going through a lean patch but they reject the hopeless picture painted by von Hoesslin.

Says McGregor: "I agree the outlook is gloomy, but von Hoesslin's predictions are too pessimistic. The local market can absorb a great deal more." Van Niekerk agrees with him, "There will never be an oversupply of quality apples. Housewives throughout the world have become highly sophisticated and want only the best."

Von Hoesslin points out that growers have also been hit by an 11.4% increase in production costs. Van Niekerk says: "At present the DFB is doing everything in its power to secure favourable freight rates, a producer's greatest single expense. We don't deal with a fixed flat shipping rate and have to work out a deal which suits all parties."

Von Hoesslin's assessment of the export market is no better. SA's export market has primarily been affected by the entry of the UK - SA's largest importer — to the EEC. Preferential tariffs with Australia, New Zealand and SA have ceased and as a result competition has intensified. "SA's share in the European market shrank from 61% in 1951 to 23% in 1976," says von Hoesslin.

He says SA is a "price taker" in the European market - it can therefore have little influence on prices and growers have
SA grapes dominate Euromarkets and demand is rising despite an 18% EEC duty; the purpose of which is obscure since the fruit is offered in the northern off-season. The effect of the duty is to needlessly raise prices to the consumer.

Like apple growers who will increasingly have to watch competitive offerings from Chile and Argentina to maintain their dominant (40%-50%) position in Europe, pear exporters will have to keep an eye on South America.

In 1979 SA exported 2.46m cartons (12% up) and realised a gross R23.5m. At the same time, the South Americans weighed in with 2m cartons. Prospects in 1980 for SA are clouded by the likelihood of tough competition (backed by EEC protection) from cold-stored long-lasting British pears in the early part of 1980 season. Prices will suffer.
rise in the future because of the general impact of inflation.

In 1978, Escom credited some R300m of Revenue to the CDF, just below the statutory annual ceiling of 6% of loans outstanding at the end of the year — R5 233m of external borrowing was outstanding at end 1978.

Of the balance of finance, about one half would come from local borrowings and the rest from overseas, but Smith points out the obvious — changing circumstances in capital markets could influence this ratio. At present, Escom’s paper is enjoying a high rating on overseas markets, including the Eurocurrency market where most borrowing takes place.

Current loans run up to seven years and the interest rate has come down to only 1% above Libor, a low enough premium considering the disfavour with which SA was recently regarded by overseas bankers. Indeed, Escom recently rejected a loan offered for 8 years because the interest rate was too high.

The cost of forward cover for overseas borrowing is around R30-40m, a small enough percentage of current annual revenue of R1 800m.

Smith makes the point that borrowing at fixed interest rates to build permanent production facilities during inflationary times makes a lot of business sense. At present, even long-term interest rates in SA are below the local inflation rate, while power plants, once erected, are inflation proof. So Escom operates exactly like the ordinary householder who borrows from the building society to add a room on to his house.

FRUIT EXPORTS
Better pickings?

After a depressed 1979, SA fruit exporters should do better in Europe next year. In particular, apple producers will benefit from poor quality in the European crop, even though this year’s crop is 3% bigger than last year’s.

Deciduous Fruit Board (DFB) feedback suggests traditional UK and Continental outlets will absorb 8,6m cartons despite local producer protests. This is 1m cartons up on 1979 but still 100 000 cartons short of 1980’s 9,1m. There also seems to be a lot of scope for shipment of another 1m cartons split equally between North America and the Middle East.

Chile’s refusal to implement voluntary restrictions on shipments to Europe must also help SA growers as the Latin American producer has been banned from landing apples in Common Market countries between March and mid-August.

The bugbear for local producers remains rising sea freight rates which are likely to take the cream off much of the extra export effort by SA growers. European prices for apples are either falling or not rising sufficiently to offset shipping charges. so a strong distinction must be made between volume sold and cash return per carton.

The bulk of SA’s crop should start to arrive just as the northern hemisphere cold storage supplies start running out in March and April.

One of the problems encountered by SA exporters to Europe this year was a large carry-over of poor quality northern apples. European farmers agitated for the imposition of quotas, demanding that anticipated southern offerings of 370 000t be cut to 230 000t.

The European Commission suggested a compromise at 200 000t, but the final figure agreed to was 313 000t of which 123 000t was awarded to SA.

The DFB does not expect quotas or voluntary restraints on offerings next year but the European apple market is highly inelastic. Small changes in the volume of SA grapes dominate Euromarkets and demand is rising despite an 18% EEC duty. The purpose of which is obscure since the fruit is offered in the northern off-season. The effect of the duty is to needlessly raise prices to the consumer.

Like applegrowers, who will increasingly have to watch competitive offerings from Chile and Argentina to maintain their dominant (49%–50%) position in Europe, pear exporters will have to keep an eye on South America.

In 1979 SA exported 2,45m cartons (12% up) and realised a gross R23,5m. At the same time, the South Americans weighed in with 2m cartons. Prospects in 1980 for SA are clouded by the likelihood of tough competition (backed by EEC protection) from cold-stored long-lasting British pears in the early part of the 1980 season. Prices will suffer.

fruit on offer have a marked effect on price. For example, the Eurocrop is about 35m cartons. If there is a 1% carry-over into the southern export season the additional 3,5m cartons are equal to 5% of total southern exports.

As a result, payments to growers could suffer by 70c-80c per carton. Something like that happened this year: 7,8m cartons sold at an average R9,82 cif, yielding a gross R77m. Last year 9,1m cartons sold for R10,50 cif, realising a gross R96m.

SA table grape exporters command something like a licence to print money in Euromarkets. Sales in 1980 are unlikely to match this year’s 6,7m cartons (4.6c per carton higher than last year) but prices could go 12%-15% higher.

Gross yield this year was R44,4m (R30,9m) on an average cif price of R6,62 per carton (R6,74).
AGRICULTURE – OTHER – FRUIT

Hunt for ideal banana mutant

Researchers at the Citrus and Subtropical Fruit Research Institute are still looking for the ideal banana mutant for South African conditions. Most farmers prefer the taller Williams cultivar rather than the Dwarf Cavendish in their replanting programmes.

Although the height of the Williams is generally regarded as a disadvantage, especially in windy locations, this is offset by the obvious advantage of quicker cycle time, larger bunch mass, cylindrical bunch shape, absence of choke throat and a higher proportion of marketable fruit.

The ideal mutant should have the same advantages as Williams, but should be shorter with a fatter stem to reduce wind damage and obviate the need for propping.

Potential mutants are currently being compared with Williams rather than dwarf Cavendish. Two selections are now being critically compared in a trial at Burgershall.

Banana growers can aid in the research for an ideal mutant by monitoring their Williams plantations and looking for a short, sturdier plant which otherwise retains the bunch characteristics of Williams. In particular, any shorter mutant should not be prone to choke throat.

Any such plant should be reported to the director of the Institute at Nelspruit for further evaluation.

During a severe storm which hit the Natal South Coast recently the gale-force winds, accompanied by heavy rain, caused considerable damage to banana plantations, especially in the Port Edward and Margate Beach localities.

A preliminary survey shows some sections to have lost up to 20 per cent of the plants. Because of their height the Williams banana suffered severe losses. In addition, many trees were blown over. The losses here is an added incentive in the search for the ideal plant.
PRICKLY PINEAPPLE PROBLEM

PLANS to incorporate part of the Eastern Cape's most valuable pineapple-producing land into the Ciskei could crush a R32-million industry and put 25,000 people out of work.

Already in crisis following the spectacular strengthening of the rand against the US dollar, the pineapple industry faces fragmentation if the recommendations of the Van der Walt Commission on consolidation are accepted by the Government.

This fragmentation would be the death knell of the industry as a whole, pineapple growers and canners told Mr Hennie van der Walt this week.

It would mean the end of R32-million in foreign exchange and unemployment for 9,000 people directly employed in the industry, a further 1,000 indirectly employed and 15,000 in commercial and service businesses reliant on the industry.

The Pineapple Growers' Association has told the South African Government it can expect to support an additional 160,000 people if the industry goes under and this in an area which has the highest unemployment rate in South Africa.

Mr Van der Walt, who has outlined proposals to give large portions of valuable pineapple farming land to the Ciskei and to create a border with the Eastern Cape that would be independent from South Africa, has warned that exports would suffer as a result.

Any such move would mean the industry going under and the Government would be unable to save it, he said.

Farmers and canners have voiced their concern that the boundary of the area to be incorporated into the Ciskei would be drawn at the Chatuma River, leaving out the majority of pineapple lands.

The industry would become completely unviable, Mr Barry Purdon, chairman of the Pineapple Growers' Association, said this week in the Pedro district, where pineapple farms had been handed over to the Ciskei, had shown a predictable drop.

A similar drop was bound to occur on the farms affected by Mr Van der Walt's recommendations and this would result in a drop in the input to the major canneries, sufficient to cause their closure.

The investment in these canneries, according to figures Mr Purdon's association presented to the SA Agricultural Union last year, is R32 million.

A number of ancillary industries such as can-makers, carton manufacturers, engineering works, printing works and shippers are largely dependent on the pineapple industry and would also be severely affected if the industry were to collapse, the association warned.

About 85 percent of pineapple production was exported and even the temporary closure of the industry would result in the loss of export markets.
THE annual outflow of South African fruit to the European markets has begun.

The Swedish ro-ro liner Kolsmaren this week loaded a consignment of pears in the port, and the first of the specially-chartered freighters will be loading at the adjoining cool chambers this weekend.

The seasonal fruit exports represented for years the most remunerative cargoes for the Cape liners, and some of the container ships which have been sailing north with mainly empty boxes will for the next five months be well supplied in the cool chambers with deciduous and then citrus fruit.

An important development in recent years has been the securing of other markets for the South African product, although it may not be prudent to say precisely where some of these are. Nevertheless, the extension of the trade has provided the refrigerated ships with almost continuous employment.

Additional fruitships have been built or bought in the past couple of years, and some of these are employed on distant trades more profitably than they would be here.

Fruit juices carried in deep tanks of ships or in liquid containers are also finding a ready market overseas, and with a little enterprise these could possibly be extended farther.
Police investigate sea drowning

Mr Mogamat October, left, consoles his eldest son, Ibrahim, who was with his brother Dienie when he drowned after they were arrested for allegedly poaching crayfish.

I saw the red dolphin boat coming towards us and then looked round for Dienie. He was lying face down in the water. When I got to him he was dead. At the same time the dolphin boat had arrived, and I said to the inspector: “Oubaas, my brother is already dead. Help me into your boat.” said Mr October.

They abandoned the sinking dinghy, and Mr October made a statement to the police when they reached Hout Bay harbour soon after 9 am.

Mr October said his brother was a strong swimmer, but it appeared he had been knocked unconscious against the Sentinel rocks.

Mr October also said the inspector apologised for what had happened, saying he was ‘sorry’ about the incident.

THE ARGUS, TUESDAY MARCH 3 1981
Citrus outlook bright

SOUTH African lemon export packing for 1981 has started and grapefruit packing is due to begin toward the end of March and oranges about mid-April, says a spokesman for the Citrus Board.

First estimates for the 1981 season show the orange crop is likely to be about 5% higher than the previous season, but exports are likely to be similar to last year’s total.

Orange exports are likely to be similar to last year’s 375,000 tons. The 1979 figure was 396,000 tons.

Grapefruit exports are expected to be about the same as last year’s 53,000 tons.

Lemon exports are expected to increase by 24% from last year’s 21,000 tons.

The UK and Eire account for about 25% of the export volume. Indications are there will be smaller overlap than usual with northern hemisphere citrus competitors in Europe at the beginning of the South African season.

This is because of the relatively small crop in Israel, adverse weather in Morocco and cold damage in Spain. These factors will help South African exports early in the season.

However, the recession in Europe and the relative strength of the rand against European currencies will complicate matter. — Reuter.
FRUIT EXPORTS

Getting the pip

The SA canned fruit industry, worth R125m annually in foreign exchange, is heavily threatened by the current strength of the rand and the substantial subsidies offered by the EEC to similar industries in Europe.

Says Noel Lawson, manager of the SA Canned Fruit Export Board: "The position of the industry is gradually getting worse."

Lawson notes that each year it is becoming more difficult to compete with countries in Europe, particularly Italy and Greece, which are subsidised by as much as 50% of the retail price.

"There is no question that our quality is still better, but with high unemployment and the present economic climate in Europe, quality is not the most important consideration," says Lawson.

The UK is SA's biggest canned fruit market, and since 90% of all fruit canned in SA is exported, this represents a very big market share.

However, canned fruit consumption in the UK, as in other places, has fallen considerably. The US, consumer-leaders in indicating food trends, shows a 20% drop in the consumption of canned fruit over the past few years. It is commonly accepted that in these days of inflation and escalating food costs, canned fruit is a luxury.

A spokesman for the Canning Fruit Board (CFB) in Paarl notes that there has been a marked decrease in the intake of fruit by canneries this season. He attributes this to adverse weather conditions, including the devastating floods in the western Cape earlier this year, and to stricter regulations regarding the quality of fruit for canning.

Lawson says the lower intake of fruit has added to the unit costs. Volume sales overseas have remained fairly constant, but he sees operating margins getting smaller and smaller and the pressure on local canners and farmers will follow.

Since 85% of SA products are sold under the buyers' labels, direct marketing campaigns cannot work. So how has SA managed to maintain its volume sales of canned fruit in the face of competition and currency exchange losses? Says Lawson: "We have built up personal contact and trust with our overseas buyers and this has certainly been a strong factor."

Last year, the board spent R250000 on direct promotions and advertising campaigns, in collaboration with overseas buyers. This year it intends to have an even higher budget.

The CFB spokesman says the growing difficulties facing the industry in SA could mean a stricter grading system. It is necessary to ensure unmatched quality on the world market, and, as a last resort, quotas may have to be imposed on canners. "But," he notes, "this will lead directly to a decrease in farmers' income." As he knows, this won't be easy to sell. By selling his canning interests to the Langeberg Cooperative, Ian Pickard may have offloaded a bundle of trouble.
South Coast goes bananas

S. Tribune (Sport)
Property Editor

BANANA farms on the Lower South Coast have been in demand and are now definitely viable propositions, says John Reasbeck, managing director of a Port Shepstone-based estate agency.

And, he said, there is still a "fantastic demand" for cane farms although there are virtually none available to sell.

Reasbeck was commenting on the Lower South Coast property scene in an interview. He said quite a few banana farms had changed hands in the last year.

Buyers fell into two categories: Those who did it for a living on farms of 15 to 20 hectares planted, and those on four to 10 hectares planted who were supplementing a private income.

Since the inception of the Banana Board's marketing system, the price to the producers on the South Coast had doubled and farms were becoming more visible.

A farmer was fetching about R250 000 and the smaller farm reached R180 000.

On cane, Reasbeck said the demand was exceptionally high. "Cane is a good long term investment despite drought and the world sugar prices," he said. "The advantages of cane is that the marketing is highly organised."

Prices for farms have rocketed from R35 a ton yield 18 months ago to R60 now.

Reasbeck said quite a few smallholdings had been sold.

A reasonable house on a site of between two and eight hectares, with fruit and vegetables, could fetch between R60 000 and R100 000.

He said many inquiries from people wanting to invest in farms on the Lower South Coast concerned the availability of building society loans.

"The qualification is that if the property is outside a municipality, a building society is not allowed to lend money under the Building Society Act."

"There are ways to finance such a property — often the seller lends the purchaser the balance of the purchase price of what the buyer can pay in cash in a private bond, usually repayable over five years, or he can find the cash from a private investor at current building society rates."

On other spheres of the market, Reasbeck said some of the smaller estate agents in the area who had opened business during the recent boom could disappear again as there has been a slackening in residential sales since November-December.

But prices had been catching up with larger centres such as Durban.

• Reasbeck's company, Alfred County Estates, this week launched the marketing of a 24-townhouse scheme in Umtentwini. The homes are in six blocks of four each, have two bedrooms and are selling at R35 000. The scheme is the first phase of a development of more than 100 homes to be built.

SOUTH COAST SURVEY — Pages Three and Four.
CAPE TOWN. — Payment to
South African deciduous fruit
producers this year would be
about R38-million less than that
of last year, said the general
manager of the Deciduous
Fruit Board, Mr Louis Kriel, in
Cape Town.

He told the annual sympo-
sium of the Cape Pomological
Society that the drop was be-
yond the board’s control.

The biggest factor was the
exchange rate which made the
rand’s value 17% lower than
that of last year. The rand’s
strength would cost the indus-
try about R28-million in the
current season.
THE Citrus Exchange is almost the golden boy of the agricultural bodies, the new Citrus Board — unsullied — having appointed the Exchange as its secretary. Again the central planning which is so necessary for independent farmers and the slick operations of the Exchange earn valuable foreign exchange for this country.

Export earnings total R200-million annually now, and though local consumption is 40 percent of the crop, this realises only R15-million. Obviously, then, the whole operation is export-oriented and the Exchange has agents in other countries vying for foreign markets. This keeps them on their toes and they do a splendid job.

Locally, the Exchange promotes consumption of citrus and awareness of its benefits as well as working with and for producers by providing sophisticated research and technical services. This includes marketing-related problems such as prevention of decay, pests, packing equipment, transport and variety improvement, the result being the internationally highly regarded ‘Outspan’ image.

The price of citrus is not controlled but distribution is, to prevent dumping of surplus on markets already oversupplied. The Exchange also insures a steady supply of fruit to processing factories, in fact a pooling of production to the general benefit.

The farmers sell the best fruits overseas because they get the highest prices there. Local consumers sometimes complain that they can no longer buy the best quality. They can, at a price comparable to the overseas price. Such fruit is marked Export and has a blue label and is available at Woolworths, for one. Choice grade has a yellow label, standard grade pink and substandard green.

Finally the Citrus Exchange is financed entirely by citrus growers and not by the taxpayers, and farmer membership is voluntary.
Boycott probe proposed

THE government and the Deciduous Fruit Board should investigate the proposed boycott in Britain of South African deciduous fruit and look for alternative markets, the Acting Minister of the Budget and Auxiliary Services, Mr Chris April, said yesterday.
Sticky markets

South Africa's fruit exporters, seeking to maintain and maximise rand returns to their profits amidst a sea of shifting exchange rates, are finding they have little room for manoeuvre, even when the markets are conveniently clustered together in north-western Europe.

It makes sense in theory to step up volumes to markets where the local currency/rand rate is strongest, but in practice it is not that easy. The kind of headache provided by currency swings is clearly illustrated by Outspan, which is about a third of the way through its current season in which it expects to ship 14m cartons of oranges, 5m cartons of grapefruit and 1m cartons of lemons to Europe. According to Keith Ollier at Outspan's headquarters in Herefordshire, the position facing it in January this year was that to obtain the same rand returns after absorbing 17% cost increases, sterling prices needed to be 13.5% higher than in 1980 while Deutschemark prices would have to be 44.4% up.

By June, the currency changes (chiefly sterling) meant that UK prices had to be 19.3% up and Germany's 23.6%.

Germany, as the pivotal market in the EMS, presented the biggest difficulties. "The Germans, unlike the British or French, aren't used to this kind of inflation," says Ollier. "In free markets we can't impose price increases."

But the volume drift is less spectacular than these differences might suggest. Britain, which last year took 33-34% of Outspan's exports to Europe, has so far taken 30% of this season's sales. This 7.5% grapefruit shift in the UK's volume is roughly matched by the decline in Germany (Outspan's third biggest orange market and second in grapefruit) from around 15% last year to some 14% so far in 1981. The relationship is similar in the other EMS markets - such as France, which is second to Britain for orange sales.

The overall position is that, helped by generally better prices for oranges in local currencies, rand returns are being maintained. But grapefruit, held at levels similar to 1980, are doing less well in rand terms.

"One of the problems is that we are so dependent on European markets that we can never abandon established outlets in any one market simply because of short-term currency benefits. We can't imitate what certain South American sellers do in jumping into a strong currency market one year and disappearing the next," says Ollier.
Farmers hit by pineapple thieves

EAST LONDON — Pineapple farmers bordering the Chalumna River boundary of Cikeli are being driven to despair and near bankruptcy by gangs of thieves who steal thousands of rands worth of pineapples every year.

The farmers are virtually powerless to do anything about the organised and massive thefts and find it increasingly difficult to find watchmen to guard the fields.

The watchmen have become intimidated by the gangs of between 20 and 50 thieves armed with sharpened iron rods.

One of the worst hit farmers is 72-year-old Mr W. Klingelhofer whose farm borders the Chalumna River.

Mr Klingelhofer said yesterday that he was just waiting for the moment to buy out his farm for incorporation into Cikeli.

His farm was gazetted in 1972 as one of the areas for incorporation, but the pineapple gangs have reduced him to near bankruptcy and he cannot wait much longer.

"I am just getting an existence out of my farm now," he said.

Mr Klingelhofer said the organised large-scale thefts of about 200 tons of pineapples a year have been continuing unabated for the past seven years.

"I should say it has increased."

"I did have a watchman who watched the fields and the biggest gang he saw was one of about 50 with bags."

"I had a field officer from the Laugeberg Co-op who studied our field for a year and he estimated that I had lost about 250 tons of pineapples during that year. We only reaped 50 tons."

"This was three years ago, and nothing has changed since then. I estimate that I am losing about R10 000 a year from the thefts."

Mr Klingelhofer said it was becoming increasingly difficult to find security guards to watch the fields.

"The guards from around here know about these gangs and they are scared of them. These gangs get iron rods — the kind used in concrete reinforcing — and they sharpen them into spears."

"Last year we had to get a guard from Butterworth who did not know the gangs and who had a vicious dog. He watched for 13 days and it helped."

He said the pineapple crop came out in October, but the gangs were already starting to steal green unripe pineapples off the land.

"I go around with a pistol, but what can you do? I am 72 years old."

Another farmer hit by the thieves is Mr O. K. Allright, a neighbour of Mr Klingelhofer.

Mr Allright described the situation as "rampant" and "out of hand."

"Every farmer has a little bit of theft out of his lands, but this is large scale theft by organised gangs of about 20 with sacks."

"They are even stealing the green fruit which will only be ready in late September, early October."

"I estimate that out of my annual crop of between 500 and 600 tons I am losing 25 tons to the thieves."

"But the farmers whose farms actually border the Chalumna are much worse off — they are losing anywhere between 100 and 200 tons."

"There is nothing we can do about it. We cannot have the police watching all our fields every night from now to the end of the season. There is no means of identifying the fruit, so you can not prove fruit being sold locally has been stolen."

"The only thing you can do actually is to catch them in the act and even then there is little or no chance of doing that."

...
SA apple growers suffer huge loss

Staff Reporter

SOUTH AFRICAN apple growers have lost tens of millions of rands on the European export market this year through currency changes and an artificial glut on the European market.

Mr Alex van Nickerk, chairman of the Deciduous Fruit Board (DFB), told The Argus today that apple producers lost R30m on the revaluation of currency with the dollar-tied rand's improvement against the European Economic Community's currencies.

Then a glut of poor grade apples bought by European speculators from Argentina and Chile and stored in warehouses in Rotterdam came flooding on to the market, bringing down the value of the better-quality South African and European apples.

Added to this, a successful 1980 market, caused EEC countries also to store some of their 1980 surpluses, which they released this year.

The total cost of this to the South African producer had not yet been calculated — it is believed that DFB experts are still trying to evaluate the blow to local producers — but, Mr van Nickerk said, 'it is below the cost of production.'

Mr van Nickerk said the prospects for 1982, however, were much brighter for the South African industry.

'A lot of brokers have burnt their fingers severely. In fact, some of them have gone bust.

'Europe had very bad weather and severe late frosts and snow at the beginning of this summer, and there will be no stock this time.

'We have had many good years. We are going to just have to live this one out,' he said.'
Fruit export competition increasing

The South African canned fruit industry had to be prepared for cutbacks in production because of increased competition on the European and British markets, according to the annual report of the South African Canned Fruit Export Board.

The report, tabled in Parliament yesterday, said it was inevitable that the level of self-sufficiency in the European Common Market would increase and that pressure would be brought to bear to ensure that produce from EEC countries had a preference over imported canned fruit.

"Even without this pressure, the level of subsidization is such that several buyers who have previously purchased from South Africa are being compelled, because of price differential, to turn increasingly to Italian and Greek production."

Another factor was the decline in consumption on the major markets, and this had resulted in a world oversupply.

"This is aggravated by the fact that due to the subsidy system, there has been a shift in origin from non-EEC to EEC or associate countries of supply and this is the most serious long-term threat to the South African position in world trade."

"It is therefore inevitable that the South African industry must face the basic facts of world competition and prepare for cutbacks in production, with the likelihood of fewer production units and marketing outlets, as well as being required to make basic changes in its methods of marketing overseas."

During 1980 these matters had been studied by the board and a standing committee had been established with a mandate to establish a programme to ensure the medium and long-term viability of the industry in the Western Cape.

"The effect of the EEC duties, the exorbitant high subsidization of community production and the adverse exchange rates, resulted in considerable unsold stocks being held by the industry at the end of 1980."

"The United Kingdom remains the largest single market for South African canned deciduous fruit and the Republic is the largest single supplier to that market."

"However, two factors are relevant in assessing this position, the first being the decline in consumption of canned fruit in general."

In Britain, consumption had dropped by 37 percent in seven years. The country had also increased its imports from countries like Italy and Greece.

"The sole reason for this expansion, which is expected to accelerate in the future, is the production aid system."

"The price differential of some 20 to 25 percent renders the Greek and Italian product most attractive to United Kingdom buyers despite the fact that the quality may leave something to be desired."

"While the volumes sold to Europe in 1980 compare favourably with those of 1979, this has been achieved at the cost of lower returns to canners."

"At the time of writing this report there are no grounds for believing that the position will improve in 1981."

While markets outside Europe constituted only 10 percent of total export volumes, increased attention would have to be paid to them in the light of the difficulties foreseen in the more "traditional" markets of Europe, the report said. — Sapa
Pines thefts: no govt reply

From BARRY STREET
CAPE TOWN — The South African Minister of Police, Mr Louis le Grange, yesterday refused to answer any questions about the theft of pineapples in the Chaima area.

Mr Le Grange said that because the Chaima area was being policed by the Gisela, he was not in a position to answer questions about the alleged thefts.

The Minister said this in reply to questions about the alleged thefts (tabled in Parliament by Mr Errol Moorcroft (PFP, Athlone)).

Mr Moorcroft said afterwards that the minister’s reply was “most unsatisfactory.”

Mr Moorcroft added that he was sure the farmers in the area would be interested to know that the area was controlled by the Gisela police.

Perhaps the Kidd’s... period.

If interest were not capitalised on inventories, this could result in the stock being underpriced when placed in the market. Arthur Young & Co are aware of this — they feel interest should be capitalised on inventories until they are sold. This further eliminates the need for a distinction to be made between the holding period and the maturation period.

Anthony feels that where the manufacturing cycle is short, the interest cost may not be significant enough to warrant assigning such costs to inventory. Where the passage of time is significant in the production process, interest cost is important and should be recorded. It may be added that this will not lead to overstatement of the value of inventories, due to the application of the lower of cost or net realisable value rule.

One respondent suggested that interest be capitalised on inventories only in the event of specific stockpiling. Another suggested the treatment of applying the policy to inventories only if the cycle of purchase — process — sale of inventory exceeds the annual reporting cycle, or where the stock turnover is exceptionally low. If the stock turnover is low, then it is likely production will not be unduly
SA fruit exports fall

By NEIL BEHRMANN

LONDON. — South Africa’s fresh and canned-fruit exports have fared poorly in Europe this season.

Sales are lower because the European market has been flooded by apples from South American countries, especially Chile.

Canned-fruit sales have been affected by the European recession and there is a surplus.

A spokesman for the Deciduous Fruit Board says South Africa’s apple prices have fallen from an equivalent of R15.4 a carton in June to R10.25 a carton. A carton weighs 40 lb. But he is satisfied with the performance of apples because the board has sold 7 200 000 cartons, even though the South Americans were selling their apples at £2 to £2.50 a carton and in some instances as low as £1.50.

Last year 7 700 000 million cartons of SA apples were sold in Europe.

The Chileans did not affect exports of other types of South African fruit. But export quantities were hampered by poor crops. In some cases quality did not match previous years’ high standards and fruit had to be withdrawn from sale.

Compared with 1989, peaches and nectarines sales dropped from 218 000 cartons to 118 000 cartons, plums from 970 000 cartons to 819 000 cartons and grapes from 6 400 000 cartons to 5 500 000 cartons.

Pear and apricot sales were higher.

With volume and values down, fresh-fruit export revenue will be much lower this season.

Canned fruit is also suffering because Greece, a newcomer to the EEC, has helped to cause a glut.

A spokesman for Koo International says the market is still suffering from a surplus of canned fruit which was built up in 1989. Several UK factories have closed because high interest rates and a weak economy have "made the factories carry the can."
By PAT BULGER

NATAL banana distributors met last week to discuss a new marketing strategy which could eliminate all competition and send the banana price soaring.

A Sunday Tribune investigation into the banana industry has disclosed:

- The price of Natal bananas has jumped by 46 per cent since the Banana Board’s controversial takeover of the province’s industry 14 months ago.

- Natal’s banana industry is on the verge of becoming a multi-million rand monopoly controlled by the Transvaal company, Sentinel Fruits Cooperative (SFK) under its director, Colonel Cornelius Huyssen, who is chairman of the Banana Board.

- A big Natal distributor is in danger of losing his licence thus increasing SFK’s 90 per cent hold on the market.

Progressive Federal Party spokesman on consumer affairs, Harry Schwartz, said he would call for an immediate Government inquiry into what he called “a gross abuse of public trust.”

“If the so-called free market system can be abused in such a way, the Government will have to step in and break the power ring to protect the consumer,” Mr Schwartz said.

According to a source who attended the meeting but did not wish to be named the general manager of SFK, Bonnie Bester, met with major Natal distributor D. Naidoo.

Among the matters discussed, the source claimed, was the possible implementation of a marketing agreement between Mr Naidoo and SFK’s distribution subsidiary, Sunripe Fruits.

Under the agreement, which according to the source would be considered as a long-term project, distributors who normally compete with each other to offer retailers better prices, would agree to fix prices once a week.

“The distributor will not be able to approach another’s clients under the agreement,” the source said.

“The board has got nothing to do with this. It is simply a matter for the distributors. There has been a lot of charging and many instances where one distributor offers another distributor’s clients a better price,” the source said.

Mr Bester confirmed the meeting took place but denied a divisional marketing strategy had been discussed.

The Tribune has also learned that a Port Shepstone distributor is in danger of losing his distributor’s licence.

The distributor, Mr Z. Baleko, confirmed this.

“My licence has been renewed only until November. I have written to the Banana Board asking them to give me a chance to state my case,” Mr Baleko said.

If Mr Baleko loses his licence he will be the second distributor to drop out. The first, Mr E. Budhoo, opted out of banana distribution in March this year.

Under the Banana Board scheme only licensed distributors can buy bananas from the board to sell in the major centres such as Durban and Pietermaritzburg. Competition between distributors, the board claims, is what keeps the banana price within reach of the consumer.

Retail outlet spokesmen threatened “draastic action” if they found distributors had agreed to fix the price.

“The only thing that helps us keep the price down is market flexibility,” said Game Discount World’s senior vice-president, Alec Hurter.

“If we cannot choose distributors to get a better price we will have to take the strongest possible action to protect ours and the consumers’ interests,” he said.

Pick n Pay’s general manager, Colin Clark, said he was opposed to monopolies of any sort.

“They can only push the price up,” he said.

Banana Board chairman, Colonel Huyssen, said he had heard nothing of the agreement to fix prices.

Speaking in his capacity as chairman and not as a director of SFK, he said that while it was true the Natal banana price had risen from about R6.00 a 20 kg crate to an average of R10.00 this was because of a drought.

He added that the farmer was getting almost double what he was before the Banana Board started in Natal.
These are the costs related to maintaining the quality of the product and will include:

- **Testing**
- **Inspection**
- **Quality audits**
- **Incoming tests and inspection and laboratory acceptance**
- **Checking labour and equipment**
- **Laboratory and equipment**
- **Field testing**
- **Product quality assurance**

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**Decision 1:**

The chairman of the fruit board, Mr. van den Berg, has called for urgent action to improve fruit quality. He stated that the board is concerned about the drop in fruit quality and wants to address this issue immediately. The board has allocated R20 million for quality improvement programs.

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**Decision 2:**

TheCAPCis hosting a series of seminars and workshops aimed at improving quality control in the fruit industry. The seminars will cover topics such as best practices in quality assurance, laboratory testing, and field monitoring.

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**Decision 3:**

A new quality auditing system will be implemented to ensure that all farms meet the required standards. The system will be finalized by the end of the month and will be introduced in the following year.

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**Decision 4:**

The board has approved a grant of R5 million to support research and development in fruit quality improvement. The funds will be used to support innovative projects that can improve fruit quality and increase competition in the international market.

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**Decision 5:**

A quality improvement plan has been developed and will be implemented across all regions. The plan includes regular audits, training programs for workers, and strict quality control measures during production and transport.

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**Decision 6:**

A task force has been established to monitor the implementation of the quality improvement plan. The task force will meet monthly to assess progress and make necessary adjustments to the plan.
1981 apple season worst in 35 years

Staff Reporter
THE CAPE has just had its worst apple season since World War 2 and payments to producers have been cut by half.

The export earnings on apples, which accounts for more than 80 percent of South Africa’s fruit exports, fell to R34.5-million.

These figures were given this week by the chairman of the deciduous fruit board, Mr Alex van Niekerk.

He told producers at a meeting in Stellenbosch that climatic conditions had had a minor effect. But because of slight cosmetic imperfections — a characteristic of this year’s crop — the effective ‘pack out’ for export was below average.

‘No one will dispute that our apple producers have had a most trying year, but the ray of hope is that the prospects for 1982 are considerably better,’ Mr van Niekerk said.

On the future of the deciduous fruit industry, Mr van Niekerk said the industry had entered a far more competitive era.

‘We are confident we can maintain our position as the brand leader in the international marketplace — provided we get sufficient quantities of fruit.

The major policy direction we have assumed is to actively pursue a philosophy of growth.”
CAPE TOWN — Stonefruit farmers have been badly hit by a disastrous fruit season, according to figures released by the chairman of the Deciduous Fruit Board, Mr. Alex van Niekerk.

In the annual report to producers at Stellenbosch, it was disclosed that bad weather, lower production, poor quality and weak overseas markets had caused the average farmer's net income to decline by 76 percent in the past season.

Reporting on apricots, peaches and plums, Mr. Van Niekerk said that net farm income from the crop would "more or less" cover only half the anticipated 1982 production and packaging costs. Producers had been paid out only R4,2-million, 24 percent down on the previous year, and higher production and packaging costs had left net farm income at R1 288-million, a reduction of 57 percent on the previous year.

Total tonnage delivered for fresh consumption dropped by 13 percent. The number of units approved for export was down by 19 percent. — Sapa.
Export post mortems

Cape deciduous fruit growers held a series of post mortems in Stellenbosch this week to reflect on a "somewhat disastrous" export season.

Although the export pack declined only marginally, from 29.6m cartons in 1980 to 29.1m in 1981, gross proceeds fell from R24.5m last year to R23.0m. Pool expenses on the lower volume shipped rose from R130m to R145m. Consequently, payments to producers declined from R25.5m, from last year's record R120m, to R92m.

Allowing for inflated production and packaging costs, net farm income fell 76% on average for the Deciduous Fruit Board's 1100 registered exporters. According to board chairman Alex van Niekerk, the lower intake for export resulted in an estimated R12m downturn in producer payments. Increases in marketing expenses, including shipping, cut the payout by a further R3m.

"Adverse marketing environment," including problems with quality and aggressive competition from Chile, shared a further R13m of earnings.

The major problem, however, was an appreciating rand at the height of the European season. Van Niekerk estimates that rand payments to producers suffered by R13m as most Euro-currencies slid. To beat the crisis in the years ahead, the board advocates a strategy of growth.

"In times of inflation and increased competition, industry can survice without growth," says Van Niekerk. This contrasts sharply with the contingency plans implemented by the Fruit Canning Board (FMB, September 25) which is urging growers to scale down production and is paying them R600-R900-ha to uproot orchards.

Although the problems of deciduous fruit canners and fresh fruit exporters are by no means comparable, it is difficult to see how exporters can beat the problem of adverse exchange rate movements simply by increasing the volume of fruit shipped.

If the competition of other southern hemisphere producers (like Chile and Argentina) remains constant, increased offerings from SA will not necessarily result in gross proceeds while the unit cost of getting the fruit to the market will increase.

If, at the same time, the rand appreciates against Euro-currencies at the height of the selling season, growers will be up against the same problems that faced them this year.

It is pointless, of course, to take forward exchange cover on a perishable product that is sold by auction and payable in the currency of the country where the sale takes place.

The only way to assist growers again

the contingency of an adverse movement in the rate is to guarantee them a fixed rand rate against the currencies where most of the fruit is sold. Cape exporters have been assisted in this way before. Is it about to happen again?
DECIUOUS FRUIT [2] [3]

Stopping the rot

If the deciduous fruit canning industry in the western Cape were to collapse completely because of its inability to compete on the export market, up to 300 000 people in the region could be seriously affected. It would also mean a loss of about R140m in foreign exchange earnings to the country.

These are some of the alarming conclusions reached in the report of an SA Fruit and Vegetable Canners Association sub-committee investigating the socio-economic repercussions of a drastic decline in the industry.

Foreign competition has made serious inroads into an industry up to 90% of whose product is exported. Next year, for instance, only 65 000 t of canned peaches — the backbone of the industry — are expected to be shipped, against 139 000 t in 1989. Nonetheless, a few die-hard optimists believe the malaise is temporary and can be reversed.

Reasons range from changes in demand patterns for fresh fruit to a declining market because of negative population growth; from unfavourable exchange rates to the higher freight charges incurred by SA producers against those paid by Europeans; from adverse weather conditions to high interest rates.

All these conditions are reversible. But what, according to most industry spokesman, seems certain not to change is the growing competition from within the EEC countries which SA exporters are unable to match. It is this critical factor which could sound the eventual death-knell of the local canning industry.

Helped by substantial subsidies paid to EEC canners, European producers are rapidly producing sufficient to meet their local needs. Already Greece’s current production nearly matches that of SA. With Greece, Spain and Portugal due to become full members of the EEC within the next five years, the situation will become still more unfavourable for SA producers. They are already suffering under the high import duties levied on SA goods going to the EEC.

The growing inability of SA producers to compete profitably on the export market under these conditions has already had severe repercussions. At least one canning factory has closed down permanently, while several others have ceased canning operations for the moment. Given that the export scenario is likely to worsen, that it could be difficult to re-recruit the necessary skilled labour after a period of closure and that the cost of trying to recapture lost markets could be beyond the means of already ailing canners, the chances of these factories resuming production are by no means guaranteed.

Between 3 000 and 4 000 employees in the industry have been directly affected by closures and rationalisation, according to a Food and Canning Workers Union estimate. The total reaches between 15 000 and 20 000 people if their dependants are included.

If the situation continues to deteriorate, up to 15 000 canning employees could eventually lose their jobs. The spin-off would be enormous. It would affect not only farmers, but also the tin, label and carton producers and those sugar manufacturers directly dependent on the fruit canning industry. In such a situation, the social and economic consequences for the western Cape could be severe.

Fruit processors are now looking to diversify to stave off the worst effects. The pulping and dried fruit industries — the only available areas of direct diversification — will be able to accommodate only a limited amount of extra fruit if they are not to suffer the same problems as the fresh fruit canners. Some farmers, assisted by a government price-support scheme and a R9m tree removal allocation from the Treasury, are already uprooting orchards and looking to alternative plantings.

But it seems inevitable that if the industry is going to survive, it is going to have to become smaller and more efficient. This will necessarily mean that some producers still functioning will follow the path of those who have already given up the fight to stay in the market.
‘Enough fruit’ — and for export

Consumer Reporter

ALTHOUGH the Deildous Fruit Board expects to export far more apples, pears, peaches and grapes this summer than last there should still be enough to satisfy the home market, Mr L.B. Kriel, general manager of the board, has assured The Argus.

He said there were signs of a good crop. But demand for fruit in South Africa had been increasing at the rate of 30 percent a year over the past five years, and prices were determined by supply and demand.

Unlike other control boards, the Deildous Fruit Board does not control prices in this country. This year it became the first agricultural control board to win the coveted State Award for Export Achievement — the second time it has gone to a Western Cape exporter.

The award was made because of the volume, consistency and growth rate of the board’s exports, which have averaged about 60 percent of fresh fruit production for the past 10 years.

However, the award was given on the basis of 1980’s record fruit export figures, and last summer the bubble burst. Producer income from fruit exports plunged from R60m to R8m.

‘It was a tremendous shock,’ Mr Kriel said in an interview. But the causes were three factors which would not recur this year and he was confident that 1982 would again be a good year for fruit growers.

The main factor was that the strength of the rand, against the dollar and other currencies made South African exports highly-priced against competitors in European and UK markets.

FROSTS

Another was that European fruit growers had a bumper crop and the surplus was sold from cold storage during the European winter to compete against South African exports. Fruit from South America was also being ‘dumped’ at low prices on the European market.

The third factor was that weather conditions here spoiled many fruit crops, making them unsuitable for export.

This year the rand had fallen against other currencies, making South African fruit cheaper for overseas consumers. And frosts in the European spring had reduced the crop by between 25 percent and 30 percent.
Agriculture — Fruit.

1982.

Feb. — Nov.
BIGGER BITE FOR APPLE FARMERS

APPLE exports start this month from the Western Cape whose 5,300 deciduous fruit farmers are looking for soaring earnings to offset last season's disastrous crop.

Conditions are just about perfect, according to the Deciduous Fruit Board. Apple farmers lost R30-million alone from an adverse swing in exchange rates when the value of the rand 'took' sharply early in 1981. However, the rand exchange rate has dropped to favour exporters and farmers can expect to get a bonanza from sales overseas.

Crops will also be bigger than last year, said a Deciduous Fruit Board spokesman. Last year less fruit was exported because crops were damaged by bad weather, resulting in the worst harvest for over 30 years.

South African farmers could also benefit from a drop of at least 25 percent in European fruit crops through late frosts. A year ago fruit was already plentiful in Europe after a bumper harvest which left a large surplus in storage to compete against South African exports. Gross export proceeds dropped by R6-million to R200-million.
British find Cape fruit is best

Consumer Reporter

Dec 31: I be se

Dec 31: I be se

Years 02 and

04, Jan 1: I be se

Dec 31: I be se

Jan 2:

Mr Sheppard said his federation was trying to make the British public realise that fruit was both healthier and cheaper than cakes and confectionery.

He and his members had been particularly impressed to see the care with which grapes would be handled and packed for export.

In a speech at the start of the symposium Mr Shppard said although apples were the backbone of the fruit trade between the Cape and Britain he thought grapes would shortly be among the top-selling fruit.

Mr Less Cannell, whose family have traded from a fruit stall in the historic British city of Salisbury for more than 100 years, told The Argus: 'I could not manage without Cape fruit.'

Jan 2:

DEMAND

At a symposium afterwards some of the retailers complained that they could not get enough Cape apricots, peaches and nectarines to meet the demand.

Mr L B Kriel, general manager of the Deciduous Fruit Board told them that exports of these fruits were increasing.

He said farmers were planting more nectarines and 'it will not be long before we are exporting one million cartons.'

Mr Peter Sheppard, president of the federation, told The Argus that the quality of Cape fruit was so good that it sold well even though prices were higher than that of fruit from European countries.

He said political considerations did not stop British housewives from buying.

Jan 31:

Continued/.............
Fruit Exports

Well pruned

A radically "rationalised" SA fruit canning industry hopes to do well in Europe this year.

The number of working export canneries has been cut from 23 to six and the intake of raw peaches (about 90% of the export canning pack) has fallen from about 140 000 t in 1980 to about 30 000 t this year. Deliveries of pears were limited to 30 000 t and apricots to 20 000 t.

Rationalisation of production is backed by a government price support scheme and a voluntary tree reduction programme for which farmers are compensated R600-R900/ha. On the marketing side, canners have introduced a pool system and a financial equalisation scheme in terms of which participants in the export programme share expenses and return pro rata to the extent of their participation.

Contracts with foreign buyers are currently being finalised for deliveries until the end of May. This will be followed by another round of price negotiations for the period to September and yet another round to determine the price of goods delivered in the final quarter. The new system of contract pricing is welcomed by large European buyers who, on many previous occasions, saw prices fall after committing themselves to a fixed price on a 12-month supply contract.

The new scheme explains why shipments of canned fruit came to a virtual standstill in February and March.

Canners welcome the new method of export marketing because it eliminates intercanner price competition without inhibiting competition on service and quality. The new dispensation is backed by a government financial stand-by of £5m, the second tranche of which will be paid out this year.

The new deal confirms a worldwide trend in which no canning industry has been able to survive the past two difficult years without government support. In the United States and Australia, fruit canneries taken over by conglomerates, were ditched because they soon discovered that, without state aid, no fruit canning operation was viable.

In SA, Anglo-American Farms has dropped its Rhodes Fruit Farm Canery; Vestey International has ditched Deep-Freezing and Preserving at Somerset West. Jan Pickard sold off H Jones of Paarl and Langeberg has closed plants at Montagu and Daljosafat, to mention only a few.

Although the SA canning industry looks leaner and tougher after radical surgery, it is still too early in the season to say whether it will do better. Prices seem set to rise in the UK, but the German market seems to have fallen away.

External barriers against Third World country imports into the EEC are nearly 30%, while massive plantings of yellow cling peaches in Greece and Italy are coming into production. Whereas in the halcyon days of a mere three or four years ago, EEC growers could supply no more than 25% of requirements, new developments have pushed Europe much closer to self-sufficiency. This makes trade barriers tougher to beat.

Quality and service are of scant comfort to households with breadwinners on the dole. And with little prospect of the recession easing, cheap Greek canned fruit cannot fail to upset quality offerings from SA, the US and Australia.
First 3 Fours

320

p.

[Image of a hand-drawn diagram or drawing]
Finance

Bumper year for Cape grape farmers

CAPE grape farmers are having a bumper year, with exports expected to total seven million boxes, one million more than last year, says Mr Alex van Niekerk, chairman of the Deciduous Fruit Board.

Last year grape farmers showed a loss.

Mr van Niekerk says the quality of grapes this year is the best for the past few years.

Farmers' profits, on the higher level of exports are being eroded, however, by the depreciation in the rand. While this would normally benefit exporters by making their products cheaper overseas, grape producers have to pay their shipping costs in dollars.

COLD STORAGE

To preserve the quality of export grapes, the Hex River farmers have formed a co-operative to finance and build a cold storage unit. Now grapes are cooled within six hours of picking, against 24 to 36 hours in the past, when the nearest cooling units were at the harbour.

Pre-cooling of grapes so soon after picking results in excellent preservation of the grapes' quality. Other grape producing areas are now building cooling units. A unit near Paarl will be working by the end of May and one at Piketberg has begun operating.

The aim is to have all grapes pre-cooled by 1983.
FRUIT EXPORTS: FM 30.4.82

Thanks, Argentina

The EEC boycott of Argentinian exports is expected to reduce the availability of fresh apples in Euromarkets by at least 1m cartons in the next month.

As a result, two things could happen. Cape growers could divert 1m cartons from the domestic market to fill the gap left by Argentina, or there will be heavily increased price competition for the 6.5m cartons of Granny Smith apples earmarked for export anyway. Either way, growers could boost their gross earnings by more than R10m.

The EEC boycott was imposed on April 17 and was scheduled to run for a month pending the outcome of negotiations to settle the Falkland Islands dispute. EEC Ministers reserved the right to extend the lockout for a further period if the matter was
GRAPEFRUIT - Soweto’s segment

A religious organisation’s scheme to distribute part of the current 17 000 t grapefruit surplus in Soweto could prove a godsend for the Citrus Board (CB).

For the first time on any significant scale, many blacks will be able to sample a fruit they have not tried before. The CB gets this service, free of charge, from World Vision of SA (WVSA), the local arm of an international Christian humanitarian organisation.

The project, which aims to distribute around 600 t of the small-grapefruit surplus, will cost WVSA about R40 000. The impact will be similar to a market sampling campaign, claims CB’s marketing manager Henkie Liebenberg.

“If only one in every 100 blacks who samples a grapefruit becomes a consumer, we will have done a great service,” he says.

If consumption in the black market can be increased, it will go a long way to easing the oversupply of grapefruit in the local market.

SA will produce around 130 000 t of grapefruit this season of which 77 000 t will be exported and 38 000 t consumed locally.

The CB now discourages planting.

According to Liebenberg, per capita consumption of grapefruit in SA is low. The US figure is four times greater in spite of substantially higher prices. However, local consumption has doubled in the past year from its very small base.

Liebenberg says the board previously tried to sell grapefruit in the more affluent parts of Soweto but had difficulty in getting retailers to stock this relatively untried product.

“We are also constrained by our advertising budget. All we can afford is R100 000.”

Another CB strategy is to increase export sales, which should rise by 10% this year. However, SA faces intense competition from advantaged countries like Israel as well as falling demand in recession-hit Europe.

Transport costs have also hit exports. Sales overseas are viable only if at least R9 can be obtained for a 15 kg carton. Until April, exports, including citrus, received a 50% rail rebate. This has been withdrawn and the board is now negotiating for a R3m subsidy.

Liebenberg maintains that farmers who are coming under fire for dumping their surpluses, have little choice.

“It costs at least R30 to transport the fruit from the packing houses to Johannesburg. Unless the farmer can get 47c 5 kg bag — which is the marginal cost — it is not worth his while to take it to market.”
Falklands war gives boost to South African export trade

By GEORGE YOUNG
THE ill winds affecting the Falklands are sending helpful zephyrs to the South African export trade, which is securing business formerly enjoyed by Argentina.

Apple farmers in this country, who had been warned of a poor export year because of the intense competition in the market place from Argentina, France and other deliverers, have suddenly found a formidable demand for their products.

Instead of the R7 a case which they expected, farmers are said to be obtaining R11.50, and it is all because of the EEC’s shutting down on Argentine imports.

The sell-out of South African apples this year has been so intense that the local market may demand imports from France in the next few months, because there are few apples left in cold storage in this country.

Apart from the effects of the sanctions against Argentine products, shipowners have been less disposed to allowing their ships to sail down the coast from Brazil, and it is really only the grain cargoes to Russia which keep the ports busy now.

About 2.7 million tons of grain sailed out of Argentina to the Soviet Union last month, and it is widely believed that traffic will continue because of the acute shortage of cereals in the USSR.

Because of the British blockade of Argentine ports, freight rates have increased markedly in recent weeks and it is consequently proving more advanta-

uous for both the Russians and other purchasers to ship their cereal cargoes out of the US Gulf.

The blockade, while referring only to Argentine ships, has upset insurers in case the vessels of other nations also become involved, and rates for covering are affected.

The Americans are actually wooing the Russian grain buyers, and stand to benefit from almost inextricable industrial disputes in Australia, where big export cargoes have come to a halt and the Russians, among other purchasers, have preferred to buy in countries where delivery is assured.

South Africa could see bigger than expected citrus shipments too, this year. These are just beginning through Port Elizabeth and it is likely that specially chartered fruit carriers will supplement the weekly container liners which fill their insulated spaces with fruit.

One authority suggests that by October there will be a surplus of about 40% of space to demand on the weekly Conference lines operations, and some ships could be pulled off the route.

Although the Republic has never been a keen competitor in Argentina’s meat exports, there is likelihood of inquiries for South African cargoes in the foreseeable future.

Cessation of perishable exports by Argentina must inevitably materially affect the already unhappy economic situation of the country, and reduce imports.

Mine Surface Officials Association of South Africa
Mine Workers Union
S.A. Boilermakers, Iron and Steel Workers Shipbuilders and Welders Society
S.A. Electrical Workers Association
S.A. Engineers, Firemen and Operators Association
S.A. Technical Officials Association
Underground Officials Association of S.A.

MANUFACTURING

Food & Beverages
African Food and Canning Workers Union
Amalgamated Engineering Union of South Africa
Bakery Employees’ Industrial Union
Black Allied Workers Union
Boland Inmaakwerkersvereniging (Paarl)
Brewery Employees Union (Cape Peninsula)
Cadbury In-Company Union
East London Meat Trade Union
Food and Canning Workers Union
Food, Beverage & Allied Workers Union
General Workers Union
General Workers Union of South Africa
Natal Baking Industry Employees Union
Natal Sugar Industry Employees Union
National Milling Workers Industrial Union
National Union of Dairy Employees
National Union of Operative Biscuit Makers & Packers
National Union of Sugar Manufacturing and Refining Employees
National Union of Wine, Spirits and Allied Workers
Operative Bakers, Confectioners & Conductions Union (Cape)
Pretoriaise Bakerywerheidsvereniging
Good year for apple farmers

Staff Reporters

THE 1962 Cape apple crop is shattering all ex-
port records in a multi-
million rand filip for the
region expected to be
hard hit by the national
economic downturn.

And other deciduous
fruits are also chalking
up big gains on previous
years.

The general manager of the
Deciduous Fruit
Board, Mr. Louis Kriel,
told farmers at a meeting
in the City yesterday
that he hoped gross deciduous
export turnover for the near-
by completed season could
reach over R350-
million.

But he said in his addre-
s to the Cape Pomolo-
gical Association that
despite record returns
the industry faced severe
problems in controlling
the external costs of
packaging, transport and
handling.

"Looking at costs we
are not winning this war.

The figures on the crop,
however, overshadowed
the problems.

Grain payments to ap-
ple farmers in terms of
DBF indexes are up by
almost three times last
year's disaster season
and 48 percent ahead of
the good crop in 1980.

Even the less popular
apple cultivars were be-
ing snapped up in Europe
due to the cheap rand. a
good quality reputation
and, to some extent a
chance on supplies from
Argentina.

Taking advantage of
the reputation for good
quality, a greater propor-
tion of the crop than ever
before has fallen under the
Cape brand marketing
umbrella.

"Grapes also had a fan-
tastic harvest and the
barbarka were seen as
the best in Europe," Mr. Kriel
said, although the price
percent of the harvest
was badly hit by mildew.

Pears were up in price
as well, but volume was
slightly down on the
previous year and apricots
showed a steady volume
and price rise.

Mr. Kriel maintained
that a decision taken a
few years ago to expand
export volume and im-
prove quality had been
the right decision at the
right time.

A cloud on the horizon,
he noted, was the likeli-
hood of an excellent sea-
sion. In Europe, too,
which could leave heavy
stocks of a market when the next
crop from the Cape is due.

R99.95

... and many, many!
Just pining away — a consolidation warning

With the Ciskel's consolidation programme not yet completed a number of farmers are going through a worrying period.

This applies especially to farmers whose pineapple farms fall within the consolidation programme - Kayser's Beach area - and those farms in the Chalumna area, which still are subject to 'proposed' take-over area.

"Once these pineapple and grassland areas are proclaimed Ciskel land, Kayser's Beach village and Chalumna Estates will undoubtedly experience a downward trend in their economy," the chairman of the Langenberg Co-op pineapple study group, Mr Neville Hewson, said. "In my opinion the food production level will also drop in spite of the Government's endeavour to maintain the existing production levels."

"We feel that once a farmer has agreed to a take-over by the South African Government this should be finalised within weeks and not over long periods with farmers waiting for a year or more before the transaction is concluded."

Through these long waits farmers devalue, while farms for sale in other areas increase in value.

For every R500 paid out to a farmer he has to spend

It was hoped to say that the department had at all times been determined to standardise existing production levels.

Mr Hewson emphasised that this takeover of a pineapple farm was not as simple as it sounded.

Pineapple growing had become a highly scientific undertaking and no inexperienced person could walk in and expect to be a successful grower. It took years of study and experience.

Despite guidelines and the assistance of qualified men and women in various fields the grower had to be an expert in the chemicals used; fertilisation; weed control; man-agement - in which he also had to play the role of a lawyer; accountant; book-keeper - and very important, his role in employer-employee relationships. Layout procedures were also most important.

The method adopted by the Langenberg Co-op study group should be adopted by farmers in other branches of farming.

"We are only ten co-op members and cannot extend membership to farmers who are not members of the co-op," he said.

Members met once a month to discuss problems and successes. There were no secrets from each other. At times there was criticism but no one had taken exception.

These farmers, in sharing knowledge, stood out among other farmers. He encouraged the formation of similar groups.

This year Mr Hewson has planted 15,000 clones (the plant bearing the "perfect" fruit) which have been developed over a number of years and is expensive.

The pioneer researchers were Dr George Marsh and Mr Ross Daldorf. Mr Daldorf is still attached to the research station but Dr Marr has left.

From the 15,000 clones new plants will be developed for distribution among other growers with the next year or two.
Big problems seen for Cape fruit industry

THE R560-million fruit and viticultural industry in the Western Cape, which produced 85 percent of South Africa's deciduous fruit, was facing serious problems, the Minister of Agriculture and Fisheries, Mr P T C du Plessis, said in Cape Town last night.

He was speaking at the annual dinner of the Western Cape branch of the Agricultural Writers' Association.

One of the most serious problems was the effect of an inflation rate which, over the past seven or eight years, had been higher than that of the country's main trading partners.

This adversely affected the industry's competitive position, he said.

OIL PRICE

"The deciduous fruit industry, which exports about 80 percent of the orchard value of its crop, is particularly affected by inflation as well as foreign exchange rates."

The industry had also suffered through high freight rates caused by oil price increases since the early 70s.

With export costs amounting to roughly two-thirds of the total cost of South African deciduous fruit marketed in Europe, the industry was especially vulnerable to any changes in the external factors which affected it.

Although the deciduous fruit industry now faces a period of adjustment, I am nevertheless convinced that the agricultural industry in the Western Cape is dynamic and flexible enough to accommodate this adjustment."

DEVELOPMENT

Mr du Plessis said that in many respects the agricultural industry still forms the nucleus of economic development in the Western Cape.

For this reason it had to be maintained on a sound basis and producers must try to counteract cost increases through better management, planting new varieties and using new techniques to increase productivity.
Pineapple growers to aid Ciskei

EAST LONDON — The Pineapple Growers Association (PGA) here has come to an arrangement with the Ciskei Government whereby they will co-operate with the Government on matters relating to the production of pineapples.

In a meeting held in Zwelitsha recently and attended by the chairman of the PGA, Mr B. Vendall, and the vice chairman, Mr Corder Tilney, at the office of President L. L. Sebe, it was agreed that pineapple producers in the region would remain partners as they had been in the past.

A statement by the government said it was important that a smooth transition with maintained production be ensured when white farms were being handed over to Ciskeians.

The PGA offered to assist the Ciskei pineapple industry to become self-sufficient and to assist in training Ciskeian farmers.

This co-operation would also mean the canneries, which would depend on pineapple produced in Ciskei, would be kept fully supplied.

Mr Tilney was appointed advisor to the Ciskei Government on all aspects of pineapple production, processing and marketing.

In an interview yesterday he said it was difficult at this stage to quantify their involvement in the work to be done but he was confident this would be worked out as they went along — DDR.
Common ground

Fruit and vegetable growers are expecting better times now that they have devised a new system of representation within the South African Agricultural Union (SAAU).

Until now, producers of items as diverse as bananas, tomatoes and dehydrated products were represented at national level through the six separate provincial unions by the Fresh Marketing Committee (FMC). This arrangement tended to favour regional rather than product interests.

The new body will directly represent national commodity committees, such as the Citrus Exchange, the Avocado Growers' Association and the SA Vegetable Committee.

Says chairman Bertie van Zyl: “The FMC now accommodates specialization. Previously, individual interests were not catered for and some producers were not having their specific problems dealt with. Now each producer is strongly represented.”

The non-statutory FMC, which may be renamed the Horticulture Committee, plays an important part in influencing government decisions on products and their marketing.

Says SAAU Commodity Officer Johan Bothma: “Producers will still decide separately on issues in their own markets but at the FMC, they will discuss mutual interests, such as legislation, packing materials, research, rail tariffs and trade arrangements with other countries. The issues will affect both vegetables and fruit.”

The FMC consists of 12 members, including representatives of the Avocado Growers Association, the Citrus Exchange and the Apple Producers Association.
Fruit punch-up

Some avocado exporters are beginning to view the Citrus Board (CB) as a threat to their livelihood. The reason, they say, is that an export company of the CB's marketing arm, the SA Co-operative Citrus Exchange (SACCE), is moving into their territory.

The company, Prodex, was created in 1978 to export uncontrolled non-citrus perishables. Its turnover is now about R7m/year, most of which comes from its 30% share of the annual R21m avocado export market. It also handles other non-controlled agricultural items such as litchis, mangoes, cherries and asparagus.

Says Tom Snoek, deputy MD of export company F R Waring, which has about 45% of the avocado exports: "The control boards seem to be extending their empires at a time when the Prime Minister is calling for greater free enterprise. The CB was created by statute to serve certain farmers and not to encroach on other areas."

"We have worked for many years to create our market abroad and it is unfair that a body such as Prodex, which relies on the backing of the CB, can take it away. If the citrus people want to move into other markets, they must let us into theirs. It is an eye-for-an-eye situation."

Some smaller exporters who have already started feeling the pinch met last week to discuss the problem. But so far they see no solutions.

Says Arend Venter, initiator of Prodex and assistant GM of SACCE: "Numerous producers have asked SACCE over the years to start Prodex. It was a good way to let farmers make use of our existing operations. And it enabled us to make further use of the facilities and infrastructure of SACCE, which were underutilised at certain times of the year."

As Prodex uses the same administration and selling agents as CB marketer SACCE, some exporters believe the control board influence will start creeping in.

But Venter emphasises that, although there is a link with the CB, there is no possibility of the subsidiary ever working as a board.

"Although Prodex was started with SACCE money, it is now financed entirely by commercial banks and not the Land Bank," he says. "We do not use citrus growers' money. Producers remain free to choose their own exporters and we appreciate that competition. Farmers will go to us one year and somewhere else the next year. But if our services and results are good, why shouldn't they come to us?"
Bad business in the State forests

Serious anomalies in the administration of South Africa's State forests have come to light in a month-long investigation by The Star.

- The State forests represent one of the largest State enterprises but they have never been run along business lines. Instead of providing competent professional management, the Minister of Finance has generally kept such decisions to himself through the medium of the State Budget.

- Obsolete costing and inadequate pricing policies have led to State losses of thousands of dollars. The State has thereby been discouraged and an early shortage predicted.

As soon as timber becomes an import commodity again, consumers will have to pay steeply increased prices without any guarantee of continued future supplies.

- The State is holding back timber production by individual growers through unprofitable prices and restricted access to credit facilities, while the growth of a monopoly of large integrated forest processors is being encouraged.

The Directorate of Forestry in the Department of the Environment owns 25 percent of South Africa's 4.5 million hectares of forest plantations — all in 31,000 hectares. This chunk of real estate is worth about R2 million, half of which is in standing trees.

Annual sales are about R60 million, mostly pine sawlogs.


So is this a very special sort of enterprise. No commercial management, no set of accounts of its own. A corporate number. It has 40 directors—Parliament is its board.

Yet the directors have no control over their chief executive, who is appointed by the Cabinet on the recommendation of the Commission for Administration.

How much is to be spent on salaries and wages, diesel fuel, chair-grind spares, insecticides, truck, tire and hoist — and sundry operating expenses — is dictated by Parliament. Mr. Owen Horwood.

How much is the timber being sold for? By experience or price per cubic meter of pine sawlogs? What is the Post Office to pay for poles, and SAPP? Each ton of thinning for pulp, is likewise charged and budgeted for by Parliament in its tree-high wisdom.

In the State forests, prices can't be met. This company's reducing right hand does not need to know what its left hand is spending. If it must urgently invest in new plantings it cannot use reserves, increase its prices or arrange an overdraft — it has to wait until next year's State budget.

It is not a State corporation — it is the State itself. It cannot even go bankrupt.

The dedicated foresters who run the Forestry Directorate do what they can to work the unremunerative account for the unaccountable. No wonder if organisation charts remain frozen, costing is merely a statistical exercise, or variances from performance standards are measured — they have no such standards.

No wonder that the value of land is not taken into cost figures. It was, prices would have to increase by at least 10 percent for this reason alone.

Even so, the State forests are the price leaders in the sawlog market. With almost half of the area planted to pine forests in State hands and some 40 percent of all sawlogs sold, the price the State charges the sawmillers have been the price the sawmills pay — and not just the State.

The Government's system of forestry management has discouraged new plantings and an early timber shortage is likely, says Farming Correspondent Hannes Ferguson.

The Government's system of forestry management has discouraged new plantings and an early timber shortage is likely, says Farming Correspondent Hannes Ferguson.

The 30,000 new plantings target of the Directorate of Forestry is unlikely ever to be reached — even approximated — without more attractive timber prices and realistic financing arrangements.

The alternative is importing timber. This will probably happen soon. But it will raise timber prices, which will reduce many job opportunities and jeopardise national strategic interests.

Many timber growers said the price leadership exercised by the State had not proved itself. If the policy goal of national self-sufficiency in this strategic material was to be achieved, a new departure was needed.

A Bell loader handles a five metre sawlog in a Zululand plantation. This type of loader, developed by an Empangeni firm, is being exported to the United States.
**Shipping**

**R10-m facelift for the cooling sheds**

CAPE TOWN harbour's pre-cooling sheds — a giant complex through which the bulk of export shipments of fruit move before being loaded into ships — are nearing the end of a R10-million facelift and are expected to be ready for use again early next month.

The 32 chambers of the plant, which covers quay space alongside three berths in the Duncan Dock and is claimed to be the largest single-root building of its kind in the world, have been demolished and replaced by 20 which provide 32,000 cubic metres of pre-cooling space.

Modifications have also included replacing the old fan-operated pressure cooling system with a more modern and efficient forced-air cooling installation.

**SAVING**

Harbour records show that pre-cooling facilities were first provided at C Berth in 1957.

The complex was expanded until it eventually served ships at A, B, C, D and E berths, but was extensively damaged by fire in 1958.

Officials of the Deciduous Fruits Board, which controls the pre-cooling complex, said the rationalisation of the plant would in the long run save the country's fruit exporters millions of rands.

**LAND and Marine salvage tug Causeway Adventurer has been whiting out its time in Cape Town harbour since playing a major role in the Antonios G-Toril Knudsen operation in False Bay last month. The 290,588-ton Liberian tanker Antonios G transshipped its cargo to the Toril. Knudsen after having a gaping hole smashed in its bow while coming down the east coast. The 20 m by 6 m hole is believed to have been caused by a freak wave. Owners of the tug say things are rather quiet at the moment.**

**Big drop in orange trade for city harbour**

LESS than 10 percent of South Africa's annual export orange shipments, which earn the country more than R300-million in foreign exchange, will be shipped through Cape Town harbour from the end of the current season.

This was announced today by the assistant general manager of the Citrus Exchange, Mr Arend Venter, who said that export tonnages for shipment through Cape Town were to be drastically reduced because of the cost of getting the fruit to the coast.

"The bulk of export-grade fruit is grown in the Transvaal and the high railage costs have forced us to concentrate our shipping operations through Durban and Maputo," he said.

Mr Venter said that from next year the only export shipments to be moved through Cape Town would be fruit grown in the Citrusdal area.

"You can bank on about 2.5-million cartons of fruit being moved through Cape Town from next season," he said.

According to official figures, the Citrus Exchange has been cutting down on Cape Town shipments for the past few years.

**STATISTICS**

Port statistics show that just over 11-million cartons of citrus were shipped through the harbour in 1975. 7.4-million in 1980 and just on 2.5-million this year.

Mr Venter said Eastern Cape fruit would continue to be shipped through Port Elizabeth and East London.

Citrus Exchange figures show that South Africa's total exports for the current season will be about 28-million cartons.

This quantity of fruit nets R300-million on overseas markets, but is worth only about R180-million to South African farmers. Transport costs account for the remaining R120-million.

The last of the current export shipments are expected to be loaded aboard ships in Cape Town harbour in three to four weeks' time.
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.

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NOTE CAREFULLY

1. Enter at the top of the block question you

2. Blue or black answers. Tracing is not

3. Names must (e.g. graph) examination book(s) are used.

4. Do not write in the left hand margin.

Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University.
PRODUCE EXPORTS

Sweet success

Exporters are cashing in on the small but fast-growing market for speciality fruit and vegetables in Europe.

The SA Citrus Exchange should earn R7m-R8m this year from the sale of produce such as avocados, mangoes, litchis and asparagus. The figure is small compared to the R250m to R300m citrus exports, but speciality produce shipments are increasing in volume by 100% a year.

Says Arend Venter of the Citrus Exchange, which markets the produce under the brand-name Caprice: "There is long-term potential in Europe and if we can get properly established and sustain the kind of growth achieved in the past two years, speciality produce could become a very important earner of foreign exchange.

"The European market is growing at a phenomenal rate. The demand for mangoes and litchis, for example, has grown by between 30% and 50% a year in the past four or five years."

He adds that countries that had never heard of mangoes a few years ago are now clamouring for the fruit.

"We are trying to develop a broad base for all our produce and we've noticed that in the past two years new markets have been opening up," says Venter.

Markets are volatile and vary from country to country. Avocados are very popular in Britain and France, while asparagus is in demand in Germany. Demand can change rapidly depending on costs and the availability of other produce. Competition is also stiff and sophisticated European consumers will not buy inferior produce.

Venter says it is still too early to tell how good citrus exports will be this season. "Up to the end of July, sales were at a record level, but they dropped during August and September because of the traditional holiday season in Europe and because of heavy supplies of European deciduous fruit and South American citrus," he says.

"The next four weeks will determine what kind of season we have. At best we could have a very good year and at worst a fairly average year. The SA crop was slightly down this season but the percentage of export quality fruit was good and we shipped about the same level overseas as last year."

The biggest threat facing local citrus growers, he adds, is escalating costs. This could put them out of the market, as SA inflation is higher than in many European countries.

"Inflation here is a serious problem," says Venter. "In many cases we are competing against countries where the growers receive large government subsidies or concessions that we don't get. The drop in the value of the rand gave us less benefit than many local industries. Most of them trade in US dollars but we sell in European currencies where the rand is still fairly strong."
SA joins deciduous fruit export accord

Own Correspondent
CAPE TOWN — South Africa and three other apple and pear-producing countries in the southern hemisphere have agreed to cooperate in the "orderly marketing" of fruit in Europe in the coming season.

This was decided at a conference in Cape Town.

A spokesman for the Deciduous Fruit Board said the agreement meant that the four countries would export only fruit of a high quality to protect standards. It did not mean that the countries would not compete over prices.

Although South Africa exported only 14.5 million tons last year, Argentina, another major producer, is not a member.

South Africa was the seventh largest apple producer in the world last year, according to figures of the Deciduous Fruit Board.

The conference was of members of Sanza, an organisation set up 20 years ago by South Africa, New Zealand and Australia, which Chile joined recently. Although the country had a record apple and pear crop, world production for 1981-82 was down by about three million tons compared with the previous year.

Western Germany, which normally produces 1.9 million tons, produced only 780,000 tons, and about one-third of Argentina's production was suitable only for processing.
permit the sale of all categories — one, two three and “other.”

But the Deciduous Fruit Board, acting for the National Deciduous Fruit Committee (NDFC) of the SA Agricultural Union, wants “other” struck off the list of marketable fruit. It also wants marked peaches (now low-grade) to be included in category 3 and peaches smaller than 44 mm and nectarines of less than 40 mm to be taken off the market.

The ban would cover 14 controlled areas, including the main urban complexes.

NDFC chairman George Strachan claims the idea is to provide consumers with better quality fruit. But he admits that the plan is also designed to create more profits for producers.

Strachan reckons the removal of low-quality peaches will give farmers a better average price/ton and increase the crop’s market value by 20%-30%. He says it will not push up the price of graded fresh peaches.

The problems in the canning industry, he explains, will push larger tonnages of peaches onto fresh fruit markets, and if the low grades are not removed, an oversupply will be created.

The SAASU’s Bothma says Western Cape and Transvaal farmers grow about 90% of the low-grade crop for the fresh produce markets. The rest comes mainly from the Free State.

Dr Johan Mouton, GM of Langeberg Co-operative, which cans about 50% of the industry’s deciduous fruit, claims that the problem stems from the decline in canned fruit exports to Europe. Peach farmers have consequently sold increasing quantities on the local fresh fruit market in the last two years. Exporters of canned deciduous fruit have taken a knock from their European competitors who are protected by the ESC.

He says the oversupply of peaches in world markets is forcing canners in SA, US and Australia to cut export volumes and improve quality to get better prices.

Mouton adds that, in the Western Cape, the total peach crop is usually about 130 000 t. Most are used for export canning with a few used for juicing and dried and fresh fruit. Last season, however, only about 35 000 t was canned because of export problems. Farmers thus had to sell about 15 000 t of canning peaches to the local fresh fruit market. Strachan expects

FRESH FRUIT

Problem peaches

Government is being pressed to ban the sale of low-grade peaches. Department of Agriculture marketing regulations now

farmers to sell about 25 000 t of canning peaches next season.

During the 1988 season about 33 000 t of peaches (value R8m) was sold on the fresh fruit market, but in 1981 this increased to 50 000 t worth R11.6m.
Excess bananas 'offloaded' says board manager

Mercury Reporter

The general manager of the Banana Board, Mr P du Plessis, hinted yesterday that banana producers were off-loading excess bananas on to the board, in spite of requests for them to cut back on their supply.

In the past four weeks the board had asked producers to cut back on their supply to the board by 29, 23, 10 and 10 percent respectively.

Mr du Plessis said in a survey at the board's Hammersdale ripening centre yesterday, 11 percent of the stock was under-developed and could have been left on the trees for at least two more weeks.

'Each week the farmers tell us how many bananas they estimate they can supply,' he said. 'And from these estimates we have been working out the percentage by which they should cut back.

'It seems as if the farmers are now including in their estimates how much we are going to ask them to cut back on so their supply remains constant.'

Although we have never sold as many bananas, there is the annual October-November glut which is intensified by increased production in Natal,' he said.

Mr N Kelly, chairman of the Natal Banana Association, said there were farmers who were overestimating.

'But I think the majority are being cooperative,' he said. The Natal Banana Association wished to assist the board in every way to enable them to increase the marketing capabilities of the industry. So when the glut comes next year we'll be prepared.'

Machel jets into Harare on surprise visit

Mercury Correspondent

HARARE - President Samora Machel of Mozambique flew into Harare yesterday morning for a day of talks with the Zimbabwean Prime Minister, Mr Robert Mugabe.

Government sources who were taken by surprise by the visit which had not been officially announced were unable to explain its significance yesterday afternoon, but political observers believed the visit was linked to the troubled security situation in Mozambique.

The composition of the delegation with President Machel supports the view that the talks were centered on intensified anti-government activity of the Mozambique Resistance Movement in parts of Mozambique, including recent attacks on the oil pipeline to Zimbabwe and transport links.

The other members of the delegation were the Foreign Minister, Mr Joaquim Chissano, the Minister of Industry and Energy, Mr Antonio Branco and the deputy Minister of Defence and Chief of the General Staff of the Army, General Sebastiao Mabote.

In the past Mozambique has requested military aid from Zimbabwe to combat the allegedly South African-backed MRM, but Zimbabwe apparently has been reluctant to assist.

Diplomats here learned about President Machel's visit only a few hours before he arrived at the airport in a private jet. He was met at the airport by Mr Mugabe.
**R80-m fruit scheme for Northern Transvaal**

Farming Correspondent

An R80 million irrigation scheme and fruit-growing and processing industry to revitalize the Vaalharts complex, will be launched in Northern Transvaal next year.

More than a million fruit trees will be planted in a giant orchard of 8 000 ha. in the first phase of the project.

These include about 30,000 maroela trees, which will be grown commercially here for the first time, as well as guavas, pawpaws and mangoes.

A sophisticated irrigation system will make the scheme a leader in irrigation farming technology.

The fruit will be processed into new types of fruit juice, 70 percent of which will be exported to Europe.

Mango juice, which is five times as rich in vitamin C as guava juice, is expected to become popular also as blends with orange, grape and apple juice.

Water for 6,800 ha eventually to be irrigated will come from the Moditloha Dam.

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Tvl brothers saved from sea

CAPE TOWN — Two brothers, who could not swim, clung desperately to floating petrol cans after their skiboat overturned in heavy surf at the mouth of the Breede River, Cape Town, at the weekend.

Mr Sakkie Nel and Mr Andre Nel of Heidelberg, and a third crewman, Mr Albert Geldenhuyse, were exhausted when they were pulled from the water by former Bakoven National Sea Rescue Institute station commander, Mr Ivan Clerck.

The three men left the river mouth in dangerous conditions and a huge wave overturned their boat as they headed for the open sea.

Mr Clerck bravely kept heavy surf in his six-metre boat to rescue the men, who had been clinging to their upturned boat and floating petrol cans for more than an hour.

Mr Clerck circled the men and threw them lifejackets before moving in to rescue them.

None of the men was hurt. — Sapa.

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Second Judge President of SWA-Namibia

WINDHOEK — Mr Justice Hans Berker is to become Judge President of the Supreme Court of South West Africa on March 1.

The present incumbent, Mr Justice Franz Badenhorst, who became the first Judge President when the Supreme Court was instituted at the beginning of the year, will retire on February 28.

Mr Justice Berker became an advocate of the Windhoek Bar in 1954. In 1979 he was appointed a senior advocate, and later became an acting judge.

The dam, in Gazankulu north of the capital of Gaborone, is one of Southern Africa's largest. It is nearing completion and filling will start next year when building will also begin on a large fruit juice factory.

Using the latest high-volume technology, the plant will process 45,000 tons of fruit a year into 15,000 tons of fruit juice packed to have a shelf-life of 14 months.

The project will create an industry integrating irrigation, fruit growing and processing.

Finance for the project will come from an international consortium involving the Corporation of Economic Development as a major partner.

The second phase of the project will involve many Shangaan-Tsonga farmers as possible.

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Hundred welcome home

Mabuza
Fruit - 1984

January - Nov.
Fruit picking study

THE R364 million apple and pear picking industry has come under the scrutiny of the National Productivity Institute. The NPI recently concluded a survey that showed the best pickers were five times more efficient than the worst. Better picking teams were 100% more productive than the worst.

In the packhouses, the packing rate also varied as much as 100% from best to worst. Productivity varied even more and was often related to the size of the packhouse.

A seminar on the NPI study has been arranged at Stellenbosch on January 26.

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Lorry-load of fruit rots after arrest

Mercury Reporter

BRIGHTON Beach residents are angered over a lorry-load of fermenting fruit that has been lying in the sun on a grass verge in Grey's Park Road since an Indian man, who appeared to be the owner, was seen being taken away by the City Police.

Mr Jacobus van Schalkwyk, who lives in the road, said: 'Whatever the reason was for his arrest, it is a disgrace that what were about 70 beautiful, fresh watermelons and about 70 cartons of litchis, Kakamas peaches, grapes and plums have had to lie rotting in the sun for a day and a half.'

Another resident complained of the smell: 'A whiff of the rotting fruit comes into our house and I expect it can only get worse.'

'This health hazard is really worth complaining about and it must go,' she said.

Last night City Police were unable to comment.
Inferior fruit sold as Grade I — says board

Staff Reporter

Some fruit farmers are misleading Cape Town consumers by marketing inferior fruit in Grade One cartons, says a spokesman for the Deciduous Fruit Board.

"The Cape Town public often is offered fruit which would never make the grade for shipping overseas or to other provinces," said spokesman Mr. Fred Meintjes.

Lower-grade fruits were found "far too often" at Epping market.

Mr. Meintjes said the board — the statutory government agency which manages overseas marketing of perishable fruit — was also concerned about an illegal "back door" market which sold about four million cases of "the poorest quality of apples one can imagine" to black customers.

Image problem

He said some farmers packed fruit in cartons marked Grade One, "which carry the Deciduous Fruit Board label, but Grade Three fruit is often found inside instead of the top quality one wants for export or shipping to the north."

"Locally, this creates an image problem for the board."

Mr. Meintjes said it might be one reason, besides the economic recession, why Cape Town people were not buying much fruit this year.

An estimated four million "lost" cases of apples annually sold by farmers "through the backdoor" and usually to blacks were "the type of product which is rejected by the board for either export or shipping to other provinces.

Lowest grade

"It would never make even the lowest grade at the Epping fresh-produce market," he said.

"Where all fresh fruit is concerned, the better it looks, the better it sells — because it is an impulsively bought item.

Lower-grade fruits were usually sold to fruit juice companies.

Fresh fruit was often rejected for retail sale by the board for cosmetic reasons — it was not ripe enough, not attractive or big enough for retail sale or export.

"The fresh fruit often arrives at the Epping market in shocking condition, especially in the hot weather of the past month. It ripens too quickly, or is completely undersized, especially plums," said Mr. Meintjes.
(1) Whether any permits for the importation of (a) sweet melons and (b) watermelons were issued by him during the period 1 July to 31 December 1983, if so.

(2) (a) why in each case and (b)(i) from what country or countries, (ii) at what average price and (iii) by whom were the (aa) sweet melons and (bb) watermelons imported.

MINISTER OF MINERAL AND ENERGY AFFAIRS (for the Minister of Industries, Commerce and Tourism):

5 MARCH 1984

(1) (a) Yes
(b) Yes.

(2) (a) Shortages as a result of dry spell
   conditions, in both cases
(b) (i) Spain;
   Zimbabwe;
   Zambia
(iii) (aa) and (bb) The information cannot be divulged. Import permits for produce agricultural products are issued by the Department of Industries and Commerce, only on the recommendation of the Department of Agriculture and as such, this question is concerned with the preservation of secrecy provisions in terms of the Farmers’ Produce Protection Act. No redress in terms of
   applicable.
Cape-apple gift to Mozambique

Political Staff

CAPE farmers have donated 5,000,000 apples to the children of Mozambique and the first half of the consignment arrived in Maputo yesterday.

The original offer of the donation took place behind the scenes at the signing of the Nkomati Accord and was conveyed personally by the Prime Minister, Mr P.W. Botha, to President Samora Machel, who is reported to have gratefully accepted.

This was revealed yesterday by the Deciduous Fruit Board which said the apples were valued at about R250,000.

"The deciduous fruit industry, which has been blessed with good crops this year and has not been hit by drought, decided shortly before the signing of the accord between Mozambique and South Africa to donate the fruit to the famished children of Mozambique," a statement by the board said yesterday.

Mr Louis Kriel, general manager of the board, said the Conference Lines had shipped the fruit free of charge, Nampak donated the packaging and the South African Transport Services had not charged railage and harbour dues.

He saw the combined operation as an "affirmation of general support for the government's efforts towards establishing peace and prosperity in Southern Africa".

"Mozambique has traditionally been a good outlet for Cape fruit and the board regards the Frontline states as obvious markets in future," said Mr Kriel.
Dumping of citrus fruit is 'a crime against the poor and needy' — MP

The dumping of tons of citrus fruit in Durban has been strongly condemned and the matter is to be raised in Parliament.

The dumping of the contents of two 8 sq m hoppers every day for the past two weeks by the Citrus Board follows on the controversy earlier this year when the Dairy Board poured 250 000 litres of skimmed milk down the drains in Pietermaritzburg.

Mr Errol Moorcroft, Progressive Federal Party agricultural spokesman, said yesterday: "We condemn this action unreservedly.

"The wanton destruction of food of any kind is a crime against humanity because it is a crime against the poor and needy."

Mr Ralph Hardingham, New Re-
that this information will be available; if so, what were the findings:

(6) whether the survey to establish the feasibility of a salvage operation has been completed; if not, why not; if so, what were the findings;

(7) what is the estimated (a) cost of replacing the caisson and (b) length of time for which the Princess Elizabeth Drydock will be out of action?

The MINISTER OF TRANSPORT AFFAIRS: (Reply laid upon the Table with leave of House):

Two captains were used for the towing of the caisson—one on each leg of the tow.

East London to Cape Town

(1) Yes.

(a) Falls away.

(b) (i) During 1982 and 1984 he undertook the tow of the grab anchor barge, Ubejane, and the hopper, Inyala, between Richards Bay and Durban and also during 1982 the disabled bulk carrier, Torvanger, from its anchorage off Richards Bay into the harbour.

(ii) Master Mariner (Foreign Going).

Cape Town to East London

(1) Yes.

(a) Falls away.

(b) (i) During 1982 he undertook the tow of the grab anchor barge, Ubejane, and the hopper, Inyala, from Durban to Richards Bay as well as the disabled bulk carrier, Torvanger, from the vicinity of Durnford Point off the Natal coast to an anchorage off Richards Bay.

(ii) Master Mariner (Foreign Going).

(2) No. It was not considered necessary.

(3) Yes.

(a) The caisson had an emergency towline attached to a recovery pontoon conveniently positioned for recovery by the tug in a case of emergency. This pontoon broke during the recovery attempt and the emergency towline was lost.

(b) On the second recovery attempt the workboat was used together with a local fishing boat which offered assistance to place personnel on the caisson and to transfer a towing bridle and towlines to the caisson.

(4) (a) and (b) No. 21 May 1984.

(5) (a) and (6) No. Although a preliminary investigation was undertaken on 14 May 1984, a comprehensive investigation will only be possible when weather permits whereafter it will be determined whether the caisson can be salvaged and repaired.

(b) Unknown as it depends on the feasibility of a salvage operation or the need to replace the caisson.

(7) (a) R1.25 million.

The MINISTER OF COMMUNITY DEVELOPMENT:

(1) (1), (2), (3) and (4) The Department has not acquired or studied the relevant report of the Urban Problems Research Unit of the University of Cape Town. The Department did not react on the contents of the full report but on the published remarks in connection with the Government's new housing policy. Particularly an extract from the report which was quoted as follows in the press:

"... the introduction of ownership would allow the State to withdraw from its politically-exposed role as sole landlord to the low-income groups, and on the other hand, split communities into owners and tenants, a factor which will make community-based organization and resistance a far more difficult task."

As a result of this extract as well as the other findings mentioned in the Press, I came to no other conclusion than that this report of the Urban Problems Research Unit was politically inspired and to a great extent biased.

The findings of this report as quoted in the press are contradictory to previous studies and reports of the research unit on the same subject which were made available and studied by the Department. I therefore do not regard the latest report of the relevant research unit as of such importance that it justifies further study by my Department.

Mr K M ANDREW: Mr Speaker, arising out of the reply of the hon the Minister, does he not think it is advisable, before his department comments on the work of research units, that it actually studies the work itself and not only extracts therefrom or reports published in the Press?

The MINISTER: Mr Speaker, we have a great deal of experience of this sort of quasi-research. At the request of the Housing Matters Advisory Board, the National Building Research Institute made an evaluation between the years 1970 and 1980 of about 300 so-called research projects on housing...
Mr Jacobus Philander, 72, and his niece, Sarah, 5, inside the remains of her parents' demolished home in the historic village of Suurbraak, near Swellendam.

Boland towns assess damage after the storm

Staff Reporters

While workers in the Peninsula cut up and disposed of trees devastated by Tuesday night's storm, Boland towns yesterday were trying to establish the full extent of the damage in country areas.

In Citrusdal, council workers attempted to reconnect water supplies to the town. Access to the town from the south was cut off when the national road was washed away.

For a brief period, the Cape Times was able to establish telephone contact with the town and was told: "There is no disaster here."

Only access

Later attempts to confirm reports of washaways in nearby farmlands were unsuccessful.

A Boland police spokesman said that as far as he was aware, the only access to Citrusdal was through Ceres and the Kouebokkeveld.

The Clanwilliam Dam, meanwhile, has been re-opened to boating after good rains in the catchment area.

The dam is now 75 percent full, according to a statement issued by the Cape Department of Nature and Environmental Conservation.

In Paarl, the municipality was still trying to find out how many trees had been uprooted in the storm.

A spokesman for the municipality said: "We lost quite a few trees. In a small street in a residential area alone, we lost four or five old oak trees." In Strand, a municipal spokesman said the worst-hit areas had been near the beach. The sea wall had been breached in four places.

A beach rest house had been toppled by high seas and a wooden jetty had "taken a bad knock."

"The sea is rough and we have not been able to assess the full extent of the damage to the jetty."

An Escom spokesman said yesterday that four massive power lines had been broken by fallen trees and six others blown over by the wind in the mountains south of Worcester. This kind of damage had been unheard of before, he said.

Additional men had been brought in to relieve them but some technicians had carried on, despite being soaking wet, for more than three days.

Power had been re-established in virtually all the main towns in the Western Cape, the spokesman said.

However, Swellendam and Ladismith were still having distribution problems even though power had been reconnected.

More isolated towns and farms were still without power and reconnections could only be expected within the next two days and in some cases next week.

Having problems

The areas particularly badly hit were Grabouw, Vyeboom, Botrivier, Gansbaai, Bredasdorp, Stanford, Riviersonderend, the Buffelshoek area of Swellendam, Ceres, Kouebokkeveld and Gybboom.

Napier and Vyeboom were still without power and Riviersonderend was still having problems, he said.

There were also farmers in the Malmesbury area, including Philadelphia, Klapheuwel and Fisantekraal, still without power late yesterday.
Cape Fruit exports running for record

By ALEX PETERSEN
Deputy Financial Editor

EARNINGS from Cape deciduous fruit exports could be close to an all-time record the general manager of the Deciduous Fruit Board, Mr Louis Kriel said in an interview yesterday.

But while the lower rand is likely to benefit producers, particularly for sales for the latter part of the season, the advantage is not a clear one-way run, because shipping costs — a major expense — are quoted and paid in dollars.

Mr Kriel cautioned that because of increases in costs, payments to farmers may not be in the same bracket as the record year in 1982 when the industry earned R390m.

A record 25m cartons of export fruit has been shipped this year, of which 12m cartons were apples.

Estimates of returns are still in the preliminary stage as there are still about 2m cartons of apples in European and North American cold stores waiting to be sold onto the market.

The high quality of the Cape fruit has enabled it to obtain a dominant position in the European market.

“Our market share has been higher than ever before. In Britain we achieved our biggest ever market share on apples, with 60 percent of the total market,” Mr Kriel said.

North America has also been an important market. Dollar income from exports to North America should bring in about $65m.

Against these welcome dollar earnings however, are dollar expenditures — chiefly shipping costs — which are roughly $65m, Mr Kriel said.

“Fortunately our shipping bills were paid earlier in the season before the dollar reached its current high levels.”

“Ideally we would like to have seen stronger sterling,” he added. Britain is the largest single market for the South African crop.

Mr Kriel said that European sales had been buoyant, and returns would be aided by the lower rand.

“We feel that returns will be much better than last year, but on payments to farmers it is still far too early to say.”

Calculations of returns to producers are complex, taking into account when in the season the fruit was shipped, the proportion of cold store and distribution costs incurred, and the exchange rates prevailing at the time.
Price boom passes by E Cape citrus men

By Louis Beckerling
Business Editor

and the ironically counter-productive impact of a pricing system intended to promote exports.

The argument is developed that with selected exceptions the international market appears best ignored during times of world shortages.

This is the view of both the largest producer in the industry, the “blockbuster” processor, and the smallest of the country’s “Big-S” processors. The latter are also operators of the biggest citrus co-operative Ltd.

Most of the balance is produced in Nelson by the Sunshine Citrus Co-operative Ltd. (18%).

By contrast output of the world’s largest producer, Brazil, varies around 92,000 tons of concentrate, which translates into half the world’s total demand.

Brazilian producers suffer none of the vagaries of the concentrate market; they are reputed to sell 80% of their crop on the world market for around double the price of last year. The seller’s market has developed as a result of a mid-winter frost in North America which wiped out almost half the crop.

The seller’s market has developed as a result of a mid-winter frost in North America which wiped out almost half the crop, explained Valoz’s managing director Mr John Milne this week.

Brazil immediately cut back on supplies to the rest of the world in order to quote on remedying the US oil shortages.

The result was that quotes for processed citrus concentrates leap from around $1.150/ton (fob) at Santos, to between $3,000 and $2,300/ton.

German buyers baulked at paying such prices on grounds that a precedent had been created for keeping the price of a litre of orange juice at below one deutsche mark at the retail level. (By contrast UK importers were predicting a 55% increase in the retail price of orange juice).

“I could sell three or four times my annual production at this price, but they’re not interested in the temptation,” observed a useful Mr Milne.

However, there were three major reasons for avoiding the temptation.

Low volumes limited marketing opportunities, this already severely limited output has been badly affected by the drought, and a well-developed and demanding domestic market, said Mr Milne, was in a strong growth phase which would be jeopardised by shortages arising from increasing export orders.

Leta’s managing director, Mr Johan Burger, agreed. Whereas Brazilian producers were getting around R4,00 per litre for their concentrate, he said, the domestic price earned by SA producers was R2,90.

But the domestic market was now in a strong growth phase and it would be foolish to imperil this growth by cutting back on supplies in order to make a quick short-term profit internationally, argued Mr Burger.

Compounding processors’ aversion to making a quick buck on export markets is the three-tier pricing structure employed by the Citrus Exchange.

Highest price earned this season by growers (after a levy to the exchange), is R5,42/ton paid in the event concentrate processors propose supplying local processors.

The price drops to R6,49/ton in the event that the concentrate is destined to end up in a pure juice — a subsidy intended to promote this market, and to R4,1/ton if concentrate processors propose exporting.

Thus a major drive by processors into export markets, says Mr Milne, would be disastrous for the growers upon whom processors must depend, to remain in business.
Fruit exports up 15% earnings slashed

By ROBERT GREIG

EARNINGS from “impressive” fruit export performance were badly eroded by inflation and increased domestic costs in 1983, says the chairman of the Deciduous Fruit Board, Mr L M Fine, in his annual report released yesterday.

Exports rose by 15 percent but net product income dropped by 55 percent.

He urges more action and few “undertakings” about inflation from the government and State organizations.

The outlook for 1985 is mixed.

Volumes for apricots, peaches and plums are expected to drop by between 10 percent and 20 percent in 1984’s figures, a record apple crop, a normal grape and increased pear crop.

Quality crops

Mr Fine says that record quality crops and longer cultivation and handling periods boosted exports to a record 22.1m packages in 1984 (1983: 21.8m, 1982: 24.2m).

Gross income was R355m (1983: R257m) and payments to producers at R173m, only six percent less than 1982’s R186m.

Net farm income, which varies from producer to producer, is R36.7 (1983: R16.5, 1982: R60.7m).

It is important to note that while our 1984 net returns are not all that satisfactory, due to cost factors, our overall market performance has been impressive,” says Mr Fine.

“Cape fruits obtained higher premiums above our competitors than ever before and our market-share in most major export markets reached new levels.”

This, Mr Fine believes, is the result of better quality.

Prospects

Though he sees the market as strong, the organization sound, and the products and prospects good, he says problems are serious and continuing.

They are chiefly inflation and volatile exchange rates.

“As an export-orientated industry, the effects of the imbalance between our local cost increases and the average inflation rate of our major trading partners continues to erode net returns to such an extent that only the highly efficient farmer can afford to re-invest.”

In addition, “vast increases in local production and packaging costs” halved net farm income — from R81m in 1982 to R37m in 1984.

(These figures do not include interest on capital employed.)

“This is a matter of great concern,” Mr Fine says, urging support for anti-inflationary moves.

“It is hoped that government and public corporations such as SA Transport Services will lead the way with more action and fewer undertakings.”

Dollar earnings

Though the lower value of the rand could increase overseas income in rand terms, the board’s dollar earnings are low — only 10 percent of overall export proceeds, he says.

“Our major single cost item, shipping, which is a dollar contract of $85m, will erode much of these increases.”

“It remains a source of great frustration that the volatile exchange rate situation, completely beyond our control, can have such a profound effect on our bottom-line results.”

“To counter these effects a new drive of increased productivity has been launched by the industry. The board therefore views the future for fresh fruit exports with confidence and optimism.”

- Apples largely account for the 15 percent increase in export volumes (12.3m cartons in 1984, compared to 1983’s 8m). Of these “a record” 1.6m cartons went to North America — “substantial premiums were earned in this market which has further great potential”.

Exports were up 56 percent, proceeds 70 percent and payments 74 percent.

The board donated 5m apples to Mozambique’s children on the signing on the Nkonjati Accord.

- Pear exports dropped 22 percent because of a light crop. Though gross proceeds were down by only three percent and payments up 13 percent.

- Table grapes, second in volume and value of exports after apples, had a record year, in spite of lower overall quality.
PE may lose huge fruit export trade

By CLIFF FOSTER

MORE than 200 000 tons of fruit grown in the Eastern Cape and exported through Port Elizabeth could be switched to other ports unless agreement can be reached next week on cutting pre-cooling costs at Port Elizabeth harbour.

The Deciduous Fruit Board and the Citrus Exchange, who share the expense, are concerned about the high cost of running the facility, and the DFB is considering withdrawing and shipping through its own cooling facility in Cape Town.

If this happens the Citrus Exchange might not be able to carry the costs alone, and the pre-cooling facility in Port Elizabeth could close.

Such a closure would call into question the future of the famed Apple Express running on the narrow gauge line into the Langkloof.

It would also affect the jobs of 500 black and 40 white workers (in addition to maintenance personnel), Weekend Post learned, and represent a loss in quay fees, shipping charges, port dues and chandling services.

The DFB and the Citrus Exchange will meet SATS officials in Johannesburg on Thursday when they will stress the need for economies to stay competitive on world markets.

The only real alternative to switching exports is to scrap the present Port Elizabeth facility and build a fresh from scratch. Trying to update it would jeopardise efficiency and be costly.

At the DFB offices in Cape Town, Mr Johan Kruger, the man with responsibility for shipping, told Weekend Post: “I think in two weeks' time we will know what we are going to do. By that time we will have reviewed our options.”

He said that if the DFB did withdraw from Port Elizabeth the fruit could be transported to Cape Town.

Mr A J Venster, Assistant General Manager of the Citrus Exchange in Pretoria, said: “We are looking at our shipping arrangements.”

“We withdrew from East London and concentrated our activity on Port Eliza-

From Page 1

beth. We have withdrawn from Cape Town — where we use the DFB facilities when necessary — and concentrated on Durban and Maputo. We have spent R7 million on pre-cooling at Maputo.

“We are looking at Port Elizabeth because the current facilities are expensive. Port Elizabeth is caught in an old-fashioned design.”

Mr Neil Oosthuizen, Assistant Regional Manager with SATS in Port Elizabeth, said: “We are a bit in the dark as to their plans. There are all kinds of rumours.

“If the DFB opts for Cape Town the fruit will be transported by road from the Langkloof. There is no other option.”

And the future of Apple Express?

“Obviously if the fruit is sent to Cape Town the trains currently transporting it to Port Elizabeth would stop running. The fruit trade is the lifeblood of the Langkloof line and the main reason for its existence.”
A RECORD quantity of fruit — 35.1 million crates — was exported by the Deciduous Fruit Board during the 1984 season.

This was announced by the chairman of the board, Mr Leo Pienaar, to growers at the annual general meeting held in Cape Town this week.

Mr Pienaar said gross export earnings of R355 million, nearly R119 million more than in 1983, were 5% below the record earnings of 1982. Payments to producers totalled R175 million — an increase of R23 million on 1983, but 6% below the record 1982 payments.

However, due to the unprecedented increases in local production and packaging costs it was calculated that net farm income of producers would be only half that of 1982 (R287 million compared to R282 million in 1982).

Net farm income is calculated before financial charges and interest on capital are taken into account.

It is against this backdrop of a mounting calculation of costs (20% of which are related to shipping charges), that the 1985 met this week with RSA Transport Services to discuss the question of shipping Langkloof apples via Port Elizabeth’s harbour.

While the board preferred to use Port Elizabeth, other steps could be taken to modernise handling facilities along the coast.

Mr Pienaar said that unlike many of the agricultural industries, the deciduous fruit industry had not been significantly affected by the adverse climatic conditions during the past growing season.

The industry achieved all-time record crops of exceptional quality in 1984, for which there is an increasing consumer demand worldwide.

But there are serious and ongoing problems.

The effects of the imbalance between local cost increases and the average inflation rate of major trading partners continues to erode net returns to such an extent that only the highly efficient farmer can afford to re-invest.

‘‘This, in a matter of great concern to the board, emphasises the need for everybody to actively support moves to reduce the rate of inflation,’’ Mr Pienaar said.

Mr Pienaar pointed out that the board had continued to absorb those costs over which it did have control to 12% below the 1982 figure.

The recent awarding of the National Productivity Institute’s prestigious award to the board, coupled by, bare testimony of its achievements.

In reviewing the outlook for the future, the general manager of the Deciduous Fruit Board, Mr Louis Kriel, underlined the need for the industry to continue with its basic policy of quality orientation, controlled growth and cost-efficiency.

Mr Kriel said the board was fully appreciative of the efforts taken by growers to reduce costs and improve the quality of their produce.

The Deciduous Fruit Board is the major supplier of deciduous fruit to the KRC and it is imperative that it retains the dominating market share with increased supplies of quality fruit,” said Mr Kriel.

At this stage the crop expectations for 1985 present a mixed picture, according to Mr Kriel.

Apples, pears and peaches and plums have been affected by unusually late rain and hail, which caused extensive damage in certain regions. It is anticipated that volumes will be down on 1984 by between 15% and 20%.

The table grape crop this season promises and a new all-time record is quite possible. Pears should also sell up on last season and a normal apple crop is expected.

With regard to market prospects for 1985, Mr Kriel said the current exchange rate situation should enable the board to meet the export returns, although the industry’s foreign currency earnings, such as freight, overseas duties, warehousing and promotions would increase proportionately and were likely to erode much of the increased rand returns to the producer.

‘‘To counter these effects, a new drive of increased productivity has been launched by the industry. The board, therefore, views the future for fruit production as being positive,” said Mr Kriel.

Langkloof apples being loaded for export in Port Elizabeth’s harbour.
Decision on fate of the Apple Express being awaited

By BESSIE BOUWER

PORT ELIZABETH: Director of Publicity, Miss Cynthia van der Mescht, said yesterday she had done nothing to try to save the world-famous Apple Express because she was waiting for the SA Transport Services to make a decision.

The little passenger train could well be axed now that fruit from the Langkloof is to be brought to Port Elizabeth harbour by road, beginning next month.

Mr George Engelbrecht, the railways systems manager in the region, said this week no one had entered a plea to save the Apple Express.

Its future would be decided on the basis of cost involved in maintaining a line no longer needed for the Langkloof fruit — the bulk of the traffic.

The popular tourist train carries more than 7,000 trippers a season — an average of 177 a time, leaving only 15 seats empty each journey.

It makes the trip three times a week in the holiday season.

Asked if daily excursions would make it profitable, he said he did not think it would be viable to run trips every day.

Passengers are able to make use of a caissons on the train and braai facilities at Loerie.

Miss Van der Mescht said yesterday: “We are waiting for the railways to make a decision and nothing will be done before that.

“Only when they have taken a definite decision will we approach them.”

She doubted whether the whole line would be closed — “because of the other products, in addition to the fruit”.

She said the train was a very big tourist attraction and was in fact world-famous and if the service was discontinued “we will be very sorry about it.”

Asked if the train was not popular enough to provide daily excursions, Miss Van der Mescht said that the number of tourists to Port Elizabeth did not warrant this service.

She said she did not know how many tourists used the train. The railways kept the figures.

Although extra excursions were made available during December and January, the service would not be viable on a daily basis.

The public relations officer for the Deciduous Fruit Board, Mr Fred Meintjes, said the decision to use road transport was taken because of the many advantages concerning cooling costs and ensuring the high quality of the products.

Road transport was expected to start next month for apricot and plum crops and was hoped to be well under way by the time the apple crops in March were being harvested, he added.
Magic macadamia: there's gold in them thar nut shells

By Clyde Johnson, Lowveld Bureau

KOMATIPOORT — "There's gold in them thar nut shells," said Mr John Louden, chairman of Lowveld Macadamia Industries Limited, as he pointed to rows of thriving trees.

And unlike the declining gold price the company's 2,750 shareholders, he says, can look forward to a healthy return on their investment within the next five years.

The capital outlay made 10 years ago will, says Mr Louden, provide investors with an ever-increasing income.

"Demand will never exceed supply," he said.

"In Hawaii — the world's largest producer — 96 percent of their macadamia nuts are consumed locally leaving only 4 percent for export."

Despite adverse publicity given to macadamia nut production in South Africa, Mr Louden considers it the "magic nut."

We have ideal climatic conditions, plenty of water and with proper management macadamia cannot do otherwise but prosper," he said.

Lowveld Macadamia Industries consists of three farms - the 1,700 ha Seedooogst and Squaman farms near Komatipoort and the 100 ha Perti farm at Barberton.

Much credit for the venture has been given to farm manager Mr Martin Nel, who has been with the company since its inception.

"Like every farmer in South Africa we had our problems during the drought but Dominoa arrived just in time to fill our dams and give us the breathing space we needed," Mr Nel said.

Ideally macadamia trees require 36 mm of rain every seven days.

To ensure an optimum water supply every tree has micro-jet irrigation.

More than 1,900 km of piping has been laid to provide every tree with water.

Trees are kept free of all undergrowth to reduce the risk of diseases and promote growth.

Macadamia farming, though capital intensive, is probably one of the best long-term investments any grower can make, says Mr Louden. But few farmers can afford to wait 13 years for a return.

All moneys paid by shareholders in Macadamia Industries Limited is kept in a trust fund and accounts are only paid to suppliers once the work has been completed.

"This way the shareholders know exactly how much money is being spent and on what," Mr

Mr John Louden shows a macadamia in full bloom.
3 - FRUIT

Jan 1977 - Nov 1977

1977 + 1978
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**SOURCE:** Department of Statistics.

Agricultural Census No. 46 Report No. 06-01-10.
Fruit failure hits thousands of dock workers

The Argus Shipping Reporter

BECAUSE of a marked drop in fruit exports this season, Cape Town port authorities are not exercising their right to bring in several thousand contract labourers from the Transkei.

The System Manager of Railways and Harbours, Mr. J. C. J. Joubert, said fruit export shipments were down about 40 percent which means we will not need the temporary labour force which we usually make use of.

Mr. Joubert explained that up to 2,000 temporary labourers were taken on at the height of the fruit exporting season, but the contract was not a binding one.

"The contract allows us to import temporary labourers from the Transkei as and when necessary," he said.

Mr. Joubert emphasised that the drop in fruit exports and general slackness in shipping would not however, affect permanent employees in the harbour.

An official of the Deciduous Fruit Board confirmed that the figures for export shipments of fruit would be considerably lower this year.

He said the weather had played an important role in reducing the quantity of fruit for export.

Last season deciduous fruit exports earned nearly R140-million and citrus fruit more than R115-million in foreign exchange.

BERTHS CLOSED

Referring to the general drop off in shipping Mr. Joubert said it had been decided that four berths were to be closed down from June 1.

Mr. Joubert said that machinery such as fork-lift trucks would be utilised at the other berths in the harbour, and staff would be trained for work in the new Ben Schoeman Dock — the port's containerisation section.
Another aspect of our discussion was a general feeling that the person working in the discipline is not necessarily the person to take a clear view of the future of the discipline. Miss Dostal gave an example: she said that a doctor might see his place in medicine being taken by a computer, but a non-medical person might see the future of medicine in an entirely different form—he might see a return to home treatment or the disappearance of mental hospitals or other complete changes to the existing structure.

Our group also thought that insufficient attention was being paid to the dissemination of the results of our research to the people who could learn from it and use it, and by that we did not mean other researchers and other academics. Not enough people were being made aware of what was taking place at the University or being encouraged to apply what was being discovered. Our three key recommendations, then, were that we should look more closely at projections of the future, that we should emphasise the interdisciplinary approach to a study of the future, and that we should disseminate results of research on has asked arrive at ed to produc— of certain which are s achieve in the group earch as perhaps making that perhaps in— industrial s to predict nobody seemed use or at the we could ful to it happen to seem such a
CITRUS CROP FM 15/7/77
Unsoured (2) Citrus

With the last Transvaal navel oranges just picked, preliminary forecasts for the 1977 citrus season are encouraging. But it may not quite equal 1976 which was a record year for exports, both in quantity (25,3m cases) and earnings (R115.8m).

The export season got off to a good start in April. Though the fruit may be slightly smaller, quality is good. Citrus Exchange commercial manager Ray Haufleisch reports that prices throughout Europe were firm because the overlap with fruit from other producers (particularly Israel) was lower than usual. The market in Iran is particularly strong, taking about 15% of all oranges.

Costs, on the other hand, are higher so farmers may not earn much more than last year. But because of good exports there may be a smaller quantity of fruit available for the local market which would tend towards higher domestic prices.

The export season runs through until October, so there could still be snags if Europe has a bumper soft fruit crop. Competition from Sunkist (US) citrus — which comes onto the market at the same time as SA fruit — is strengthening, and could present a problem later in the year.
Sweet on grapefruit

BY NELSON ROGALY

TWO thousand times sweeter than sugar and you don't put on weight. It's a new substance obtained from grapefruit peel.

Florian Bann, chief overseas executive of the Outspan organisation in Europe, agreed that anything that helps sell citrus on a world-wide basis must be of benefit to the growers, and that canners of fruit juice in the Republic are sure to be interested in the new sweetener.

He said: "The orange market is extremely strong at the moment and demand throughout Europe exceeds supply."

Meanwhile, South Africa's canners might note that the new sweetener is expected to be produced from a pilot plant at Rehovot which can process some of the peel from the fruit canned in Israel each year.

The Weizmann Institute of Science, which pioneered production of the new sweetener, says that it will be marketed and exported after approval by the US Food and Drug Administration.
Deur VIC DE KLERK

DIT lyk of die makadamia-neut gekraak is. Beleggers wat sowat vier jaar gelede vir hulle ‘n plas binne ‘n plas gekoop het, kan rustig asienaam. Daar bo langs die Komatitivierpoort (in plaas) en sowat dertienduizend kilometer van Barberton loop dinges volgens plan.

Lowveld Makadamia Industries het die eerste deel van sy kontraktregte gekom. Meer as 73 000 bome is reeds geplante en die bome lyk beker in groot en sterk. Die nodige besproeiingsserie is gekies en die maatskappy bereit hom nou voor vir die volgende fase van die ontwikkeling, namlik die oes en bemarking van Makadamiaante.

Mnr. John Louw en sy medederekte het met hierdie projek begin en op 'n manierie wat die publiek die gelegenheid gee om te deel in hierdie langtermynbesten op die ouwdie. Daar is een begin deur skoolkinders in rook en waard ná sovele probleme met die prospektus aan gevolg van regte tot wite op die oes van ‘n seker getal bome.

Daar is reeds regte in oomblik van twaalf jaar vir meer as 84 000 bome verkope. Die prys per boom tussen R20 en die begin terwyl die jongste regte verkoopt is die ‘n oes vir meer as 80 000 bome. Die gemiddelde prys is tussen R56 en R70 per kwekery.

Regte is verkoop op die bome op die plaas Steenkool en Steenkamm, wat Lowveld Makadamia Industries uitmaak, sowat ná ‘n afstandlike plaas, Piri. Die plaas is tussen Komati- poort en Barberton.

S.A. Farm Investments is in albei die gevalle die bestuurders van die plaas namens die regte en aanbieders, en in die ontwikkeling van die plaas het punte en ondersoeke en konservatief te werk gegaan.

Volgens mnr. Louw was die ou deel van die plaas stukgoed van die bome. Die dam beveilig met water oor die platte wêreld van die bome en plantosse die bos van die regte was wat nie vir die boereelomtoring was nie. Die bome het regter op die 100 per ha en volgens die gehaltes van die bome lyk dit beker in beker op die plaas van die ander groep langsna.

Voorlopig gebruik hulle drie jaar gelede geplant is, het die nuwe regte vier jaar gelede geplaas. Maar het die oomblik nog tamelijk volop gestaan sy eerste regte van beproeingswerk verskak van die bome in die stadion genoem waterkry.

Die werk wat reeds aan die geplante aanleg ge deel is, maak deur nou meer regte daaraan vooroor. Die volle bome mûre meer water nodig sal het. Die bome is veevrede en duur- same netwerk besproeiingspumpe en pompetjies is reeds voltooi.

Op die plaas Steenkool is ook ‘n bain groot gooi volg om die bome te volg. Die dam ontvanger water om die hele plaas vir elf maande lank te voeren al lank reeds verder die komisaris gevord.

Daar gaan in elke geval binnestort ‘n klein stadum in die Komatitivierplaas gegeb. Dit sal die kans dat die bome in die toekoms dalk nie onder hierdie bron van water geneem sal word, maar minstens.

Groot deel van die makadamiafontein wat sowat grootsheid van Lowveld Makadamia Industries, en die bestuurder van die twee neptuinen in Komatitivierplaas, mnr. Martin Nel, by een van die bome op die Komatitivierplaas.

MNR. JOHN LOUDEN (regs), grootbaas van Lowveld Makadamia Industries, en die bestuurder van die twee neptuinen in Komatitivierplaas, mnr. Martin Nel, by een van die bome op die Komatitivierplaas.

Die oorsprong van die bome is daar in Suid-Afrika met eers 40 000 groeie bome in die Komatitivierplaas omskep. Beleggers in hierdie projek is met reg voorwaar oor die plaas van die oorsprong netto win te wees. Al slegs 15% of R150 per boom is dit nogtans ‘n geel opbrengs — selfs vir die beleggers wat laatsleep in het en byna R100 vir ‘n boom verkoop is.

Omdat die maatskappy geen buitelandse sal te betal vir die regte aan die landhuisgryp van hierdie neute, behoort swaar die prys as gevolg van die gebruik van hierdie neute.

Die verwagting is dat die volwasse boom in die Komatitivierplaas omskep 20 kg suiker per jaar sal produë. Al slegs ‘n proos of R4,50 per kilogram ontvang, beteken dit ‘n opbrengs van R90 per boom.

Met die goudske van die maatskappy gaan dit op die oomblik tamelijk gesakklik, hoewel die konsensus van hierdie projek nie stagnerend is as wat aanvaamlik is met die oorsprong van die onduidelike en duidelike beplan is. Mnr. Du Preez,
Citrus hopes for exports of over R120m

By CHRIS CARRICROSS
Industrial Editor

The Citrus Exchange hopes that export earnings this year will rise at least 8% compared with the 1978 season.

This would place gross incomes from citrus exports above R120m, compared with the 1978 figure of R118 889 000.

Prospects are based on a view that a target price of above last year's average for a 10kg bag of fresh fruit will be obtained. This improvement is, however, based on a lower-crop yield. The 1978 estimate indicates a total of about 3 million, compared to 6 million of oranges from 1978. Fruit available for processing is expected to be less than 70% of last year's intake.

Citrus producers exported 23 706 000 cases last year, almost equaling the record of 23 820 000 cases in 1975.

The fact that the Citrus Exchange expects a higher gross income this year on a lower volume of sales shows the prices on European and Middle-East markets are higher.

The board's chairman, Mr. Lance Danckwerts, says prices of deciduous fruit on European markets are high, pushing up the retail price in good support levels.

The higher prices are the result of a number of factors, the board said, including the weather in Europe and the US, and the strong dollar, affecting the export price of citrus to Europe.

There was also a poor start to lemon sales mainly because of premature flooding of the market. This depressed prices, but it is hoped that supplies will ease and prices will recover.

Industrial action at some of Britain's ports - Cardiff and Southampton in particular - caused the European organization to divert shipments to Continental ports.

Nevertheless, even if a 9% improvement in revenue is achieved, citrus growers will, on net returns probably be better off if they planted their citrus on fixed deposit.

Production costs have been rising at a faster rate than the improvement in revenue, in the case of perishable produce, the real growth in income is reported to have moved sideways or even downwards.

The situation has been helped where the citrus industries could start to rein in capital and more capital.
Originally short of last year’s R136m, while net payments to growers could reach R63.2m (R61.2m) due to the containment of pool costs, of which ocean freight now constitutes about 50% of gross proceeds.

The tonnage shipped was 182,310t (258,982 t), but it entered a market badly undersupplied due to the failure of the 1976 European fruit crop. Demand was so strong that not even increased offerings from Argentina and Chile could check soaring prices (up to R16/carton for apples).

**Rosy apples**

Apple-growers did best. According to preliminary export calculations they will net R36m (R31m) on a 38% smaller crop. Receipts will be boosted further by phenomenal sales on the home market, where disposals are now running at an annual rate of 1m cartons, compared with about 100,000 a few years ago, at prices which almost match export realisations on an fob basis.

Pear-growers will get about R10.8m (R10.1m); table grape producers about R13.8m (R17.2m); plum-growers R2m (R2.1m); and peach growers R0.3m (R0.4m).

Even at this stage export prospects for 1978 look quite promising. Reports from Europe indicate that the apple crop is going to be short yet again, possibly by 20%, while in SA prospects for a good crop this summer are excellent, according to horticulturalists. It all depends on the weather.
No juice now . . . .

ONE of the companies which was selected as amongst South Africa's top ten export achievers has closed down its operation.

The Louterwater-based company, Apple Cider and Fruit Juices had a spectacular export track record for the period 1973 to 1975. Its export sales of apple juice concentrate for the three year period were so great the judges for the State Award decided they should be in the first ten. Subsequently however, it was decided to shut up shop.

When asked for more information about the company's export achievements, a spokesman said: "The apple concentrate industry as a whole was subsidised by the Government as the ruling world prices at the time were below the actual costs and other freight charges."

"We are of the opinion that it does not really serve any purpose in publishing anything about this company now that the plant has closed down."

It is a pity that Apple Cider and Fruit Juice management decided in September 1978 to enter the competition for the State Awards, knowing full well that the plant had been closed in December of 1978 and that one of the criteria important to the success of SA's export achievement is a consistent export effort.

• More export finalists appear on Page 26
EXPORT SUCCESS

APPLETSER, the Cape-based pure fruit juice processors are pushing this year for an export target of 5 million dollars (R43 million) worth of apple juice concentrate and other brand products.

The proportion of total production this represents is expected to be considerably up on the 30 percent recorded in 1976.

And prospects for 1976, says Appletsir chairman Esmond Lombardi, are even better. A very poor European apple crop is expected to make the South African product extremely attractive to buyers.

Key markets for exports, which are concentrated mainly on concentrate, are USA (the largest by far), Las Palmas, Tenerife, Israel, Hong Kong, Japan, and some neighbouring African states and Mauritius.

Appletsir has been faced with a number of problems in its export markets, but, says Lombardi, these are being adapted to and no losses of exports have resulted.

Various countries' individual food and drug laws require attention, a regulatory approach to packaging often have to be complied with, and some freight problems have been overcome during Appletsir's export programme.

The company also has a problem unique to its agricultural industries, that of supply continuity.

"Bad apple seasons, of course are a hazard we face," says Lombardi. "But judicious stockpiling is one method of maintaining raw material supply in times of shortage."

Lombardi points to the season immediately past as an example of the effect of this problem.

"If the apple season had been better, our export expectations would have been higher."

A sound domestic sales base is an advantage which has allowed Appletsir to process in long production runs, and approach exporting on a marginal cost basis.

This price competitiveness, and the quality of the product which has, says Lombardi, contributed greatly to the continued success of his company's products in their overseas markets.
FRUIT EXPORTS

Apples for England?

SA fresh fruit exporters are keeping their fingers crossed that they will benefit from current efforts in Europe to persuade the EEC Commission to adopt a more realistic attitude to Common External Tariffs (CET) against third-nation imports which do not pose a long-term threat to EEC producers.

The UK's National Federation of Fruit and Potato Traders hopes to persuade the Commission to suspend the CET against non-EEC imports of apples and pears during the period October 1 this year to July 31 1978. It wants the British Government to lend its weight to the campaign. for which it claims "a great deal of support within the European trade".

Like the canned fruit lobby, which argues that CET tariffed fruit producers can at best supply no more than 50% of Europe's requirements, and that the CET therefore does no more than gratuitously inflate shelf prices, fresh fruit traders argue that the short pre-crop of apples and pears is going to send prices rocketing this winter. The external tariffs of 7% against pears and 6% against apples could dislocate fresh fruit consumption if consumers were to develop resistance to high prices. UK fruit traders argue.

European fruit production is suffering from the aftermath of the 1976 drought and the UK apple crop — the worst hit — should be sold out by Christmas. This will be long before SA export varieties have begun to ripen. UK apple prices could reach as much as R1.40 a kg and if cheaper imports are not allowed in, the UK traders say, "the apple eating habit could receive a sharp knock".

SA fresh fruit exporters are hoping for a bumper crop which, at the blossoming stage, gives no indication that it will be shorter than last year's. In the season just ended SA sold 120 000 t of apples and 40 000 t of pears to Europe out of total fresh fruit exports of 182 319 t for a gross R13.7m.

Local growers are cautious on two points, however: The promise of high apple prices after Christmas may tempt Euro growers to hold back part of the crop in cold storage; and

- Both Argentina and Chile have the makings of splendid apple crops, which could depress prices.
FRUIT INDUSTRY NO WRITE-OFF SAYS STEYN

Mr. G. J. J. F. STEYN, retiring Secretary for Commerce, has taken to task the 'so-called knowledgeable observers' who say the Western Cape's fruit industry has no future.

He told senior officials of the fruit industry in Cape Town last night that some people, particularly in the private sector, talked about the fruit industry as if it were going the way of the dodo, and which could easily be ignored in the formulation of the country's economic strategy.

He insisted that because the industry was heavily reliant on export markets which were becoming increasingly competitive — and were also being subjected to a variety of import regulations and restrictions — it had no future.

Mr. Steyn said the fruit farmers of the Western Cape may just as well dig up their fruit trees and plant their farm lands into grazing areas for meat production.

FACING PROBLEMS

Mr. Steyn said the industry was facing problems in the main export markets in Europe, where it was unceremonially rejected those seasonings and standards about the industry's black future.

The industry had an underlying problem for the production of decisions on the quality of the product.

The progressive nature of the standards and the people of the developing countries would lead to a constant upward trend for all types of high quality commodities.

DOMESTIC SALES

Moreover, South Africa's citrus also became quality conscious and the industry would therefore look to a progressive executive to maintain domestic sales.

More than R900 million had been invested in the deciduous fruit industry, which provided work opportunities for 83,000 permanent and 32,000 seasonal workers.

The industry's investment was R150 million in the 1976-77 season, which was expected to bring in earn R88 million from exports.

Building price index up 8.8 pc

The Argus Bureau:

— The price index of building and construction materials (1970 equals 100) was 133.7 in September, compared with 130.5 in September last year, the Department of Statistics reported.

This is an 8.9 per cent rise.

But other commodities increased over the year, with motor vehicle owners at an index of 405.7, showing the strongest increase.

BEELD MAN WINS AWARD

Mr. Salle de Stuart of Beeld has won the 1977 financial journalist of the year award, made annually by Sasbank.

Mr. Peiper, Scholtz, managing director,etyimplying the award.

Soaring yen threat to Japan's trade

The Argus Correspondent

TOKYO — Under persistent speculative pressure, the Japanese yen has reached a postwar high, threatening in Japan's eyes, the nation's economic recovery.

The Finance Minister, Mr. Hiroshi Kohy, described the new pressure as "very grave", and promised urgent government action to stop the runaway currency.

The yen at the weekend broke through the psychological barrier of 250 to the dollar, hitting it on the Tokyo foreign exchange market.

The currency has appreciated by 1.7 per cent this year, and financial circles believe it still has further to go.

On Monday, Japan's major trading partners, who have been applying considerable pressure for a solid revival to economic recovery, expected the country's massive balance of payments deficit, to stop the speculative pressure.

Export-oriented industries are in near panic over the huge money in the country's reserves, France.

Mr. Kohy explained the government would promptly take measures to increase imports in order to reduce Japan's dollar holdings — now over 19,000 million — and create a demand to ease export pressure.

PAYMENTS SURPLUS

Mr. Isao Koide, head of the major Liberal Democratic Party's policy affairs research committee, said emergency measures were needed to reduce the balance of payments surplus (now running at $300 million dollars a month) would be announced this week.

He suggested the government would try to cut out imports and three million dollars off the surplus by reducing the duties on the little money, and by increasing the prices of farm products and uranium ore, among others.

Members believe that while Japan continues to run big trade surpluses, whilst the United States maintains huge trade deficits, the measures on the two currencies will remain, leading to world monetary instability.

Japan's trading partners have threatened to cut the Tokyo government to act on the trade problems, but after words failed, they finally decided to stop when a well-crafted attack was given to the Japanese government.

Business leaders here, however, are bitter that the government of Prime Minister Kakue Tanaka has failed to act earlier to end the speculative pressure.

They have warned that many banks will suspend in export-oriented industries.

The yen's continued rise has threatened the government's hopes for achieving a real fiscal growth of 6.7 percent this year, as well as other official targets.

Industry leaders have said the Mr. Tanaka has only days to produce a major economic reform programme that could lead to serious social unrest.

Wall St falls back

The Argus Bureau

NEW YORK: Stock prices fell back sharply yesterday after official confirmation that the Federal Reserve was pumping short-term interest rates to stop a rise.

The Dow-Jones industrial average, which hit a new high last week's rebound of 14 points, slipped in with just this advance. It finished 11.54 points at 899.54.

The industrial average now hovers at a level that could soon test its two-year range, and one set to get on October 23 at 890.54.

Rand today


The dollar was also on the rise, trading at 1.36 in London, 2.84 in Paris, 2.46 in Milan, 3.51 in Brussels and 3.37 in Tokyo.

The price of gold was 118.50 for one ounce in London, 294.00 in Paris, 292.85 in Milan, 295.00 in Brussels and 295.00 in Tokyo.

In London, gold at 119.50, silver at 1.25, platinum at 61.50, copper at 1.75, lead at 1.00, tin at 1.65, nickel at 4.00, and zinc at 1.15.

The London market was open for business, trading at 119.50 for one ounce of gold, 1.25 for a pound of silver, 61.50 for a pound of platinum, 1.75 for a pound of copper, 1.00 for a pound of lead, 1.65 for a pound of tin, 4.00 for a pound of nickel, and 1.15 for a pound of zinc.

The Sydney market was closed for business, and the Tokyo market was open for business.

The Asian market was closed for business, and the European market was open for business.
RECORD R67-m PAID TO DFB PRODUCERS

THE Deciduous Fruit Board this year paid producers a record R67-million, almost 10 percent more than last year. Mr P G van Breda, chairman, told a meeting at Banhoek last night.

This was the first of a series of meetings he will address in the fruit production areas serving the board.

He said the board was able to pay this amount because its costs had been substantially reduced during the year, from R75.7-million to R40.5-million — a saving of 46 percent.

The drop in the volume of exports by close on a third had not affected gross earnings, which dropped by a mere 4 percent.

BIGGEST THREAT

Gross earnings for the year were expected to be about R182-million compared with R130-million the previous season.

The biggest threat to the continued viability of the fruit export industry was the enormous costs of shipping freight. This item constituted 73.8 percent of the board’s total costs for the year.

This threat emphasised the responsibility of growers to present only top-quality fruit and to reduce the board to market fruit which would yield the best returns.

Delays in delivery and therefore lost sales would be overcome when the container service was operating fully.

Returns from Europe were higher than from the United States but the latter market was more quality conscious.

The envisaged rate of growth of the US market would therefore depend on the board’s ability to provide an acceptable quality and obtain a viable price.

Markets in the Far East and Middle East were continuing to be lucrative. The board was considering marketing 40 000 boxes of Cape apples in the Middle East this year.

ECONOMY CUT may boost SA apple exports

The Argus Correspondent

BRUSSELS. — The European Common Market has temporarily slashed its customs duty on apples in a move that may herald a bonus for South African exporters.

RESERVES

DROP R1.8,4-m

PRETORIA. — Total gold and foreign assets dropped by R18.4-million last month to R682-million on October 31, the Reserve Bank reports.

The gold holdings remained practically unchanged at R4 286.3-million. — Upa.

OIL PRICE

TALKS SOON

VIENNA. — Oil-producing countries have begun considering 1975 price levels with most of the 13 Opec governments reported to favour a modest increase.

A final decision will be taken by Opec oil ministers in Caracas, Venezuela, on December 20. — Sapa-Reuter.

Coin planned

CANBERRA. — The Federal Government has agreed in principle to mint an Australian gold coin. — Reuters.

The EEC’s nine agriculture ministers meeting here agreed to reduce the duty until January 31.

Most of the Ministers wanted the duty removed completely, but they bowed to Italian objections. Their action is a response to exceptionally high consumer prices (as much as 50c an apple) in the wake of Europe’s worst season for 15 years.

It is intended to attract about 50 000 tons of North American apples to help bring down the present prices.

CARRYOVER STOCKS

Yesterday’s decision may also persuade merchants to release more carryover stocks now, rather than hang on until next year.

The potential bonus for South African exporters, who are already assured of an eager market for their coming season’s produce, is two-fold.

Apart from tariff relaxations they could have negligible European stocks to compete against.

Gold price

GOLD price fixings in London:

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<th>Rands</th>
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<tr>
<td></td>
<td>3.00 pm</td>
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Krugerrand

Krugerrand today:

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<th>Sell</th>
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Overseas indices

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<tr>
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<td>2</td>
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<tr>
<td>Feb</td>
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<td>496.0</td>
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Canned fruit earnings more

CAPE TOWN.—Gross realisations from canned deciduous fruit exports will total about R90-million in 1977 compared with R80-million last year, says the manager of the Canned Fruit Export Board, Mr. N. J. Lawson.

Provisional estimates put this year’s export volume at about 6 million cartons, against 9,400,000 cartons in 1976.

Exports to Britain are estimated at about 5 million cartons. It is expected to maintain this over the next few years.

A recent steady decline in off-take by Britain — reflecting a 25% to 30% fall over the past four years — has been countered to some extent by a R1-million advertising and promotion campaign.

Exports to the rest of Europe declined to about 3 million cartons this year, compared with 4,500,000 last year, because of the economic recession and increased competition from United States and European suppliers.

United States prices for canned fruit were lower in 1977 than they were in 1976, the reduction being assisted by reduced freight rates obtained by United States canners through a self-help system.

The 24% import tariff on canned fruit imports into the European Economic Community has hindered South African competitiveness and allowed Greece to capture about 70% of the German canned peach market with lower quality goods at much lower prices.

If Western Cape production rises and additional quantities become available for export, other markets will have to be found. Negotiations are being undertaken.

Negotiations are also in progress within the General Agreement on Tariffs and Trade concerning a relaxation of the high EEC tariff barriers. There is cooperation between South Africa, the United States and Australia. — Reuters.

Lecturers responsible for various sub-courses are:

Macro: B. Kantor
Micro: D. Rees
Labour: J. Maroe
International: D. Rees
Monetary: B. Kantor
Welfare and Distribution: S. Archer

Any problems or queries now or during the year may be directed either to your tutor or to me (D. Rees, Room B250).

* * * * * * *
Juicy profits on citrus crop

THIS SEASON'S foreign exchange earnings from citrus products has jumped a hefty 36 percent over last year's crop to around R100 million.

The latest Citrus Information Bulletin says there was a tremendous demand from European markets, which, coupled with short supply, pushed prices up by as much as 50 percent.

The bulletin adds that normally the volume of fruit available puts pressure on the distributive trade to sell large quantities at low prices.

However, this year the supply of fruit was considerably less than in previous years, mainly because of the weather that brought prices, both at home and overseas, up.

The shortage, says the bulletin, was due mainly to weakness in the Valencia crop and this, together with strong demands from European markets, aggravated the situation.

As a result, sales of oranges have averaged around 200,000 10kg equivalents per week—50 percent less than the 400,000 per week which existed before the 10 week period. As a result local retail prices have jumped from around R1 a pocket to between R1.50 and R2.

S. Virt. 4/12/77

fruit
The Langeberg Cooperative had a trading surplus of R2 157 336 this year, compared to R221 936 in 1976. Dr. J. A. Mouton, the general manager, said when he announced the preliminary operating results.

"These excellent figures were largely obtained in the ‘local’ market," Dr. Mouton said. "And, in spite of a weakened economy, in the previous financial year we had to rely on exports for about half our income, but the ratio has now swung in favour of the local market."

Part of the surplus — about R50 000 — is being distributed in the form of final payments and dividends to farmers' members.
Pine farmers face big loss

LONDON — Eastern Cape pineapple exporters face a disastrous Christmas season here this year because of the slow and erratic arrival of boats from South Africa.

And a Border pineapple farmer, Mr Corder Tilney, who has cornered well over half of the fresh pineapple market in Britain, is the man who stands to lose the most.

On the Christmas delay alone he may lose between R50000 and R100000 worth of business, while if the current irregular delivery of pineapples continues, he may find British buyers switching to other markets which would result in continued and far greater losses.

Mr Tilney exports well over 70 per cent of South Africa's fresh pineapples, and the British market takes 90 per cent of the total South African export.

Between 70 and 80 per cent of the fresh pineapples sold in Britain come from South Africa, mostly from Mr Tilney's farms in the Kidd's Beach area.

"As far as I'm concerned this is an absolute disaster. There were two ships in November, both of which arrived on the same day. Before this there were three weeks when no ships arrived.

"We were used to a weekly service and now we have this. The ships due to arrive on the 18th for the Christmas market have now been delayed and won't get there until the 23rd. This will be too late and all Christmas trade will be lost," Mr Tilney said.

The companies concerned had no right to accept fruit if there could be a delay of this nature. He did not know why the delay had occurred.

The Christmas market fetched the top prices of the year, and the loss on this alone would be tremendous. But what really worried Mr Tilney was that if the situation continued he could lose his British market altogether, as buyers wanted both reliability and quality.

With the present system there was no reliability and with ships taking longer to reach Britain, the pineapple was bound to suffer.

"When they saw the container ships being blacked, they should have brought back mailships on a regular basis," he said. "If we get half what we should have this Christmas we will be lucky."

In addition to the problems affecting him personally, he felt South Africa was losing valuable foreign exchange and might even lose an export market altogether, as buyers wanted both reliability and quality.

"We've always been successful in keeping the Ivory Coast fruit off the British market as their quality has been inferior, but now the buyers will take what they can get," he said.

"We've spent years building up this market and can't afford this. I've been trying to get some pineapples overseas by air, but in spite of a large advertisement in yesterday's Daily Dispatch, South African Airways can't supply the cargo space they advertised," he said.

Mr Tilney said there was virtually no notification when ships would dock in East London to load pineapples and while the fruit did not go to waste as he could always have it canned, it made planning and supply extremely difficult. — DDR.
Border pineapples to be shipped via PE

EAST LONDON — A Border pineapple farmer who said erratic shipping has cost him R56 000 worth of business is to send his pinees to Port Elizabeth by road and then to the UK by container ship.

Exports to Britain were foiled by the too-early withdrawal of the mailships, the fact that East London is not a container port, and that the refrigerated units to get the pinees to Port Elizabeth were not — and are still not — available.

Mr. Cordier Tilney, who has cornered more than half of the fresh pineapple market in Britain, says: "We have lost out steadily from October last year, and will continue to lose out on the European market because of the erratic shipping at present.

"Continuity of supply is all important. We’ve spent years building up this market and can’t afford this breakdown. Trying to get pineapple overseas by air is not a solution, there is a limit to what can be exported by the South African Airways," he said.

The president of the Border Chamber of Industries, Mr. M. L. Phillips, who also serves on the shipping committee of the Federated Chamber of Industries, commented on the shipping problem Mr. Tilney is faced with.

"The pre-refrigeration container units, although not yet operative, will allow fresh pineapples to be taken by road to Port Elizabeth and then loaded onto the container ships ready for export," he said.

"This will not mean that transporting pineapples to Port Elizabeth will cost more. The freight rate is the same for this pre-carrier service and is being borne by the coastal service." — DDR.
**Hulle smokkel kwai met piesangs**

DIE Piesangraad meld in sy jongste nuusbrief dat die omvang van smokkelhandel in piesangs waarskynlik groter afmetings aanneem as wat algemeen besef word en dat dit besig is om 'n permanente praktik te word.

Van 7 tot 16 November vorige jaar is byvoorbeeld 14 mense in die landdros-hof van Middelburg, Transvaal, skuldig bevind omdat hulle meer as 50 kg piesangs in 'n gebied buite die produktiegobied gebring het. Die totale hoeveelheid piesangs betrokke by die sake het op 45 400 kg te staan gekom.

Verspreiders van die Piesangraad aan die Rand beweer dat hul verkoop in die stedelike Bantoegebiede as gevolg van smokkelpiesangs aansienlik ge-

daal het.

Dit word beraam dat die hoeveelheid piesangs wat so onwettig verkoop word, tot 10 000 kiste per week kon beloop en dat dit bepaal 'n nadelige invloed op die raad se verkooppros van eerstegraadpiesangs het.
the end of January. This year, the yield is expected to exceed 180,000 kg — more than half of which will be sold on the local market.

Growers — there are 11 belonging to the SA Litchi Growers Association (Salga) — have always managed to export part of the crop, which grows in the northern and eastern Transvaal, to UK and Western Europe. “Now,” says Salga’s chairman Peter Hughes, overseas demand is remarkable and has started to include the Scandinavian countries.”

Lichees, or litchis depending on your literary taste, are more than a pleasant sweet to end a Chinese meal. This year, the estimated return on exported lichees is expected to be in the region of R110,000 to SA growers, compared with previous overseas earnings of around R75,000.

The season is short, from November to

both for increasing production and better utilisation.

Dr Grosser points out that during 1974-1975, SA produced 340,000 t of subtropical fruit worth R52m. In 1975 foreign earnings amounted to R24m (2% of our foreign trade in agricultural products) while during the same year the value of subtropical fruit imports (including coffee and tea) exceeded that of the exports by R30m.

Priority crops, according to the report, are pineapples, tea, coffee and cocoanut. It urges a greater interest in tea-growing, pointing out that during 1975 SA imported 21,358 t tea worth R19.5m. Present plantations when fully bearing will only fulfil 20%-25% of SA needs.

On the coffee side, SA imported 18,200 t in 1975 and only produced some 200 t during the 1974-1975 season. Clearly there’s quite a lot of potential in subtropical fruit production.
healthy, in spite of a 6% landed value levy, some growers believe that around 1980 they'll get better prices and a more secure market locally. Competition is stiffening as apple-exporting countries, from R1.04 to 18c.

Faced with such a trend seven big deciduous outfits in the Cape (Kromvlei, Bradley, Dennehos, Boesmansrug, J de Wet, P de Wet and Cortina) got together last year to exploit the local market more by reconstituting the nine-year-old Elgin organisation.

South Africans lag badly behind Europeans in apple consumption per capita so McGregor has come up with the idea of promoting the locally-neglected fruit the way others market wine glasses and tissues.

Advantages he's pushing include convenience for shoppers with minimum human handling (picker, packer and housewife) and no damage. Retailers get refrigerated loads right to their shelves, easy handling of cartons and packs with no weighing or in-store packaging.

Guaranteed delicious

MARKETING

Seeking a rosy future

FM 24/12/8

Deciduous fruitgrowers wary of tighter European markets are pampering local buyers to the point of guaranteeing every apple.

Millions of Elgin Pride specimens going into the shops and supermarkets from next month will each be given a sticker before individual-compartment packing in display boxes of tens and fiftens.

Housewives picking the handy packs will find inside such things as recipes, calendars and hints on the best times to buy which types.

"What's more they'll all be export grade or better — if that's possible," says Elgin Apple Sales GM Rob McGregor.

Reason is that although deciduous fruit sales to the nine-nation EEC are mainly Argentina, Chile, Australia and New Zealand, look like pulling down market prices as they get more and more of Western Europe's market.

McGregor's EEC feelings are shared by the Deciduous Fruit Board (and no doubt by other apple growers) which expects export's percentage of the annual crop to fall over the next few years.

Last year the board shipped 194,000 t. Annual exports vary widely, but historically they average around 50% of output.

McGregor's calculations over the past decade show that three popular types are losing export appeal for growers (still, however, having good sales overseas) as the margin of profit from foreign sales falls markedly when compared with present local prices on each carton: Golden Delicious from R1.65 to 17c; Granny Smith from R1.05 to 66c; and Starking
Banana control bid sparks major row

A MAJOR row is brewing over an application to the Minister of Agriculture for a "banana control board" to be permitted to operate in Natal.

The application by Natal Banana Co-operative Ltd. in Pinetown for permission to control banana marketing in the province has met fierce opposition from the South African Indian Council and spokesmen for leading supermarket chains.

In terms of the proposed scheme no banana grower in Natal will be allowed to sell fruit in Durban, Pietermaritzburg or other towns unless the bananas sold with reasonable quality standards, and then sales must be made through the co-operative.

Mr. Allan Gardiner, head of Pick 'n Pay in Natal, said yesterday he was not in favour of the co-op gaining control of the marketing of bananas.

"I am against monopolies," he said.

Mr. Dave Mitchell, regional general manager for Checkers, said: "Just over a year ago we started buying bananas directly from a farmer. We paid him more than he was receiving from the co-op and we sold them to the public at prices lower than the co-op prices to us."

"The man we bought from is a big and knowledgeable farmer who gave us only top quality bananas. Through competitive buying and selling we forced others to bring down the price on average about 20 percent."

Mr. Mitchell also questioned the fact that bananas were consistently more expensive in the Transvaal—where there was a Banana Control Board—than in Natal.

"And don't believe it when they say that bananas are only grown in Natal. There is a large production area in the eastern Transvaal. Bananas are cheaper in Natal because the spirit of private enterprise still exists," he said.

The co-op's chairman, Mr. Peter Smyth, said yesterday the reason for quality control was to ensure that housewives did not have "for quality fruit foisted on her at first grade prices."

He said this was happening every day in Natal, metropolitan areas.

Mr. Smyth said the main reason for applying to the minister to have the scheme adopted in Natal was that certain non-members of the co-op were supplying reject quality fruit and passing this off as first grade to the retail trade.
SA's first commercial-scale controlled atmosphere storage plant (CAS) has been commissioned by Elgin Fruit Packers Co-op near Grabouw.

Built for R350 000 on US specifications the Grabouw plant has a storage capacity of 110 000 cartons of apples which will be released on the SA market from October to January.

Apples will “live” three to five months longer and, more importantly, have a shelf life two to three times longer than apples kept in cold storage.

Only export grade apples will be stored. Marketing will be through supermarket and hypermarket chains and department stores at prices the co-op hopes will be 33% above the existing level of about R6/carton for Elgin.

The CAS pack of 110 000 cartons is about one-sixth of the total quantity of grade one (export) apples retained for the home market and could gross nearly R1m for the co-op in its first year of operation. If consumer demand is up to expectations, ie it exceeds supply this year, Elgin Fruit Packers will give serious thought to doubling capacity.

At the same time, Elgin Fruit Packers, through a newly created subsidiary called Cold Transport Chain, hopes to convey an increasing percentage of its apples in its own trucks.

It has kicked off with four 20-tonners which will ply long-distance northern markets, returning to the Cape with capacity loads of chilled beef and other perishables.
Complaints flood in after expensive 'cut price' fruit exposé

WHILE complaints poured in to the Sunday Tribune this week about cut-price mail order apples which were expensive and below standard, the company's managing director promised that better quality fruit would be sent in future and the packaging would be improved.

There have been several other developments in the apple controversy since last Sunday's report in which customers complained that the fruit was expensive and disappointing. With average rail costs of about R2.25, they paid a total of R7.25 for 15 kg of apples. Top quality apples were selling at the Durban market at the same time for half the price.

Other developments include:

- An assurance by Mr George du Plessis — who runs a mail-order company, Langkloof Fruit Growers in the Eastern Cape — that an entirely new advertisement, which had out-of-date information about the railage costs, would be changed. Many customers paid three times the amount they expected.

- The South African Railways denied Mr du Plessis's claim that the apples were poor quality, but attributed the problem to bad handling. But the SAR was investigating a case where a carton of apples took more than a month to reach Durban.

- The South African Apple Producers' Association has made an investigation, one of the outcomes of which was the assurance by Mr du Plessis that heavier cartons would be used to pack the fruit to ensure it would arrive in better condition.

- A complaint has been made to the South African Consumer Council.

By TERRY McELLIOTT

Fruit Board says it will lay a charge for this alleged offence.

The Railways' assistant public relations officer, Mr L. de Vries, said this week that an investigation had failed to show that the apples had been damaged en route.

One of the week's complainants, Mrs Julianne Colquhoun of Durban, said she threw away 50 of the 15 kg of apples she received.

"I had arranged to share the apples with a friend, but I gave her the 50 that we managed to 'salvage', leaving me with none at all. Some of the apples were just a pulpy mess."

Durban pensioner Mrs Edith Cassell had an even sadder tale to tell. She threw away all but 12 of the 13 kg of apples — "and these 12 were tasteless."

"Mr N. A. Joseph of Gillits was so angry about his apples that he wanted to send them back to the suppliers. But the charge to send them was R4.85 — so I cut my losses and dumped them."
Banana price soars

DURBAN. — The wholesale price of bananas in Natal was increased by 30c to R4.60 a box yesterday, following the devastation of banana plantations off Natal’s South Coast by last week’s storm. — Sapa.
Why farmers oppose banana control

SIR, — I seek your indulgence to reply to Mr. Peter Smyth, chairman of the Natal Banana Co-operative Ltd.

I still maintain that their approaches to the Minister of Agriculture were secretive in nature. No Press announcement or otherwise was made until some members of the Co-operative, much to their chagrin, discovered the moves and made the issue public.

How is the public to know if the meeting is confined to members only who could be sworn to secrecy? No public meeting was held.

In 1957 when the Banana Control Board was established, it was mainly through representations made on behalf of Indian banana farmers and dealers in Natal, who feared for their livelihood, that Natal was excluded from operations of the Banana Control Board.

Producers in Natal are free to sell to the Banana Control Board, which operates in the Transvaal, Cape and the Orange Free State. However only a small number of producers in Natal sell to the Banana Control Board.

To the rescue

The others, a large number, sell and trade freely and supply dealers, who have always come to their rescue when even their good bananas were rejected for no good reasons at all. This is a statement of fact which can be verified by many White farmers.

To further support this contention, I quote the Co-op's "Annexure A" supporting their representations to the Minister. On pages 2 and 3 it is stated: "The Board will then be able to maintain the same selling prices in Natal as in the other marketing areas of the Republic, by regulating the supply." It will be interesting to know how the supply will be regulated.

Natal declared a marketing area. Mr. A. R. Jones, the chairman of the Association, stressed that this was purely a committee decision. He said, "our action still has to be ratified by our members at an extra special general meeting."

No excuse

We fully agree with the Co-op's statement that "in this day and age in our country there is absolutely no excuse for the use of racialism to achieve one's own commercial ends." But erroneously the Indian has always been considered an economic threat against whom the notorious Group Areas Act has been enforced in many cases with disastrous effects.

The German economist, Professor F.A. von Hayek who recently appeared on TV, argued cogently for the abolition of all forms of government controls. He was clearly disappointed that we had made so little progress in regard to the abolition of controls since his last visit here several years ago.

In spite of his explanations, I don't think Mr. Peter Smyth can fathom the discerning and thinking producer and consumer that easily.

C. R. BUDHOO
P. O. Box 280, Port Shepstone

Letter shortened. — Editor.
Van GIELIE de KOCK in Londen
DIE sagtevrugteboere va die Kaap kan maar met geruste harte vakansie op Hermanus hou. Hul produkte verkoop soos soetkoek in Londen se kettingwinkels en selfs by die veel duurder kraampies in die toeristegebiede staan die mense tou om die Kaapse druive, apples en pere te koop.

Mense wat al baie jare in Londen woon, se hulle is verstoorn om te sien hoeveel vrugte die Britte deesdae koop. Die hoeveelheid en verskeidenheid wat in die winkels aangebied word, is vir hulle ook 'n openbaring.

As jy geld in jou sak het, kan jy alles kry wat by die huis te koop is. Jy moet net 'n bietjie baie meer uitbaar om byvoorbeeld 'n korrel Waltham Cross onder jou tande te voel kraak.

"Ons mense het beslis geleer om die lekkerste vrugte van oor die hele wêreld te eet. Hulle is bereid om te betaal, maar hulle is kieskeurig. Hulle koop net die beste," sê die bestuurder van 'n groot kettingwinkel in die High Street vandeesweek aan Landbou-Rapport. "Dit is egter veral die immigrante en besoekers wat die vrugte koop sonder om te mor oor die prys," voeg hy by.

Landbou-Rapport het vandeesweek by verskillende groot afdelingswinkels en kraampies gaan inoer om te sien hoe ons Suid-Afrikaanse vrugte waar. Veral in die groot kettingwinkel Safeways in die voorstad Kensington, het 'n gesig ons begroet wat menige Suid-Afrikaanse boer se tone van lekkere sou laat omkrul het.

Groot aantreklike plakkaate verkondig wyd en syd dat die beste Kaapse vrugte, nou beskikbaar is en die rakke kreun behoorlik onder die gewig van ons produkte. Niemand gee om oor die feit dat die vrugte uit die "boss" Suid-Afrika kom nie. Die mense koop omdat dit goed lyk en goed smaak.

Ons het 'n paar pryses neergeskryf sodat die Kaapse boere kan sien wat betaal 'n Londense huisvrou vir hul produkte in die winkel. Waltham Cross-druwe verkoop teen R3,03 'n Kg, Barlinka se prys is R2,24 'n Kg, en appels, wat nou hier baie goedkoop is, verkoop teen 94c 'n Kg.

Golden Delicious, Star-kings en Granny Smith is nou beskikbaar op die appelraakse. Pers (Williams, Bon Chretien) se prys is R1,30 'n Kg.

Avokadopere se prys wissel kwaal. Vorige week het dit op sommige plekke R2 en meer vir een gekos, maar nou kan 'n mens by Safeways die vrug teen 79c koop. Dit is van die goedkoopste wat ek nog hier gesien het.

Vir 'n veselperske moet 'n mens egter baie lus wees as jy hom hier koop. Prys wissel tussen 79c en R1,23 elk, en dan is dit nie vir 'n baie grote nie.

Maar soos gesê, jy kan eet wat jy wil en soveel jy wil, as jy bereid is om te betaal. Die beste en die mooiste uit die Kaap en Transvaal is nou hier.
FOOD

Fruit & veg scheme

The SA Agricultural Union's co-operation officer, Ines van Rooyen, has introduced a scheme for improving the marketing and distribution of vegetables and fruit, in an attempt to reduce the price gap between the producers' and consumers' prices, is certainly worth a try.

But at last week's meeting, organised by PFP's Philip Myburgh, between the Minister of Agriculture, representatives from the Boland Agricultural Union, and a group of MPs, some tricky problems came to light which will need sorting out.

If consumers are annoyed at the exorbitant prices they often have to pay, producers are desperate: despite rising production costs, prices for vegetables have not risen for five years, and the price gap between producer and consumer prices for vegetable and fruit (other than "controlled" fruit) is five to eight times, compared with two to three times for controlled products.

Van Rooyen has a three point plan:
- Existing "primary co-ops" (those that deal directly with farmers) will extend their services to the vegetable and fruit farmers.
- "A central co-op" has been formed and will operate countrywide for transport and distribution. This should not only improve supplies by ironing out the present local gluts and shortages, but will also be more economical.
- Market agencies (also co-ops) are being established at all the main municipal markets. Those at Johannesburg, Durban and Cape Town are already operating, and it is hoped to have them at all markets by the end of the year. The intention is that they will market direct to consumers, and do pre-packaging and sell small pre-packaged lots.

Now for the problems. One of the main reasons for the poor producers' prices is that too much produce is bypassing the municipal market. This pushes up unit costs, weakens the farmers' bargaining power and tends to keep prices low. For instance, when the big chain stores buy direct from farmers they negotiate on the basis of the market prices but take the best quality produce from the farmer. Thus, if the best quality produce doesn't reach the market, the price for inferior produce becomes the price norm. This may be very difficult to stop, unless the farmers themselves, through the co-operative distribution system, send all their produce to the market. If the co-ops don't negotiate with supermarkets they would not accept low prices for high quality produce.

Then what of the consumer, who benefits from good quality, pre-packaged produce at the supermarket? If, by maximum use of municipal markets and better distribution, the price gap can be narrowed, it is argued, the producer would get better prices without the consumer having to pay more.

There could also be difficulties if the co-operatives selling on the market come into conflict with the market agents. The latter have expert knowledge and also provide substantial amounts of bridging finance.

Since the municipal markets have been moved out of the main urban centres they are inaccessible to most housewives, so the idea of co-ops selling direct to housewives at the market is impractical. The Cape farmers called for a plan for "mini-markets" to be established at various points throughout the city areas. These would not by pass the municipal markets, but would take pre-packaged produce from the market, and the consumer who would thus only pay the market price plus a handling fee. These could be operated by the co-ops or by the co-ops in collaboration with the existing agents. An advantage, it is argued, would be that supplies could be regulated: the best quality produce going...
Bumper year for citrus

The value of citrus exports rose to R147 999 000 in 1977 from R115 699 000 in 1976, says the chairman of Cooperative Citrus Exchange, Mr L A D Danckwert.

Free on rail payouts to growers increased to R79 699 000 from R50 109 000.

He attributes the increase to a world shortage of citrus and other fruits during most of the exchange's selling season "due to a combination of factors which are unlikely to ever again combine in our favour".

Prospects for orange exports in the immediate future are good, with some falling off likely in late July and August. Much will depend on the quantities of South American fruit available and on whether it will be possible to keep prices stable.

It is expected that earnings for the second half of the South African season will not be much above minimum economic price levels.

A reasonably normal season at acceptable price levels is likely for grapefruit, although a sizeable melon crop is possible overseas. This could affect grapefruit sales if it materialises, especially on the Continent.

Although it looked as if there would be a severe overlap with all fruit of Mediterranean origin at the beginning of the export season, the situation has changed in the past few weeks. The market strengthened considerably in April and May and large volumes of Mediterranean fruit were sold, reducing available stocks.

Export sales of lemons are going well, with well-developed conditions in Italy, Spain and California and light shipments from Italy and California, the main reasons for the strength of demand.

Although heavier competition is likely in July, it is hoped the firm prices being established now will contribute to satisfactory levels throughout the main part of the export season.

The market in Europe was depressed until mid-April when a slow improvement began. Prices rose sharply in mid-May, coinciding with the first significant quantities of Otafuan lemons going on offer.
Market racket: Minister promises investigation

THE fruit and vegetable market racket exposed by the Sunday Express last week is being investigated at Government level.

The expose uncovered the operations of racketeers where, in a huge operation at the Johannesburg produce market, the costs of millions of rand, through inflated prices, to the housewife.

This week, as a result of Sunday Express disclosures:

- The Minister of Agriculture, Mr Hendrik Schoeman, said the matter would be investigated. "It will be discussed at a meeting next week," he told me.

- It is also being investigated by the Produce Markets Commission, according to its chairman, Mr Piet Venter.

- But the director of the Johannesburg Produce Market, Mr S S Robinson, still refuses to comment on the Sunday Express disclosures. Last week he refused to comment when a copy of the report was submitted to him.

Meanwhile, the Sunday Express can this week reveal further disclosures about the market racket.

- Not hundreds of thousands, but millions, are said to be involved and passed on to housewives.

- The racket was still in full swing at the market this week.

A Johannesburg greengrocer had to pay R2.80 for sweetcorn bought a few minutes earlier by a wholesaler on the floor for R1.50 — a quick profit of 80%.

Meanwhile, a delegation of greengrocers has volunteered — as a result of the Sunday Express disclosures — to discuss allegations of racketeering and illegal selling with Mr Robinson.

These are typical comments, made by greengrocers whose names I have agreed not to use.

Trader A: Some of them are there at the rail depot where the fruit and vegetables arrive during the night, choosing what they want and arranging to buy.

Trader B: You see representatives of three or four different wholesalers getting together and arranging what each will buy.

Trader C: Sometimes we drive to Pretoria market, I buy rather than go to City Deep. These things don't happen that often.

The Indian Wholesale Traders' Association said in a statement to the Sunday Express: "Your reporter makes a big play of the fact that sales took place on the sales floor area. "In point of fact, because of the large scale handling of produce by us, it has been a practice allowed for years...to serve our regular customers from the sales floor area."

Mr M Bhoola, the association's secretary, told me: "The market-master gave us permission to re-sell on the floor."

When I telephoned Mr Robinson and repeated the allegations to him, he again refused to comment.
Ban may mean more oranges

Staff Reporter

ABSTRACT 56 million export oranges — enough to allow the entire population one and a half oranges each — could be available on the home and local market in the next few months.

The commercial manager of the Citrus Board, Mr. C. Hauptfleisch, said in Pretoria yesterday, "It is a green good year. The board is still waiting to hear if permits can be obtained for the export of South African oranges to Iran.

If the necessary permits are refused, about half of the 400,000 10-kg pockets of oranges earmarked for Iran would be sold on the European market. The balance of the Valencia oranges — more than one million 10-kg pockets — would find their way on to the local markets at a slightly higher price.

"Although the crop is up 14% on last year’s figures, as far as local fruit goes we are still short and would have no difficulty in getting rid of the export fruit," Mr. Hauptfleisch said.

There has been a regular demand for oranges this season. Prices for 10-kg pockets have remained steady at the R2.90 to R3.10 mark, he said.

"If Iran stands firm on its refusal and the export Valencia reach the local market, which would be in about a month’s time, there would still be a considerable financial loss to local citrus growers as local citrus prices are down on overseas figures," he said.

I think that only a few artists have achieved a true synthesis between old and new, European and African. Ibrahim al-Salahi being one of them — it is perhaps significant to be a synthesiser, even in the Sudan where already two cultures — Arab and Negro — meet. Nevertheless, those artists with eclectic styles and who are largely Western-oriented, are amongst the most original, imaginative and creative sculptors and painters in Africa.

The influence of European art is obviously not restricted to style traits. Mural art, occasionally found in traditional African Art, is produced, but pictorial works are pre-dominantly Western-derived bas-reliefs, while tapestries are produced in Senegal. It is noteworthy that in pre-colonial Africa, sculpture was by far the most important discipline: today, the artists of Africa are painters. Sculpture usually employs medium and techniques common to traditional sculpture, but new materials such as cement, fibreglass and glass are also being used.

The awareness of new concepts in contemporary African art is shown by the extent to which the African’s world vision has expanded, and expresses a desire to identify with and become part of this larger, modern world. The titles of some of the work of Skuider, Bogossian, returning to the Fine Arts Schools in Addis Ababa, Ethiopia, exemplify this: paintings bear such titles as "Sun and Mange," "Explosion of the World Egg," and "Cosmological Explosion." Themes like style, are immensely varied, but some generalisations can be made: the older artists who include graduates of the schools based on "non-teaching" methods, seem to favour the picturesque genre and biblical subjects (e.g., Sam Ntiro, Betio, Filipo), while the new, young artists, although still concerned with Africa and the African, have generally moved towards abstraction of forms (as these, as well as a style). The subject matter of Makandah’s (a self-taught artist) paintings is inspired by African life, and his paintings are highly emotional and depict idyllic and abstract aspects of life in a natural environment, artists and the violent process of society.

Ibn Sina is the author of the "The Book of the Golden Treasure," one of the most famous works of medical science in the Islamic world. His work on medicine, philosophy, and mathematics has had a lasting influence on the development of these fields. A pupil of Avicenna, Ibn Sina's contributions to science and medicine have been widely acknowledged and have had a profound impact on the field of medicine. His works, such as the "The Book of the Golden Treasure," have been translated into many languages and have been studied and practiced by medical professionals around the world. His knowledge of the human body and the natural world has been a cornerstone of medical education and practice for centuries, and his work continues to be studied and revered today.
British learn to love the humble guava

Finance Correspondent

THE GUAVA, probably South Africa's most underrated fruit, is rapidly becoming a major earner of foreign exchange after unprecedented co-operation between a group of Cape farmers and one of the country's largest packaging companies.

The man who identified the guavas' export potential is Garth Glasby, the Kohler Group's development manager in the Cape.

He said this week he had raised the possibility of exporting guavas to Britain with Ted Baker, of Poupart, a leading Covent Garden market agent, in Britain last year.

Although fresh guavas were virtually unknown in Britain, Poupart placed a trial order after sampling three boxes sent by Glasby.

The guavas were airfreighted to London in specially designed corrugated containers.

Glasby, in London when the first consignment arrived, reports the fruit withstood the rigours of the journey well.

Current Covent Garden demand for fresh guavas is two tons a week.

One of the most successful exporters, Hans Grobbelaar, of Delheim Estate near Stellenbosch, says the growing British demand for guavas, a rich source of vitamin C, has helped him push up his export quality yield by 15 percent.

"Guavas," says Glasby, "are one of the few forms of agricultural produce in South Africa which do not fall within the ambit of a market or control board. And, until last year, there was little incentive for farmers to cultivate really first-class fruit."

Many farmers, Glasby adds, are reluctant to become involved in direct exports.

"The considerable inducements that exist are offset in their minds by the fear of becoming involved in elaborate negotiations and reams of paperwork."

Guavas are growing in strength as a new export fruit.

Guavas are growing in strength as a new export fruit.

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(c) Hoewel keer roeds op die plaas gewerk

10. Aan alle werkers

(a) Werkuur:

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(b) Jaarlikse verlof deur boer betaal

onbetaal

11. Kontantloon (weeklikse)

12. Ander betaaling (weeklikse)

(a) Vleis: hoeveelheid

prys (as nie gratis verskaf word nie)

waarde aan boer

waarde aan werker

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Wiel van die jaar
SA exporters are heading for hard times in European markets. Although a great deal of secrecy surrounds the Tokyo round of multi-lateral trade talks in Geneva, enough information has emerged to confirm that SA is faring poorly in efforts to negotiate not only lower tariffs in Europe but some form of compensatory treatment for the loss of its favoured position in British markets.

According to the EEC offer lists in respect of canning, SA gains are virtually nil. For example, the EEC offered to cut the common external tariff (CET) on grapefruit segments from 20% to 17%, fruit cocktail from 22% to 20% and canned mandarin oranges by the same meagre margin. It originally intended to include peaches, pears and pineapples (the volume sellers) on the list, but these were deleted on the insistence of the French and the Italians.

European canners can supply on average no more than 25% of the community's demand for canned deciduous fruit but the EEC is committed to the protection of the least efficient of its members, hence the protective barriers.

If this cast of mind prevails across the full spectrum of trade with Europe, prospects seem dim that SA will export much more than primary products and raw materials — on terms which suit the Europeans.

Nor does there seem to be any limit to the scope and range of non-tariff barriers which the people in Brussels can devise. Starting next season is a device called the "production aid system." It amounts to a subsidy on the production of canned peaches and tomatoes to compensate Italian canners for their high production costs. The aid system is an equaliser and will work primarily against the Greeks.

In practice it will mean that Italian canners of average efficiency will get their fresh fruit for nothing; if they are super-efficient it will mean that they will receive more aid than they pay for their fruit.

The worrying thing is that, with the exception of Belgium, quality is a secondary consideration to price with most European consumers. And although the currency factor has helped SA exporters who sell in rands/dollars, there is no way SA can begin to pare prices 50%. On top of that there is mounting competition from Third World exporters, mainly Francophone and Commonwealth states in Africa which enter Europe duty free. Argentina too, is getting a firm grip in Europe, assisted by a 25% government subsidy, while in the US growers with heavy surplus production subsidise canners to take fruit off their hands and drop it off in Europe, as happened last year.

Underlying all these problems is genuine concern in Europe that incipient trade action against SA may materialise into a real embargo. Buyers are reluctantly having to negotiate alternative sources of supply, thus adding another dimension to the marketing problems of exporters.

Implications for SA are grim. Canning may be small beer compared with total exports, but it is important for the Cape region. It's a trade of 8m cartons worth R80m to R90m a year, 90% of it from export earnings. It involves 2,500 farmers and maybe 20,000 farm workers producing 185,000 t of raw fruit worth about R20m a year; not to mention 14 major canneries employing 14,000 blacks and 1,500 whites and a wage bill of R14m a year for the blacks alone.

In addition, the canners pay Metal Box Company R26m a year for cans; they pay the sugar industry about R8.5m a year for consuming 40,000 t of sugar; and the shipping companies receive about R8m a year in freight charges.
Farm debt soars by
29 p.c. in 3 years

Despite favourable farming conditions over the past three years, the total indebtedness of South African farmers has increased from R2 338 million to R3 682 million—a substantial 29 per cent.

"Although one would expect a decrease in debt under favourable conditions, we have actually experienced the reverse," says Mr. Bob Brink, agricultural adviser to Barclays National Bank.

He adds that between 1950 and 1957, credit advanced to farmers by commercial banks rose from R150.6 million to R608.3 million, an increase of 32.8 per cent, while loans from cooperatives rose by R171.5 million to R661.8 million, a whopping 117.7 per cent.

"While the so-called 'operating credit' to farmers from the above sources has increased overall by 45 per cent during this period, the gross value of agricultural products has risen by R72 million, or about 25 per cent, to R325 million."

Mr. Brink points out: "This means that a large amount of operating credit is being used for the wrong purposes—to finance medium and long-term farming items instead of purchasing short-term requirements."

Mr. Brink believes this type of financing will have two serious repercussions:

1. A smaller amount of credit is used to operate capital and thus farmers are only able to generate a smaller total income to meet their increased debt commitments.

2. Although the farmer's assets should support him as a result of the purchasing of necessary fixed assets, he is unable to meet them due to price increases. In the short run, the farmer's liabilities could exceed his receipts, leading to liquidity problems, which might lead to default if not solved.

The final outcome is that the farmer's total income continues to decline as operating capital requirements increase, leading to increased debt commitments.

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Inflation hits expert stock farmers

Although farmers have experienced favorable climatic conditions during the past two years, their financial position has not improved, because inflation is now really beginning to affect them, says Mr. Bob Brink, agricultural adviser to Barclays National Bank.

"When we study the production of field crops, we find that producer prices for these products have increased by about 13 per cent during the past two years, whereas the prices of fertilizers have increased by 29 per cent, machinery and equipment by 10 per cent, and fuel by 15 per cent," said Mr. Brink.

The price of inputs to the production of field crops was thus increasing considerably faster than the producer prices were increasing for their output. This problem of smaller profit margins has been further aggravated by the prices of feed—corn, sorghum and sunflowers—remaining considerably decreased in the past season.

"The impact inflation has had on the livestock farmers is even more severe as the prices these farmers have received for their products has increased by only four per cent over the past two years, up to the beginning of 1957."

"Farmers' problems are due to increased costs—food, their major cost in- crease, rose from R1.5 per litre to R1.8 per litre over the same period by a staggering 20 per cent.

"What makes the financial position of farmers producing beef so critical is that the declining per capita prices of beef in the market place are such that the farmers can no longer afford to increase their livestock capacity."

"The dual problem of inflation and reduced turnov- ers—stresses on stock managing.

New technological developments have enabled farmers to attain higher performances than ever before. However, these advancements in agriculture have also increased the average price of a farmer's unit throughout the country, which means that the farmer should, therefore, be run on sound business principles.

This statement was made by Mr. Philip Vogel, chief agricultural adviser to Barclays National Bank, when he addressed a farmer's day in Natal.

He added that "despite reasonably good crops," the financial position of many farmers was "not to be desired and proves that many of them do not yet recognize the ex- treme importance of sound financial management.

The advisory of farmers to keep within their economic capacity and not to be overly ambitious, was relatively belated but tells the truth. Liquidating "phantom"—their ability to meet short-term commitments—and at the same time finance crops adequately.

"Inflation can, to a large extent, be blamed for this," said Mr. Vogel.

"Prices received for produce do not keep pace with the increases in production costs and it cannot be ignored that farmers, in real terms, receive less for their production."

Another reason why some farmers were today finding it difficult to meet short-term commitments was that the price of grain at harvest time was lower than they expected."

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Eastern Cape navel is top of the pips

Inside the Kat River Citrus Co-op.

Tested in the laboratory, for acid content, density, temperature, soluble substance, and waste, and only if up to standard does each consignment enter the factory. If satisfactory the oranges are unloaded by electric hoist taking two tons at a time. They then start to move through the factory and only come to rest when they have been packed into the carton. During this time they are unstacked by hand, and are brushed, wired, dried, graded for size by machine, checked by eye, packed electronically into their various sizes and then packed by hand into special tins into expert cartons. Those cartons have been assembled in the factory at a rate of 24,000 a day if necessary. Oranges are also packed into pockets, and some go to the factory for juice production.

Beef for Africa is sold at a loss

Surplus South African beef is being shipped to Greece and some unknown African states at a loss in order to reduce the country’s vast beef surplus.

This was revealed by Mr S T van Rensburg, general manager of Vleenstal, the country’s biggest livestock cooperative, during the closing session of the annual general meeting of Stowens Owners Co-op Limited at Tweedie near Howiesonspost.

Mr Van Rensburg also revealed that cheap manufacturing beef from Australia was being imported by the Meat Board which, after processing and canning, was re-exported.

Although the logic of this may not be always apparent, according to Mr van Rensburg, the reason is that the Stowens Owners Co-op Anti-Apia does show from their complicated economic juggling.

At the end of last year the Meat Board, imported 8,000 head of beef from Australia. This amount was equivalent to 12,000 carloads of South African beef. Mr Rensburg said after processing, South African carcases were exported and

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MARKETING

Apples and pairs

Realignments of the R300m-a-year apple industry is gathering momentum as companies and co-ops anticipate leaner times ahead. Impetus for the reshuffling comes from fears that exports to Europe next year will be badly hit — by 10% or more — as the EEC crop improves and SA growers face much stiffer competition from other producing countries, mainly Chile and Argentina.

To offset expected fall-off in exports, SA growers wish to increase local consumption. This requires stronger marketing and promotion, and at least one new pure fruit drink to rival the popular Applejuice is imminent.

Ceres Fruit Growers (CFG) GM Ben Lubick says his product, so far called simply CFG Pure Apple Juice, will be launched next Friday along with CFG Pure Pear Juice in 250 ml, 300 ml and one litre containers. "Nothing added and nothing taken away. Just the natural juice," says Lubick.

Another Central co-op member with similar processing plant, Louterwater's Lankgo, is already exporting pure fruit juices. With CFG, presently earning R2,75m from juices mainly sent to North America, Lankgo is expected to go for more Far East business.

The seven-member, Wadewell-based Central co-op (its Sunripe Fruits turns over R17m annually) wants to win sole local marketing contracts for Kromko apples; these, including exports, are being produced at around 2m 20 kg cartons a year.

Central Co-op GM Chris Muller says: "We (Sunripe) have already agreed to market Kromko's apples in the Transvaal and Free State."

Kromko vice-chairman Ian Huxter won't commit himself further than that.

"We'll supply the Central Co-op with fruit but do our own marketing this season."

A loose form of business arrangement thus far. But Kromko, as the leading producer, is the one to watch. There is already speculation that a shift in alliances could swing control of the apple industry from the Cape to the Reef. The prospect of Kromko handing over all its marketing to Central (perhaps eventually even becoming its eighth member) has already thrown some producers into a spin.

With tough times ahead some smaller growers could do with Grebouw's muscle on their side.

Kromko was one of the Cape consortium that recently attempted to buy Applejuice to secure a major outlet for their apples. ( Anglo American denies, despite widespread speculation, that it is now after Applejuice — owned 51% by Edmond Lombardi and 49%, Coca Cola.)

Subsequent failure of the Cape growers, marketers and co-ops to form a new umbrella organisation in the area ( provisionally named EGO Central co-op) to rival Wadewell's Central seems to have left Kromko in limbo — especially as it is parting from the Alpaca marketing company.

Cape growers and co-ops are still trying to forge a stronger organisation — hopefully with Kromko as a key member — while the Central sings the benefits of the biggest apple producer strengthening links with the biggest co-op of its type.

Meanwhile there's no indication of which way Kromko will fall.
Table 13. Total number of tech

Table 12. Matriculation and Set

Table 11. Passes in trade scho

Table 10. Employment in Africa

Table 9. NTC I IIII passes, for

Table 8. Matriculation and Set

Food

Stopping the rot?

Food, like many other things, is vulnerable to spoilage, which can result in financial losses and health hazards. Therefore, it is crucial to control these losses and maintain food safety. Mainly, to control losses, refrigeration and irradiation are used. Irradiation is the process of using ionizing radiation to inactivate microorganisms, pests, and, sometimes, plant growth hormones. This is mainly done by gamma rays or electronic beam. The technique is energy-intensive and expensive so it is more common in developed nations. The process is relatively slower compared to cold storage and is mainly used to extend the shelf life of some products. Refrigeration, on the other hand, is a cooling process used to slow down the chemical reactions that cause spoilage, thus extending the shelf life of food products.

A more profound technique used to control food losses is irradiation. In irradiation, the food is exposed to a source of ionizing radiation, which induces damage to the microorganisms and pests in the food. The damage is not limited to the microorganisms in the food; it also affects the food itself. This can be a double-edged sword, as irradiation can cause some chemical changes in the food, which can affect its quality. However, in the case of irradiation, the damage is more limited to the microorganisms and pests, and the food's quality is not significantly affected.

The process of irradiation, however, is not without controversy. Some people argue that irradiation is harmful to health, while others argue that it is a safe and effective method to control food losses. The controversy is not limited to the general public; it also exists among food scientists and government officials. The controversy is mainly centered around the safety of irradiated foods. While there is no conclusive evidence that irradiated foods are harmful, some people argue that irradiation can cause some changes in the food's quality.

The irradiation technique is mainly used to control the losses in developing countries, where refrigeration is not available or is not used. In developed countries, refrigeration is more common, and the irradiation technique is mainly used as a supplementary method to control food losses.

The irradiation technique is also used to control the losses in developing countries, where refrigeration is not available or is not used. In developed countries, refrigeration is more common, and the irradiation technique is mainly used as a supplementary method to control food losses.

Despite the controversy, irradiation is a practical technique to control food losses. However, it is essential to monitor the irradiation process carefully to ensure that the food's quality is not significantly affected. The technology is still evolving, and new methods are being developed to control food losses more effectively.
FRUIT EXPORTS

No golden apples

Cape deciduous fruit growers have scored their best export performance to date. Gross sales in the 1978 season hit R200m and net payments to farmers will probably be R100m, says Alec van Niekerk, new chairman of the Deciduous Fruit Board.

The comparative figures for 1977, when the industry suffered heavy crop losses from storm damage, were R136m and R61m.

Main reason for this was the recovery in the volume of apples exported, 10.6m cartons (6.6m), coinciding with yet another short European crop: from 7.5m t in 1975, down to 6.5m t in 1976 and 5.1m t in 1977.

Pear exports declined marginally from 2.7m cartons last year to 2.4m, but cash receipts were higher because of good quality and higher prices. Table grape exports recovered from their disastrous 1977 showing and rose to 4.7m cartons (3.8m), despite the loss of 500 000 cartons in the Hex River area due to unseasonal hail.

Although Europe continues to take the lion’s share of exports, Van Niekerk says significant advances have been made in other markets, notably the US and the Middle East. In Iran the board suffered an unexpected setback as a result of the withholding of permits in respect of virtually all fruit imports. Nevertheless, sales in other Middle East countries continued to expand and this market holds the greatest potential for short-term expansion.

High cost of shipping

Shipping expenses were the biggest single drag on pool revenue — about $70m on a near record volume of 737 000 m³ (750 000 m³ in 1976). Container shipments amounted to 42 000 m³.

Indications are that the northern hemisphere apple and pear crops will return to normal this year. France expects its apple crop to be 1.75m t, an increase of 41% about two-thirds of which will be Golden Delicious. Belgium has forecast an increase of 118% and Germany 22%. British production is reckoned at 420 000 t, 53% up on last year.

In view of the possibility of a 7m t-8m t European apple crop, Van Niekerk says there is a danger of EEC import quotas, but since these will have to be based on the average level of imports in previous years, SA can still expect generous quotas.
Price of vegetables to drop

Agricultural
Correspondent

HOUSEWIVES can
expect the price of
vegetables in Pieter-
maritzburg and Durban
to drop soon following
a decision by farmers to
market their produce on
a co-operative basis.

At a recent general
meeting of the Natal
Fresh Produce
Growers' Association
held at Hammarsdale
yesterday, vegetable
growers agreed to join
the Natal Banana Co-
operative Ltd. so that
they could cut out mid-
dlemen and supply
produce either direct to
housewives or through
selected retail outlets.

The chairman of the
association, Mr. Jimmy
Main, said if vegetable
farmers joined the co-
op, prices of vegetables
would drop.

He said by cutting
out the many mid-
dlemen both growers
and consumers would
benefit.

"The co-op will han-
dle produce on a com-
misson basis only.

"They have huge
cold-storage rooms and
the vehicles to handle
the produce."

The plan has still to
get Government ap-
proval and details will
have to be worked out
as to how vegetable
growers can buy shares
in the existing banana
coop.

Mr. Main said he did
not foresee any
problems and said "ap-
proval is a mere for-
mality."
APPLES

Apec corners Cape

A group of apple growers in the Cape has now welded itself into a marketing group in an attempt to control the lion's share of a tightening market. The 26 producers in the Grabouw-based Apple Producers of Elgin Co-operative (Apec) are also consolidating their position with the takeover of Elgin Apple Sales as the marketing arm for a crop estimated to be at least 20% of SA's total annual production of 20m 20-kg cartons.

Apec MD Johnny Mudge says this already puts his outfit on a par with the established Kromko and Alpaco apple marketing groups. Other producers are likely to join or align themselves with the Grabouw organisation. "We expect to control 25%-30% of the apple crop — including exports," says Mudge.

A major reshuffle of this sort has been on the cards for months. Even now manoeuvrings in the volatile deciduous fruit industry are far from over. Main reason for the regrouping and consolidation is a fear in the R300m-a-year industry that an apple surplus is looming.

Europe's apple crop is expected to boom this northern hemisphere season after a couple of exceptionally bad years. Other foreign competition, notably from Chile, Argentina, New Zealand and Australia, also looks like cramping SA exports to the vital EEC market (Business Brief October 13). Mudge says, however: "We don't see any problems in Europe. My impression is that there will be no EEC quota restrictions."

Possibly, but there will be a lot more apples around locally and internationally to dampen the price with or without EEC' import restrictions. At least 50% of SA's apple crop is exported and, of about 9.5m cartons for domestic consumption, 4m of lower grade go to processing.

Seeing the signs of surplus, Elgin Apple Sales embarked several months ago on its own campaign to increase the woefully low local per capita apple consumption by better packaging and slicker marketing (even putting a guarantee sticker on every one of its apples).

Apec's production of around 4m cartons, of which 50% is expected to be exported, leaves Elgin with the formidable task of marketing 2m cartons locally. GM Robin McGregor is banking on economics of scale, transport rationalisation,
For once, consumers may be glad to hear, they were right.

At the SA Agricultural Union’s congress last week the Minister conceded that “consumers’ complaints (about fruit and vegetable prices) were not without foundation.”

A study by the Department of Agricultural Economics and Marketing in the municipal area of Pretoria shows that, whereas in January 1974 53% of the price went to farmers and 47% to the distributors, in June 1978 the positions were exactly reversed, with distributors receiving 53% and the producers only 47%. Greengrocers’ average gross profits were 47% and average net profits 24%.

What’s to be done is another matter.

On one hand, distribution is in the hands of private enterprise, and not even the most ardent advocate of controlled marketing would suggest that it could be applied successfully to these products (other, of course, than certain fruits, such as citrus, bananas, and deciduous fruits for which control boards already exist). There is certainly no lack of competition among retailers but it doesn’t seem to be operating as it should to keep prices down.

The large chain stores, which work on a small profit but high turnover, buy the best quality and sell pre-packaged produce which tends to keep prices to the consumers up, while the small retailers’ costs are high because of the very high wastage.

On the other hand, producers’ prices have been depressed partly because too much produce was bypassing municipal markets, which pushes up unit costs, weakens the farmers’ bargaining power and tends to keep prices low. The SAU’s efforts to improve marketing and distribution have started well (FM June 16). A central transport co-op is operating which enables regular full loads and return loads to be carried. And there are co-operative marketing agencies at all the main municipal markets. But it is still early to judge results.

Meanwhile a full report is being prepared by the Department’s assistant director, Dr J P (John) O’Connell, which will be published in mid-November. The Minister suggested that organised agriculture should look into it again. But surely this is a case which the Marketing Council should take on as well?
CITRUS EXPORTS

Third time lucky

Citrus exports will reach a new record this year — for the third successive season.

With two weeks to go to the end of the 1978 season, the Citrus Exchange estimates that gross earnings will reach R180m, about R33m up on 1977’s figure, and more than R60m higher than the 1976 record.

“Everything has been in SA’s favour. Prices in Europe were very, very good,” says Citrus Exchange commercial manager Ray Hauptfleisch. “We started off in April with virtually no competition from other citrus, and the European soft fruit crop was late.” That Europe is now being swamped by a flood of apples has made little difference, as the citrus men have managed to hold their prices up.

A big export crop also helped. Some 28.1m cartons of oranges will have been exported by the end of November, compared with 24.4m last year. Lemon sales have zoomed up by 35% to 1.3m cartons.

From a marketing point of view, says Hauptfleisch, “it has been a normal run.” Britain remains the largest single market, taking about a fifth of the export crop, but the Citrus Exchange has made great strides in penetrating Middle East markets. Japan, however, remains closed to SA oranges, because of Tokyo’s tough phyto-sanitary rules. But the Japanese did import 265,000 cartons of SA grapefruit.

Citrus farmers can expect a hefty payout. Their gross income last year totalled R79m. This year, it is likely to be more than R90m.
Expert backs prickly pear as commercial fruit crop

Prickly pear, the spineless species in particular, can be an important domestic and commercial/fruit crop in Southern Africa, including the Ciskei and Transkei.

So says Mr. M. O. Brutsch, a senior lecturer in Fort Hare University's faculty of agriculture, who for the last three years has done research on prickly pears and hopes to write a thesis for his doctorate on this subject.

The only research in South Africa involving the prickly pear as a fruit crop is being carried out at Grootfontein Agricultural College, Middelburg, and at the University of Fort Hare.

At Fort Hare experiments are being carried out with some 13 varieties, but according to Mr. Brutsch only five of those varieties will be suitable for conditions in the Ciskei and Transkei. They are Algerian, Malta, Morado, Gymno Carpa and Blue Motto.

Mr. Brutsch is very enthusiastic about the prickly pear as a commercial fruit crop in this area, and looking at yields and prices in different countries one can understand his confidence.

He feels that yields of no less than 10 ton ha (10 000 fruit) is possible here. The sale of the fruit at 1c each will net a farmer R800.

In Italy yields are obtained between 35 and 40 tons ha. At Grootfontein the yield is 50 tons ha.

Mr. Brutsch is also confident that the five varieties mentioned could be marketed over long distances.

A few years ago Grootfontein sent a trial consignment of fruits to Covent Garden, London, and obtained the phenomenal price of R4.50 for 20 fruits — more than 22c a fruit. This then is proof that prickly pear has an excellent potential.

First emphasis, however, is to develop a local market. Many areas in the Ciskei are unsuitable for crops such as maize but would be ideal for prickly pears.

"Possibly more important," Mr. Brutsch said, "is the impact it may have on the population as a whole. Growing prickly pears near the homestead is a source of fresh fruit for three to four months of the year; longer if processed into a form that can be stored.

In times of severe drought and shortage of food for stock, spineless prickly pears could be put to good use — as food for man and beast."

According to Mr. Butsch prickly pear could be treated to produce out of season crops.

He feels that with full research a number of by-products could be produced such as an anti serum from the seeds, wine, red ink, remedies, oils for satellites and petrol.

To encourage production Grootfontein has since 1976 made available 56 000 spineless prickly pear material for fruit production. The plant is not difficult to grow and hardly needs attention. Its danger comes mainly from two diseases — Coccinelle and Cactobiastis Cactorum — but with two sprays a year these could be fully controlled.
FRUIT

1974 – 1976
New wage deal for canning workers

NEW minimum weekly wages from October 1 for employees in the fruit and vegetable canning industry were announced in Cape Town this weekend by Mr John Mentoor, general secretary of the Canning Workers Union.

There will be a R7.13 a week increase for men and R4.75 for women above the highest rates in terms of the old Conciliation Board agreement which expired on May 31. Mr Mentoor said the agreement was concluded between the union and board recently. The union pressed for higher wages, ranging from R36 a week upwards, as members found the cost of living too high.

Other benefits were agreed on. These included:

- One wage scale for all areas instead of varying scales for different magisterial districts.
- Better annual wage increases during the period of operation of the new agreement.
- Three weeks annual leave on full pay for employees who have had 12 months service and a pro rata share for others.
- Overtime payments at time-and-a-half of the basic wage.
- Payments of 20c (previously 10c) for washing overalls.
- A meal allowance during overtime of 50c instead of the previous 25c.

— Sapa
Fruit canners have the pip over exports

BY GORDON KLING

SOUTH Africa’s fruit canners — bruised by falling export sales — are to hold an emergency meeting with the SA Canned Fruit Export Board in Cape Town on Tuesday.

The country’s canners will discuss what should be done to halt the dramatic 50 per cent drop in their overseas sales at a time when overseas dealers are reported to be overstocked.

The first signs of price cutting appeared this week with a 5 per cent reduction in the price of Australian canned fruits on the British market.

The record deciduous fruit crop last year, the largest in South Africa’s history, couldn’t have come at a worse time. The fruit canners are highly concerned about a drop-off in the export market.

Sources in the industry say the crop was in poor condition, which will mean higher processing costs at a time when transport, labour and packaging costs have already risen to new heights.

Johan Mouton, general manager of the giant Langeberg Re-operative, says export sales are down by 50 per cent on last year and the lucrative Japanese market has all but vanished.

Dr Mouton says the company has just been hit with an 11 per cent increase in the price of tin cans, which make up a quarter of production costs. He sees no way in which export prices can be lowered.
South Africa faces an export earnings loss of about R12-million because its overseas market for canned deciduous fruit — mainly peaches, pears and apricots — has been slashed.

The cut comes on top of the collapse of its overseas citrus juice market, probably leading to a foreign exchange loss of about R2-million, following the oversupply of Brazilian juice in Europe.

The citrus industry may have to dump fruit. The Star has already investigated reports of grapefruit dumping in the Hecharspruit area of the Eastern Transvaal, but no evidence has been found to support them.

It is reported from Cape Town that overstocking and depressed economic conditions in Europe will result in South Africa’s export markets for canned deciduous fruit being slashed by 30 percent this year.

Based on the value of last year’s production, this would mean a loss of about R12-million in export earnings.

IMPROVEMENT

But the manager of the Canned Fruit Export Board, Mr. N. J. Lawren, is quoted as forecasting an improvement “from about July onwards.”

The chairman of one of South Africa’s biggest citrus juice producing companies, Mr. Hugh Hall, said today: “This is going to be a difficult year, but we will come through.”

He said there would be no question of South Africa losing its overseas markets to Brazil.

Brazil was in a worse position than South Africa because the bulk of its fruit production went into juice. “South Africa was more concerned,” with fresh-fruit exports.

FREE FRUIT

About 15 percent of South Africa’s total citrus crop is processed for export juice. Fresh fruit, under the Outspan stamp, will apparently not be affected.

Already South Africa’s grapefruit farmers have been told that small fruit will not be accepted by the Citrus Exchange. The exchange has told a number of charities there is the possibility of free fruit becoming available during peak marketing periods in the next five months.

Now the Citrus Exchange is hoping to market a bigger proportion of the bumper crop as fresh fruit. Contracts have been signed for the export of 3-million cartons to the
SAAF helps to get fruit over in time

SOUTH African Airways has arranged four extra charter flights to Europe this week to transport tons of Boland fruit which is in danger of rotting.

Yesterday, 60 tons of melons were awaiting a flight at a freight agent at D.F. Malan Airport, while 180 tons of fruit—mainly grapes—were due to be transported by road from Cape Town to Johannesburg today because freight space could not be obtained.

Two of the extra flights will be from Cape Town tomorrow and on Friday, and the others from Johannesburg.

Mr. Gerd van Mansberg of Perishable Cargo Agents, the largest freight agent in the country, said he had dumped 12 tons of reject melons on to the market on Friday and another 10 tons yesterday.

"Fruit is coming in to our cold storage rooms all the time," he said.

"When one load in our refrigeration rooms begins to go off, we dump it as 'export reject' on the open market to make room for fresher produce.

"But with 15 to 20 tons coming in every day, the situation is getting worse."

At the harbour yesterday, 180 tons of fruit was being loaded into refrigerated trucks for transport to Johannesburg because space on freighters could not be obtained.

Also in danger of spoiling, the consignment will be treated as priority cargo on the two extra flights from Johannesburg, said SA Transport Services spokesman Mr. Leon Els.

He said the freight agents had met the Minister of Transport Services, Mr. Eli Louw, late last year.
Banana Control Board

15. Mr. C. A. VAN COLLER asked the Minister of Agriculture:

(1) What was the average banana price paid by the Banana Control Board in 1973–74 to (a) local producers and (b) producers in Mozambique;

(2) whether consideration will be given to amending the existing agreement with Mozambique in order to restrict the importation of bananas from that country; if not, why not;

(3) at whose request has the Board undertaken the marketing of bananas on the East London municipal market.

The DEPUTY MINISTER OF AGRICULTURE:

(1) (a) and (b) R1.59 per 20 kg (weighted average of pool payments).

(2) It is not contemplated at this stage to amend the existing arrangement.

(3) The Banana Control Board decided after an investigation of various aspects of its marketing policy to supply bananas to the East London municipal market.
FRUIT CANNERS MAY SUFFER KNOCK IN SALES

Financial Staff

FRUIT farmers and the fruit canning industry in the Western Cape can expect to take a hard knock from higher tariffs now that Britain has voted to stay in the European Economic Community.

This is the view of a leading canning company in Cape Town today.

Before 1974 South African exports to Britain, her biggest customer, were sold free of import duty. But tariffs will continue to rise yearly until they reach 24 percent in 1978, a spokesman points out.

"Obviously our European competitors will have a price advantage and be able to supply cheaper goods unless we can curtail our costs."

A growing number of countries, including Israel and Mediterranean countries, are gaining associate membership of the Common Market, which means their fruit also undercut the South African product.

Another threat is that Greece, Italy and some other countries are planning to step up fruit production, notably of peaches and apricots.

International canning companies are looking round Europe for new sources of fruit now that Britain is firmly in the Common Market.

To add to the industry's worries, the higher cost of living means less canned fruit is going on the menu of many South African housewives. Sales dropped about a fifth last year.
A healthy balance of payments is a vital base for the next business upswing, expected to get underway early next year. So far the spotlight has fallen on contributions from lower imports, stepped-up capital inflows and a higher gold price.

How about non-gold exports?

Last year, merchandise exports ran to a record R3.345m or about 1.5% of GNP. Though this year’s earnings (to April) are 14.4% up on the corresponding month of 1974 (R1.362m) as against R949m), this merely offsets cost inflation at home.

Exporters have certainly felt the icy winds of recession blowing from the major industrial countries. Market prospects, particularly for minerals, depend above all on recovery in the US, Europe and Japan, the first signs of which are beginning to appear.

The diamond trade, for instance, is looking for stronger demand in September and October, particularly from the US, which takes about half of total world production. The market is quiet at present ahead of the Antwerp holidays next month.
Chief victim of the slowdown in demand has been high-quality large stones (over two carats), and De Beers will no doubt concentrate on the marketing of these stones in the months ahead. Demand for smaller stones has held up well and stocks are low.

Platinum earnings for the year will be significantly affected by the slump in the producer price which stood at $190 an ounce for six months of 1974 but is now at only $155.

Though producers need a substantially higher price to maintain profitability, their ability to up selling prices depends above all on international demand.

The market has absorbed a large amount of metal in the past two years and the immediate outlook for an improvement in industrial demand is not rosy. The jewellery market is still holding firm though. Demand and prices could, however, improve in the wake of a further weakening in sterling and the dollar and a rise in the gold price.

Manganese earnings are barely affected by changes in the free market price, as ore is sold on annual contracts which ensure a stable income. Though export volumes this year will probably be much the same as 1974, receipts should be up.

Continuing firm demand, despite the steel industry slowdown and high stock levels, can probably be ascribed to importers taking advantage of favourable freight rates. But faster stockpiles mean that demand is unlikely to rise significantly soon, despite the likelihood of a pick-up in steel production towards the end of the year.

The expected turnaround in Western economies should have a particularly marked effect on copper. For the time being though, the market is still in the doldrums. US brass and copper mills are running at only 40% of capacity and stocks are high.

Compared with an average 1974 London Metal Exchange copper price of £777, the average so far this year has been around £550. Prices have been held up by sustained “long-term investment” buying, but no improvement is likely before September.

SA’s copper export receipts depend heavily on LME price levels, as any change in the price is invariably for the purchaser’s account.

A morsel of good news is that, despite weak demand, SA is likely to export a greater quantity this year thanks to its reputation as a reliable supplier, in contrast with production cutbacks by Cippe member countries.

Asbestos exports will still well up on last year’s levels. World supplies have been slashed as a result of fire at one Canadian mine and a pit collapse at another, as well as a four-month long strike.

Demand for asbestos has been helped by its use in irrigation, sewage and housing projects in the newly-rich oil-producing nations. In addition, asbestos cement has become more competitive following steep hikes in steel and plastic prices.

Largely as a result of the oil crisis, demand for uranium is also booming. There is a current dearth of supplies following delays in construction of nuclear power stations and consequent production cutbacks a few years ago.

Prospects for farm exports are generally not too bright. Last year’s R36m wheat bonanza, for instance, will not be repeated. The current crop is only just big enough to meet local demand and there is no exportable surplus at all.

On the other hand, it should be remembered that SA is not normally a net wheat exporter. The size of next year’s crop, however, will only become clear early next year.

Canned fruit exports have also taken a knock: sales so far this year are only half those for the same period last year.

Heavy stockpiling at the beginning of 1974 and a 25% slump in consumer off-take are most to blame. But the Canned Fruit Export Board is hopeful that 1975’s total sales will pick up to reach about 75% of 1974 earnings.

Main reasons for the Board’s optimism are the advertising campaign being mounted in Europe and the stability of canned fruit prices, other than at distribution points. Prices have not been raised at all this year, thus sharpening the competitiveness of this product.

This year’s maize crop of 10.5m tons comes close to last season’s record 11m. Moreover, the Maize Board expects to export 2.5m tons in 1975 (2.1m last year). The sharp increase is because very little maize left the country in the first six months of 1974.

Two factors may dent SA’s earnings. Rail and port congestion has already compelled the Maize Board to cancel three cargoes this week. More cancellations could follow.

The price outlook is bearish. As a

**Pulling in the dollars... SA’s chief export commodities**
result of slack demand for feedgrains and signs of a good US crop later this year. Chicago market prices have slipped from over R100 a ton last October-November to around R70.

SA tender prices (and thus export receipts) tend to follow Chicago prices quite closely, though at a premium to the latter since local prices are quoted free alongside elevator (f.a.e.), while the Chicago price is an internal one. There is also sometimes a discrepancy in white maize prices, as the Chicago quotation is for yellow maize.

Lower world prices will also hit sugar earnings. At the start of the current season (May 1) estimated foreign earnings were R250m. But with the subsequent drop in the London Daily Price (because of slack demand, large stocks and expected bumper crops) and with a fair amount of the season’s export crop still unpriced, earnings are now likely to be considerably lower.

Judging from futures prices on the terminal market (last week about $130 a ton for March to October next year), another upward spurt to match last year’s leap is unlikely.

Deciduous fruit has had a record season. All pears, peaches and almost all grapes have already been sold, though some 40% of the apple crop (which makes up the bulk) still has to be disposed of.

Since most buyers are in the middle and upper income brackets, the drop in real incomes has barely affected the demand for fruit. The German market has been especially buoyant. Bad news for the coming season is that a massive French apple crop is in the offering.

Foreign demand for wool has picked up recently, particularly in Germany and the citrus season got off to a roaring start in terms of both volume and prices. Mediterranean countries were able to sell almost all their fruit before SA entered the market, so stocks are low.

The citrus board is confident of a high export season, despite competition from the lower-priced fruit from Brazil, Argentina and the US. Partly to meet this competition, the citrus board is marketing a slightly lower grade fruit — known as Odeia — in selected markets.

On balance, the outlook for the main props of our export trade over the next half-year is much the same as for the first half of 1975 and not much different from 1974. And while the economies of our major trading partners remain in the doldrums, the performance of other, smaller exports is unlikely to be much better.

So, until the much-heralded revival abroad actually becomes reality, our hopes and fears for the current account will continue to be focused on gold. And at the moment that’s not particularly reassuring.
FRUIT EXPORTS

Juicy prospects

Preliminary estimates of the Deciduous Fruit Board (DFB) indicate that the financial results of the 1974/75 export season will be considerably better than last year (gross proceeds R84,2m) and probably even better than 1972/73’s R89,3m.

Whether pay-outs to farmers (R54,8m in 1972/73 and R43,2m last year) will rise much, though, the DFB is loath to say. Sharply increased ocean freight and other pool costs, it points out, are likely ‘substantially to exceed last year’s R41,2m.

The Board says, however, that the volume of fruit shipped this season is likely to be a record, possibly even better than 1971/72 when about 850 000m³ of fruit was exported.

A feature of this season’s export performance has been the bumper pear and apple crops, exports of which are expected to be 30% and 20% up in volume, compared with last season’s 22 698 t of pears and 145 687 t of apples.

Prices obtained for apricots were 40% higher than 1973/74, but the volume was 17% down on last year’s 81 t. Likewise, realisations on peach exports were 50% higher, but exports were 20% off last year’s 771 t.

The volume of grapes exported is expected to be about the same as last season’s 27 567 t. So far, about 60% of the table grape crop has been sold and the average prices obtained thus far are better than last year.

DFB anticipates that the volume of apples exported will be nearly 20% more than last year’s 145 687 t. About 33% of the export crop has been sold at prices higher than 1973/74.
Going for a Banana Board

song

Staff Reporter

Bananas should be cheaper soon — if the retailer passes on a new reduction in their price to the consumer.

The Banana Board is reducing its selling price to 40c for 20 kg, it was announced in Pretoria today.

However, the reduction will not necessarily reach the consumer. The board does not have the power to fix banana prices in the wholesale and retail trade.

A spokesman for the board, Mr J A Howard, said the price decrease was due to normal circumstances in weather and production.

This increased production should last until December, but prices would depend on supply and demand.

Banana production increased from the middle of August.

Mr Buddy Botha, in charge of banana sales at the Johannesburg produce market, said retail prices at the market would be R3.70 for 20 kg.

The previous price to the consumer had been R4.10.
EISOP TO UGCS
LONDON BOYCOTT

CALLS by British trade unions and anti-apartheid groups for a boycott of fresh and canned fruit and wines from South Africa have made the South African Labor Workers Union, based in Johannesburg, decide to send its leader to London to explain that a boycott will do Blacks irreversible harm and increase Black poverty.

By HOWARD LAWRENCE

In a telephone interview from his Johannesburg home, Mr. Eisop, who is the independent member for Bekkeveld, confirmed that he will be going to London to fight against the boycott and so fight for the wellbeing of Black farm workers.

"I have nothing against people who are opposed to apartheid," Mr. Eisop said, "but I do share the reasons people have all over the world for rejecting apartheid, but I am opposed totally to any activities which purport to be on behalf of Blacks in this country but which increase their suffering and poverty."

He had agreed with the appeal to him to put the farm labourers' case in London "because I know what a boycott will do to them, as I have been committed for many years to their plight."

Mr. Eisop was one of the people responsible for pressure on the Government which led to the Government abolishing the Master and Servants Law last year.

He has also been the principal negotiator with the Agricultural Union in the Republic which led to the recent decision of the Rand Agricultural Union to radically change the conditions in which farm workers have worked and lived in the Republic.

"It must be realized," Mr. Eisop said, "that if a boycott of South African fruit and canned fruit were successful it would cause economic chaos in the agricultural setup in this country, but the farmers will not be as seriously affected as the Black workers."

"A drop in exports because of a boycott would result in farmers not being able to keep up with changes they have decided on for their workers, especially in the Western Cape."

"It would lead to unemployment among a section of the Black community who cannot afford to be unemployed. It would lead to social chaos and widespread poverty," Mr. Eisop said.

He felt that anti-apartheid workers in Britain "surely do not want to increase the suffering of the Blacks, and this will be inevitable if they go ahead with their boycott call."

"We have fought for many years for drastic change in the status quo as it affects Black farm workers and in the past year we have made tremendous strides in getting the Government and the farmers not only to acknowledge the need of the old system to change as Black farm workers are concerned, but also to take action in this regard," Mr. Eisop said. "A boycott could only put us back in square one."

Rand Agricultural Union leaders had agreed in principle recently, to pay farm workers a decent wage, to provide housing and recreational facilities, training and schools, and that is more important to us than any boycott on their behalf by people overseas," Mr. Eisop said.

Mr. Eisop also slammed the Labour Party of Mr. Sonny Leon for having made a call to British trade unions last year for a boycott of South African fruit and canned products.

"The Labour Party boycott call was the most irresponsible act ever by any Black group in South Africa could have undertaken," Mr. Eisop said, "because it showed a callous disregard for the plight of the most oppressed group in South Africa - the farm workers."

On September 3, Mr. Eisop said, he and his group would be meeting the Agricultural Union for talks based on the union's recent agreement on workers conditions on the farms.

"My organization will also be writing a long letter of protest to the Labour Party of Britain and to the trade unions, who have decided not to handle South African farm workers.
CAPE TOWN. — Indications are that gross proceeds from South African deciduous fruit exports will total R110-million for 1975, compared with an earlier estimate of R110-million, says the Deciduous Fruit Board chairman, Mr P. G. van Broda.

The previous high for any season was R83 300 000 in 1973, and the 1974 figure was R84 200 000.

Revised assessments indicate payments to producers this year will be about R61-million, against the previously estimated R55-million and last year's payments of R43 200 000.

Reuter.
Banana co-op to hit profiteering

Natal's first banana co-operative on the South Coast has been formed and farmers now hope to control the marketing and distribution of their fruit.

Mr. Peter Smythe, chairman of the newly-formed Natal Banana Cooperative, said yesterday that 63 farmers had formed the venture in an effort to eliminate the middleman in the marketing of bananas throughout Natal.

Mr. Smythe said: "These farmers represent about 90 percent of Natal's banana production and our intention is to stabilise the industry here for the benefit of both producer and consumer."

Farmers on the South Coast led by Mr. Roland Walsh, who master-minded the scheme, have for years been frustrated by the widening gap between what they receive for their fruit and what the housewife has to pay.

Mr. Walsh said: "We will now be able to contain, if not reduce, the price of bananas in Durban."

The co-operative plans to have depots and distribution points in Durban and other centres so that housewives can buy direct from the farmers.
Wilson 'no' to fruit boycott

By GEORGE MANUEL

The British Prime Minister, Mr Harold Wilson, has informed Mr Solty Essop, Independent CRC member for the Bokkeveld constituency, that Britain has no intention of boycotting South African fruit.

Speaking from his home in Beaufort West yesterday, Mr Essop said that he had received a letter at the weekend from the British Prime Minister's secretary which gives Britain's attitude quite clearly to the calls made by the Labour Party of South Africa and others in Britain for a boycott of South African fruit.

Mr Wilson was replying to a letter from Mr Essop, asking that Britain should not heed calls for a fruit boycott.

In the reply, Mr Wilson's secretary writes: "I can assure you that it forms no part of Her Majesty's Government policy towards South Africa to impose a boycott on the import of South African fruit."

Mr Essop told Mr Wilson he represented the Bokkeveld constituency where fruit was produced on a large scale. His Coloured Labour Party opponent in the CRC elections earlier this year had appealed to Mr Wilson for the imposition of a boycott.

He (Mr Essop) on the other hand had opposed such a boycott and had been returned to the CRC with a majority of 4,900 votes. He said, fruit producers in his constituency made use of Coloured labour. If Britain imposed a boycott, the Coloured workers would suffer and lose their jobs.
Costs cloud export trade in Western Cape and South West.

Exporters of canned and dehydrated fruit, wine, and fish products in the Western Cape and South West are experiencing difficulties due to the devaluation of the Rand. The Fall of the Rand has had a significant impact on export earnings. The Board for the Export of Fruits and Vegetables (FEB) has reported that the devaluation has affected export earnings. The devaluation has reduced the competitiveness of South African products in international markets.

The devaluation has also affected the cost of production. The cost of raw materials, labor, and transportation has increased. This has resulted in higher costs for the production of canned and dehydrated fruit, wine, and fish products. The Board has reported that the cost of production has increased by 10% in the past year.

The devaluation has also affected the exchange rate adjustments between countries. The Board has reported that the devaluation has affected the exchange rate adjustments between South Africa and other exporting countries. This has resulted in lower export earnings for South African products.

The Board has reported that the devaluation has affected the competitiveness of South African products in the international market. The devaluation has reduced the competitiveness of South African products in Europe and other major markets. The Board has reported that the devaluation has affected the competitiveness of South African products in over 70 major markets.

The devaluation has also affected the foreign exchange earnings of the country. The Board has reported that the devaluation has affected the foreign exchange earnings of the country by 15%. This has resulted in lower foreign exchange earnings for the country.

The devaluation has also affected the prices of出口 products. The Board has reported that the devaluation has affected the prices of export products by 10%. This has resulted in lower prices for export products.

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Apple exporters face a rotten time

By the Argus Correspondent

BRUSSELS — South African apple growers face the threat of a disastrous export season in Europe as a result of a big apple surplus in the European Economic Community.

Several EEC countries are already considering the introduction of import controls on all southern hemisphere supplies — but the EEC Commission is likely to reject such drastic measures and instead call for "voluntary restraint." Last year, South Africa cashed in on a poor European apple crop and earned more than £1 million from the sale of 8.5 million cartons — which amounted to a total export of 176,000 tons.

But this year the European crop appears set to surpass the 7.2 million tons of apples produced in the record harvest year of 1969/70. Already it is being termed, in Common Market jargon, an "apple mountain."

It is understood that most pressure for restraint in southern hemisphere deliveries has come from the Dutch Government which asked the EEC commission to limit the import of apples from South Africa, Australia, New Zealand and Argentina.

"What is puzzling officials in the South African deciduous fruit board is that the appeal for restraint should come so early — before the final crop figures are known and before the southern hemisphere season has had time to get under way.

At the time of the 1969-70 surplus the appeal for restraint to South African exporters went out in January, when it was realised that the apple mountain would not have been eaten away by the time the southern hemisphere apples came on the market.

Britain and West Germany are the biggest consumers of Cape apples. Last year, between them they consumed more than 8 million cartons, with Belgium, Holland and to a lesser extent, Denmark consuming the rest.

This year the community budget will have to cough up R14 million in compensation to French apple growers so that their 200,000 tons of surplus can be bought and destroyed.

One of the problems facing South African exporters is that the space on refrigerated ships is booked more than a year in advance, so restraint is not as easy as the EEC commission might wish. It would also be difficult for the Fruit Board to divert the apple shipments to other markets.

The biggest threat and one which South African marketers do not want to contemplate at this stage is an EEC imposed import ban similar to the current 18-month old ban on beef imports.
Fruit's booming

THE FRUIT industry boasted a fairly good 1973-74 season, but indications are that it is going to be up against some severe challenges during the coming year.

The Chairman of the Deciduous Fruit Board, Mr P. G. van Breda, estimates that deciduous fruit export totalled R19-million last season. This is R9-million up on the official target, and compares with R34-million in 1973-74 and R59-million in 1972-73.

He says revised assessments indicate payments to producers this year of about R61-million, against the previously estimated R59-million and last year's payment of 345-million.

A breakdown of the past season's major deciduous fruit exports shows 9.5-million (8-million) cartons of apples; 6.2-million (6.1-million) boxes of grapes; and 9.9-million (1.5-million) cartons of pears.

Of these quantities, 8.5-million (7.5-million) cartons of apples; 5.7-million (5.2-million) boxes of grapes; and 9.9-million (1.3-million) cartons of pears have been taken up by the UK and have Continent.

Mr Van Breda points out that West Germany is chiefly responsible for the growth in continental sales. Its share of the total apple market increased to 2.1-million (1.4-million) cartons; while that of the UK declined to 2.9-million (3.2-million).

West Germany took up 2.3-million (1.8-million) boxes of grapes, compared with 1.6-million (2-million) boxes absorbed by the UK.

Mr Van Breda notes, however, that although both countries took up greater quantities of pears, the UK retained its major share of the market with 612 600 (578 600) cartons against West Germany's 243 600 (166 600).

The Commercial Manager of the Citrus Purchasing, Mr Ray Hauptfleish, estimates that total citrus exports this year will be about R72-million, which compares with R59-million last year: R60-million in 1973, and R45-million in 1972.

Mr Hauptfleish says a breakdown of this year's citrus exports shows: 21-million (12.2-million) cartons of oranges; 6-million (4.3-million) cartons of grapefruit; 1-million (600 000) cartons of lemons; and a small quantity of mandarins. The total volume is 29-million (23.1-million) cartons.

European prices have also been at record heights, with oranges fetching up to R7.5 a carton, or about R1 more than last year.

Despite heavy sales of Spanish and Israeli oranges earlier in the year, South Africa was fortunate to enter the market when stocks were very low.

So much for the recent successes. What about the future difficulties?

Devaluation of the rand is not the only factor that could affect the pre-devaluation situation was such that South Africa would certainly have been squeezed out of the European market.

However, this danger must not be underestimated in the long term. Devaluation, is merely a short-term measure, and if inflation remains at its present level, or higher, the local fruit industry will need to be back to square one.

Apart from the hope that... (Turn to page 9)
Canada and Japan untouched

Deciduous fruit growers’ earnings

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Deciduous fruit exports

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Drastically cut, while South African tariffs will be hiked by between 6 and 24 per cent in the second of the four tariff increases. Of course this will be neutralized by devaluation in the short term.

Trade negotiators nevertheless fear that the South African share of the British market could fall from the present level of 20 per cent to less than 15 per cent if British housewives resist increased prices.

Moreover, a great deal of uncertainty is being created by the increasing weakness of sterling and the effect that the economic slump and unemployment are having on purchasing power in the UK.

Israeli competition is just part of the problem. The EEC hopes to complete deals with Tunisia, Algeria and Morocco to keep the political balance.

However, at this stage, agricultural ministers of the nine member countries are at odds on how they should go towards liberalizing tariff barriers and to what extent they should be held ransom by Algerian and Moroccan demands. These two refuse to guarantee that they will not boycott goods from European companies which deal with Israel.

On the basis of this, there is considerable speculation that the negotiations with Mediterranean countries might be suspended.

Moreover, there are problems with France. France has been fighting to retain its national safeguards (because of the apple surpluses in recent years) and extend them for another five years. However, it is now under-
Beefing up the fruit industry

Mercy Correspondent

PRETORIA — The Minister of Agriculture, Mr. Hendrik Schoeman, said in Pretoria yesterday that special legislation was being prepared to step up the efficiency of South Africa's fruit industry — already a multi-million-rand foreign exchange earner.

Addressing the annual congress in Pretoria of the S.A. Nursery Association, he said the new legislation — which he hoped to introduce at the next parliamentary session — would make it possible for superior grade plant material to be made available to producers.

In the 1974/75 season, total sales of fresh, canned and dried deciduous fruit in South Africa and overseas earned nearly R193 million.

RAISED

On the foreign markets, fresh deciduous fruit earned more than R84 million, canned fruit R60 million and dried fruit R14 million.

Experts believed that the general level of efficiency in the industry could be raised by 25 percent if exclusively health and true-to-type propagation material could be supplied to producers.

The gross income from vineyard producers was about R75 million a year, while the Government derives an income of about R120 million a year from the wine industry through excise tariffs on wine and brandy.

DRAFT ACT

Citrus farmers marketed fruit worth R52 million abroad last year, while sub-tropical fruit worth more than R21 million was produced in 1973/74.

A draft Act, to be known as the Plant Improvement Act, had been drawn up by officials of the Department of Agricultural Technical Services, and it is hoped that it could be presented to Parliament at the next session.

In the Act provision is made for the introduction of plant improvement schemes to make superior-grade plant material available to producers.
BRUSSELS. — The European Economic Community has warned the South African Government that it should not export apples to Europe in the coming season to equal the record sales achieved last season.

In a letter signed by the EEC commissioner responsible for agricultural policy, Mr. Pierre Lardinot, the EEC draws South Africa's attention to the current difficulties it is having in the apple sector.

There is a glut of apples in the community and a surplus of tons of the fruit are having to be destroyed.

Contacts like South Africa are traditional apple exporters to the EEC during the late winter and early spring in Europe.

Mr. Lardinot has called on South Africa, Argentina, and Uruguay to moderate the EEC market and inform the commission of their country's production prospects.

For the moment, Mr. Lardinot wondered if there is any risk of an EEC apple surplus, a situation that could affect the market for South African apples — or measures of another kind.

His letter is merely intended to encourage South African producers to reduce apple exports to the EEC market this year, not to impose a total embargo on sales.

While apple production in the region's apple belt is expected to decline in 1978, this is not yet reflected in current prices.

French importers have already bought in some 600,000 tons of French apples.

At the moment, however, the market is not yet ready to absorb any major increase in imports. But the outlook is not promising.

The surplus is expected to peak in the season 1977/78, when a glut of more than 500,000 tons is expected.

The Commission's concern is to prevent any possible collapse of apple prices due to excess supply.
Export boom for citrus producers

Agricultural Correspondent

THE CITRUS EXCHANGE chairman, Mr. Gustav van Velzen, announced from his farm at Mafikeng yesterday that the 1975-1976 season had ended with the best returns by citrus producers.

Not only was the quantity the largest ever sold, but the proceeds were a record figure. The total exports will be above 1.25 million cartons, some 12,000 more than the previous record of 1974.

The industry's total gross sales of R123.8 million, against just over R106 million last year.

The net foreign currency earned by citrus producers will be about R7.5 million compared to R5.6 million in 1974.

On the devaluation of the rand, Mr. van Velzen said its effect on growers' income had not been significant as the bulk of the crop had already been sold.

But it will affect the 1976/77 season, although its benefits will be eroded by the rise in packing, production and distribution costs as well as the increased costs of ocean and overseas freight charges.
DFB to act on farmers' plea

By a Staff Reporter

Officials of the Deciduous Fruit Board said at a meeting at Elgin on Tuesday that they would do everything to hasten the appointment of an area representative on the board to serve apple growers' interests in the Villiersdorp-Vyeboom areas.

The announcement came after three farmers from Vyeboom had pressed for such an appointment. They were Mr C. R. Bradley, Mr G. D. Kilpin and Mr J. E. Mudge.

Mr Bradley said: 'Villiersdorp had attained second highest apple production in the country. He asked whether the board could take the question of the appointment direct to the Minister of Agriculture?'

The chairman of the meeting, Mr Douglas Moodie, the Elgin area representative of the DFB replied: That the board would give special attention to the matter.

Mr Mudge said that once a decision had been made on the appointment there should be no delays.

Dr N. A. B. Burchier, the director of DFB said the board decided in 1974 that Villiersdorp should become an area in its own right.

An amendment to this effect was made and he appealed to local farmers to 'play it cool' at this stage.

Mr Kilpin said that in 1974 farmers had been told they were getting an area representative. Something appeared to have gone wrong.

In an interview after the meeting Mr Moodie gave the background to the trial.

Mr Moodie said that when the board was originally established in 1940 Frauhoek was incorporated into the Vyeboom-Villiersdorp area.

'At that time Vyeboom was producing practically no fruit at all.

'But from 1949 extensive apple planting took place and by 1966 the production from that area became sufficient for an apple advisory member to be appointed by the DFB.'

Mr Moodie said it became apparent in 1974 that the area accounted for about 1.5 million cartons of export apples.

As a result it was felt that this area should have its own DFB area representative, plus two apple advisory members.

Mr Moodie said: 'This proposal was approved by the Minister of Agriculture and it now only awaits promulgation.

'The delay in giving effect to this decision has caused a certain amount of dismay among local farmers.'

Mr Moodie said the chairman of the DFB Mr Peter van Breda, had assured the apple growers concerned that every effort would be made to expedite the appointment of an area representative for the Villiersdorp area.

'The Department of Agriculture will be approached in Pretoria as soon as possible,' he said.
Fruit from Southern Hemisphere wanted, Elgin farmers told

Staff Reporter

MR. JACK FRENCH, European advisor to the Deciduous Fruit Board, who is on a special visit to South Africa, told local farmers at Elgin on Tuesday to 'be of good heart' as Southern Hemisphere fruit was wanted everywhere.

Mr. French is an expert on the apple industry. He is a very successful grower in his own right in Canterbury, England, is chairman of the central horticultural committee of the National Farmers' Union, and is also a member of the advisory committee of the European Economic Community.

He said: "It is four or five years ago since I was last here, and a look at your orchards around here has impressed me enormously."

"NEXT DOOR."

Mr. French is based in Brussels, and he told members: "We have in Brussels a sound basis arrangement where you have a voice, and we discuss everything of interest to the grower. As far as I am concerned, you are the farmer next door."

Mr. French said 88 percent of the people in Britain voted for entry into the Common Market. He said: "We fight for our markets. It is tough, and we also listen to threats from behind the Iron Curtain."

Mr. French gave statistics of the amount of fruit imported from various countries and outlined the general structural organisation.

He concluded by saying that Southern Hemisphere fruit was the finest in the world. The world expected it to be on the market and Cape fruit had found its rightful place in the world community.

Mr. French said the orchards at Elgin were superb and told members: "We will fight like tigers to see that you have your place, in the European Market."

"ARGUS 20/11/78"
SA warned to cut back apple export

Tim Patten

BRUSSELS — South African apple exporters to Europe have been asked to stagger shipments during the peak season between March and June this year, and to apply restraint in export quantities.

The request has been made by the EEC commission which is faced with an embarrassing ‘apple mountain’ of 2.4 million tons, which is clogging up cold storage facilities.

The EEC request was made to all southern hemisphere apple suppliers — of which South Africa is by far the largest.

In a normal export season South Africa exports 145,000 tons of high grade apples to the Common Market countries.

This is out of a total of 332,000 tons from the five southern hemisphere producers including Australia, New Zealand, Argentina and Chile.

MEETING

Exports this year from South Africa are likely to total 117,000 tons, South African trade negotiators here say.

At a meeting with southern hemisphere apple suppliers, EEC officials left no doubt that unless the suppliers were prudent in drawing up their shipping schedules between April and June they may be required to apply “voluntary” import quotas.

This would be a repeat of the unpopular quota system imposed by the EEC two years ago which knuckled holes in South African exporters’ packages during an exceptionally good season.

A spokesman for the South African delegation here described the EEC request as ‘a responsibility’ under the circumstances and expected the exporters to respond accordingly to the request.

LOW QUALITY

At the meeting with the commission the Southern Hemisphere representatives pointed out that the 7.3-million-ton European crop produced this season was generally of low quality. Withdrawals had been high because of the poor quality and the prices had been low.
Banana "size price 5/176 goes up"

Farming Editor

Bananas will be 2c/kg cheaper from today but hopefully just for this week.

"Next week we will again look at the price," a spokesman for the Banana Control Board said today.

Farmers have had a two-week holiday since Christmas and the board's ripening chambers are bare.

Farmers were today to cut the ripening bunches but the ripening process takes a week. Wholesalers have been rationed. Prices are up to meet demand.

PRICE DROP

Next week, supplies should be almost normal. Prices will probably drop again.

But the board says supplies are below normal for this time of the year. Farmers blame the long winter and late rains, for both low production and quality.

Only top quality fruit is marketed. A percentage of production goes back to the lands as compost.

Prices will probably not return to the pre-news Year prices and normal seasonal price increases may come earlier than usual this year.
Brazil grabs juice market in Europe

By GERALD REILLY
Pretoria Bureau

The OVERSEAS MARKET for South African citrus juice has collapsed and a crisis threatens in the citrus industry.

The reason is that Brazil, the biggest exporter of fruit juice, has oversupplied the European markets, which have now been lost to South Africa, a spokesman for the Citrus Board said yesterday.

This would lead to a serious glut of fresh citrus in South Africa this year, and lower consumer prices.

The spokesman said the gravity of the loss of the European juice markets came into focus when it was realised that almost one-third of the total South African crop was converted into juice or segments.

The citrus industry was desperately trying to increase exports to all markets, especially to the new and growing markets in the Middle East, where sales exceeded three-million cartons.

Export standards had been lowered on a limited quantity of fruit. This would be sent to isolated markets and would lessen the burden on the local market.

Advertising and promotion campaigns would be intensified to increase the consumption of pure orange juice in South Africa, the spokesman said. The sale of citrus at subsidised prices to the African market would also be intensified.

Dumped

"In spite of the very strenuous efforts being made by the Citrus Exchange there are still difficult times ahead, especially from June onwards.

"These can be alleviated by public buying increased quantities at the lower prices during times of maximum supply," the spokesman said.

If it became necessary to dump marketable fruit, the Exchange would advise the Press and any citrus dumped would be given free to charity organisations that wished to pick it up at packing houses."
CITRUS

WORLD EXPORTS FROM ZULULAND

By PETER SUTTON — Agricultural Reporter

CITRUS growing in the Nkwalini Valley in Zululand is having a big impact on the South African export market.

Citrus exported by farmers in the area is destined to be exported

The estate has an annual production of some 210,000 boxes of export fruit and in

GRAPEFRUIT being picked for the export market.

The area of citrus land in the valley is limited to some 5,000 acres, and the

Workers in a Zululand citrus pack-house sort grapefruit for the export market.

PACK-HOUSE scene on a Zululand citrus estate. Grapefruit for the export market are wrapped and then packed into cartons. The Outspan trade mark is known throughout the world.

The estate has an annual production of some 210,000 boxes of export fruit and in

This girl can pick at least 100 bags a day. Note the protective clothing worn while climbing into trees.
Orange
by the
million

PRETORIA — Sales of South African oranges to Iran will be about three times higher this year than ever before, according to Mr R. G. Hauptfleisch, commercial manager of the Citrus exchange.

A total of 1.5 million 15kg export cartons will be shipped to Iran, and better gross average prices are expected than those of last year. The better prices will, however, only marginally improve the growers’ earnings because of increased costs of production and transport.

Excess quality fruit that could not be sold at an economic price overseas would, as usual, be sold in South Africa, and consumers should benefit from the export quality and low price, Mr Hauptfleisch said.

NB. It is to be hoped Mr Hauptfleisch is correct in his final remark. Earlier this year it was announced that because of the vast surplus of citrus fruit, it was anticipated farmers would be forced to plough it into the ground; that charitable organisations would be able to collect the fruit free of charge; and that much would be available at low prices. Those low prices were not particularly noticeable.

— BUSINESS WIRE
Citrus breaks records in crop and cash

Farming Editor

Citrus earned a record R75-million in foreign exchange for the country this year. Production and total earnings were both records, says the chairman of the Citrus Exchange, Mr G van Veijeren.

The past season "was the best ever experienced by the country's citrus producers."

Total earnings were R123-million. Last season's record earnings were R100-million.

Total exports were about 25-million cartons — about two-million more than the previous season. Export earnings were up by about R18-million.

The Middle East came into its own as an important buyer of South African citrus. Iran bought about 3.5-million.

Mr van Veijeren said the increased sales in the Middle East could be attributed to the absence of import restrictions, strong buying power and a desire to improve the lot of the average citizen.

DEVALUATION

He said devaluation in South Africa contributed to an increase of about R4-million in gross turnover. The export season was almost at an end when devaluation was announced.

Next season it is expected to make a bigger contribution but the advantages will be eroded by increased production, distribution and packaging costs.
There is a strong possibility that SA apple growers will put pressure on the Deciduous Fruit Board and Agriculture Minister Hendrik Schoeman to draw on DFB's general reserve fund, currently standing at more than R8m, to help them overcome a poor export performance.

Although export shipments rose 11% to 10.6m cartons and the quality was excellent, realisations were expected to plunge R10m and export costs to rise about 23%. Earnings will further have been depressed by adverse sterling-rand exchange rates which have wiped out the advantages of the September 1975 devaluation.

The final financial outcome of the 1975/76 season will not be known until about October when agierskot payments are usually made. But a good many apple growers in the Cape have made no secret that they intend to seek financial assistance because even their most optimistic expectations do not measure up to their short-term commitments, financed largely out of bank credit. The fact that apple sales on the home market have increased 25% does not compensate for lower export earnings.

Attempts to draw on DFB's reserve fund will doubtless be resisted since the fund is intended for contingencies rather more cataclysmic than the situation in which apple growers now find themselves.

It is pointed out that farmers who are worst pinched are those who failed to heed professional advice years ago to diversify out of apple varieties, such as Winter Pearmain, which were falling out of favour with consumers.

No drawings on the reserve fund may be made without the recommendation of the National Marketing Council and the rubber stamp of the Minister of Agriculture.
Threat to SA fruit exports seen

The Argus Boland Bureau STELLENBOSCH. — Transport and marketing costs of deciduous fruit have escalated so much since 1973 that several Southern Hemisphere producers have been phased out of the overseas market and South Africa may be next, an expert has warned farmers here.

Mr D. Hofmeyer, technical and economical adviser to the Associated Elgin Farmers group, was addressing the Cape Pomological Association symposium on fruit quality and profitability.

Other Southern Hemisphere countries had already been phased out of the European market because they were further from it than South Africa, he said.

South Africa would be next if the trend kept moving in the same direction.

CONSUMERS

The symposium had been called to look more carefully at the local market, which was now more important in view of the threat to overseas trade.

Mr O. Paday, chief buyer for a chain of departinent stores, addressed the symposium on what consumers expected from producers.

Sixty percent of first grade apples sold in South Africa were sold through chain stores, he said.

Consumers believed the bigger the fruit the better the quality.

The only way this mistaken attitude could be overcome was to advertise in all the media. A television documentary on the subject would be a good idea.
FRUIT CANNERS

No sugaring the pill

No sooner had SA fruit and vegetable canners returned from Pretoria where they asked for an increase in their R 10m overdraft facility with the Reserve Bank (FM last week), than a deputation hot-footed it to Durban this week to negotiate with SA Sugar Association for special treatment against the sugar industry's 47% price hike.

A prominent canner said this week that although sugar makes up only about 5% of production cost, the R60/t hike from R126/t, added to the industry's severe export problems in the UK, can only aggravate the situation. It adds some R3,6m to the normal production bill. The canning industry consumes about 60 000t/year of sugar.

While canners wait for the outcome of their problems are not diminishing. Sales of canned deciduous fruit in the UK which normally account for about 66% of the export pack, continue sluggish. UK sales may be 25-30% down for the second year running and there is a prospect of a substantial carry-over into the 1976/77 season which opens next month with the delivery of early varieties of fruit.

In 1975/76 production was healthy; apricots improved 8% to 18 000t; peaches 5% to 125 000t and pears 10% to 43 000t.

Although most of the export pack of about 8m basic cartons (1 carton = 24 1 kg. tins) has been sold forward, export deliveries are made on demand from the buyer while stocks are kept in SA and payment is effected only after sale. If sales are slow canners have cash flow problems since all their outgoings (sugar, fruit, cans, labour, etc) have to be paid cash, which means they have to wait up to 12 months for their money while holding stocks at 12%-14%.

The R40m/year UK market is beset with many problems, quite apart from the fact that the decline of sterling against the rand has raised prices for the British housewife.

Strapped for cash, there are obvious limits to the amount SA exporters can spend on UK sales promotion exercises.

Ocean freight and the CET are other headaches. Steady increases in the former automatically push up the latter because duty is calculated on the CIF value of UK/European imports. SA peaches and apricots are subject to a 24% duty and pears to a 22% duty in Europe, and 19,2% and 20% respectively in the UK. From January 1978 duty goes up to 24% all-round. On December 27, when the new canning season gets into swing, ocean freight rates on SA/Europe conference lines carriers will go up another 15%.
CITRUS EXPORTS

More sweet than sour

Farmers with few grouses this year are the citrus men. The crop is well up on last year's 41m cartons. While exports will probably stay around 1975's 25.3m cartons, sales on the local market are likely to be up 15%.

Big stocks of fruit in Europe left over at the end of the Mediterranean producers' season (which ends just as SA citrus arrives) have been a worry to exporters. Competition is especially tough for grapefruit.

Despite this, prices in Europe for oranges, grapefruit and lemons are slightly higher than a year ago. Citrus Exchange commercial manager Ray Hauptfleisch reckons that, besides consumer acceptance of passed-on cost increases, the higher prices could be the result of a premium for fresh South African fruit.

On the other hand, Outspan fruit has only just started arriving in European shops (the first grapefruit were shipped in mid-March and orange exports began a month later), so prices could come down as bigger quantities become available.

Another headache area is the Middle East, which last year took 3.5m cartons. Though hopes are high that this level can be maintained, sales efforts are now being seriously hampered by political resistance in certain countries and by chronic port congestion in Iran.

The Citrus Exchange also markets Mozambique's crop, about 5% of the size of the SA harvest. As a result of the exodus of Portuguese farmers, there has been a sharp deterioration in the quality of Mozambique oranges.

But the Citrus Exchange has refused to lower its export standards, so Frelimo's foreign earnings from oranges will take a nosedive this year. Signs are that most of the fruit which fails to make export grade will simply rot on the ground.

A brighter note is that citrus exporters are reasonably happy with port conditions at Maputo. In fact, there has been an improvement in recent weeks and no fruit has been diverted to SA ports. How long things will stay that way - particularly on the administrative side after the mass exodus expected next month - is something citrus men prefer not to think about.
Farmers get a slice of Unifruco

CAPE TOWN — The first privatisation of an agricultural control board was rounded off yesterday when Unifruco, the international marketing arm of the deciduous fruit industry, allocated 10-million shares to its member fruit growers.

The issue of 50% of 20-million authorised shares to more than 1,000 export fruit growers completed a process of deregulation and privatisation which began in 1987 when Unifruco was established as a special co-op, Universal Fruits, to replace the Deciduous Fruit Board.

Directors hinted yesterday that a JSE listing was a future likelihood which would put the final seal on the process by enabling further expansion and spreading the share ownership beyond Unifruco's registered members. With export turnover expected to exceed R1bn this year, Unifruco spokesman boast that while deciduous fruit is the largest agricultural industry in the Cape, the company competes with the world's five largest fruit-marketing organisations.

The allocation of shares was based on the relative contribution of each export farmer to the funding of the fruit board and the co-op over the past three years. The contribution was made by way of a levy per carton of fruit exported and was invested in the expansion of fixed assets and investments to the value of R57m.

Leo Fine, who remains chairman, with Louis Kriel as MD and CE, said yesterday the allocation of shares had long been considered the most representative way of giving the industry a say in the way the company was managed.
Storm wrecks banana crops

Agricultural Correspondent

A DEVASTATING hailstorm, which caused an estimated R1 million damage to banana crops, hit the South Coast on Sunday night.

Gale-force winds of more than 100km/h ripped roofs off many homes and helped to wreck the entire crop on some farms.

The banana crop on a further 600ha was severely damaged.

Mr. Peter Smythe, a local farmer and chairman of the Natal Banana Co-op Limited, whose farm was badly hit by the storm, said that the hail had dashed farmers' hopes for a good season and he warned that the price of bananas is likely to rise even higher because of the damage to the crop.

Mr. Smythe said: "This is a serious blow to our farmers and the newly-formed co-op. We had hoped to let consumers benefit from our takeover of banana marketing in Natal by keeping prices low."

Mr. Smythe said that the freak storm had upset the co-op's plans and now expensive fruit from the Transvaal will have to be imported into Natal to meet the supply.

He said the co-op would now have to drop their quality standards and market bruised fruit.

Jagged hailstones, as big as hen's eggs, were driven by the wind through the plantations, blowing down ripening bunches and ripping leaves to shreds.

Roofs were blown off many houses in Port Edward, Leisure Bay and Munster and power and telephone lines were down.

Worst hit by the storm were holiday and residential homes at Leisure Bay where scores of houses lost their roofs and were flooded.

Up-country owners, whose houses are locked up and empty, will suffer severe losses unless their homes are repaired before more rain falls.

Neighbours are doing what they can to contact these people, but with communications down, their task is difficult.

Passengers on a tree-top walkway had to move eight large trees from the road between Port Edward and Margate before they could continue on their journey. Gangs were also busy clearing mud off the roads yesterday.

This is the second severe hailstorm to hit the South Coast in the past five years and residents say that it was the worst in living memory.

Lightning struck the home of Mrs. J. S. Reddy, a banana farmer and tall gum trees on her farm were snapped like matchsticks.

A power pole also belonging to John S. Reddy was badly damaged by the wind and the corrugated asbestos roof blew off.

MR. PETER SMYTHE (above) looks at his banana plantation which was blown down by gale force winds during Sunday night's storm. Gusts of more than 100km/h ripped off the roof (left) of this Pretoria owner's holiday cottage at Leisure Bay and (right) blew rubble into the home of Mr. J. R. M. Murner which fell in the road. The freak storm is said to be the worst in living memory and is the second to have struck in five years.
AGRICULTURE—FRUIT.

1991
Used car sales tumble by 11%  

MARC HASENFUSS  

US ED car sales, a barometer of SA’s consumer spending power, dropped 11% to an annualised 262 000 (237 235) units in 1999 on the back of the further weakening of new car sales last year, the National Automobile Dealers’ Association (NADA) said yesterday.  

Association chairman Errol Richardson said he was confident the market had bottomed out.  

Unlike the new car market which is buoyed by corporate buying, the used car market relies almost solely on private buyers.  

Richardson said the franchised dealers would ride out the recessionary conditions.  

The independent dealers would, however, battle to remain financially viable.  

Franchise dealers earned a lion’s share of last year’s R6bn total revenue.  

Richardson said the number of black buyers in the used car sector had shown strong growth over the past few years but their full potential was still not fully realised, due to rapid vehicle price increases in the mid-eighties.  

The association forecasts a sales increase to 274 000 units this year, reaching 290 000 by 1992.

SA fruit exports head for a record  

CAPE TOWN — The deciduous fruit industry, which contributed R1,3bn to SA’s foreign earnings last year, is heading for another record export year even though heavy summer rain has damaged almost 20% of the seedless grape crop.  

Unifruto, the industry’s international marketing company which reaped record foreign earnings during the hostile years of sanctions, has reported “excellent” volumes in the first of this year’s export cargo to increasingly friendly markets.  

After an early start, Unifruto is into its third week of apricot, peach, nectarine and grape exports. The big volumes of grapes and plums are being shipped out this week, the first loads of pears are being packaged and SA melons will make their debut on foreign markets this year.  

The early successes have been dampened slightly by heavy rain which has spoiled 20% of a vintage crop of seedless grapes in the Orange River region.  

But, even though the region’s contribution to the total crop is relative-

ly high — about 20% of the total crop and about 90% of seedless grapes — Unifruto CE Louis Kriel is confident the damage will not stop the industry achieving another record crop.  

“Accumulatively, the overall volumes are well up on last year. This may be misleading because the season started two weeks early and we are comparing the third week with last year’s first week,” says Kriel.  

“But, we have made allowances for the different comparison periods and at this point, it appears the crop is bigger this year.  

“We are also benefiting from increased demand from Holland, for example, and supermarket groups in other European countries which we did not feature in last year,” says Kriel who returned from a visit to Europe this week.  

He explains that while the early start to the season has limited the keeping quality of the early export varieties, it has given the local industry first bite at some foreign markets — ahead of the ever-increasing South American competition.
Big boost for fruit, coal in EC move

By CHRIS BATEMAN

CAPE fruitgrowers will be able to promote their products more aggressively in Europe and will increase planting following the European Community (EC) undertaking to lift sanctions.

The weekend EC promise, conditional on Parliament scrapping central apartheid legislation, does not affect local fruitgrowers directly, but benefits would nevertheless be “enormous”, a Unifruco spokesman said.

Fruit is not among the South African items targeted by the EC for sanctions.

Mr Fred Meintjies, public relations head of Unifruco — the Cape’s biggest exporter and private sector employer with 230 000 employees — said Friday’s speech by President F W de Klerk would bring fresh impetus to the industry.

Although Cape fruitgrowers had a century-old market in Europe, there had been a recent tendency by European buyers not to stock South African fruit. This began changing after last year’s watershed presidential speech.

Mr De Klerk’s latest announcements would “benefit the industry enormously”, Mr Meintjies said. “Our products will increasingly be traded in normal commercial conditions — last year alone we earned R1.3 billion in exports.”

Unifruco still faces sanctions from the US, Canada and Scandinavian countries, but expected changes on these fronts “soon”.

Mr Wim Holtjes, chief executive officer of the SA Foreign Trade Organisation (Safto), said the EC announcement, combined with the Gulf war, could also have a positive affect on local harbours with income from refurbishment and shipping repairs.

The greatest impact, however, would be the lifting of EC sanctions on coal, which he expected to boost foreign earnings by up to R400 million a year.

This would also speed up commitment to develop harbours such as Richards Bay and Maputo, while colliers could push output up by over two million tons.

An Iscor spokesman said that Iscor would not increase capacity or exports, but the lifting of EC sanctions would increase “market and pricing flexibility” for “target specific” products.

“The feeling is that there will be extra earnings, but we can’t say how much yet,” he said.
Cape fruit exports soar by record 39%

By AUDREY D'ANGELO
Business Editor

EXPORTS of fruit from Cape Town harbour soared by 39% last month to 1,012,669 tons compared with 728,663 tons in January last year.

And sales of Cape fruit to Holland have increased five-fold as a result of changing attitudes towards SA.

But Louis Kriel, CE of Unifructo — which markets deciduous fruit overseas — warned yesterday that this did not mean Western Cape growers could expect another year of record earnings.

He said the apple and pear crop had been damaged in some areas by hail and rain. And although prejudice against SA was disappearing as a result of political change and new markets were opening up, the Gulf war, economic downturn and unusually severe winter in Europe were all factors militating against higher fruit sales.

"I am telling our growers to expect results somewhere between the excellent ones we enjoyed last year and the average ones in 1989."

Kriel said the higher tonnages of soft fruit now being shipped were due to the early season. "It started 14 days early."

Even allowing for that, exports of soft fruit are 20% ahead of last year. "But apples and pears are our main crop and it does not look as if it will be as big as we had hoped."

"However good our marketing, we must have the fruit to sell. There has been hail in some parts of apple growing country and rain has spoiled some of the crop."

Kriel has just returned from Britain and Continental Europe where, he said, the airports were deserted, there were clear signs of recessionary tendencies and "the street markets which usually tempt people to buy fresh fruit are deserted because of the weather."

"There is a nervous undercurrent because of the Gulf war. Most major companies have banned their executives from travelling because of the danger from terrorists."

But on the credit side, Kriel said, attitudes towards SA had changed, particularly in Holland where sales of Cape fruit had increased five-fold. "Holland used to be the most politically sensitive market. Now it seems likely that the Benelux countries — Holland, Belgium and Luxembourg — will become our third largest market in Europe."

Although European and US executives have cut down on flying, Kriel said that he and his executives will not allow Saddam to stop us carrying out our responsibilities."

In addition to travelling themselves, they had invited people in the trade to visit the Cape from Germany, Switzerland, Austria, France and Holland.

"Although some of them cancelled their visits about 200 came. We showed them the fruit industry, including standards of packaging and hygiene and social conditions on the farms."

"They were impressed. Normally people who come on these visits go back as unofficial ambassadors for this country."
Dramatic tax reduction bears fruit

MARCIA KLEIN

AN EXCELLENT fruit season resulting from favourable export prices and a substantially reduced tax rate resulted in a 23% increase in earnings to 45c (36c) a share for fruit-focused WB Holdings.

Turnover for WBhold (formerly Willem Barends) for the year to December 1990 increased by 34.8% to R11.8m (R8.6m). A 42.7% increase in operating income to R15.6m (R10.7m) and a significant decline in income from investments to R1m (R2.7m) saw income before tax decrease by 13.5% to R4.5m (R5.2m).

However, a dramatic reduction in taxation from R1.8m to R237 000, brought net income up by 24.1% to R4.3m (R3.1m).

Retained income for the period of R2.5m (R1.0m) and retained income at January 1990 of R1.1m (R4.2m) brought bottom line earnings up by 53% to R7.1m (R4.7m).

A final dividend of 14c (11c) a share was declared, bringing the full dividend for the year to 21c (38c) a share.

In October 1990, WBhold disposed of all its interests in Namibia to Peter Clark Kattel for R8.7m. Included were its total investment in Namibia Fishing Industries (formerly South West Africa Fishing Industries). Funds from this disposal, which were received in cash, would be retained for investment purposes, directors said.

With effect from February 16, the group acquired Boskoof Fruit & Timber Industries from Old Elgin Apple Friends and Elgin Fruit Company for R6.5m. These are farming properties adjacent to WB's existing farms in Villiersdorp.

Directors said that the current crop of WBhold’s existing farms would be marginally down in financial 1991 because of hail damage and other environmental factors. However, the crop would be increased by the production of Boskoof Farms and the good quality of the fruit.

There was already a relaxation of sanctions against fruit exports. Further concessions were expected during 1991. These should provide the company with additional economic benefits.

On export prices for 1991, directors said it was doubtful that the record realisations of 1990 would be maintained, but they expected good results in financial 1991.
Fruit exports surge

By AUDREY D'ANGELO
Business Editor

EXPORTS from Cape Town harbour rose by 33.3% in February compared with the same month last year. They totalled 353 189 tons compared with 193 753 tons in February last year and 227 128 tons in January.

A spokesman for Portnet said yesterday: "We expect this upward trend to continue."

Deciduous fruit from Western Cape farms accounted for a large part of the increase. Figures issued by Portnet financial and statistical services show fruit exports rose by 44% between April 1990 and the end of February this year, to 1 128 319 tons compared with 782 822 tons the previous year.

A spokesman for United Fruit Cooperative (Unifruco), which markets the fruit overseas, said this was partly due to the fact that the crop had ripened earlier this year.

"We are still in the middle of the season but indications are that it will be a bigger crop than usual.

"All our fruit kinds are moving through the ports now but we have just started picking Granny Smiths, which are our biggest apple export."

The spokesman said it was too early in the year to estimate profits but "so far the exchange rate favours us."

He said the climate for SA exporters had improved dramatically in recent months. "We are trading under normal conditions and our products are fetching their true commercial value - they are no longer being sold at a discount."

K&W also reports "a strong increase in commercial exports" with new markets opening up in Eastern Europe, particularly for bulk white wines.

Cape Town Chamber of Commerce sent its first trade mission for 10 years to Britain and Germany this month, with some members going to Belgium.

It was led by the chamber president, Lionel Hartmann, who said in an interview that it had been a great success and would probably be repeated.

Some of the 12 members were already in the export market and had increased their overseas business.

Others had been surprised by the volumes of business - and there was a possibility of joint ventures with overseas partners.

Hartmann is quoted in the chamber's weekly bulletin as saying: "The timing of this mission was most appropriate and it was good to feel part of the world again."

A trade mission from the London Chamber of Commerce and Industry is expected in Cape Town in May.
W B HOLDINGS

BEARING FRUIT

Fruit damage to the European fruit crop created a strong demand for Cape fruit last year. This fitted well with the transformation of W B Holdings (WBH) from fishing to fruit farming.

Not only were export prices for deciduous fruit particularly high, but production from the company's farms met expectations. Also, industry selling initiatives helped to create additional opportunities for exporters.

The result was that in the year to end-December turnover rose by just over half, to R11.8m, and operating income — which in 1990 came purely from farming for the first time — was 43% higher, at R3.5m. Tax was minimal, due to write-offs permitted on development expenditure and because of export allowances. A 63% fall in income from investments hit earnings though the 45c EPS was still a creditable 25% increase.

The reduction in investment income related to WBH's previous holdings in the Namibian fishing industry. These holdings were sold for R8.75m from October 1, and profits and dividends were substantially down in the fishing industry last year, so income from this source fell.

Since year-end, proceeds from the sale of the fishing interests have been committed to buy the Boskloof farming properties, adjacent to the group's farms in Villiersdorp, for R8.5m. From a short-term aspect, this is good news. The current crop on the original farms has suffered some hail damage but produce off the Boskloof lands should more than compensate.

In the longer term, the latest acquisition also bodes well. Though the local deciduous fruit industry has been battling against sanctions, it has still managed to prosper. When sanctions are lifted, farming income should benefit.

But there is a caveat. Farming remains a risky business, even with scientific methods. Perhaps chairman Robert Silverman could think in terms of diversifying to minimise the risk of weather effects.

The group is attractive because it has no long-term debt. Now it needs a successful track record that will enable it to use its paper to make acquisitions without gearing up. Net worth exceeds 30c, compared with the 280c share price.

WBH is the only one of its kind listed on the JSE, so there are no benchmarks against which to measure it. But at a dividend yield of 7.5% and a p/e of 6.2 it seems to present good value in this market. This may even become excellent value with the lifting of sanctions and some good weather.

Gerald Hirschen
SAAU image 'a caricature'

CAPE TOWN — The deciduous fruit industry may consider withdrawing from the SA Agricultural Union (SAAU) because of the "poor image" of agriculture projected by "farmers from the north," says Unifruco MD Louis Kriel. (3) 4-411 61513141)

"We don't want to be caricatured by the image of protesting farmers. If the SAAU refuses to consider our membership, we will have to reconsider our membership if this is the image they project.

"We do not believe the strugglers should be protected artificially by organised agriculture. If they fall by the wayside, we don't feel too much sympathy for them. Good farmers do well. No industry can survive if it is geared to the protection of the weakest."

The deciduous fruit industry contributed about R500 000 annually to organised agriculture, he added. — Sapa.
WB Holdings’ sale ‘timeous’

WB HOLDINGS’ sale of its Namibian fishing interests in October 1990 proved to be timeous, says chairman Robert Silverman in his annual review.

The group is now thriving on Cape fruit.

Silverman says the uncertainty of an annual allocation of a viable pelagic fishing quota by Namibian authorities had long been a concern to the company. It therefore sold its entire investment in Namibian Fisheries of Namibia (Natfish), a wholly owned subsidiary.

In selling its interest in Natfish the group disposed of its pelagic fishing interests, including its investment in Namibian Fishing Industries (formerly SWA Fishing Industries) and all its assets in Namibia.

The fruit farms thrived during the past year. Demand for Cape fruit was strong — thanks to frost damage to European crops — and particularly high prices were realised in export markets.

The easing of sanctions and efficient participation in world markets by the industry’s selling organisation also contributed positively towards the handsome returns received for WB’s product, says Silverman.

High export prices offset increasing costs for all machinery, materials and labour, resulting in WB’s earnings increasing to 45.2c a share in the year to December 1990 from 1989’s 36.3c. The dividend total is 2c.

The group has acquired Boskloof Farms with its apple crop for the current season. Boskloof will increase production by 40% and help offset a marginal drop in crops of the other farms.

Silverman says it is too early to assess final export prices for 1991, but doubts that the record realisations achieved in 1990 will be maintained. However, he expects WB will again enjoy good financial results this year.

Changes in scrap process

MIDDELBURG Steel & Alloys (MS & A) Stainless has appointed Tillmor as its receiving depot, quality auditor and melting batch preparer for stainless steel scrap.

In tandem with its overseas counterparts, MS & A Stainless is making use of a specialist stainless scrap processor, to process the scrap into usable raw material for melting in its electric arc furnace.

Tillmor MD Paul King said in a statement yesterday that in order to provide the service required by MS & A, Tillmor had invested in additional plant and equipment and was now able to process in excess of 1 000 tons per month, representing 75% of Tillmor’s total production.

With the use of modern Spectrographic equipment, Tillmor is able to produce “blends” of otherwise unusable scrap in the production of stainless steel, enabling MS & A Stainless to use almost all grades of nickel bearing alloys as a raw material.

Germany’s door ajar for Eskom

ESKOM is on the verge of signing a formal manage-
CROP OUTLOOK

**SALAD DAYS, SORRY DAYS**

While Cape deciduous fruit growers are pleasantly bullish about the prospects for this year’s crop, their northern maize, wheat, cotton and wool producer counterparts have little to smile about.

Fruit exports to Europe are looking up and, except for the Scandinavian countries and Ireland, hardly any boycotts remain.

“While the US also remains closed to SA fruit exports, we are now busy developing the promising East European market,” says Unifruits spokesman Fred Meintjes. “And, with our major competitors in Chile suffering from climate-induced quality problems this year, the outlook for European exports look good. We hope to better last year’s record R1.3bn in export earnings.”

But spare a thought for the effects that unpredictable weather can have on farmers in the north. Sad tales of protracted cold periods hampering planting, late rains, then too much rain or too little, and early frost help explain why Free State wheat producers, for example, will be R563m worse off this year, in real terms, than 1989.

And maize producers bewail the R200m cost of a two-night frost snap early last month that wiped out large tracts of promising, late-plant maize on hundreds of thousands of hectares in the western Transvaal and northern Free State.

With farmers suffering, tractor sales are expected to plummet to a historic low of only 2 800 units this year. Agricultural consultant Jim Rankin says sales should not gross more than R290m this year, compared with last year’s R375m.

“This follows sales of 3 900 units last year and 5 650 in 1989. Total farm implement sales may fall to R252m this year, after last year’s R608m. But many farmers may also wait until October to make their purchases because value-added tax will not be charged on capital equipment.”

The bad wheat and maize crops are forcing government to import large amounts of SA’s primary feed grains. For government, this may mean a windfall of R100m-R125m on the 495 000 t of milling wheat that has already been purchased because imported wheat is landed at prices well below SA’s inflated prices.

“This year’s projected wheat crop of 1.63 Mt is well below last year’s 1.9 Mt,” says Wheat Board assistant GM Lens van Staden. “But, in the previous two years, annual crops touched 3 Mt. With annual consumption above 2.2 Mt and 2.3 Mt a year, SA is forced to import.”

He says this year’s producer price of R515/t will earn farmers about R840m, which is about R160m below last year’s receipts, in real terms. The outlook for the new crop is fair, though Cape rains arrived late and the Free State needs soaking rain to moisten the earth for winter plantings.

Government is under pressure to pass on the benefits of the cheaper imported wheat to bread consumers. But National Marketing Council chairman André Wium says government picks up the bill for — and takes the profit on — food grain imports.

This year’s projected maize crop of 6.5 Mt is well below last year’s 8.4 Mt. And farmers stand to earn only R1.7bn, compared with last year’s R2.2bn. While SA exported 910 000 t last year, this year’s imports will cost taxpayers about R45m.

Cotton farmers also have been hit by bad weather. Cotton Board secretary Abel Stoltz says this year’s crop of about 240 000 bales (there are 200 kg in a bale) will be well below last year’s 308 000 bales. Consequently, farmers will earn about R190m, compared with last year’s R240m.

The Wool Board expects its producer members to earn R690m, about R170m less than last year, following the collapse of the Australian market. But, says board assistant GM Fred van Niekerk, the year’s clip will be about 3% up on last year — and the good news is that auction prices have risen by 30% over the past two weeks following Australian undertakings to provide for the “ordinarily marketing” over the next seven years of its surplus stock of 4.7m bales.

Apart from deciduous fruit growers, citrus producers also anticipate juicier earnings this year, with gross receipts projected at R1.02bn, compared with last year’s R890m. Says Citrus Exchange GM Arnaud Ventor: “Total production should reach 32m cartons (up from 30m last year) and we expect southern African production to grow to 43m cartons over the next eight years.”

**WINE AND SPIRITS**

**SFW’S BITTER HARVEST**

**TOUGH COMPETITION** and little growth in SA’s wine and spirit industry looks set to claim one of its first victims — the Stellenbosch Farmers’ Winery (SFW) plant at New Germany in Natal.

Although the group, which has more than 50% of the local wine market, is still consulting with employees and trade unions and says officially that a final decision has not been taken, it seems almost certain that the plant will close.

SFW’s plants at King William’s Town and George are also under scrutiny. Group MD Frans Stroebeel says the rationalisation process could affect 150 employees at the three plants and about 300 staff nationally.

News of the threatened shutdown was greeted with dismay when it leaked out early this week. Besides having a negative effect on business confidence in Natal, the news is likely to have a bad psychological effect on the industry. Other wine and spirit companies are having a tough time with little or no growth in the market and fierce pricing competition.

The New Germany plant used to be a major producer of Mainsaint cane spirit. But national output has dropped from more than 1m cases in the early Eighties to around 500 000 cases now. SFW’s last two annual reports showed a slight drop in earnings.

Stroebeel says that with plants across the country — New Germany is believed to be SFW’s third biggest, after Waddesdale near Johannesnburg and the Stellenbosch plant — the group found that changing market conditions meant better plant utilisation. Johannesnburg, he says, can serve Natal, and Stellenbosch some of the other centres.

**Inapt marketing**

Stroebeel says that while former strong labels such as Mainsaint have been affected by cheaper brands and a cyclical market, with the cost trimmings now being implemented, they will regain their strength. The group remains optimistic that new opportunities will open up for it, such as exports.

But competitors say SFW has fallen victim to some bad marketing decisions and lost market to cheaper brands.

While Stroebeel says the group is now satisfied with its mark-up on market leaders such as Greca wine, understood to be the second biggest label on the market, competitors feel that SFW operates on margins too small to justify the amounts it spends on promoting products such as Greca.

It’s also believed to have over-capitalised on canned wine coolers, which seem to have been a market fad. Stroebeel says that since the wine cooler heyday of 1984, sales are down.

While SFW’s cutbacks reflect conditions in the industry generally, it must concern heavyweight parents Rembrandt-KWV In-
Hail cuts WB Holdings’ output

CAPE TOWN — Fruit farming group WB Holdings has produced a crop about 10% lower than last year’s tonnage due to hail damage at one of its farms.

Also, initial prices for exports to Europe have been lower than last year’s record high.

Chairman Robert Silverman said at the AGM yesterday it was difficult to forecast results as the market could pick up, but WB Holdings would at least maintain its dividend in the year to end-December.

The company paid a low rate of tax last year due to export and capital development allowances.

Silverman said it was likely that the tax rate would remain stable as the group would be involved in exports, which represented about 90% of total volume of fruit produced, and capital developments.

Last year the tax rate was 5.5% compared with the previous 24%, enabling WB Holdings to turn in a 24% rise in earnings a
Fruit farmers unable to pluck new markets

CAPE TOWN — Lower volumes this season have limited the advantage fruit farmers can take of new markets opening to SA.

Unifruto MD Louis Kriel said this week that this year's fruit crop was lower than expected due to early season rain which affected the grape crop and the heat-wave over Easter which resulted in damage to apples and pears.

Kriel estimated volumes were 2% to 3% lower than last season and significantly down on the 10% to 15% growth expected. It was expected 35-million boxes would be available for export, but it would not be possible to exceed 30-million boxes.

Despite the lower volumes, higher prices would ensure that the R131.6m (R186m the previous season) earned from exports last season would be matched.

"We were disappointed with the size of the crop. The market is very strong - I wish we could have sold more," Kriel said.

The average size of the total fruit crop, including grapes, apples, pears, plums and peaches, is about 3-million tons a year. About 65% of this is exported.

Kriel said a fairly successful entry had been made this season into east Germany, Hungary and Poland. Unifruto had opened offices in Italy and Hungary to supplement those in the UK, Germany and Benelux countries.

SA exports to the Far East concentrate on the relatively small markets in Hong Kong, Singapore and Republic of China.
Fruit demand ‘will increase 40%’

CAPE TOWN — The demand for SA fruit, locally and abroad, will be 40% higher than at present by the year 2001, Agricultural Development Deputy Minister A T Meyer said yesterday.

Speaking at the wine farmers’ and fruit producers’ exhibition in Goodwood, Cape Town, he said this estimate showed a growth rate of 4% a year, which exceeded population growth.

“This indicates, therefore, an increased per capita consumption. Whether this will become a reality, will depend on the country’s economic earning capacity.”

It had become increasingly clear that quality products would be more important for economic survival, especially for the export market.

Meyer said SA grape and wine products would also become more accessible to foreign markets as political progress was made in SA.

“These markets are naturally highly competitive and SA will be able to recapture its market share through hard work only.”

GERALD REILLY reports from Pretoria that Meyer said the high prices of foodstuffs on shop shelves could persuade consumers, wrongly, that primary producers wanted to pocket all the profits.

He said the producer’s share of the consumer’s rand was diminishing rapidly. Some agricultural industries found it increasingly difficult to recover production costs.

A point could be reached where the wine farmer was actually selling bottles and corks and where even a wine steward in a restaurant could earn more from tips than the producer from the wine in the bottle.

A situation where the very basis of production was being jeopardised would not benefit the primary producer, the processor, the marketer or the consumer, he said.
Call to privatised fresh produce

GERALD REILLY

PRETORIA — The country's multi-million-rand fresh produce industry should be deregulated and privatised, a new report recommends.

The Human Sciences Research Council's investigation into the operation of the fresh produce markets could bring major changes for producers, market agencies and buyers.

Opening a conference on the HSRC's report yesterday, Agriculture Minister Knaai van Niekerk said another significant recommendation was that market management's responsibilities should shift from a relatively big involvement in market activities to one of property management.

The current 6% ad valorem commission on gross turnover ought, therefore, to fall away.

This would mean the commission for fresh produce markets would have to be closely scrutinised and might have to be phased out, Van Niekerk said.

Most problems in the industry centred on the lack of clear division between the tasks and responsibilities of market management and market agencies.

Van Niekerk said in terms of the recommendations, existing market agencies could expand their activities to act as wholesalers, brokers and packers.
A large number of the timeshare units at the new R30m Strand Pavilion resort have been sold, with the entire development expected to be sold out by April 1992, says Ovland Timesharing marketing director Richard Noyce.

The resort offers both timeshare and hotel units and is built 30m into False Bay, so that all the rooms offer sea views. The timeshare side is being marketed by Ovland Timesharing and the hotel part is being managed by Places.

Prices range from about R$600 for a one-bedroom suite out of season to about R$5 000 for a three-bedroomed penthouse in peak time, with levies varying from R$35 a week to R$445 a week.

The resort also offers a conference centre, which, although geared for about 30 delegates, can accommodate up to 50 at a time. The centre is also managed by Places.

The resort has proved very popular, selling about R11m worth of timeshare a month, with sales of more than R18m to date. People who buy in the out-of-season flexi-period between the end of April and the end of November will be able, subject to availability, to swap their week for any other in that period.

Located in Somerset in the western Cape, Strand Pavilion is about 50km from Cape Town and offers 50 residential suites, ranging in size from 50m² for a single unit to 114m² for a three-bedroomed penthouse.

The ground level has a 2 200m² shopping mall with boutiques and specialty stores.

The resort is the brainchild of Strand developer Dave Venter and took some time to get through municipal, local authority and state negotiations before building could start.

Permission has been given by the local council for the building of an Olympic-size, indoor heated pool next to the resort for residents and the local community.

More local buyers invest in wine and fruit farms

More and more local buyers have been investing in wine and fruit farms in the Cape over the past two years, says Pam Golding Properties Boland division manager and company director Glynn Bricknell.

In an interview in Cape Town, she added, "This was a reversal of the situation previously where foreign buyers were buying many farms. While many of the farms had "gone to rack and ruin", offshore investors had bought and upgraded them.

The political situation was partly responsible for the reversal of this trend, with more local buyers in the market now than foreign ones, she said.

Pam Golding Properties agricultural agent Lieben van der Merwe said some of the larger corporations were buying wine farms because of their status appeal and long-term potential, but the real investment lay in fruit farms, which offered an excellent yield.

People considering investing in wine farms were often more interested in the location and homestead than in the operation's profitability.

The grape price was often insufficient to give the farmer a good profit. In contrast, prospective fruit farmers considered how much money could be made per hectare. Van der Merwe added there was a move back to bigger farms as the smaller farm was becoming less and less viable.

While demand outstripped supply for established, profitable and well run farms, there were a number of wine farms available in the Franschhoek area. One, Dive, Donne, with a KWV quota of 245 tons, is for sale at R4.3m.

This includes a four-bedroomed homestead, a two-bedroomed cottage, a three-bedroomed manager's house, labourers' accommodation and a bottling and packaging store. Another farm, Börelig, is on the market at R1.55m.
Juicy future for
deciduous fruit

CAPE TOWN — Confidence had returned to the deciduous fruit industry to such an extent that output was expected to double by 1995, Unifruco MD Louis Kriel said at an Afrikaans sakekamer function yesterday.

He said the lack of sufficient product had been a problem this year for Unifruco, the export marketing arm of the deciduous fruit industry which has a turnover of about R1.5m annually.

Figures for the last season should be finalised by October, Kriel said.

He said the export allowance which would be abolished next year was not necessary to survive under present circumstances. Although it added greatly to new investments and job opportunities, it was never calculated into the pricing strategy.

He said Europe and the Middle and Near East were priorities for fruit exports. The lifting of sanctions had seen new markets opening up.

Export turnover from countries such as West Germany had doubled this year with supermarkets inviting SA producers back and asking them to advertise.

Kriel said between 25% and 33% of SA fruit markets overseas were lost at the time of sanctions but Unifruco had embarked on aggressive marketing strategies. Lobbying activities had cost about R1.5m annually.
News

Plant disease could destroy banana industry

By George Nicholas

A deadly plant disease has hit South Africa's flourishing banana industry and threatens to destroy it.

Banana farmers in the eastern Transvaal and along the Natal south coast are looking on helplessly as the Panama Wilt scourge wipes out their crops.

**Spread**

The Banana Board and scientists of the Department of Agriculture have been searching for satisfactory control measures to contain the spread of the disease, but so far, without success.

Banana production is one of the most profitable commercial farming enterprises in South Africa. A farmer with 120 ha in full production can expect a turnover of more than R1 million a year.

One hectare of bananas on average yields about 20 t of fruit, which today sells at a producer price of about R659 a ton, or a return of R6 900 a hectare.

This makes farming land in the eastern Transvaal's banana production region exceptionally expensive, with buyers paying anything from R15 600 a hectare upwards.

Head of the Plant Improvement Unit at the National Fruit Research Institute, Zaag de Beer, says Panama Wilt has already caused serious losses in the eastern Transvaal, especially in the Kiepersol area.

Farmers in the other high-production areas such as Malelane, Lethaba and Transvaal are deeply worried about the threat to their plantations.

Mr de Beer said that at the moment there is no method of controlling the disease and the prospect of finding one is far from promising. The disease is caused by a soil-borne fungus and is fatal once a banana tree becomes infected.

It can spread rapidly through a plantation if the spores were carried in surface run-off water or if they entered an irrigation source. Even a single spore can cause the disease and eventually kill the plant.

"Both the country's main cultivars, Cavendish and Williams, are affected, and new cultivars imported by the Banana Board could also become diseased under the South African conditions," Mr de Beer says.

"Some years ago Panama Wilt nearly ruined the banana export trade of Central America and the West Indies, but those industries were saved only by changing to resistant cultivars.

"Unfortunately cultivars that have been found to be immune in other countries have become diseased under sub-tropical conditions. We have no effective chemical control products and there is no effective means of eradicating the fungus."

Once present in the soil the fungus can persist for many years, ready to infect any new banana crop. It cannot be eradicated, thus forcing farmers to diversify to other less lucrative crops.
Exporters cry out for more as marula weaves its magic

South Africa’s horticultural success story of the decade may prove to be the rise of the marula as a major export.

Already the wild marula fruit is harvested locally and used in the manufacture of liqueurs and cream liqueurs by a distiller in the western Cape.

These products have captured nearly 10 percent of the liqueur market in the US.

Marula jam manufacturers, who also obtain their fruit from wild trees, are having difficulty in keeping up with the demand for their product in Europe.

The Department of Horticultural Science at the University of Pretoria embarked on a programme in 1988 to propagate the trees.

The first commercial orchard has been planted and should start bearing fruit next year. Soon the Pharulani, the Swarula and Mharula cultivars will be released on world markets.

Professor Kas Holshausen, the head of the department, said: “In researching the marula we sampled thousands of wild variants in South Africa, Namibia, Malawi and Zimbabwe to find the most promising for cultivation.”

He said the juice of the marula was similar to citrus juice but with four times more vitamin C.

Marula nuts are of exceptionally high quality and have high oxidative stability. They can be used for frying or the coating of dried fruit.

“African tribes have always maintained that the bark has medicinal qualities.

“Trials conducted recently at the Universitas Hospital in Bloemfontein showed that it is indeed useful in the treatment of ulcers,” said Professor Holshausen.

The marula tree grows to a height of up to 20m and prefers low-lying, warm and frost-free bushveld regions.
Fruit export earnings went up 8.2% 

CAPE TOWN — The deciduous fruit industry achieved an 8.2% increase in gross export earnings to R1,415mn in the year ended September. Unifruco chairman Leo Fine announced in the annual report to producers released yesterday. 

A total of 35-million cartons of fruit were exported, 4% more than in the 1990 year. 

This modest increase was because big grape and apple crops — the biggest contributors to earnings — failed to materialise. 

Grape volumes rose only 2% to 6.3-million cartons, while apples remained the same at 13-million cartons, although there was an 11% and 6% increase, respectively, in their gross earnings. 

On the other hand, exports of apricots shot up by 58%, peaches and nectarines by 28% and plums by 14%. The volume of pears increased by 9%, but pear earnings lagged with a 5% growth. 

Unifruco's venture into the export of non-traditional products such as subtropical fruits and vegetables was also successful. A 25% increase in export volumes was achieved. 

Fine said the improved political climate opened up opportunities for Unifruco, which acts as the export marketing arm of the industry. The growth in consumer demand saw increased sales in both traditional and developing markets. The Dutch market grew 83%, Greek 67%, Portuguese 27%, Italian 15.5% and German 12%. 

The export earnings growth was pedestrian compared with last year's 43% rise, but better than expected. Last year a 12% increase in the size of the crop, a favourable exchange rate, and better unit prices contributed to an exceptional performance. 

Fine said last year's buoyant marketing conditions continued into the present season. The exchange rate had little effect on the net results. 

The US, Iceland and Finland had lifted fruit sanctions and, Fine said, there were indications that other countries would do the same shortly. 

Inflation 

Markets could also be extended into Eastern Europe as a result of the changes there. 

Payments to producers increased by 6% to R837mn, with local and overseas logistical costs having a detrimental effect. 

"This, with the negative effect of the local inflation rate on input costs, would probably result in lower net farm income for many producers, compared with the previous year," Fine said. 

Unifruco's total administration costs came to R42.5mn, or 3% of export turnover. 

As regards the future, Unifruco MD Louis Kriel said emphasis would have to be given to the growth in production of those fruits preferred by consumers, to extending the season, and to eliminating certain cosmetic defects. 

He said export volumes could increase by 50% to 50-million cartons by 1995. To cope with this growth, an extension of harbour facilities was being considered. 

Also, Unifruco and other fruit exporters were investigating the sharing of services in order to achieve rationalisations.
TRADE SANCTIONS

**Fruit slow to ripen**

US sanctions may be on the way out but it will be a while before more cash flows into the coffers of food exporters.

UniFruco CEO Louis Kriel says deciduous fruit exporters developed other markets during the sanctions years. "We will not neglect these and existing customers." Nevertheless, since the first signs of improvement in the local political climate in 1989, and especially since the release of Nelson Mandela in February 1990, farmers began increasing plantings to meet expected greater demand for UniFruco's "Cape" fruit.

Apart from new plantings, new varieties also hold the possibility of doubling crop returns per hectare. This should boost industry turnover above 1990's R1,3bn.

"By 1995 our annual crop should be about 50% bigger. Meanwhile, we will re-establish our premium name and quality image in the US market with smaller volumes of export fruit. By the mid-Nineties we should have sufficient fruit to go all out for the US market again (it was worth about US$50m before sanctions)," says Kriel.

When sanctions were imposed in 1986, SA was the largest single apple supplier to the US, with annual sales worth about $35m.

South American countries filled the gap left by SA. The US and Canada have great potential for SA but "Chile and Argentina are closer to these markets, while we are closer to Europe," says Kriel.

It takes SA fruit about 14 days to reach Europe against 20 days from South America. The opposite applies to North America.

SA Sugar Association international market director David Hardy says new quota conditions for the lucrative US market are being looked at.

KWV marketing executive Piet Momborg says the US market, while holding out great possibilities, is complex, with each of the 51 states having different requirements and conditions. While SA was kept out, wines from California, Australia and South America established themselves.

"It will obviously not be easy to get back in but we are using known marketing channels to find opportunities. Like UniFruco, we developed other markets during the sanctions years and must service existing customers first," says Momborg.

The association is, however, eyeing Canada where it once had a firm foothold.

"We don't have enough surplus capacity to go for new markets, while marketing costs also have to warrant the effort. Our priorities would be Canada, Scandinavia and Japan, where we expect market conditions to favour our products, once all sanctions are lifted," Momborg adds. He expects exports of bottled, high-quality wines (such as Sauvignon blanc, Chardonnay and Cabernet) to quadruple within three to five years.

Citrus Exchange GM Arend Venter says the US was never a market for SA but he hopes the abolition of US sanctions will help also to open up Scandinavia and Ireland. Meanwhile, eastern Europe offers opportunities, especially with the crops expected to increase from 30m cartons last year to 32m in 1991.

SA Agricultural Union economist Koos du Toit says special farm crops like strawberries, asparagus and subtropical fruit should find new markets in North America.
Agriculture is set to earn less from exports

GERALD REILLY

PRETORIA — Drought and other adverse conditions will slash SA’s agricultural export earnings by almost R45bn, the Agriculture Department predicts.

The department estimates exports will earn R4,35bn this year, compared to R5,295bn last year.

The sharp decline is forecast despite good performances by the deciduous and citrus industries.

Fresh deciduous fruit earnings for the year to end-September increased by R100m to R1,42bn, Unifruco public affairs manager Fred Meintjes said.

Last year the whole of the fruit industry — subtropical, deciduous and citrus — earned R3bn from exports. This was about 60% of total agricultural forex earnings. This figure is expected to be exceeded this year.

Meintjes said for the past two years Unifruco had traded in a more politically relaxed environment in which political interference was virtually eliminated.

Citrus Exchange operations GM Arend Venter said gross exports this year were worth R1,1bn compared to R300m last year.

Venter said international marketing conditions had been generally favourable, mainly due to reduced supplies.

However, wool was a poor performer. Wool Board figures show foreign earnings fell from R767m in 1989/90 to R637,1m in 1990/91 and predictions were that the current season would see a further decline to R564,4m.

A board spokesman said wool farmers were going through a tough period and the estimates indicated it was not yet at an end.

Foreign earnings from maize exports this calendar year are expected to be about R216m — slightly down on last year’s figure.

An SA Sugar Association spokesman said export earnings this year were expected to reach R500m.

This is roughly the same as last year.

Export volumes were higher this year and international prices lower, he added.
Just juicy

Good crops and the lifting of sanctions are expected to boost citrus and deciduous fruit export earnings in the coming year to R2,6bn. Louis Kriel, MD of Unifruco, which markets deciduous fruit overseas, says the harvest of early peaches has only just begun but this season's crop will probably be good due to a long and wet Cape winter. "It seems that there's a double-digit percentage increase in crop size in the making."

The market outlook is just as good — Unifruco will return to the US and Irish markets next year. Kriel is reluctant to forecast the increase in earnings but says that if unit prices remain constant and the crop size increases by more than 10%, earnings are expected to rise by a similar percentage.

In this season, Unifruco exported 35m cartons of fruit for gross earnings of R1,48bn, which was 8% up on the R1,3bn earned last year. The most lucrative deciduous fruit crop is apples, which earned R700m on export markets this year.

Kriel says the reopening of overseas markets is unlikely to cause a domestic shortage of fruit or push up local prices. The anticipated increase in the size of the market will satisfy higher demand. About 60% of the deciduous fruit crop is exported and 40% is sold locally as fresh fruit or for processing.

Doug Stanton, chief executive of the SA Co-operative Citrus Exchange, says that though the next citrus season does not begin until May, he is optimistic it will be as good as this year's. Gross export earnings exceeded R1bn for the first time this season.

He says that even if the exchange is looking to open new markets in eastern Europe and the Far East, a domestic shortage is not likely. Last season, the exchange exported 31m 15 kg cartons — the highest figure ever achieved and 1m cartons more than the 1990 figure. The export crop is expected to grow to around 45m cartons over the next few years.

Last month, Unifruco and the exchange announced the rationalisation of their interests in Europe, including the establishment of a joint European head office at Farnham Royal, west of London, and the joint management of financial, data processing, quality control, technical and logistical services. Marketing will remain independent under the trade names Cape and Outspan.

The two organisations say the joint arrangement will result in optimal use of the existing infrastructure and expertise, reduced costs and greater productivity.

Unifruco and the exchange jointly export 60m cartons of fruit a year and the figure is expected to rise to 100m by 1995.

In Stellenbosch this week, Unifruco launched a new company, Vinfruco, to handle overseas marketing for six Cape wine co-ops and four independent estates.

The wine will be sold under a new label, Oak Village. Participants in the venture include Overgaauw, Rustenberg, Vriesenhof and Niel Ellis estates and De Heidersberg, Bottelary, Eersterivier-Vallei, Koelenhof, Vlottenburg and Welmoed co-ops.

Vinfruco will target the mid-price range market with high-quality wines. Its competitors will include other "new world" wines from Australia and California.
Deciduous fruit exports up

PRETORIA — SA’s deciduous fruit industry had great prospects for expansion with markets opening up and existing ones in Europe expanding, Agriculture Minister Kraai van Niekerk said at the weekend.

Van Niekerk told a Unifraco function in Pieterberg that 30% of SA’s agricultural production by value was exported last year.

Agricultural exports earned R6.3bn or 8.7% of total export income, while imports totalled R2.1bn.

Deciduous fruit production increased by 32% between 1995 and 1991 and a further increase of 43% was forecast by 1995. This would bring total tonnage to 571 000.

The last harvest was a particular achievement with gross income from deciduous fruit exports increasing by 8% to R1.42bn. Payments to producers also increased, by 6% to R837m.

However, rising local and overseas export costs dampened producer payments. Van Niekerk said international purchasers for big chain groups who bought millions of cartons annually from organisations such as Unifraco were becoming more sophisticated and demanded ever higher standards.

Western Europe remained the most important market for Cape fruit, with Britain, Germany and the Benelux countries being the main buyers.

There were also fast developing fruit markets in France, Switzerland, Italy and Austria. Other European countries had great market potential.

Van Niekerk said market prospects for deciduous fruit were favourable, but, as in other branches of agriculture, the rising costs problem would have to receive greater attention.

It was estimated the local deciduous fruit industry would have to plant an additional 8 500ha to meet projected demand. The market among black South Africans also had great potential.

On the economy generally, Van Niekerk said experience of the last decade showed countries with strong export-oriented economies performed far better than those which depended on import replacement and high protection.
Leap in dried fruit price predicted for new year

CAPE TOWN — The price of dried fruit, which was facing stiff competition, could increase by between 14.5% and 25% next year, SA Dried Fruit Cooperative (SAD) marketing GM Philip Botha said at the weekend.

There had been a dire shortage of tree fruits such as peaches, pears, apricots and apples available for drying because of the high prices being offered by fresh fruit buyers, canners and juice manufacturers.

Botha anticipated the prices of these dried products would increase by between 20% and 25% from March next year. In 1991, prices increased by about 22%.

Usually about 1 500 tons each of dried peaches and pears were consumed locally each year but this year only 500 and 400 tons were available respectively.

Prices of dried vine products such as raisins would rise by about 14.5% to 15%, Botha said. To compete with other purchasers of fruit, the price paid by SAD to farmers would increase by between 30% and 40%.

The shortage of fruit for drying meant no dried fruit from trees was exported this year, as priority was given to the local market. Exports of dried vine products remained static.

Botha foresaw shortages lasting for about four years until new land under cultivation came into production.

He said despite the shortages a 4% real growth in dried fruit tonnages was achieved in the financial year to end-November. Tonnages of raisins and other vine products grew by 5.1% while those of tree dried fruits fell by 2%.

Botha said the industry's figures for the year had not been finalised but he expected a turnover increase of about 6% to R230m (R236m), 40% of which was derived from exports of dried vine products.
Market control changes likely

Consumer Reporter

Fresh produce marketing could become more decentralised and guided according to economic forces if Human Sciences Research Council (HSRC) recommendations are implemented.

Agriculture Minister Kraai van Niekerk approved the recommendations after an investigation into the marketing of fresh vegetables and fruit.

The investigation focused on the redivision between market management and agents of tasks and responsibilities. Market management activities should be reduced and market agencies’ tasks extended, according to the recommendations.

Legislation

The Minister said Parliament would consider legislation to implement recommendations that the Commission for Fresh Produce Markets be repealed and that control over market agents be transferred to a statutory board.

"The repeal of the Commission for Fresh Produce Markets Act, together with the implementation of the recommendations of the HSRC report, will result in the moving away from a strong centrally guided fresh produce marketing system to a more decentralised system," Mr van Niekerk said.

Fresh produce markets would have to organise and manage themselves according to the economic forces and needs of their immediate environment. This has advantages for producers and consumers and promotes free market principles, he added.
Agri. Others - Fruit
1985 - 1989

Agriculture - Others

Drive to boost SA taste for fruit

Consumer Reporter

SOUTH Africans, it seems, are not particularly fond of fruit — although they live in a major fruit-producing country.

They probably eat less than a tenth of what people in Arabian countries eat and about a third of the fruit eaten by the average Briton.

Mr Fred Meintjes, director of the Deciduous Fruit Board's public relations department, estimates the per capita consumption of fruit in South Africa at less than 10kg a year.

South Africans had “a long way to go” before matching European nations in consumption and awareness of fruit quality, he writes in the latest issue of the Deciduous Fruit Grower.

Television

Mr Meintjes says the average American eats about 80kg of fruit a year, West Germans eat 46kg, and in some Arabian countries people eat more than 100kg of fruit a year.

The Deciduous Fruit Board is anxious to increase South Africans' taste for fruit and make them more fruit conscious.

According to Mr Meintjes, the DFB will launch its most important public awareness project next month — a three-part television documentary about the Cape fruit industry.

"The result promises to be one of the biggest single boosts for our fruit in many years," predicts Mr Meintjes.
SA pineapple farmers used dieldrin till 1984

Environment Reporter

DIELDREN was used on pineapple farms in the Border area of the Cape Province until early last year.

The registrar of agricultural and veterinary drugs, Mr Max Orban, said yesterday that a special dispensation on the ban of the deadly chemical was given to members of the Pineapple Growers Association (PGA) in 1982 and renewed in 1983, specifically for the control of the white grub. It was lifted in March 1984 when an alternative insecticide was found.

Mr Roger Hulley, MP for Constantia, read a letter in Parliament last Thursday in which a major agricultural cooperative claimed R2 472,60 for dieldrin sold to one of its members in August 1983.

Mr Orban stressed the PGA concession was the only exemption to the ban and that, besides SWA/Namibia, the use of dieldrin had not been allowed anywhere else in South Africa.

Conservationist Mr John Greig, of the Wildlife Society said it appeared that if people were sufficiently persuasive they would be exempted from the ban.

Mr Orban said the exemption had only been made after discussion between experts from various departments including the Department of Health and Environment Affairs.

He said it was distributed under strict PGA control and when the concession was lifted the Shell company undertook to remove all stocks and the Department of Agriculture had checked that this had been done.

Yesterday a spokesman for Shell said the matter would be investigated.
AVOCADO BOUNTY

AVOCADO exports to Europe are expected to almost double in value this year.

Producers will export 17,000 tons — 4.2-million cartons — to Europe. According to Mr Nino Burelli, the managing director of the SA Avocado Growers’ Association (SAAGA), the value of these exports will be about R15m, compared to R8m last year.

The first 450 tons of this year’s export crop were loaded recently.

The major markets for South African avocados are France, which takes 70% of the export crop, and Britain, with 20%. Other markets include Belgium, Germany, Sweden, Norway, Switzerland and the Netherlands.

SAAGA has launched an aggressive marketing and promotion campaign after three years of setbacks from drought and root rot.

Burelli said: “The 1984 export crop was originally expected to be 26,000 tons, but we eventually shipped only 8,000 tons. Despite the cut, we still earned R8m because exchange rates worked in our favour.

“This year appears to be more favourable because of better climatic conditions, the introduction of highly effective chemical controls for root rot, new high-potential orchards coming into production, the introduction of irrigation systems and the development of new production areas.”

South Africa’s main avocado-growing area is around Taebeen, in the Northern Transvaal, which produces 58% of the total export crop. Other areas include Levuba-Louis Trichardt and Hazlynd/White River/Nelspruit, which provide about 20% each.

Burelli said that although the avocado industry was still in its infancy, it had grown dramatically and had maintained a mean export growth of 20% per year over the last decade.

“We first started exporting avocados in 1967. Exports have increased from 1,000 tons in 1971 to 17,000 tons this year,” he said.

“South African avocados are popular in Europe because of their good quality and also because the fruit is ready for export between March and October when other producers are out of the market. “Israel exports large amounts of avocados to Europe between October and March and, if they have a large crop, it stimulates demand for the fruit during our exporting season.”
Apples donated to the needy

THE first consignment of a gift of almost 2½-million apples was handed over to Operation Hunger by the Deciduous Fruit Board in Cape Town last night.

Mr Mohammed Dangor, assistant director of Operation Hunger, said the 20,000 cartons of apples would be distributed among the hungry people of South Africa.

Mr Leo Fine, chairman of the Deciduous Fruit Board, who presented the donation to Mr Dangor, said: "The deciduous fruit industry is blessed with a good export season this year, but we are very much aware of the distress inflicted on many of our fellow-citizens by unemployment and drought."

Mr Dangor said about 7,500 cartons were to be sent to the Transvaal, Venda, Bophuthatswana, the Free State and Lesotho; 3,000 to Natal; 5,000 to the Eastern Cape, Transkei and Ciskei, and 5,000 to the Western Cape and Namaqualand.

Many a slip ty...
WIND wrecks wheat crop

WHEAT crops along the West Coast and in the Southern Cape have been damaged by gale-force winds which ripped through the fields this week and left the ripe kernels scattered on the ground.

The wind also tore through orchards and vineyards in the Little Karoo and farmers have lost a large part of a once-promising grape and deciduous fruit harvest.

A spokesman for the Western Province Co-op at Vredenburg yesterday said it was a long time since a wind as strong had blown through the area at this time of the year.

The area was blanketed by a grey cloud of dust on Thursday.

Ripe wheat fields at Gouda were also damaged. No reports of damage have been received from the Swartland.

A spokesman for the co-op in the Overberg said most of the farmers believed their wheat had been damaged but said it was still too early to estimate the extent of the damage.

At Riversdale, grain was flattened by the wind and blown away.

Ladismith and Calitzdorp fruit farmers reported that they had lost up to half of their harvest and that many vines and fruit trees were stripped of their fruit and leaves.
Record R470m export earnings for W Cape fruit

By AUDREY D’ANGELO

THE 2,000 farmers who export grapes, stone fruits, apples and pears through the Deciduous Fruit Board shared an estimated net profit of R84 m — more than double the 1984 figure — this year.

The chairman of the Deciduous Fruit Board, Mr Leo Fine, announced yesterday that payments to producers increased by 35 percent to R237 m in the season just ended. The favourable rate of exchange helped boost export earnings to a record R470 m. But the rise was also due to the fact that more fruit had been sold in spite of boycotts and anti-South African propaganda.

“People still buy our fruit because of its quality,” he said in an interview. “We exported nearly 260 m cartons.”

Exports of table grapes exceeded 10 m cartons for the first time and earned R120 m.

Popular fruit

Apples were still the most popular fruit and 10.9 m cartons were exported, earning R262.4 m, compared with 3.2 m cartons of pears earning R67.9 m and 1.6 m cartons of stone fruit earning R19 m.

Pointing out that fruit growing was a major industry in the Western Cape, Mr Fine said organizers of boycotts should realize that they were endangering many jobs.

The general manager, Mr Louis Kriel, warned exporters that, although the exchange rate would still favour exporters in the coming season, charges paid in foreign currency would be higher.

Boycott

And he feared that some Scandinavian countries would boycott all agricultural produce from South Africa.

“The irony is that the fruit growing industry employs more than 200,000 black people and is known for its favourable working conditions. “No problems are expected in the main export countries, however, and the quality of our produce and our service are expected to overcome all opposition.”
STOCKHOLM. — Sweden has decided to ban the importation of South African agricultural products and fruits from January 1 to protest against apartheid, it was announced yesterday.

"Sweden's Riksdag (parliament) has never been as united as now against apartheid," said the Foreign Trade Minister, Mr Mats Hellstrom.

The ban also included the South African Kruger rand, and local authorities were allowed to independently boycott any South African products and services.

Total imports from South Africa in 1984 amounted to 403 million kronor (R150 million), including agricultural products amounting to 116 million kronor (R37.3 million). — Sapa-AP

● Norway to cut SA trade, page 4
DFB applies for exchange easing

THE deciduous Fruit Board (DFB) has urgently applied to the Reserve Bank to exclude its extensive money market and foreign exchange dealings from the tighter exchange control regulations announced a week ago by Finance Minister Barend du Plessis.

This was confirmed to Business Day yesterday by the DFB’s Tienie van Weits, who said the DFB would have extreme difficulty in complying with the new measures.

Specifically, Von Weits observed that SA’s deciduous fruit was exported on consignment, and the DFB had no means of determining in advance what prices would be obtained on the European and United States markets.

In the circumstances, it would be virtually impossible for the DFB to comply with the new regulations stipulating that exporters had to sell their future dollar earnings to the market within seven days of shipment.

“It also means we cannot take out forward cover,” said Von Weits.

In terms of special terms granted previously by Pretoria, the DFB until now has been allowed to pay for its shipping and other foreign costs out of proceeds obtained direct from its export earnings.

But Von Weits said there was now some uncertainty as to whether the Reserve Bank would allow this arrangement to continue.

Next to banking institutions, the DFB probably has one of the most sophisticated money market and forex operations in SA.

With export earnings this year of about R500m, the total value of its forex transactions in this period — in terms of borrowings, purchases and cross-dealings — amounted to R4,43bn, Von Weits said.

Dealings were carried out direct with about 16 local and overseas banks, with transactions covering spot buying and selling of 14 foreign currencies; forward buying and selling of currencies; raising of Euro-dollar loans; and various money market investments.

“We are not a bank, but have to act and think like one in order to successfully handle our international money market transactions,” Von Weits said.

“But we never speculate in the forex market,” he added.
Weather hits deciduous fruit harvest

GALE-FORCE winds, hail, rain and heatwaves have caused millions of rands' damage to the deciduous fruit harvest in the western, southern and southwestern Cape this year.

A spokesman for the Fruit and Fruit Technology Research Institute said serious damage had been caused by gale-force winds, heatwaves and rain. In some areas farmers had lost almost all their crops.

Dr Peter van Rooyen, deputy director of the institute, said there had been problems with the size of fruit this year, especially stone-fruit cultivars and most types of grapes.

According to Sapa, the Deciduous Fruit Board's assistant general manager in charge of quality control, Mr Koos Burger, said hail had caused more damage this year than in previous years, especially in the Hex River Valley where 100 000 cartons worth of export grapes had been lost.

He added that although several farmers had lost their entire crop, the loss formed only a small percentage of the harvest used for export by the board.

No scorching yet

The director of the Genological and Viticultural Research Institute in Stellenbosch, Mr Jakob Deist, yesterday said the recent dry spell might cause grapes to ripen earlier, but no scorching of the fruit has been discovered yet.

He said more than the usual amount of rain had caused mildew in the Breede and Hex river valleys, but none had been reported so far in the coastal regions, probably because of sunnier weather there.

Mr Deist said he expected a harvest similar in size to last year's, but that it was too early to predict accurately.

He said the poor exchange rate would lower the value of export grapes, but that the rand prices would probably be good. — Sapa and Staff Reporter
Cape deciduous fruit harvest hit by weather

This year's unusual weather has seriously affected the deciduous fruit harvest in most of the Cape.

Gales, heatwaves and heavy rain caused millions of rands in damage and farmers lost most of their harvests in some areas, according to the head of the Horticultural Division of the Fruit and Fruit Technology Research Institute, Dr. Olaf Bergh.

He said problems with the size of fruit had been experienced with most of the stone-fruit cultivars this year as well as with most types of grapes.

Assistant director of the Oenological and Viticultural Research Institute, Christo Kock, said it was difficult to establish the size of the grape harvest at this stage. An good estimate would be possible only in about 10 days' time.

He expected most of the grapes to ripen two weeks earlier this season.

The Deciduous Fruit Board's assistant GM in charge of quality control, Koos Burger, said hail had caused more damage to the deciduous fruit harvest this year than in previous years.

Although several farmers had lost their entire crops, this loss formed only a small percentage of the entire harvest used for export by the board.

The most serious damage was caused in the Hex River valley where grapes for export were lost. — Sapa.
Airfreight plan to get good early-season prices

DFB to export 50% more fruit

THE Deciduous Fruit Board (DFB) is planning an ambitious airfreight export programme this season, expected to see at least 50% more fruit being flown out of SA.

DFB assistant GM, operations, Johan Kruger, says no less than 3 000 tons of fruit will be flown to destinations in Europe during the early part of the Cape season — about to start — compared with 2 000 tons last year.

Substantially increased airfreight consignments, it is hoped, will increase early season benefits before first supplies arrive by sea.

Being on the market early with smaller supplies sets a higher price level, which the DFB believes will have a positive influence on price structure for the remainder of the export season.

Kruger says careful planning is required to ensure increased quantities of fruit will be accommodated on outbound flights. The weak rand had caused an unprecedented level of competition for available cargo space.

The DFB will also make use of charter aircraft. Between 15 and 20 such flights are planned this year, compared with a single charter last season.

Grapes and nectarines will take up the bulk of space.

Last year about 97 000 cartons of nectarines were flown to European markets. This year's expected figure is 225 000 cartons, because of the tremendous growth of the nectarine industry, Kruger says.

The increase in grape exports by air is expected to be as dramatic, with more than 320 000 cartons likely to be flown out, compared with 161 000 during 1985.

This increase is largely accredited to the expansion of sultana exports, although other early cultivars like Bien Dorne, Dan-ben-Hannah, Alphonse Lavallée and Waltham Cross will also be flown out.

Major air charter destinations are Paris and London, with regular flights also landing at Frankfurt.

Air exporting has its problems, Kruger says. Insufficient freight space on internal flights to Johannesburg has meant the DFB must road transport fruit to Jan Smuts.

And storage facilities at airports are inadequate, so additional shorter-term storage must be hired.
Citrus may net SA R600m

PRETORIA — This year's citrus exports will earn the country R600m in foreign exchange — R100m more than last year, says Citrus Exchange GM Arend Venter.

About 30-million cartons had been shipped abroad so far this year — about the same as last year's total, he said. Total gross value at the point of sale abroad would be about R1bn.

Venter said the packing season for the industry in southern Africa had come to an end, and the last portion of the crop was now being marketed. During the first part of the season export markets had been relatively buoyant.

However, during the second half severe competition from South America had created difficulties.

Venter said overall, prices had been higher than during the previous season.

The main reasons for the sharp upturn in production costs were the high costs of inputs, the weak rand, escalating wages, and the high local inflation rate.

Venter said the belief that fruit farmers were in the pound seats was wrong, mainly because of the inflation spiral, which had forced production costs to record levels.

Value of home plans passed rises 16.2%

GERALD REILLY

PRETORIA — Building plans passed in the first eight months of this year increased by 16.2% compared with the same period last year, according to Central Statistical Service.

The value of plans for houses increased 7.4% to R2,244bn, and for flats and townhouses 35.2% to R598.5bn.

Plans for non-residential buildings increased 8.5% in value from R1,901bn to R2,064bn.

Additions and alterations plans were valued at R2,130bn — an increase of 31.7%.
Ireland to ban imports of SA fruit

DUBLIN — Ireland will ban imports of South African fruit and vegetables from the beginning of next year — the first European community country to take such a step.

The Irish Government announced yesterday the ban will be phased in gradually from October 1 in an effort to limit damage to Irish companies involved in the trade.

Government spokesmen admitted that the ban had been introduced in large measure in response to a year-long strike by a small group of supermarket workers in Dublin who drew huge public attention and sympathy over their attempts to get South African goods boycotted.

From October 1 Irish importers can apply to the Ministry of Agriculture for licences on a shipment-by-shipment basis to import South African goods if they have been regular importers from South Africa for three years and if they can show they could not secure other supplies.

PRISON LABOUR

From January 1 next year no more licences will be granted unless importers can prove to the Ministry that the system of prison labour in South Africa has been abolished.

It is this provision that Irish officials believe makes the move legitimate under the General Agreement on Tariffs and Trade (GATT) rules.

The government says it has established that prison labour is used in South Africa in the production and harvest of fruit and vegetables.

Officials in Dublin said Norway and Sweden had introduced similar bans and so far South Africa had neither taken reciprocal action against them, nor had it moved to sue them for breach of GATT rules.

Irish exports to South Africa, comprised largely of electronic goods, are worth R100-million a year compared with imports of R350-million. Fruit and vegetables make up the biggest import item.
Fruit board boss expects earnings to rise

LINDA ENSOR

THIS season's deciduous fruit harvest - especially grapes - is significantly lower than last year's.

"Overall our crops are disappointing," said Louis Kriel, GM of the Deciduous Fruit Board.

"I don't believe we will reach the same production volumes in any of the fruit types as we did last year."

Grapes were particularly badly affected by an extremely hot November, and Kriel expects the harvest to be about 25% lower than last year. The most serious damage has been experienced in the Hex River Valley which produces grapes for export.

Crop losses of more than R20m due to late rains, hail and wind were experienced in parts of the Western Cape.

Kriel feels export earnings will probably be better than last year's R470m because of a more favourable exchange rate and better prices. He expects they will exceed R500m.

So far the export market has not been significantly affected by the boycott campaign, Kriel said, except that it has become more sensitive to quality and fruit has to be cosmetically perfect.

Manager of the Dried Fruit Cooperative Dirk Viljoen also expects dried fruit exports to reap much more than the R45m obtained in the 1984/85 season.
Citrus’ exports set to rise

CITRUS exports this year are likely to show a 5-million-case increase over last year’s 29-million cases, says Citrus Board deputy GM Andre Venter.

He said yesterday early crop estimates were that orange production would be up by 15%, grapefruit by 7% and lemons by 3%.

Boycotts would be a factor in the success of the export programme.

Furniture price hike expected

Manufacturers have been forced to up the price of their products.

"Added to all this is a surcharge on imports, a weak rand and extra duty on fabrics," says Solomon says despite manufacturers turning to local fabrics they are still faced with rising costs in the form of wage bills and overheads.

"Of the factories that closed down, many were faced with a tight cash flow situation coupled with forex problems."

"My advice to the consumer is to buy as soon as possible and buy wisely. Purchase from reputable companies and be selective in quality of product. Ask yourself if the company you intend doing business with will still be around next year."

Grafton Everest marketing director

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FRUIT

FRUIT and vegetable boycotts seem to have been espoused as a major boycott weapon by anti-apartheid campaigners, he said.

Citrus was particularly vulnerable, but it was too early to estimate the probable overall impact.

Last year’s gross revenue from exports was about R59m.

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From Page 1

“...We have had all these closures over the past year and expect many more. I envisage a situation where there won’t be enough manufacturers left to service market demands.

“We are looking at ways and means of increasing efficiency, but even that course has a limit. Prices have gone up and will continue to do so.”

Biles says prices of raw materials have gone up by between 25% and 30% over the past year.

“Prices of foam, fabric and wood have soared. If manufacturers continue to supply at current prices, then I foresee a lot more casualties.”
A BRITISH bomb disposal squad was recently called to Southampton docks to defuse a bomb hidden in a refrigerated container carrying fruit from SA. A multitude of wires radiating were thought to be an indication of booby traps. However, the squad discovered it to be a small data logging device installed by the Deciduous Fruit Board to monitor temperatures during the voyage from Cape Town. The logger was one of several supplied by M C Systems for monitoring temperature in the container every hour for four weeks. The logger had to operate reliably at near zero temperatures with no external power supply and light enough to be air freighted for re-use.
Fruit Financial

**CITRUS EXPORTS 14/8/96**

**Bearing fruit**

Despite political and economic pressure, the southern African citrus industry is confident that it can retain and expand its exports. Early assessments suggest that 29m cartons will be available for export against last year's 24m cartons.

Citrus Exchange assistant GM Arend Venter, was all confidence when he opened a R16.3m pre-cooling complex in Durban harbour recently.

“We have a better crop than last year and the prospects are already good for the 1987 season. We are in a much better position to meet the requirements of our overseas buyers. We know that all the markets where we operate — and we export to 30 different countries — can take more citrus than we have been able to supply.”

He says it's important to demonstrate to the overseas trade that SA is still in business and fully capable of supplying them. “We must show that the southern African industry is alive and well and is a reliable supplier — that is what concerns them most.”

Venter says export prices this year should equal, or slightly better, last year's.

The exchange has just started packing the 1986 crop, but early estimates show significant increases on last year. Oranges show an increase of about 15%, grapefruit 7% and lemons 25%. Based on these estimates, citrus exports from southern Africa — South Africa, Swaziland, Mozambique and Zimbabwe — are likely to be back to normal levels this year.

Better news for the local markets is that they should be better supplied than they were in 1985.
FARM DEBT

Another safety net

Commercial banks — stung by having been left out of the government’s farm debt consolidation schemes, although they are the largest contributors to the R11.5 billion farm debt mountain — are tightening the screws on their farmer debtors in the northern summer-grain area.

Farm debt to banks already amounts to R3.5 billion, against R2.24 billion to the Land Bank, R2.74 billion to farming co-ops, about R1 billion to other financial institutions and some R1.88 billion to other creditors.

Although banks are not directly sequestering their farming clients, the fact that they are beginning to enforce credit limits has forced some smaller creditors to take action.

The reason for the concern was highlighted recently when 10 farms, totalling 14 000 ha, in the Pretoria district where only five were bought in by other farmers, at a sale in the Pretoria suburb of the Free State Agricultural Union, GM Lulu de Jager. "Offers for the other farms did not even reach reserve prices. Farm prices have fallen dramatically."

The fall in farm values, which has also been reported in other areas, has sent tremors through the whole agricultural community and led to a joint initiative by the National maize Producers' Organisation (Nampo) and the SA Agricultural Union to launch a special assistance scheme for debt-ridden farmers.

"Agriculture plays a central role in the economy as job creator, foreign exchange earner and supplier of food to the population and raw materials to industry," Volkswagen agricultural economist Wicus Lighthill tells the FM. "Government will, therefore, support viable schemes for the long-term survival of the industry. Agriculture also has a strategic role in its national socio-economic role as a generator for the platteland economy."

Four years of drought has added to the sector’s structural problems. Although agriculture’s export earning ratio is still a comfortable 26.5%, short-term debt has soared by 30% annually since 1980, against the 24.5% annual growth in total debt. "Short-term debt now amounts to 54.4% of the total — this is an alarming situation," adds Lighthill.

At the same time some agricultural co-ops are also in deep financial trouble, possibly because they advanced credit too freely in the "good years."

The drought has created major cash-flow problems, and banks, co-ops and the Land Bank have been forced to carry farmers in the hope of eventual recovery. Although it is accepted that many will go under, the new debt consolidation scheme will help ensure that the process is "orderly," says SAAU economist Dries Davel.

The scheme will complement the six- and 10-year debt consolidation schemes, which largely apply to co-op debts. Farmers who do not qualify for them may seek help under the new advisory scheme.

It will be a tool to help farmers consolidate their position. Local committees will be formed in most areas to arrange meetings between creditors and farmer debtors to try to arrive at an accommodation to forestall sequestration.

A curator can be appointed to sell certain assets, subject to creditors’ acceptance of a specific arrangement in settlement of debts. This would give farmers a chance to recover in the next good season.

Forced sales could lead to the economic collapse of farming areas and have to be prevented "at any cost," says Davel.

SANCTIONS 1

Cape concern

Comprehensive sanctions would cripple the Cape. The region’s major industries — fruit, to arrive at an accommodation to forestall tourism and wine — are heavily dependent.

The FM is regarded as "most essential" or "quite important" by 81% of its readership — or 78 000 people — according to the South African Business Research Evaluation (Sabre) report unveiled this week.

The Sabre research, commissioned by South African Associated Newspapers (Saan) at a cost of R120 000, is based on a sample of 2 000 white businessmen and women, all 25 and working in top or middle management, the professions or technical occupations. They have a household income of over R2 000 a month and live in the PWV, Durban, Cape Town, Port Elizabeth and East London areas.

This sample, four times larger than that used by the All Media Products Survey (AMPS), represents 230 000 decision makers in business, or 7% of SA’s white population. Included in the survey of their reading habits were 13 mass circulation and 33 specialised trade publications.

Deciduous Fruit Board (DFB) GM Louis Kriel says two-thirds of the Board’s business, worth some R600m a year, would be hit by full scale sanctions. About 80% of exports go to the EEC, and the rest to some 24 countries in the Far East and North America.

But Kriel estimates that only 2.5% of DFB turnover would be affected by the sanctions package proposed by the six members of the Commonwealth group in London.

The fruit sector is the biggest employer in the Cape, accounting for some 250 000 jobs (95% black and coloured) in farming, canning and the dried fruit industries. Redundancies would be almost directly proportionate to market loss.

Kriel does not believe Cape fruit is a likely candidate for selective sanctions, but proposals could, of course, be expected from countries such as Australia which stand to gain. But if the Cape were shut out even in a small way, the consequences would be serious.

Product loyalty in the main markets is high, thanks to superb quality and the reliability of supplies. Ironically, but perhaps fortunately, Chile is Cape fruit’s main competitor. New Zealand also stands to gain a fair piece of the action, but Australia has fallen back considerably in recent years because of an adverse forex position and quality problems which do not lend themselves to

CUTTING A SWATHE

FINANCIAL MAIL AUGUST 15 1986
Bonus for dried fruit farmers

A R12,3m surplus and a bonus payment of 20% of “Voorsok” values for dried fruit farmers was announced by the chairman of the SA Dried Fruit Co-Op, Dr A J Burger, in Wellington yesterday.

Dr Burger made the announcement at the first of a series of annual meetings during which the co-operative’s financial results for the 1985/86 were released.

The record turnover of R126m for 1985, announced recently, had led to favourable payments to producers.

“In spite of the smaller 1985 crop — a decrease of 5 150 tons compared to the previous year — sales were generally maintained due to the provision of transfer supplies.”

Marketing activity

Effective sustained marketing activity, the advantage of the relatively low rand value and the maintenance of high quality products, contributed towards the record turnover.

“At the same time, the SAD has stuck to the principle that the local market should be kept stable and enjoy priority. Price increases will thus be kept strictly within the limits of the consumer price index.

Outstanding progress

“The SAD has made outstanding progress in the past 10 years,” Dr Burger said.

Total assets grew from R11m in 1976 to R57,5m in 1985, turnover increased from R16,7m to R132m, net surplus from R2,5m to R37,7m and gross surplus from R2,9m to R39,2m.

Members’ shareholding in the same period increased from R4,7m to R32,6m.

The intake of dried fruit had also shown a considerable increase — from 13,3 thousand tons in 1976 to 35,5 thousand tons in 1985. — Sapa
SAD's turnover R128m in 1985

Despite a smaller crop, dried fruit farmers gained a net surplus of R12.3m for 1985, says SA Dried Fruit Co-op (SAD) chairman Andries Burger.

Speaking at SAD's annual meeting in Wellington, Burger also announced a bonus payment of 20% of voorskat values.

He said effective marketing activity, the advantage of the relatively low rand and the maintenance of high quality products contributed towards the record turnover.

"At the same time, SAD has stuck to the principle that the local market should be kept stable and enjoy priority. Price increases will be kept strictly within the limits of the consumer price index."

"Despite the smaller 1985 crop — a decrease of 5,150 tons compared to the previous year — sales were generally maintained due to the provision of transfer supplies."

Reviewing the past 10 years, Burger said total assets grew from R11m in 1976 to R37.5m in 1985. Turnover increased from R16.7m to R128m. Net surplus grew from R2.5m to R37.7m and gross surplus from R2.9m to R39.2m.
Record for dried fruit industry

By Frank Jean

It was a record 1985 for South Africa's dried fruit industry with a R123 million turnover, resulting in a surplus of R12.3 million and a bonus payment of 20 percent to the producers.

Announcing the payment, Dr A.J. Burger of the SA Dried Fruit Co-operative in Wellington in the Cape, says: "Despite the smaller 1985 crop — a decrease of 3,515 tons compared to the previous year — sales were generally maintained due to the provision of transfer supplies."

Sustained marketing, the advantage of the relatively low rand value and the maintenance of high quality products all contributed to the turnover boost.

Mr Burger emphasises, however, that the co-operative has stuck to the principle that the local market should be kept stable and enjoy priority.

"Price increases will, thus, be kept strictly within the limits of the consumer price index," he says.

The co-operative has made outstanding progress during the past decade, with total assets rising from R11 million in 1976 to R87.5 million last year.

This year's turnover compares with R16.7 million 10 years ago.
frost in Spain in January last year led to a serious citrus shortfall in northern hemisphere markets already suffering from a weak European deciduous fruit crop.

And the rand’s fall boosted the prices received by growers to far above 1984 levels.

With just 1 100 farmers producing for export, average gross receipts were high — net payment to farmers jumped from R1 75 m in 1984 to R2 50 m.

Citrus export earnings have, in fact, been riding the roller-coaster since 1983 when 23.9 m cartons were exported for R2 64 m. In 1984, 23.6 m cartons fetched R3 50 m and then came last year’s record.

SA normally exports about 60% of its average annual production of 50 m cartons, but these sales to 32 different markets yield about 90% of the industry’s total income. Altogether the CE has 3 000-odd southern African producer members — it exports for members in SA, Mozambique, Swaziland and Zimbabwe. About 1 100 growers provide the total export crop.

To maintain the export impetus, the exchange has spent R32 m since 1983 on improved and modernised citrus export terminals at the harbours of Maputo (R7 m), Port Elizabeth, Durban (R8.5 m) and Durban (16.3 m).

“The investments will save us between R6 m and R7 m this year on freight charges, so we will recoup the total within a few years,” says Venter.

More efficiency

Apart from the direct savings, modernised handling at the terminals leads to better quality control and grading, improved sorting, higher productivity and more effective competition on foreign markets, he adds.

Durban leads in export tonnage, loading some 15 m cartons a year. Maputo ships about 5 m cartons a year and Port Elizabeth and Cape Town handle 4 m each.

Venter says the CE, a co-operative body and not a control board, is also in a position to negotiate the most favourable freight charges for members.

“If members exported individually, sea-freight would have cost them about R2 a carton more. Economies of scale and collective bargaining enable us to control quality, focus our marketing thrust and win premium prices on export markets for all members,” he adds.

Neighbouring states and Lebowa and Ciskei provide some 15% of the southern African crop. Their co-operation with SA ensures economic returns in extremely competitive markets, says Venter.

Regional co-operation and marketing co-ordination also underwrite job security for the industry’s 52 200 workers, of whom 50 000 are black. And the benefits filter down to the 180 000 people directly dependent on the industry for their livelihood.

Although the local market takes some 40% of production and yields only about 10% (R50 m) of total revenue, Venter expects this to increase as the quality end of the home market is developed.

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CITRUS EXPORTS

A golden haul

A combination of the low rand and high prices in foreign markets pushed gross receipts for SA’s 1985 citrus exports to a record R490 m — 40% above 1984 earnings of R350 m.

The record was achieved in spite of the fact that SA shipped only 24.3 m cartons compared with a more normal volume of 28 m-29 m.

External factors did work in local producers’ favour. Citrus Exchange (CE) assistant GM Arnoud Venter tells the FM that severe

Financial Mail May 30 1986
Ripe pickings for citrus

MICK COLLINS

Despite boycotts and general anti-SA feelings, the citrus industry sees overseas markets ripe for the picking and is sustaining its export drive.

Citrus Exchange assistant GM Arend-Venter said yesterday the 1986 season was in full swing and quantities packed so far indicated export volumes were likely to go back to normal levels.

Venter said: "By normal levels, I mean a total volume of 28-million cartons. Last year the total volume was 24-million cartons resulting in income of R490m.

"It is still too early to make a prediction on prices but our first fruit was offered on European markets last week and fetched a good rate."

A high proportion of the SA crop is sold in 30 countries on the open market.

Venter said: "Making predictions for the entire season is difficult. Information on shortages and surpluses travels fast, so we have to be alert."
LONDON — An immediate European Community ban on imports of fresh fruit and vegetables from SA would disrupt long-established trade and push up prices of citrus fruits in Europe this northern summer, trade sources said yesterday.

Such a ban could sharply drive up the prices of oranges, lemons and grapefruit because other exporting countries could not completely fill the gap until late last year, the sources added.

The possibility of the 12-nation EC banning imports of SA fresh fruit and vegetables might be considered at the EC summit in The Hague today.

Government sources say Britain, an opponent of sanctions, would reluctantly accept an EC boycott of uranium and fruit and vegetable imports from SA if this were the price of agreement at The Hague.

Marketing of the SA citrus crop, which is now beginning its sales season, would be disrupted at a time when alternative supplies from nations like Brazil would not be readily available until October or November, the sources said.

SA fruit and vegetable exports make up only about 4% of total trade between SA and the EC. But SA supplies some 80% to 90% of citrus fruit in many West European countries between July and September, the sources said.

If a ban remained in effect until the start of 1987, when SA deciduous fruit such as apples, grapes, pears, plums and nectarines normally begin entering the European market, the effect could be much more apparent to consumers.

According to the SA Deciduous Fruit Board, the West European market for grapes during the Southern Hemisphere season is about 11-million 5kg cartons, and SA provides about eight to nine million cartons from late December until the end of June.

Plums from the Cape make up about 95% of the European market from January until the end of March.

Britain, the largest EC importer of SA deciduous and citrus fruit, would be particularly hard hit by a ban, as would European firms depending on SA supplies. — Sapa-Reuters.
Spilling blood on fruit

THE British anti-apartheid group calling itself Trolleys Against South African Savagery (Tass) has launched a campaign in London to spray human blood on South African fruit displayed for sale in supermarkets in the United Kingdom.

The campaign is called "Bloodspan".

Tass says its members will be leaving a card informing shoppers and supermarket staff that "This product has been defiled by human blood. Please do not buy it. The sale of South African goods is morally unacceptable."

The blood, says the group, has in fact been diluted with disinfectant and distilled water. The first donation was collected from 14 Tass volunteers and samples are sent on blotting paper to journalists covering the story.

Tass says all the volunteers were tested for Aids, hepatitis and other blood-transmitted diseases prior to the blood being taken.

"The project depends on the symbolic power of blood," a Tass representative said. "To spill blood accidentally is a grave misfortune. To spill blood wilfully, as the regime in South Africa has been doing, is an appalling crime."

By WISEMAN KHUZWAYO,
London

"All produce from South Africa is defiled by the blood that has been spilled there as a consequence of apartheid. It is this that we wish to remind people of when they consider buying Outspan oranges. Imported blood-stained products should not be on sale here."

The Tass message concludes: "After the initial spraying with fresh human blood, the Bloodspan Project will mainly continue through the use of dried blood which is obtainable from most garden shops (sample also enclosed for journalists). However, Tass activists have also been circulated with information about how to use animal blood, how to make a fluid, and how they can take blood samples from themselves for use in the protest."

In November last year, Tass targeted several British supermarkets where they blocked checkout points at busy periods by refusing to pay for South African goods in their trolleys. Supermarkets admitted to losing both customers and sales in the campaign.
Full ahead

It is not all bad news on the export front. Boycott threats appear to be having little effect on SA's R540m a year citrus industry.

After last year's gross export earnings of R490m and local sales of R30m, the industry reports good sales and prices on foreign markets in the first month of the new export season.

"Our biggest problem has been a shortage of quality fruit to meet demand on traditional markets," says Citrus Exchange (CE) deputy GM Arend Venter. "Sales to Europe and Japan are going well. We've won a bonus by negotiating even lower freight rates than in 1985. This will help us remain competitive." The CE also hopes to extend the orange shipping season to Taiwan.

The CE has created a R15m contingency reserve fund to help beat boycott threats. This will complement normal reserves of R12m, and producers are being encouraged to increase product quality and switch to better varieties.

The major competitors will again be South American countries, Israel and Spain, but there are indications that Israeli grapefruit will experience end-of-season condition problems — opening the way for SA sales. Venter says the outlook is good, apart from "political problems" in some markets.

Chairman Lance Danekwerts warns, however, that there is little likelihood of a repeat of 1985's exceptional earnings. Last year's below-average size crop yielded record returns because of a combination of severe frosts in Spain, poor weather affecting deciduous fruit production in other parts of Europe, and the highly favourable exchange rate.

Net payments to producers from last year's record R490m export receipts amounted to R250m. Venter says, however, that CE administration costs only took up some 3% of export sales value — less than R15m. The balance went on marketing and transport costs.

Completion earlier this year of the CE's ambitious R32m port rationalisation and modernisation programme has given the industry the biggest and most modern harbour handling and pre-cooling facilities in the Southern Hemisphere.

Maputo, Durban and Port Elizabeth are now equipped to handle all southern African citrus exports. More savings will accrue in 1987, when through palletisation comes into operation.

"If the industry had not introduced the new facilities, port costs alone this year would have been R33m, compared with our current estimate of R23m," says Danekwerts. "We reckon the industry will also save some R1m-R7m on raffle costs."

The CE has diversified to include citrus marketing for some Northern Hemisphere producers, and is also more involved in selling non-citrus products such as avocado pears, mangoes and grapes.
Emergency halts citrus fruit imports by safety-minded Japanese

CITRUS exports to Japan — said to be worth R80m annually — have been halted because of the state of emergency.

The exports can only be effected if Japanese-appointed inspectors pass cargoes before shipment. But the Japanese government is refusing to allow inspectors to work in South Africa because it fears for their safety.

A spokesman for the Japanese Consul for Economic Affairs in Pretoria yesterday confirmed the decision and said his government was worried about the security situation.

"It is the state of emergency they are anxious about."

Asked if he thought there was personal danger in SA, he said: "My government obviously reached its own decision."

The inspectors, whose presence was vital because of strict Japanese sanitary regulations, may return once the government was satisfied their safety could be guaranteed.

General manager of the Citrus Exchange Cameron McOzie confirmed that the embargo was costing millions of dollars in lost earnings.

He refused to be specific on the value of last year's export volumes, but industry sources estimated the trade to be worth R80m.

"Our sales to Japan at the moment are zero. One of the requirements before any fruit is exported is that food fly sterilization takes place — a task supervised by Japanese inspectors.

"The process entails putting the fruit in cold storage for longer periods than is normal for exports to other countries."

Last year, citrus growers predicted a 10% increase in exports to Japan.

Safari Services shipping, which then operated three sailings a month, has since added another vessel to its schedule to cope with expected demand.

Japan buys mainly marsh grapefruit and lemons from SA.

In response to a question on whether Far East markets would take up any surplus in the event of US and European sanctions, McOzie said: "The East would be a much better market for us."

"Plants are being made, but it would be incautious of me to reveal them." He said the Citrus Exchange had not received any complaints on the quality of fruit exported.

Other Far East countries, where import regulations are not as strict as those in Japan, are understood to be interested in taking up any surplus brought about by sanctions.
Fruit sanctions and the future

Staff Reporter

MORE than one million people in the Western Cape would be affected if South African fruit became the target of international sanctions, the Deciduous Fruit Board (DFB), said yesterday.

The DFB general manager, Mr Louis Kriel, announced that 2.5 percent of the board’s business would be affected by the sanctions package proposed by six members of the Commonwealth group in London. The countries which favoured sanctions included frontline states and both Canada and Australia.

Estimate

Mr Fred Meintjes, the DFB’s public relations manager, pointed out that the Western Cape fruit industry employed nearly 250,000 people in farming, canning and the dried fruits industries.

A conservative estimate of five persons in a family brought the total number of dependants on this labour force to about 1.25 million people, he said.

About 95 percent of this work force were blacks and coloureds.

The fruit industry was primarily export-oriented and had been so for almost a century.

“At this stage about 70 percent of our fruit is exported to some 34 countries in the Far East and North America. This season alone could generate a gross turnover of R600 million. European Economic Community (EEC) countries receive 85 percent of all Western Cape fruit exports.”

‘Disappointed’

Advances in social development for workers on farms, such as schools, housing and recreational facilities which were unparalleled in the world, relied heavily on the profits generated from imports, Mr Meintjes added.

Mr Kriel said that he was not surprised that Britain was opposed to sanctions as the DFB was the largest employer of semi-skilled and unskilled labour and “possibly the most enlightened in the agricultural world”.

He said that Australia’s aim in supporting sanctions was “transparent” as it would only gain in the deciduous fruit world market while the poorer frontline states will have to pay the price for sanctions.

“We are disappointed in Canada’s action as they are well aware of the real situation in our industry as well as the wishes as the vast majority of workers in the export fruit industry.”

The SA Dried Fruit Co-operative is preparing for sanctions by speeding up shipments originally intended for later in the year and by looking for alternative markets.

But its assistant general manager (marketing), Mr L C Tolmay, said he hoped dried fruit exports would not be affected by sanctions “since we are less visible than the Deciduous Fruit Board, which handles immense volumes”.

Mr Tolmay said that dried fruit was exported throughout the year “but we have asked the packers to speed things up so that shipments originally intended for later in the year can be dispatched in September”.

“We are trying to send off as much as we can before any crunch comes.”

Tough times before, but sanctions threaten worse

By Lyn Smerczak

THE South African Citrus Exchange (CE) has experienced easier times than the present. Revenue is up, largely thanks to the low rand, but marketing abroad has never been tougher. The key is how to survive in an era of sanctions and surging transportation costs.

CE deputy general manager Arnold Vanster says: "Nothing to be done, but we have to try and do our best."

Higher transportation costs were said to be the most serious problem. The banks have agreed to take over the $20 million worth of citrus that had not been sold by the end of the season, but it will take at least six months for them to sell it.

Mr Vanster says the CE will continue to sell the citrus as cheaply as possible and that the banks will try to find marketing solutions for the fruit.

Lower prices

He says the exchange is aware that some of these markets could handle bigger volumes — but possibly at lower prices.

"Any new marketing opportunities are eagerly pursued," says Mr Vanster. This has been the case in recent years, with the market in South Africa now stable, despite the ongoing sanctions.

Mr Vanster says: "Any new markets are eagerly pursued." He adds that the CE has received enquiries about the possibility of selling the citrus to European countries, but that these countries are not yet ready to buy.

Disastrous

The citrus industry has been hit by a series of disasters, including droughts, floods and diseases, which have destroyed much of the citrus crop. The CE has been forced to reduce its estimates for the current season by 20%.

Mr Vanster says: "We are now facing a crisis that requires immediate action." He adds that the CE will continue to work with the government and other organizations to find solutions to the problems.

Challenge

"Our main challenge is to find new markets for our citrus," says Mr Vanster. He adds that the CE will continue to work with the government and other organizations to find solutions to the problems.

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Huge amounts of citrus have been exported to Europe, but this has put pressure on the market.

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Long, stormy trek to a world market leader

The SA Citrus Exchange is 69 years old. It began life as the Fruit Growers Exchange in the early 1900s. The history of the citrus industry in South Africa is told in the book "Oldest, Oldest Harvest". It tells the story of citrus growing in South Africa 300 years before the industry started. The development of citrus cultivation in South Africa is shown in the book "Citrus History of South Africa". The citrus industry grew quickly in the first half of the 20th century until the beginning of World War II.

SA growers have been exporting citrus to Europe since the 1950s. In the 1960s, citrus exports to Europe reached a peak of 300,000 tonnes. The citrus industry has been able to adapt to changing market conditions and has been able to maintain its position as a major player in the global citrus market.

500 a season

In the past, the longest distance for citrus fruit to be exported was from South Africa to the United Kingdom. In recent years, citrus fruit has been exported to China, Japan, and other countries in Asia. The citrus industry has been able to adapt to changing market conditions and has been able to maintain its position as a major player in the global citrus market.

Variety

Variety is one of the major challenges faced by the citrus industry. The industry has been able to develop new varieties of citrus fruit that are better suited to the local climate and soil conditions. The industry has also been able to develop new technologies to improve the quality of citrus fruit.

Frustration

The citrus industry has been faced with a number of challenges in recent years. These include the impact of climate change on citrus fruit production, the impact of disease and pests on citrus fruit production, and the impact of market fluctuations on citrus fruit prices.
It became clear that a single co-ordinated marketing body for the citrus industry was needed to solve its problems.

The Government thought otherwise. Without explaining why, it told angry growers that a separate exchange for citrus was impossible and the Fruit Growers' Exchange (FGE) was set up.

**Frustration**

Cartwright writes: "The layman today will find it hard to believe that debates on agricultural procedures could ever have generated as much heat and such prolonged arguments as... how export fruit should be handled."

As expected, the FGE did nothing to help citrus growers. Arguments between the growers, the Government and the FGE continued. Five years after the FGE was formed, all the pent-up frustration and irritation that had accumulated came to a head.

A committee was formed to investigate these complaints and on taking a vote, a majority decision was reached to establish a separate Citrus Exchange. The year was 1896.

Since then the CE says it has more than proved its worth.

Today, however, marketing Southern Africa's citrus calls for new approaches. The exchange's chiefs say they are getting ready for yet another tough fight.
BUSINESS TIMES surveys 60 years of the SA Citrus Exchange

Growers riding high on the stricken rand

IN 1985, for the second year running, the rand's recovery from citrus exchange sales in Europe and Canada reached a record high.

The overall sound average for oranges exceeded R1.50 a cental for the first time in 1985.

In the second half of 1985, the rand was again soundly held above R1.50 a cental, and the citrus exchange made a profit for the first time in six years.

Severe frost

Outspan, the largest citrus exporter, reported a 50% increase in sales in the second half of 1985.

Outspan's markets in Europe and Canada last year were largely unaffected by cold weather in the UK and Germany, which resulted in a severe frost in January, damaging the availability of lemons and limes in the UK. Other citrus producers in the UK and Germany were also affected, leading to a significant increase in the price of citrus fruit in Europe.

In the UK, the citrus exchange made a profit for the first time in six years, and the rand was soundly held above R1.50 a cental.

Of Outspan Girls and squeezin’ ribaldry...

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PERHAPS more than any other agricultural body, the citrus exchange has good reason to indulge in some self-congratulation.

In its heyday, the CIT's export-oriented citrus sector in South Africa was recognized internationally and自负 momentum. Britain.

Then there was that other catchphrase: "It's orange season — start your season!" It attracted the best of citrus fruits from growers with more on their minds than fresh orange juice.

Over the years these tactics, though criticized by some marketers (and possibly by farmers), have had their effect. The exchange says its product is respected and in demand, and it is building confidence and brand loyalty.

The inaction issue comes close to the picture, but the weak rand has given sales a boost.

Research
The exchange's achievements are impressive.

Figures presented at the 16th annual meeting show that in spite of 1985 being a "bad year" in terms of total crop, it turned out to be a record year in terms of volume.

Husk export earnings rose to nearly 1448-million. SA's more than doubled in the past 12 months, making it the first time in the citrus industry's history that R1.27-billion had been reached.

The net amount paid to citrus growers for exports increased by 89% over the 1984 figure. Growers received R1.78-billion in 1985 compared with R3.72-million the previous year.

In 1987 — the year after the exchange opened its own office in New York — it handled a total export volume of 450 000 boxes (roughly the equivalent of 14 million boxes in carrots, all sent to the US).

Today, under normal circumstances, the exchange exports about 100 million boxes to 15 different nations.

Research has always been a priority. The exchange says it has a high-quality research team with nothing but the best equipment at its disposal.

Ports
Large amounts of money have been lavished on the exchange's port handling facilities. It claims that its facilities at Port Elizabeth and Durban are the most modern of their kind in the world.

Diversification is another raison d'être of the exchange's concern. It handles the majority of exports from each of South Africa's ports, including Swaziland, Mozambique and Zimbabwe.
Union and fruit industry bosses differ on sanctions

Labour Reporter

WORRIED employers in the fruit industry have had talks with the Food and Allied Workers' Union about the effects of sanctions and how to minimize them.

But the discussions exposed a basic difference between employers and the union.

Spokesmen for the co-operatives — Ceres Fruit Growers, Kromrivier Apple and Elgin Fruit Packers — said the talks were "very positive".

Mr Jan Engelbrecht, general manager of Krumco, said up to 30 percent of the co-ops' income was derived from exports. He estimated that up to a million people in the region could be dependent on the fruit industry.

"We came to an understanding with the union about sanctions, but they were very hesitant to take a definite stand until they had been able to discuss the issue with their membership," he said.

The Fawu spokesman said if employees were laid off, workers would not hold responsible the people overseas who had pushed for sanctions as a pressure for change.

"They are going to hold employers and the Government responsible. If employers are concerned they should try to influence the Government to remove the basic reason for sanctions.

"Immediate measures must be to lift the state of emergency, release detainees and address South Africa's real problems," he said.
Western Cape farmers expect bumper profits

against the dollar was the main contributor to the boost in turnover. But there has also been a high demand for SA fruit on European markets.

The volume of exports during the 1985 season approached 28-million cartons. And, although this year's season is not over, similar volumes are expected to be reached.
GOVERNMENT NOTICES

DEPARTMENT OF AGRICULTURAL ECONOMICS AND MARKETING

No. R. 2155 17 October 1986

MARKETING ACT, 1968 (ACT 59 OF 1968)

CITRUS SCHEME—PROHIBITION OF THE SALE OF LEMONS—REVOCATION

I, Jacob Johannes Greyling Wentzel, Minister of Agricultural Economics, hereby make known in terms of section 79 (b) of the Marketing Act, 1968 (Act 59 of 1968), that—

(a) the Citrus Board referred to in section 6 of the Citrus Scheme published by Proclamation R. 2 of 1979, as amended, has under section 33 of the said Scheme revoked the prohibition published by Government Notice R. 329 of 21 February 1986;

(b) the said revocation was approved by me and shall come into operation on 20 October 1986; and

(c) Government Notice R. 329 of 21 February 1986 is repealed with effect from the said date of commencement.

J. J. G. WENTZEL,
Minister of Agricultural Economics and Marketing.

No. R. 2156 17 October 1986

MARKETING ACT, 1968 (ACT 59 OF 1968)

CITRUS SCHEME—PROHIBITION OF THE SALE OF ORANGES—REVOCATION

I, Jacob Johannes Greyling Wentzel, Minister of Agricultural Economics, hereby make known in terms of section 79 (b) of the Marketing Act, 1968 (Act 59 of 1968), that—

(a) the Citrus Board referred to in section 6 of the Citrus Scheme published by Proclamation R. 2 of 1979, as amended, has under section 33 of the said Scheme revoked the prohibition published by Government Notice R. 664 of 11 April 1986;

GOEWERMENTSKENNISGEWINGS

DEPARTEMENT VAN LANDBOEKONOMIE EN -BEMARKING

No. R. 2155 17 Oktober 1986

BEMARKINGSWET, 1968 (WET 59 VAN 1968)

SITRUSKEMA.—VERBOD OP DIE VERKOOP VAN SUURLEMOENE—OPHEFFING

Ek, Jacob Johannes Greyling Wentzel, Minister van Landboekonomie, maak hiermee ingevolge artikel 79 (b) van die Bemarkingswet, 1968 (Wet 59 van 1968), bekend dat—

(a) die Sitrusraad bedoel in artikel 6 van die Sitruskema gepubliseer deur Proklamasie R. 2 van 1979, soos gewysig, kragtiger artikel 33 van genoemde Skema die verbod gepubliseer deur Goewermentskennisgewing R. 329 van 21 Februarie 1986; opgehef het;

(b) bedoelde opheffing deur my goedgekeur is en op 20 Oktober 1986 in werkking tere; en

(c) Goewermentskennisgewing R. 329 van 21 Februarie 1986 met ingang van genoemde datum van inwerkingtreding herroep word.

J. J. G. WENTZEL,
Minister van Landboekonomie en -bemarking.

No. R. 2156 17 Oktober 1986

BEMARKINGSWET, 1968 (WET 59 VAN 1968)

SITRUSKEMA.—VERBOD OP VERKOOP VAN LEMOE—OPEFFING

Ek, Jacob Johannes Greyling Wentzel, Minister van Landboekonomie, maak hiermee ingevolge artikel 79 (b) van die Bemarkingswet, 1968 (Wet 59 van 1968) bekend dat—

(a) die Sitrusraad bedoel in artikel 6 van die Sitruskema gepubliseer deur Proklamasie R. 2 van 1979, soos gewysig, kragtiger artikel 33 van genoemde Skema die verbod gepubliseer deur Goewermentskennisgewing R. 664 van 11 April 1986 opgehef het.
Bumper fruit crop from Langkloof

By JENNY CULLUM

HOPES are high in the Langkloof for good apple, pear and peach crops this summer.

Last season's exports brought in R25 million from a production of 26 601 tons.

Recent good rains — the best for many years — have filled irrigation dams and soaked the orchards after a dry winter.

Apple trees are in blossom and the pear crop looks satisfactory.

Farmers, agricultural officers and technical research staff are all optimistic that the crop will be good, both in quantity and quality.

It may not exceed last year's crop in quantity, but special attention is being given this year to producing

High hopes for Langkloof fruit crop this summer

larger fruit.

The biggest crop in the past three years was in 1983-84, when 37 450 tons brought in R16 million. This was followed by a drought year when production dropped to 24 483 tons, earning R14 million, according to the Deciduous Fruit Board.

Last year's increased earnings were boosted by the exchange rate.

Dr Olaff Bergh, assistant director of the Horticultural Division of the Fruit and Fruit Farmers' Technology Research Institute (FFTRI) at Stellenbosch, said that this year there were enough blossoms and sufficient irrigation water — the major variable — for a good crop.

Possible snags were insufficient pollination because of rainy weather and an increase in fungal diseases, but so far indications were good.

Tonnages might be lower than last year, but this could be a blessing in disguise, as fruit size had been below average recently.

Dr W A G Kotze, assistant director, soil science, of FFTRI, said that from the soil and irrigation angle, prospects were very good.

Mr Sam van der Merwe, extension officer for the Department of Agriculture at Joubertina, was also optimistic. There had been 65mm of rain in Joubertina so far this month and some areas had up to 100mm.

Mr Philip van Bensberg, chairman of the Langkloof Farmers' Union, said the rain had come at the best possible time.

See Page 6
SCHEDULE

Definitions


Substitution of Table 2

2. The following Table is hereby substituted for Table 2 of the Regulations:

"TABLE 2
FEES FOR INSPECTIONS"

<table>
<thead>
<tr>
<th>Kind of product</th>
<th>Inspection fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>1. Frozen fruit and vegetables</td>
<td>18c per 100 kg or part thereof, in a consignment, with a minimum of 18c per inspection.</td>
</tr>
<tr>
<td>2. Dried fruit</td>
<td>45c per 100 kg or part thereof, in a consignment, with a minimum of 45c per inspection</td>
</tr>
<tr>
<td>3. Canned vegetables</td>
<td>15c per 100 kg or part thereof, in a consignment, with a minimum of 15c per inspection</td>
</tr>
<tr>
<td>4. Canned foodstuffs</td>
<td>15c per 100 kg or part thereof, in a consignment, with a minimum of 15c per inspection</td>
</tr>
<tr>
<td>5. Canned fruit</td>
<td>15c per 100 kg or part thereof, in a consignment, with a minimum of 15c per inspection</td>
</tr>
<tr>
<td>6. Canned mushrooms</td>
<td>15c per 100 kg or part thereof, in a consignment, with a minimum of 15c per inspection</td>
</tr>
<tr>
<td>7. Cotton</td>
<td>R1.20 per bale or part thereof, in a consignment</td>
</tr>
</tbody>
</table>

BYLAE

Woordomskrywings


Vervanging van Tabel 2

2. Tabel 2 by die Regulasies word hierby deur die volgende Tabel vervang:

"TABEL 2
GELDE VIR INSPEksIE"

<table>
<thead>
<tr>
<th>Soort produk</th>
<th>Inspekseigeld</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>1. Bevrore vrugte en groente</td>
<td>18c per 100 kg of gedeelte daarvan, in 'n besending, met 'n minimum van 18c per inspeksie</td>
</tr>
<tr>
<td>2. Droëvrugte</td>
<td>45c per 100 kg of gedeelte daarvan, in 'n besending, met 'n minimum van 45c per inspeksie</td>
</tr>
<tr>
<td>3. Ingemaakte groente</td>
<td>15c per 100 kg of gedeelte daarvan, in 'n besending, met 'n minimum van 15c per inspeksie</td>
</tr>
<tr>
<td>4. Ingemaakte voedsel</td>
<td>15c per 100 kg of gedeelte daarvan, in 'n besending, met 'n minimum van 15c per inspeksie</td>
</tr>
<tr>
<td>5. Ingemaakte vrugte</td>
<td>15c per 100 kg of gedeelte daarvan, in 'n besending, met 'n minimum van 15c per inspeksie</td>
</tr>
<tr>
<td>6. Ingemaakte sampieoe</td>
<td>15c per 100 kg of gedeelte daarvan, in 'n besending, met 'n minimum van 15c per inspeksie</td>
</tr>
<tr>
<td>7. Katoen</td>
<td>R1.20 per bale of gedeelte daarvan, in 'n besending</td>
</tr>
</tbody>
</table>

MARKETING ACT, 1968 (ACT 59 OF 1968)

DECIDUOUS FRUIT SCHEME—NOTICES OF DELIVERIES—AMENDMENT

I, Jacob Johannes Greyling Wentzel, Minister of Agricultural Economics, hereby make known in terms of section 79 (c) of the Marketing Act, 1968 (Act 59 of 1968), that—

(a) the Deciduous Fruit Board referred to in section 6 of the Deciduous Fruit Scheme published by Proclamation R. 220 of 1979, as amended, has under section 46 of the said Scheme amended the Schedule to Government Notice R. 2533 of 8 November 1985 to the extent set out in the Schedule hereto; and

(b) the said amendment has been approved by me and shall come into operation on the date of publication hereof.

J. J. G. WENTZEL,
Minister of Agricultural Economics.

No. R. 2217
24 October 1986

BEMARKINGSWET, 1968 (WET 59 VAN 1968)

SAGTEVRUGTESKEMA—KENNISGEWINGS VAN LEWERINGS—WYSIGING

Ek, Jacob Johannes Greyling Wentzel, Minister van Landbou-economie, maak hiermee ingevolge artikel 79 (c) van die Bemarkingswet, 1968 (Wet 59 van 1968), bekend dat—

(a) die Sagtevrugtersaai bedoel in artikel 6 van die Sagtevrugteskema gepubliseer deur Proklamasi R. 220 van 1979, soos gewysig, kragtens artikel 46 van genoemde Skema die Bylae deur Goewermentskennisgewing R. 2533 van 8 November 1985 gewysig het in die mate in die Bylae hierby uiteengesit; en

(b) genoemde wysiging deur my goedgekeur is en op die datum van publikasie hiervan in werking tree.

J. J. G. WENTZEL,
Minister van Landbou-economie.

No. R. 2217
24 October 1986
SCHEDULE
The Schedule to Government Notice R. 2533 of 8 November 1985 is hereby amended by the substitution for the table therein of the following table:

**TABLE/TABEL**

CLOSING DATES FOR NOTICES OF INTENDED DELIVERIES
SLUITINGSDATUMS VIR KENNISGEWINGS VAN VOORGENOME LEWERINGS

<table>
<thead>
<tr>
<th>Kind of deciduous fruit</th>
<th>Period during which deliveries are intended</th>
<th>Closing date for notices</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tydperk waarop leverings in beroek word</td>
<td>Sluitingsdatum vir</td>
</tr>
<tr>
<td></td>
<td>hoof</td>
<td>kennisgewing</td>
</tr>
</tbody>
</table>

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No. R. 2231 24 October 1986


PRICE AND PAYMENT ARRANGEMENTS REGARDING TO WINE: 1986/87.—PROPOSED AMENDMENT

I, Gert Jeremias Kotzé, Deputy Minister of Agricultural Economics, acting on behalf of the Minister of Agricultural Economics, under section 18 (1) (e) of the Wine and Spirit Control Act, 1970 (Act 47 of 1970), hereby make known that—

(a) the Ko-operative Wijnbouwers Vereniging van Zuid-Afrika, Beperkt, has in terms of the said section submitted a statement to me in respect of the proposed amendment of clause 9 of the Schedule to Government Notice R. 1194 of 20 June 1986, in which the substitution for the said clause of the following clause is proposed:

**“9. The interest which shall be added to any arrear payment of an amount (including interest) which is due in respect of wine—**

(a) purchased before or on 31 January 1986 shall be 18.0 per cent per annum, calculated on the total amount owing (including interest) from 1 October 1986 until the date of payment; and

(b) of which payment should be made in the period referred to in clause 8, shall be 16.0 per cent per annum, calculated on the total amount owing (including interest) from the day following the date on which payment becomes due or 1 October 1986, whichever date shall be the latest, until the date of payment or until 31 January 1987, whichever date shall be the earlier.”; and

(b) all interested persons may lodge with the Director-general of Agricultural Economics and Marketing, Private Bag X250, Pretoria, 0001, in writing any objections which they may have to the percentage in the proposed amendment referred to in paragraph (a), within a period of 14 days from the date of the publication of this notice.

G. J. KOTZÉ,
Deputy Minister of Agricultural Economics.

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No. R. 2231 24 October 1986

WET OP BEHEER OOR WYN EN SPIRITUS, 1970 (WET 47 VAN 1970)

PRIJS- EN BETALINGSREGLINGS MET BETREKKING TOT WYN: 1986/87.—VOORGESTELDE WYSIGING

Ek, Gert Jeremias Kotzé, Adjunk-minister van Landbou-economie, handelende namens die Minister van Landbou-economie kragtens artikel 18 (1) (e) van die Wet op Beheer oor Wijn en Spiritus, 1970 (Wet 47 van 1970), maak hierby bekend dat—

(a) die Ko-operative Wijnbouwers Vereniging van Zuid-Afrika, Beperkt, ingevolge genoemde artikel ‘n staat aan my voorgelê het ten opsigte van die voorge- nome wysiging van klousule 9 van die Bylae by Goewermentskennisgewing R. 1194 van 20 Junie 1986, waarin die vervanging van genoemde klousule deur die volgende klousule voorgestel word:

**“9. Die rente wat gevoeg moet word by enige ag- terstallige betalings van ‘n bedrag (insluitende rente) wat verskuldig is ten opsigte van wyn—**

(a) aangekoop voor of op 31 Januarie 1986 is 18,0 persent per jaar, bereken op die totale bedrag verskuldig (insluitende rente) vanaf 1 Oktober 1986 tot die datum waarop betaling geskied; en

(b) waarvan die betaling binne die tydperk in klousule 8 bedoel, gemaak moet word, is 16,0 persent per jaar, bereken op die totale bedrag verskuldig (insluitende rente) vanaf die dag wat volg op die datum waarop die betaling aldus opeisbaar word of 1 Oktober 1986, welke datum ookal die laaste is, tot die datum waarop die betaling geskied of tot 31 Januarie 1987, watter datum ookal die vroeeste is.”; en

(b) alle belanghebbendes wat besware teen die rentekoers in die voorgenoemde wysiging in paragraaf (a) vermeld het, kan hul besware binne ‘n tydperk van 14 dae vanaf die datum van die publikasie hiervan skryflik by die Direkteur Generaal van Landbou-economie en -bemarking, Privaatsak X250, Pretoria, 0001, inlever.

G. J. KOTZÉ,
Adjunk-minister van Landbou-economie.
Citrus crop expected to earn R500m

By JENNY CULLUM
SOUTH AFRICA'S 1988 citrus crop is expected to earn well over R500 million — and 1987 crop prospects are favourable so far.

Among developments planned for next year are:

- Increased emphasis on the "easy peelers" — exotic soft citrus fruits.
- More attention to the local market.
- Investigation of local packaging alternatives to the familiar "pockets" of oranges.

Sales of valencia oranges are still in full swing on overseas markets, with total export volumes up 5% on the previous season, although the crop dropped by 3%.

Early season varieties of navels, lemons and grapefruit brought record export prices, with favourable exchange rates for the first half of 1988 and a buoyant overseas market.

However, overseas markets are heavily supplied with competitive citrus fruit from South America, which has caused a price drop in valencias.

Export sales normally carry on till the end of November, when the market is taken over by Northern Hemisphere citrus.

The total crop topped R500 million for the first time last year and the Citrus Exchange is "cautiously optimistic" that the overall 1988 results will be satisfactory, in spite of the strong competition, says assistant general manager Mr Arend Venter.

The Eastern Cape's citrus areas — Sundays River, Gamtoos and Port Beaufort — produce 15% of SA's crop.

Citrus is the third-biggest agricultural revenue earner for the Eastern Cape and is expected to double production in the next five years.

The packing season, which began with the opening of Port Elizabeth harbour's new R2.8-million pre-cooling facilities, has just ended.

By next year a new R2.8-million packhouse will re-

place the Sundays River Co-operative's old building.

Prospects for the coming season are encouraging, with good irrigation water supplies, heavy recent rains and blossom setting on the trees.

Special attention will be given to boosting the production of "easy peelers" — exotic soft citrus varieties of clementines, ellendales, satsumas and minneolas — which are very popular overseas.

These were first exported in 1980 and the volume has increased relatively slowly. Total production is about 500 000 cartons.

Mr Venter said that growth would be more rapid from now on.

The industry has decided to pay more attention to the local market and is investigating upgrading the image of citrus fruit.

Local packaging is being probed and tests are being carried out on a variety of containers, including cartons and bulk bins.
Citrus seals good export year

The citrus industry had a satisfactory year despite fierce competition from overseas markets during the second half of the season. Citrus Board assistant GM Arend Venter told Business Day yesterday.

The total crop was about 2% less than the 1985 crop, but the total volume exported was 5% up on last year.

Venter said during the first half of the overseas selling season, virtually all markets were extremely buoyant with resultant high prices. The low value of the rand helped

"However, as usual the buoyant market attracted increased supplies from South America. By the end of August we were facing severe competition in virtually all our markets. We were forced to reduce price levels very significantly to keep sales going."

Income levels were further strained by the relatively stronger rand from end August.
SAA in row over rotting fruit mountain

BY ANN PALMER

A ROW has erupted between South African Airways and private freight hauliers over a huge stockpile of food destined for European markets. It is in danger of rotting because of a lack of transport.

Private carriers have offered what they claim is a cost-cutting transport route. But, they say, have been thwarted by the SAA monopoly which will not let them fly return from foreign destinations with full loads.

SAA insists, however, that the problem is in hand a crisis meeting this week with the Deciduous Fruit Board has resulted in extra flights being arranged.

One aircraft operator said farmers were not even delivering the perishable goods to Jan Smuts Airport because the fridges there were already filled to capacity with perishables, including mangoes and pineapples.

At one stage 300 tons of fruit was stockpiled.

The irate charter operator, Mr Mervyn Sier, said he had been approached by farmers who had enjoyed a bumper fruit crop to help move their goods which had been in storage for as long as 10 days.

Markets

"The markets in Europe are crying out for our fruit," he said. "It's the time of year when they really need it."

"The farmers have their hands tied and are losing money with the fruit being held in storage."

"Trucks carrying the fruit have been turned away from the perishable cargo delivery centre at the airport."

He said that as an individual operator it was not viable to conduct north-bound charters to Europe without a full return load as well.

This would also help SAA as it had a three-month backlog of goods coming into the country.

However, he said he had been refused permission by the airline to land full aeroplanes at the airport.

"I have even offered them a percentage of the profits which I make on the inbound flights."

But SAA spokesman said yesterday they had made a contingency plan themselves and all goods that were present at the airport would be moved out shortly.

"We held a meeting with the Deciduous Fruit Board, agents and major exporters on Friday in which we agreed to charter two flights and put on nine specials to help ease the situation."
Farmers lose R1-m in freight dispute

Staff Reporter

WESTERN Cape and Namaqualand farmers have lost almost R1-million in gross income through a dispute with South African Airways leading to a huge stockpile of fruit scheduled for European markets, the DeNicolau Fruit Board said today.

The board's chief executive, Mr Louis Kriel, said he feared a further R500 000 could be lost in the last three weeks of January unless a solution could be found.

About 40 percent of 300 tons of fruit scheduled for export in the two weeks before Christmas had not been lifted, he said.

SAA had indicated that five charter flights a week would be provided in the last two weeks, but only two materialised each week.

A South African Airways spokesman, Mr Francois Louw, said from Johannesburg, however, that there was "no backlog" after two extra charter flights were laid on at the weekend. Nine special flights would be laid on until the end of January.

He said SAA would release a statement on the dispute later today.

Mr Kriel said fruit issued by the board had been saved from rotting only by effective alternative marketing arrangements — some of the consignment SAA could not convey had been shipped or redistributed locally at reduced prices.

"The period from Christmas to New Year is one in which there is a complete market breakdown — nobody can get into the distributing channel from tomorrow."

He said that if the last three weeks of January, when export demand regained momentum, were a repetition of last year, similar losses would be incurred in that period.

Mr Kriel appealed to SAA to allow "greater flexibility" to private freight hauliers, who say they are thwarted by an SAA monopoly which refuses them the right to return from foreign destinations with full loads.

"Charter operators are not willing to carry in one direction only and demand double rates to make up the shortfall. The cost is prohibitive to us."
Minister denies fruit pile-up

JOHANNESBURG. — The Minister of Transport, Mr Eli Louw, yesterday denied reports in the Sunday press that deciduous fruit exports were piling up at Jan Smuts Airport.

"As a result of inquiries and articles in the press concerning the accumulation and transportation of perishable products overseas, I visited the cooling facilities at Jan Smuts Airport," Mr Louw said in a statement.

"At present there are no deciduous fruits under storage that cannot be transported immediately. The storage facilities offer much more capacity than is currently used and some of the stores are empty. Ten days ago, however, there was an accumulation.

"The reports of a ban on charter flights are not correct. SAA does not decide on such flights, and the Division of Civil Aviation, which does so, had not rejected any applications since 1 October 1986."

Mr Louw said he had requested the Division of Civil Aviation and SAA to do everything in their power to prevent the accumulation of products. — Sapa
The Banana Board (BB) has provided a fascinating glimpse of just how far official thinking in SA is still removed from the genuine spirit of free enterprise.

The board has issued a sombre warning to farmers not to sell poorer quality bananas to "smugglers," who exploit the "substantial market for single bananas" and sell them cheaply to black township dwellers. This practice is not "in the interests of the industry," says the BB.

Even police efforts to trap smugglers at roadblocks on the main routes from the eastern Transvaal have been circumvented. They're now taking to the back roads, and the BB spokesman grudgingly admits that the informal trade has compelled the board to reduce the official price of single bananas.

With a burgeoning black population as the natural growth market for the industry, one would expect some praise for the enterprise of "illegal" black entrepreneurs who exploit the township demand for cheaper bananas. They are, after all, finding a market for farmers' produce that is more often than not left in the fields to rot. They are also providing an income for themselves and supporting their families.

And surely cheaper bananas would mean an expanding market.

But the BB does not see it in this light. "The Board is aware of the substantial market that can be developed for single bananas," says the board spokesman. "However, distributors cannot be expected to exploit and promote this market if they have to compete against low prices. The distributor loses money and falls into debt with the board, and then he also loses interest in bananas and turns to other more profitable crops."

It is particularly surprising that the BB is more concerned about the financial plight of its distributors than to encourage enterprising blacks to expand and formalise the township market for low-quality bananas, thereby widening the marketing channel for their farmer-members' produce.

Where's the great spirit of free enterprise and the encouragement of inward industrialisation-related job creation in SA's Third World economic sector? Or do some officials still see SA as a wholly First World economy with some "illegal" and unacceptable Third World characteristics that must be eradicated at all costs?
AGRICULTURE - FRUIT

1987

FEB - DECEMBER
EL harbour loses citrus exports

By ROBIN LARSEN

EAST LONDON — The Perishable Products Export Control Board (PPECB) announced yesterday that citrus shipped through East London had been re-routed through Durban and Port Elizabeth.

The chief executive of the board, Mr. C. C. Meek, said from Cape Town yesterday the volume of citrus exported through East London was too small to be an economic proposition.

"It's far cheaper and more beneficial to the fruit-growing industry to utilise facilities at Durban and Port Elizabeth," he added.

Last year 3157 tons of citrus was shipped from East London compared to 476313 through Durban and 32616 through Port Elizabeth.

South African Transport Services system manager here, Mr. A. J. Jonker, said he was sad that citrus would not be handled at the port, but added he felt the PPECB had made the right decision.

"It's a loss to us, but it's beneficial to the fruit industry in the long run. The maintaining of pre-cooling facilities here is not justified by the amount of citrus exported through the port.

"There is also no possibility of fruit being re-routed from Durban and Port Elizabeth to East London — we're too far away from the production areas to be a cost-advantageous proposition," he added.

"When farmers in the Kat River Valley were still major citrus producers, East London provided a much-needed export outlet, but production in the valley has dropped substantially over the past few years and no longer warrants the maintenance of pre-cooling facilities in East London," Mr. Jonker said.

During the mailship era, East London had fitted into the fruit export network, but since the demise of the mailships and with the advent of the container the service to play as far as citrus exports were concerned, he added.

East London handled Transvaal fruit during peak periods, but this had gradually been transferred to Durban since the inception of the container service four years ago.

"It's more cost-effective to load fruit into containers in Johannes burg, run them on a fast train to Durban and export it there than to send it to East London," Mr. Jonker added.

"I'm all in favour of bringing more traffic to the harbour here, but it must be beneficial in the national context and not an artificially created route. Therefore, I believe the PPECB has done the right thing," he added.

The chairman of the harbour advisory board, Mr. G. Orsmond, said he was "very sad about the move," but added there was little the harbour authorities could do.

"One can understand the PPECB's motive though. In the past during the mailship era it was a worthwhile proposition to export through East London, but that's not the case now and it's far cheaper to utilise Durban for citrus exports," Mr. Orsmond said.

The pre-cooling shed here, by far the biggest shed in the harbour will be converted into a warehouse.

"Hopefully, we'll attract other traffic which needs warehousing," Mr. Orsmond added.

Citrus fruit exports have also been withdrawn from Cape Town which will now only handle deciduous fruit. Last year Cape Town shipped 783 176 tons of deciduous fruit compared to the 575 tons at Durban and 39 375 at Port Elizabeth."
Dam extension plans for fruit farms

Political Correspondent

IN a major boost to the Western Cape deciduous fruit industry, the government yesterday proposed R638 million in extensions to the waterworks for irrigation in the Groenland Irrigation District near Grabouw.

The scheme, which is expected to create 800 new job opportunities on farms as well as a "considerable number" of seasonal job opportunities, has an estimated construction time of 12 months.

The proposed extensions, outlined in a Department of Agriculture and Water Supply report tabled in Parliament yesterday, will entail increasing the capacity of Eikenhof Dam by 3.0 million cubic metres, raising the output of the pump system and upgrading and extending pipelines.

The report describes the extensions as "technically acceptable and economically justifiable" and recommends that they be improved in spite of "the doubts that may exist about South Africa's export market".
Everything peachy as DFB becomes top forex dealer

Finance Staff

The Deciduous Fruit Board (DFB) has become one of the largest currency dealers in the country.

Using a computer terminal and satellite link, the DFB now has immediate and direct access to a whole network of terminals in the dealing rooms of major banks worldwide.

This enables it to earn better profits for farmers and the operation could possibly prevent a repeat of large currency losses which occurred in the past.

The Board, which markets fruit worldwide, became involved in a direct electronic dealing operation, linking 98 countries last year.

It quickly concluded 449 deals to a total value of R2.800-million, says DFB currency controller, Mr Tinie von Weidt.

This figure is all the more remarkable because it exceeds the record gross earnings of R654-million the DFB achieved through the marketing of fruit in South Africa and overseas last year.

Analysts believe the organisation's primary role as fruit marketer and distributor has been overshadowed, with more attention being focussed towards managing exchange rates.

The DFB reports it has been notably successful in its efforts, with considerable benefits accruing to the country's deciduous fruit farmers.

Favourable exchange rates and the skilful handling of overseas earnings across currency borders gave producers a 37 percent boost in earnings to R347-million last year.

DIRECT SERVICE

This compensated for crop intakes being some 18 percent down on 1985.

The DFB has generally managed its currency deals, although it has to rely heavily on the banks to provide it with up-to-the-minute information on expected exchange rate movements.

This changed last year when the DFB became the first non-banking organisation in the country to link into Reuters' international direct dealing service.
DFB becomes currency dealer

The DFB appears to have been particularly successful in its efforts, with considerable benefits accruing to the country's deciduous fruit farmers. Favourable exchange rates and the good handling of overseas earnings across currency "borders" gave producers a 37% boost in earnings to R347m last year. This was despite crop intakes being some 18% lower than in 1985.

The DFB has generally always managed its currency deals, although having to rely heavily on the banks to provide it up-to-the-minute information on expected exchange rate movements. This changed last year when the DFB became the first non-banking institution in the country to link into Reuters' international direct dealing service. Via a computer terminal and satellite link, the DFB has direct and immediate access to a whole network of terminals in the dealing rooms of all major banks worldwide - a facility which it obviously has used most effectively over the past year.
way as export crop

Humble, prickly pear on its

Thorny problem set to be nourishing, popular delicacy
Four new fruit types developed at Stellenbosch

Staff Reporter
FOUR new fruit cultivars developed in South Africa and a fifth imported from the United States have been made available by the Fruit and Fruit Technology Research Institute at Stellenbosch.

The four, two peach cultivars, a nectarine cultivar and an apricot cultivar, have been developed at the FFTRI over 10 to 15 years to fill specific gaps in the market and eliminate some shortcomings in present cultivars.

The first plant material was handed over to Mr J L du Toit, chairman of the South African Pomological Organisation, by the Deputy Minister of Agriculture, Dr A J van Niekerk, at a function this week.

Canning, drying
According to Dr van Niekerk, all branches of the country's fruit industry would benefit from the new releases, suitable for canning, drying and fresh consumption.

The peaches are known as Don Elite and Desert Pearl, the nectarine as Donmarine and the apricot as Soldonné.

A new canning peach cultivar imported from the United States is called Catharina.

Dr van Niekerk said the main feature of the Soldonné apricot was its good drying characteristics which equalled those of the present favourite, Royal, but showed better production and was better equipped to handle lower temperatures.

It also provided a better fresh or canned product than the present cultivar Builda which it was expected to replace.

The Donmarine was the first yellow flesh nectarine released from the local cultivation programme.

It was an improvement on most existing cultivars as far as cold storage, production, fruit size, ripening time and appearance was concerned.

Its only rival in cold storage, the Armking, was more susceptible to disease.

Without wooliness
Dr Van Niekerk said the Don Elite and the Desert Pearl were dessert peaches aimed at developing export cultivars with the required cold storage qualities of four weeks for export by sea without developing wooliness.

The Cullarine was imported because of its good canning qualities, taste and texture.

It also flowered the latest of all local canning peaches and had great potential for areas with late frost.

According to Mr J F Kirsten, vice-chairman of the Deciduous Fruit Board, the new releases should be on the market in five to ten years.
Millions of apples for OK Bazaars

By ARNOLD KIRKBY

THIRD generation apple farmer from Elgin, Mr Anthony Rawbone-Viljoen, is putting the Two a Day (apple) Group's marketing strategy into a "fruiting basket".

The group, made up of 26 apple and pear growers from the Elgin-Grabouw-Vyeboom districts, is sponsoring John Martin and his newly named yacht Two a Day Van der Trekker II in the Beachcomber Crossing between Mauritius and Durban next month.

The venture is new for the group and reminiscent of the pioneering spirit which dates back to 1899 when Mr Rawbone-Viljoen's great-grandfather planted the first apple orchard on the family farm Oak Valley in the Elgin district.

SPONSOR

Mr Rawbone-Viljoen matriculated at St Andrew's College in Grahamstown, majored in economics and business administration at Stellenbosch University and got his honours degree in economics at the University of Cape Town before joining a bank.

He joined the family farming venture in 1973 and three years later took over as managing director of the 1,200 hectare estate.

Subsequently he has been appointed vice chairman of the Two a Day group and chairman of Elpaco, one of two wholly owned subsidiaries belonging to the group.

The Two a Day group comprises the Elgin Fruit Packers Co-operative and subsidiaries, Elpaco - the local apple and pear marketing operation - and Elgin Fruit Juices which makes apple juice concentrate.

The Two a Day brand was first marketed more than 25 years ago and brought export quality apples and pears to the local consumer. Mr Rawbone-Viljoen said while drying through the magnificent orchards at Oak Valley.

"We have invested close to R20-million to service our commitment to the local market including highly sophisticated controlled atmosphere storage in 1977."

"Its primary aim was to ensure continuity of supply for premier quality apples and pears on a year round basis."

"Our commitment, to the local consumer, which we embarked on more than a quarter of century ago is very significant."

"The basic motivation behind the Two a Day Group is free enterprise. We believe in minimum control over our own affairs."

"In most of the years since introducing Two a Day to the local consumer, we could have exported that fruit on the overseas market for a far higher return."

PIONEERS

"It costs money to develop markets and Two a Day as pioneers in the local field was prepared to make that commitment for the long-term benefit of the consumer."

"The costs on new investments are extraordinarily high, but we have storage capacity for two million cartons a year."

"We have been supplying the OK Bazaars with export quality fruit for 16 years and this season we will sell our five millionth carton to them. This equals half the annual export for South Africa."

On the home front, Oak Valley is a multi-faceted farming operation, with 220 hectares of land dedicated to apples, more than 80 hectares to pears, while 4,000 lambs produce about 6,000 lambs for the meat market.

"Wool sales make up about 20 percent of our income from sheep and meat the rest," he said.

FLOWER

Today it costs between R25.00 and R40.00 to establish a single apple orchard. It is a seven year operation, said Mr Rawbone-Viljoen.

An ultra-modern cutting edge flower operation, under more than two hectares of glass house and another under shade cover is the largest of its kind outside the Transvaal.

A wholesale section on the farm supplies flowers directly to outlets in Cape Town.

"Our main line is chrysanthemums, though we do grow carnations and a few other types of flowers," said Mr Rawbone-Viljoen.

The glass houses are multi-span structures and the first two were imported from Holland. The rest were constructed of mainly South African made material.

The farm is also a major shareholder in a Cape Town-based leather goods manufacturing concern, South African Reptile Trading Company.
Thousands could lose their jobs

● From Page 13

farmer/investor, allowing for his control, is the continued growth-potential of the export market, as well as its profitability.

"If the he sees his investment threatened by sanctions and boycotts he will curtail expansion of his operation and divert resources into something else.

"The implications are simply that, with SA beginning to lose market-share overseas, this share will be happily snapped up by other southern hemisphere countries with aggressive expansionist policies, such as Chile, Argentina and New Zealand.

"The SA industry thus becomes less of a factor in our traditional markets — and the loss of market-share snowballs."

Williams said if a R600-million industry were to be lost to the Western Cape, the loss of jobs would affect hundreds of thousands of people.

"An interesting point to consider," he added, "is that in a continent where famine and hunger are endemic and where related human suffering is reaching a scale incomprehensible to Western policymakers, a strategy is being adopted that could result in destruction of the ability of one of the only country on the continent to feed both itself and others."

Golden Delicious apples being sorted before being packed at an Elgin co-op.

Picture: Anne Leing
Unifruco to handle exports

New marketing co-operative for deciduous fruit

By AUDREY D'ANGELO
Financial Editor

The export of fruit from the Western Cape — one of SA's biggest foreign currency earners, bringing in millions of rand every year and providing jobs for 250,000 people — will in future be handled by a new growers' co-operative instead of by the Deciduous Fruit Board (DFB).

But there will be no falling-off in the efficiency which achieved a record pay-out of R347m to farmers last year.

The new marketing organisation, Universal Frutrade Co-operative (Unifruco), which will take over this function from the DFB on October 1, will employ most of the staff of the DFB in this country and overseas and take over its "Cape" trademark.

Louis Kriel, now GM of the DFB, will take over as CE of Unifruco and it will continue to occupy the board's present headquarters at Parc du Cap in Bellville.

The DFB will continue to exist, but only as a small secretariat controlling the quality of fruit.

A spokesman for the DFB said the privatization of the marketing organization would make "a vast difference because Unifruco will be free to do things which the board could not".

It could, for instance, offer marketing services for other products.

"If it does this, it will probably stick to other agricultural products which might enable it to use its infrastructure all year round."

Unlike other agricultural boards, the DFB has never set prices and the farmers who supplied it were not subsidized by the State.

"The prices received for fruit were always determined by the market forces of supply and demand," said the spokesman.

Louis Kriel said he and other members of the staff leaving the DFB to join Unifruco were "very excited about the new scheme of things" and would "continue to strive towards being cost-effective and even more efficient."

"We have set ourselves the objective of keeping our administration expenditure below 2.5% of the turnover so that the new organization will entail no additional cost at the expense of our producers."

Kriel said the setting up of Unifruco meant "there are now interesting options which were not previously possible and which considerably strengthen our ability to develop new markets."

A statement issued yesterday said Unifruco was expected to achieve gross export earnings of "several hundred million rand in 1993, which will put it among the world's five largest fruit marketing organizations."

Peter van Breda of Stellenbosch will act in a temporary capacity as chairman of Unifruco until a board of directors has been elected at a members' meeting later this year.
CAPE TOWN — The Deciduous Fruit Board (DFB) — probably one of the more efficient marketing co-operatives — is to be progressively dismantled with its main marketing functions privatised.

The move, which is to lead to the creation of a new limited marketing company, Unifruco, will begin on October 1. The new company will control overseas deciduous fruit sales which, in the past season, amounted to more than R430m. It is not unreasonable to expect that this development may eventually lead to company finding its way onto the JSE, although there have been denials of any plans along those lines at this time.

The DFB will remain in existence in name only, with its main role being that of quality control.

The change over to a form of privatisation was initiated by deciduous fruit producers, who will now become shareholders in the new company.

The creation of Unifruco represents an innovative new approach within the agri-

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Private company to handle fruit marketing

cultural sector. It paves the way for the new company to look at diversifying into the marketing of other agricultural products — something it was prevented from doing by the old DFB arrangement. It may also serve as an example to be followed by other agricultural co-operatives and marketing boards.

DFB chairman Leo Fine yesterday described the change as an important and logical consequence of the process of privatisation and deregulation.

He stressed that certain regulations and disciplines — including uniform quality standards, handling regulations and prohibitions — would still be applied by the DFB.

The full implications are:

All the remaining functions of the DFB concerning the domestic marketing of table grapes and stone fruit will be discontinued and will, in future, be carried out by means of a permit exemption to all producers who can market their fruit locally at will;
Exports bonanza seen for Cape fruit farmers

By TOM HOOD, Business Editor

EXPORTS of about R700-million from the Western Cape’s deciduous fruit farmers is forecast for this season, up R75-million or about 12 percent from R625-million last year.

Future business could be even better as a new private company takes over export marketing from the Deciduous Fruit Board and expands its services.

The company, Universal Fruit-trade Co-operative Ltd (Unifruco), operates from October 1.

NEW VENTURES

The Western Cape has about 6,000 deciduous fruit growers — 1,500 of them export growers.

The changes could mean new business ventures such as financial and marketing services — the DFB has direct links with major banks throughout the world and handles R2-billion of financial transactions in a year, including R300-million of shipping contracts.

Unifruco will now be able to offer management and other services to other organisations and companies, especially exporters, at a fee.

This could make productive use of the months when fruit exporting slackens off and take on work at a fee from other organisations and companies.

“Business is seasonal — we employ people for 12 months and the season runs for nine months,” says Mr Louis Kriel, who will become Unifruco’s chief executive.

The new organisation’s target is to keep administrative expenses below 2.5 percent of turnover — a figure far below that of the insurance giants, says Mr Kriel. In this way no additional costs will fall on fruit producers.

Unifruco could also capitalise on the DFB’s pioneering of fruit packaging. It could start to sell Cape-designed and patented cardboard cartons to non-competing producers such as overseas tomato growers, for example.

The new company will take over the DFB’s assets, infrastructure and 209 staff in South Africa and overseas as well as the board’s Cape fruit trademark.

The company will be one of the country’s top marketing businesses and one of the world’s five largest fruit marketing organisations, says Mr Kriel. Its advertising budget tops R15-million.

Business has grown so much that the DFB now exports more in a week than Australia does in a whole season.

Main exports are apples, followed by grapes, pears, plums, peaches and apricots.

Mr Peter van Breda of Stellenbosch is acting as chairman until a board of 10 directors — one from each of the 10 geographical regions — is elected at a members’ meeting later in the year.

QUALITY CONTROL

The top executives will be Mr Kriel and two general managers — Mr Willie Eaton, finance and administration, and Mr Denis Searson, marketing and operations.

The DFB’s role will be reduced to one of quality control.

The rationalisation will also mean big changes in the domestic marketing of table grapes and stone fruit.

This will no longer be controlled by the DFB and producers will be free to market their fruit locally as they wish, as is done with apples and pears.
SA could free region of hunger, says PW

Political Correspondent

SOUTH Africa could bring the ideal of a hunger-free Southern Africa nearer reality with the help of its highly developed agricultural technology and marketing experience, President Botha said today.

He was speaking at a farmers’ day at the Bien Donne experimental farm at Groot Drakenstein to celebrate the 50th anniversary of the Fruit and Fruit Technology Research Institute.

Mr Botha paid tribute to the Western Cape’s multi-million fruit industry, saying the development of fruit exports into an industry earning hundreds of millions of rand was something to be proud of.

BIG EMPLOYER

Cape fruit was marketed around the world. More than two-thirds of the production was exported.

The industry was also one of the biggest employers in the Western Cape.

The well-being of about a million people depended on the industry and the many secondary industries it supported.

In spite of significant savings resulting from mechanisation, the industry was still fulfilling its social responsibility.


Blossom time

The citrus industry is beginning to shake off the effects of the past five years of drought. Evidence of this is the increased volume of 26m cartons exported in 1987, compared with 25m in 1986.

But while export volumes are up, the gross rand realisation is 15% below 1986. Citrus Exchange (CE) assistant GM Arend Venter says this was because of the combination of highly competitive overseas market and the stronger rand.

"Heavy volumes of European-grown deciduous fruits and of South American citrus fruit helped push down prices. And on a weighted basis compared with 1986, the higher value of the rand relative to the various foreign currencies in which we sell reduced our gross rand realisation," he notes.

Despite these negative factors, the 14% higher export crop will still increase total 1987 gross revenue to an estimated R530m (1986: R525m). Citrus growers will nevertheless earn 3%-5% less than last year, because of the effects of the exchange rate, combined with higher costs.

While it is still too early to make reliable crop projections for 1988, the good early rains have significantly improved prospects in all major production areas, says Venter.

"Blossoming has been exceptionally heavy and all areas have reported heavy fruit set," he adds.

Good rains and mild spring weather have created these favourable conditions, although January and February could still be crucial months for the final 1988 crop. But, Venter says, all irrigation areas at this stage have sufficient water to sustain the 1988 crop. No significant hail damage has been encountered so far, while pests seem to be under control everywhere.

"If this trend continues, it is fairly likely that the citrus industry may have a normal crop for export in 1988 — 28m to 30m cartons. But a lot could still happen between now and the start of our packing season in April."

While sanctions have obviously complicat-ed sales in major markets, the CE operates in 32 countries and consequently lost sales have been made up elsewhere.
Export costs of fruit set to drop

JOHANNESBURG. — Deciduous fruit farmers have finally won an ongoing battle over airfreight that will bring down the cost of exporting perishables over the Christmas season.

Earlier this month, Minister of Transport Mr Eli Louw gave permission for charter agencies to arrange for aircraft flying out exports to bring in goods on their southbound routes, substantially reducing tariffs.

Mr Louis Kriel, of Unifruco, said the high demand for perishables every December, when passenger transport was at a premium, had resulted previously in tons of fruit rotting because the charter costs had been prohibitive.

To cope with seasonal demand, deciduous fruit farmers traditionally fly out about 800 tons of fruit over this period, although the bulk is transported by sea. SAA director of cargo services Mr Bennie Smit says scheduled services can cater for about 80% of perishable airfreight, with the balance run by charter.

The loss of the Heiderberg off Mauritius last month also reduced SAA's carrying capacity during the peak perishable export season.

A major backlog of airfreight goods destined for South Africa from Europe and the US — which resulted in costly delays of up to two weeks in October and November — has now eased, say several airlines and freight companies.

Several major airlines chartered cargo planes several weeks ago to help ease the backlog.

The main reasons given for the backlog, apart from normal seasonal increased demand for goods, were:

- Retailers being caught off guard by the increased consumer demand on the run-up to Christmas and airfreighting goods to short-circuit the long lead times entailed in shipping;
- The cancellation of landing rights for SAA in the US;
- Very low rates offered to exporters for South Africa-bound goods from the US, which caused a transit build-up in Europe of goods that would normally go by sea;
- The introduction of long-haul non-stop flights from Europe, resulting in less cargo tonnage to enable greater fuel loads; and
- Bad weather in Europe.

A spokesman for Lufthansa's cargo section said the cargo situation had now normalized to an average 70% of capacity.
1988

Fruit - 1988
Tiger's proposed deal with Langeberg Cooperative — SA's largest fruit and vegetable canning business — would be by far the biggest acquisition it has made since it sold its 29% interest in J Bibby to parent company Barlow Rand for about R164m cash. Since then the food group has remained highly liquid, and can easily afford the R80m cash outlay for a 50% stake in Langeberg Foods.

This is not the only significant acquisition Tiger has made during the period but the others were smaller. Major ones include Wainsteins (Tastic Rice), County Fair and MSD Pharmaceuticals, as well as the increase from 33% to 54% of the holding in wholesaler WG Brown Investments, the principal Spar and Savemor franchise holder in SA. Shareholdings were increased in other group companies, including Adcock-Ingram after Adcock bought the remaining 40% in Sabex from the US parent, and in Oceana, Swafish and Sea Products; and stakes were also topped up in a number of smaller, unlisted food companies.

However, Tiger has been generating enough cash to replenish funds absorbed by these deals. At the last year-end, borrowings totalling R282m were matched by R283m in...
cash and short-term investments. After the deal, says chairman Robbie Williams, the group would hold about R140m cash with slightly higher borrowings. It would, therefore, still leave gearing very low, and with shareholders' funds of well over R800m there would be large borrowing capability should any further opportunities arise.

But such deals do not come easily. "Tiger has been criticised in the past for sitting on its cash but we did not want to go out of our own field," says Williams. "Langeberg would be a major breakthrough for us. It extends our product range significantly by taking us into canned fruit and vegetable production, a sector where we are not represented. It doesn't include fresh produce, but that would be a commodity business which we are trying to move away from. Langeberg is a value-added operation which is right in our line."

The intention is that Tiger would hold 50% of a new public company, Langeberg Foods, which would acquire all the food and canning businesses of the co-operative. The remaining 50% would be split equally between the co-operative and members and employees of the co-operative. The members and certain employees are to be given the right to subscribe for these shares for R10m cash, with the issue underwritten by the co-operative. The R10m equity subscription, and the R80m to be paid by Tiger, will mean a total cash injection of R90m. A listing is planned by June 1992.

Funds would be used to recapitalise the currently over-garbed co-operative. This would eliminate an excessive interest bill and bring trading profits down to the bottom line. Figures are not yet disclosed, but Williams says the operational profits are "very good," as is reflected in the fact that they are forecast to affect Tiger's group earnings in the 1989 financial year. Tiger's profit before tax was R239m in 1987.

Langeberg has 10,000 employees, processes 350m cans of fruit annually, has assets of R305m and turnover of R377m. It dominates in many of its markets, with shares of up to 70%, and is an exporter. "We are impressed with what we have seen of the way the company is run," says Williams. "The systems are good and the management has become marketing-orientated in recent years."

If all goes to plan, the needed 51% approval by Langeberg's 1350 members should be attained by the end of May. What Tiger hopes to achieve by the deal is entry into a new business area with relatively high margins, rather than any short-term synergies with existing operations. Considerable rationalisation has already taken place in the formerly over-traded canning industry, including, for example, Langeberg's purchase in 1981 of Picardi Canners and the closure of Picardi's operations except those at Paarl. There may be little room for more of this, but there should be scope for productivity and efficiency improvements after the capital injection.

Andrew McNalty

**ALTRON ADDS UP**

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<th>Year to end February</th>
<th>1987</th>
<th>1988</th>
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<td>Pre-tax profit (Rm)</td>
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<tr>
<td>Dividends (c)</td>
<td>81 98</td>
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cope with a strong international expansion and deputy chairman Don Sneddon is concentrating on this area with deputy chairman Neil Davies lending a hand while overseeing group financial administration as well as Powertech.

Altron enters the 1989 year even more soundly financed than previously. Debt has fallen from R235m to R14m and debt/equity is 0,08, despite the investment in Fintech and the expenditure upon development technology. This, plus the normal growth expected from this group, has added to the overseas interests still make this large group an exciting long-term investment — although the share hardly looks cheap on the current 22,7 times p/e ratio.

Pat Kenney

**ALTRON**

**More depth**

Altron — holding company of Fintech (see PM April 22), Powertech, which reported this week, and Altech (see separate article) — has come in with strong results, benefiting from the huge increases in profits in all three subsidiaries.

One of the major changes has been the Fintech investment, which opens new markets, and the improved performance by Powertech, which increased pre-tax profit by 31% last year on almost unchanged turnover. Of total group sales, more than 35% goes directly to the public sector and Altron remains vulnerable to cuts in spending. "There will be deferrals," says executive chairman Bill Venter, who emphasises that technology developed by the group is opening new fields and that dependence upon the public sector should reduce.

An important factor in the development of the Ventron (Altron's pyramid) group into a multinational is its management structure. The group has long been considered a one-man band, but this seems to have changed rapidly in recent years. Two new CEOs have been introduced in Richard Savage (Altech) and Marius Furst (Fintech). Savage is also deputy chairman and has helped to strengthen top management and introduce a younger group of senior executives. Both appear to have settled into the Altron culture, although there was considerable doubt expressed when they were appointed, and Venter appears happy not to be involved in the daily running of the organisation.

Venter now feels that the organisation can

**ALTECH**

**Looking abroad**

After 25 years of annual compound growth in excess of 25%, Altech — the third major subsidiary of Altron — has continued its strong performance. EPS climbed 25% to 761,6c in the year to end-February, but this was based upon a rise in turnover of only 10,5%. Executive chairman Bill Venter says turnover was adversely affected by the sale of its small electronics business, and the expenditure upon development technology.

Margins also improved. Certain businesses which generated sales rather than profit were phased out, with a beneficial impact upon margins.

Altech not only sold some of its operations to Fintech, it also invested R112m (about R42 per share) in the company. Venter says the rationale was to ease Altron's financing burden, and to make the maintenance of control easier (Altron cannot issue too many shares as it is only 55,7% held by pyramid Ventrion). The acquisitions will provide Altech with a higher growth rate by giving it an investment in a high-growth industry, and the interest should make Altech more enthusiastic about providing manufacturing facilities to Fintech, as planned.

Major developments during the year included the merger of Activ Telecommunications, division with Telecommunication Technologies, making the largest telecom business in SA; the opening of the microwave antennas facility in Germiston; the achievement of 94% local content of the PO digital telephone; expansion of manufacturing and distribution facilities; and continued development of export markets.

The group is emphasising exports. Venter
Koo, it’s a milestone!

By TOM HOOD  
Business Editor

A PARTNERSHIP between a co-operative owned largely by farmers and a public company with R1-billion of assets could show a way to help the country’s cash-strapped agricultural industry.

While thousands of farmers are heavily in debt — especially in the summer rainfall areas — their co-operatives are struggling to find capital to diversify or finance various ventures.

Equity has declined while part of their assets is in debt... "and you don’t know what the quality of those debentors is", says Dr Andre Louw, agricultural economist with Volkskas.

Problems

Some of the smaller co-ops had problems but the larger ones were mostly sound because they had diversified, he said.

Langeberg Co-operative — the country’s largest — teamed up with Tiger Oats this week in a multi-million rand deal to form a joint public company and:

- Give an instant R80-million cash injection and put the co-op’s capital on a sounder base.
- Provide a steadier income for farmers by paying regular dividends instead of irregular surpluses.
- Provide its 1,350 members with a capital growth on their investment.

The Bellville-based co-op, employing 10,000 people, is also the world’s largest exporter of deciduous canned fruits, says managing director Mr Carel Stassen.

Langeberg handles 260,000 tons of fruit and vegetables annually, processes 350-million cans, operates 10 plants, runs 11 distribution depots.

Assets amount to R385-million and annual net turnover is R377-million.

Its leading trademarks are Koo, All Gold, Hugo’s and Silver Leaf.

Tiger’s trademarks include Jungle Oats, Tastasease, Fattis and Monis pasta, Sunshine margarine, Black Cat peanut butter, eggs and County Fair chickens.

The partnership came about when the Langeberg board went into a huddle to examine its problems, according to Mr Jan van den Berg, a director of Finansbank, which engineered the deal.

The shortage of capital came out as the key problem, he said.

"Currently less than 20 percent of turnover comprises the purchase of fruit and vegetables from farmers which means that the co-op has effectively become an industrial concern," he said.

Injection

However Langeberg had not been financed as an industrial concern and needed a cash injection of capital.

"Finances have come under increasing pressure as a result of its steady growth and the effect of inflation. To restore the balance, we required a capital injection of at least R50-million," he said.

It was unreasonable for the co-op to look to its members or the Land Bank for funding at this magnitude, he added.

Finansbank came in with an "exciting and innovative" proposal to privatise the co-op’s industrial operations and find a private sector partner with resources to take part in the development of those industrial interests.

Big risk

Current capital is only 17 percent of total or own funds and represents a fairly big financial risk. All profits have to be ploughed back to expand the business and new investments like freezing fruit.

Tiger Oats Group will be listed on the Johannesburg Stock Exchange before June 1992.

Shareholdings in the new company to be called Langeberg Foods Ltd — will be Tiger Oats 50 percent, the co-op 25 percent and employees of the co-op 25 percent.

The 50 percent collectively owned by the co-op and its members is represented by the assets of the food and canning business, enhanced by a subscription for new shares at a cost of R160-million. This represents a total investment of R80-million.

Convert

Tiger, a major company in the leading industrial group, Barlow, will invest R80-million in cash for its 50 percent stake in the new company which will then have a total capital of R160-million.

The listing will let Langeberg’s 1,350 members effectively convert their co-op membership into what will become highly marketable shares in a public company.

The chairman of the company, Tigger’s Robbie Williams and Langeberg’s Boet van Wyk, said this was probably the most exciting development in the agricultural arena for decades.

Mr van Wyk, who will become the chairman of the new company, said Tiger Oats Group with its strong position in food processing and distribution was an ideal business partner.

"In one strategic move we satisfy two objectives and assure the future of the local canning industry. First, we retain Langeberg as a traditional co-op, a focused co-ordinator of fruit and vegetable purchases from its members.

"Secondly the co-op and its members will supply this product to a soundly capitalised public company, which will control and manage our industrial interests and in whose profits we will participate."

Over the years, the industrial interests of Langeberg became an increasingly large and capital hungry part of the co-op, Mr Stassen.

The new company would not change its present policy of preferentially obtaining its raw materials from the co-op and its members at competitive market-related prices.

These prices will continue to be negotiated and agreed, on an arms-length basis.

From its 1989 financial year, Langeberg Foods will declare an annual cash dividend of at least 25 percent of its distributable profit.

Co-op tradition was for members to be paid an annual bonus if the co-op has adequate resources to fund a payout.

Poor seasons

But with poor seasons and the increasing heavy capital demands being made on co-ops, few have paid meaningful bonuses in recent years. Profits were ploughed back into rebuilding reserves.

If Langeberg remained as presently structured, it could not consider any dividends for the foreseeable future, according to Mr van Wyk.

While Tiger’s R80-million investment would have no material effect on earnings or net asset value in this financial year, Mr Williams expects long-term benefits from the partnership.

Transaction

The transaction as proposed by Finansbank requires the approval of the majority of co-op members. Should any co-op members wish to sell their shares in Langeberg Foods within three months of the implementation date, the co-op will purchase those shares at a "favourable price."

Mr Jan van den Berg, a director of Finansbank team, said: "We believe this transaction will prove to be a milestone for South Africa."
Fruit farmers expect income boost to follow new co-op deal

By TOM HOOD
Business Editor

FRUIT farmers in the Western Cape can expect a big increase in income as a result of a multi-million rand cash injection into the fruit canning industry.

They will also receive regular dividends instead of facing a bleak future where payouts were unlikely for several years.

The 1 350 farmers, members of the Langeberg Co-operative, the country's largest fruit canning company, will get a bonanza from sowing their co-op shares for shares in a new R100-million company, Langeberg Foods, which will be listed on the Johannesburg Stock Exchange.

They will also be offered R10-m of shares in the new company.

The co-operative employs 900 people, handles 269 000 tons of fruit and vegetables a year and processes 355-million cans out of 10 factories.

It has assets of R365-m and had a turnover of R377-m last year. At present it is the world's biggest exporter of canned deciduous fruit.

INJECT

Leading trademarks are Koo, All Gold, Hugo's and Silver Leaf.

Langeberg is teaming up with the Barlow group's food giant Tiger Oats to form the new company which will hold the industrial interests of the co-op.

Tiger will inject R89-m into the company and Langeberg will inject another R60-m, including the R10-m to be raised by issuing shares to its members.

The new company will be 60 percent owned by Tiger, 25 percent by Langeberg and 25 percent by members and employees.

Langeberg's chairman, Mr Eoet van Wyk, who will become the new company's chairman, said: "The Tiger Oats group, with its strong position in food processing and distribution, is an ideal business partner for us."

From its 1993 financial year, Langeberg Foods will declare an annual cash dividend of at least 25 percent of its distributable profit, said Mr van Wyk.

Co-op members are traditionally paid an annual bonus if the co-op has adequate resources, but with poor seasons and the increasingly heavy capital demands being made on co-ops, few have paid significant bonuses in recent years.

Profits have tended to be committed to rebuilding reserves. In the case of the Langeberg Co-op, Mr van Wyk says the new deal changes the situation, making dividends possible. Otherwise Langeberg could not consider dividends for the foreseeable future.

The new company will not change its present policy of preferentially obtaining its raw materials from the co-op and from its members at competitive market-related prices, he added.

The new company is to be listed on the stock exchange by June 1993, merchant bank Finansbank announced today.

Mr Carel Stassen, who will remain managing director of Langeberg Foods, said the co-op's finances have come under increasing pressure as a result of its steady growth and the effect of inflation.
Storm uproots 700 lemon trees

NELSPRUIT — A violent storm uprooted 700 lemon trees and extensively damaged another 536 — all laden with fruit — at Tekwane Estates, South Africa’s largest lemon producers, at the weekend.

The storm, accompanied by hail, wind and rain also left people homeless when it ripped roofs from buildings and broke scores of window panes.

A large tobacco crop, ready for reaping, was destroyed by the freak storm which lasted about 15 minutes.

The storm started shortly after 3.30 pm on Sunday when a powerful wind, accompanied by hail, swept through the farm destroying everything in its path, according to Tekwane Estates manager, Mr Brian Sproule.

"At the height of the storm corrugated iron sheets were being blown around like dry leaves," Mr Sproule said.

At Tekwane’s Magogeni staff village considerable damage was caused to a new hostel and dining-room complex when two wood and iron sheds were lifted from their concrete slabs.

"Nobody was injured during the storm. At nearby Tekwane, scores of people were left homeless when the storm swept through the Ka Nyamazane and Pienaar townships."

Many stranded inhabitants spent Sunday night with friends.

Machadodorp also reported extensive damage after a storm swept through the village shortly before 6 pm on Sunday.

"The storm, accompanied by large hailstones, uprooted trees, broke windows and lifted roofs."

The Lowveld storm was preceded by blistering weather on Saturday and Sunday with some areas reporting temperatures up to 40 deg C.
SA seeks a bigger slice for food

By Ruth Golembo

FOOD manufacturers and scientists are getting together to devise products for export.

At a two-day symposium to be held at the Indaba conference centre in Sandton, producers, suppliers and academics will put their heads together for new ways to make more money from SA foods.

The symposium is presented annually by the food science department of Stellenbosch University. Delegates will look at strategies for taking more SA food to lucrative foreign markets. They will also look at ways to market produce in SA.

Gerard van Noort, head of food science at Stellenbosch University and the man behind the symposium, says sanctions have made it important to review food production and supply strategies.

Opportunities

Professor van Noort says SA can gain a bigger slice of the international food market by providing more value-added products instead of raw materials.

"The food industry is the largest manufacturing sector in the South African economy. There are opportunities for expanding the industry. We must find a more innovative approach to food production and this is where scientists can help."

"If we look to export more tinned food, jam and fruit juice instead of fresh fruit we can provide more jobs and increase foreign earnings.

"South Africa can pride itself on bringing innovative ideas, like liquid packaging for fruit juice and sorghum beer to foreign markets. "We need new products to increase our exports and to make SA consumers buy more."

Legislation

Speakers at the symposium, to be held on March 21 and 22, will include Marius de Wet, chairman of the Industrial Development Corporation; Wim Holles, chief executive of Safco; Piet Steyn, director of food science and technology at the CSIR; Nick Diamont, group managing director of Anglo American Farms; and Arnaldo van Hecke, director of Food International in Belgium.

Mr van Hecke, the only foreign speaker, will address the symposium on international food legislation and on how to get new food products to market without falling foul of the law.
SAAS is giving us a rotten deal, say the fruit exporters.
Orchards threatened as seven fires rage on

By HENRY DU PLESSIS
Staff Reporter

At least seven fires are still raging on Western Cape mountain ranges.

Mr Rudolf Andrag, regional director of forestry for the Department of Environment Affairs, said a fire above Riversdale was extinguished by rain in the area.

The fires were started by lightning on Tuesday and Wednesday.

Mr Andrag said that one of two fires in the Cedarberg range was under control but the other, south of the Algiers forest station, was still unchecked.

Three fires in the area of Tulbagh and Wolseley were still threatening orchards and plantations, but not farm-houses.

VELD BURNED
Fires were still burning above Franschoek.

Tulbagh orchards were damaged when fire swept the Rooiadal mountains above Winterhoek, burning about 500 hectares of veld.

Apple, peach and plum orchards on three farms were damaged with two farms in the Winterhoek area bearing the brunt.

The fire started about midday on Wednesday on Panorama Farm and spread rapidly, fanned by a strong wind, said Mr Koos Theron of Erf Ziel Farm.

Mr Theron said the fire was chased up the mountain by the wind at one stage, but the wind changed direction and the flames ran down to the edge of his plum and peach orchards.

The first rows of trees closest to the fire were badly burnt and the next three to four rows were scorched.

PRUNED

The plum trees were young and ready to deliver their first full crop when the fire reached them.

Mr Theron believed, however, that if he pruned them well in the autumn they might recover.

According to a neighbour, a flare-up in the middle of one of the Winterhoek orchards spread both ways because of the flaky wind.

The fire on Winterhoek also swept through a pine forest and, fuelled by the dry needles on the ground, severely scorched the trees.

The pine forest was still in danger late yesterday.

According to a source who did not want to be identified, this fire was seen by locals as the worst in 35 years.

An estimate of the damage was not possible at this stage, because the price of the fruit on the market was not yet known and farmers still had to assess what percentage of their crops they had lost.

At Mostertshoek, at the foot of Mitchell’s Pass to Ceres and a distance above Bergville, a fire also burst fiercely in the upper reaches of the mountain.

It seemed to be far away from cultivated lands, though it was fanned by a strong wind.
Inflation knocks real profits...

Fruit exports reach record

By AUDREY D'ANGELO
Financial Editor

EXPORTS of fresh fruit from the Cape have achieved record earnings again this year, in spite of sanctions which have closed some markets.

The new growers' co-operative - Universal Frutrade Cooperative (Unifruco) - which took over export marketing from the Deciduous Fruit Board a year ago, announced yesterday that more than 600m cartons of fruit were sold in the last season, earning R773m gross. This is R100m more than in 1987.

Unifruco chairman Leo Fine said that the pay-out to producers in the industry, one of SA's largest earners of foreign currency, would be a record R404m, compared with R347m last year.

This would be possible not only because of the volume of fruit handled but because administrative costs had been cut by 15% for each carton sold.

But, Fine said, inflation meant that the 10% rise in the amount of cash reaching producers' pockets was a fall in profits in real terms.

"Inflation, particularly in the rand value of overseas costs and on production costs has reached such alarming proportions that increases in gross earnings easily end up as a decrease in net earnings."

"The past season is not an exception. It is calculated that real farm income will actually have decreased."

Fine said the industry, which provides jobs for 250,000 people, had achieved significant increases in export earnings every year since 1983 in spite of the fact that a few markets had been lost due to political pressure.

"In the past five years all our trading partners achieved significant growth in dealing with our quality range of fresh Cape produce and we are particularly delighted that producer payments could increase from R123m to R404m over the same period."

Unifruco chairman Louis Kriel said Unifruco had set itself the goal of continuing this positive trend over the next five years, with new markets being developed.

It already had more than 40% of the southern hemisphere's share of European markets and was confident it could extend this. Non-deciduous varieties were being added to the range of fruit marketed.

"We have no illusions regarding the challenges facing us. The export environment is still not totally normal for SA and some of our southern hemisphere competitors are doing their utmost to extend and exploit the situation."

"Others continue to dump large quantities on our traditional markets. "But we have succeeded in achieving greater price premiums above competitive products than ever before by offering quality, reliability, product range and logistical discipline."

"Also, our industry's track record in social and labour relations has been recognized as one of the best in the whole agricultural world."

Kriel said that every possible measure was being taken to pursue excellence and counter rising costs "because in five years' time only two major southern hemisphere suppliers will survive in the highly competitive Western world market. We shall be one of them."

Gold closes
DECIDUOUS FRUIT

Sanctions pare jobs

Between 15 000-17 000 black workers have lost seasonal jobs in the deciduous fruit industry because of sanctions imposed by the US, Canada and Scandinavian countries.

Louis Kriel, CE of Unifruco (formerly the Deciduous Fruit Board), says fruit previously sold in North America and Scandinavia has been rerouted into existing markets and juice processing. Forced to accept lower profit margins, the industry has cut costs at home.

He says the losses were absorbed partly through a reduction of labour-intensive seasonal activities, such as individually wrapping apples. This resulted in the phasing-out of 15 000-17 000 jobs held mainly by migrant workers from Transkei and Ciskei.

Overall, the deciduous fruit industry employs about 230 000 people in the western Cape. About 60% of the crop is exported.

The SA Foreign Trade Organisation claims the export fruit industry, of which deciduous fruit is the largest component, is SA's fourth-biggest forex earner after base metals, gold and diamonds. More than 30m cartons of fruit were sold in Europe this year, earning R773m — R100m more than last year. However, faced with high export and handling costs because of a weak rand, and domestic inflation four times higher than the average inflation rate in Europe, SA fruit growers have suffered a real reduction in income, says Kriel.

Of 6 000 SA deciduous fruit farmers, Unifruco has about 2 000 who grow for export. Of the 1.1Mt of imported deciduous fruit sold annually on the European market, SA supplies about 40% followed by Chile (19%) and Argentina (12%). Australia, which once dominated the European scene, now has only about 2% of the market.

Kriel says it would be difficult to replace SA as the primary supplier of imported fresh fruit in Europe. Apart from quality and reliability of supply, SA fruit exports to Europe in 1987 earned the equivalent of R1.2bn in price mark-ups for European retailers; R126m for wholesalers; R96m in import duties; R39m in harbour charges; R25m in advertising; R21m on local transport in Europe; and R18m on warehousing.

A non-sanctions obstacle to exports could be the extension of EEC import quotas. Kriel believes new quotas will be announced in November for the 1989 apple season. However, he hopes SA will be awarded the main slice of the quota because of its current dominant position.
CITRUS EXPORTS

Bop farmers cash in

Tswana farmers from Bophuthatswana are preparing to hit European export markets.

Oranges from the seven-year-old Tekholofelo citrus project, run by Agricor and 32 Tswana farmers, will arrive on European markets shortly. The project was established in 1981 near the Ngotwane Dam, expressly with citrus exports in mind.

Marketing will be done by the SA Citrus Exchange, with curations marked "Produce of Bophuthatswana." Exports, which run from May to October/November each year, should total 530 t this year and 1,540 t in 1989. A further 600 t should reach the local market this year.

The Tekholofelo project is geared to grade, pack and load oranges at a rate of 70 t/day at full production. An R800,000 packing house was opened in July. Supervision and management are in the hands of locally trained Tswana agriculturalists, who also grow alternative crops like groundnuts and wheat to keep up cash flows.

Capital investment to date is R3.5m, which should be repaid within 13 years as the trees are expected to reach maturity by the year 2000.

Agricor officials say a unique "hedgerow" growing method (small trees are planted at a 45° angle to the ground) is expected to increase yields and simplify reaping of ripe fruit. Peach and pecan nut trees are being tried for future crop diversification.

Bop farmers "own" a number of individual citrus rows which they tend, fertilise, water and reap, using local labour. A total of 96 ha has been planted to citrus.
CITRUS MARKETING

Growing pains

While SA's citrus growers face a difficult international trading climate, local growing conditions have improved. A crop of 28m cartons is expected, compared to last season's 26.8m cartons. This is an estimated increase of 24 000 t to 765 000 t (1987 - 741 000 t).

The 1988 packing season is in full swing and the first SA fruit is hitting overseas markets. Heavy competition in Europe remains a problem, more so than political boycotts; the problem is a continuation of the pressures that beset exporters in 1987.

“The gross value of our exports in 1987 was R537m, compared with the previous year's R534m — even though export volumes were 7% higher. The export payout to producers increased only marginally to R261m, from R258m,” says Citrus Exchange operations and finance GM Arend Venter. He says the slow growth in earnings was the result of heavy competition and the stronger rand. For the current season, it is “impossible to make any reliable predictions.” Europe has plenty of leftover oranges from winter stocks, while SA fruit also faces competition from northern hemisphere deciduous fruits.

And because the winter stock of oranges on European shelves is of poor quality and unpopular sizes, the market is basically depressed. “Fortunately, we now have substantial quantities of fresh fruit which is normally preferred by the market,” Venter says.
It's 'Yes' for R160-m Tiger, Langeberg deal

FRUIT farmers have given a huge vote of confidence to the R160-million deal between Langeberg Co-operative and Tiger Oats to float a new company, Langeberg Holdings, on the Johannesburg Stock Exchange this month.

Since April 23, the co-operative has held meetings throughout the country to discuss the proposed transaction.

The transaction with Tiger, whereby Tiger will pay R60-million for a 50 percent stake in the new company and Langeberg Co-operative will chip in another R70-million, was approved by 95 percent majority of votes, Langeberg announced today.

But the co-op's 1,350 members, who have been asked to subscribe for R10-million of shares, will get theirs at 25 percent of the Tiger Oats price.

Among resolutions approved by co-operative members were:

- The specific transaction with Tiger.
- The sale by the Co-operative of its businesses as part of the restructuring.
- The basis of allotment of shares to members, growers and personnel.
- The offer of shares to directors.

According to Langeberg all the main conditions have been fulfilled and the transaction was currently being implemented.

Invitations to members and growers of the co-operative to take up shares in Langeberg Holdings will be posted during the week and application forms and cheques must reach the transfer secretaries before June 30, Langeberg said.

- Rand mines gold producer Blyvoortlitzicht Gold Mining Company has dropped its final dividend by 17 percent to 75c from 90c last year, bringing the total payout for the year to 150c (205c).

As expected, marginal producers Durban Rooiport Deep and East Rand Proprietary mines have again passed their dividends.

- Helped by a 137 percent improvement in the contribution from Boumat, Safcon saw earnings a share soar 73 percent to 133.5c (60.3c) for the year to March.

This is comfortably ahead of the forecast of 111c a share. The final dividend of 29c brings the total payout for the year to 49c, up 33 percent on the previous year's 32c.

- Three of the Anglovaal Group's investment holding companies improved earnings and dividends for the year ending June 30, while the fourth — Middle Witwatersrand (Western Areas) declared an unchanged dividend on a lower profit.

Anglovaal itself raised its final dividend by 10 percent on its ordinary and "A" shares to 430c (500c) bringing the year's total to 850c — an 11 percent increase on 1967's total of 765c.

The dividend was covered 5.1 (5.3) times by Anglovaal's record earnings: estimated consolidated profit (after tax, minority interests and preference dividends, but before extraordinary items) for the year rose by 7 percent to R141.8-million (R138-million).
The Dried Fruit Board celebrates its 50th anniversary this year. To mark the occasion, the board was hoping for a record crop of 48 000 tons of dried fruit, but the Orange River floods earlier this year caused substantial damage to grape crops, putting the record target out of reach.

Mr DC Viljoen, general manager of the Dried Fruit Board, says raisin and sultana production has been affected by the floods in terms of both quantity and quality. "When the floods came, we had harvested 25 percent of the crop. We then had to salvage what we could of the rest, and these were not of the best quality. We will have a lot more sub-standard raisins and sultanas this year than in previous years."

Mr Viljoen assures consumers there will be no shortage of first-grade dried grape products on the domestic market. The board reserves adequate supplies of good quality fruit for the local market before making export allocations.

The sub-standard grades will not be wasted. Those that cannot be sold to consumers will be used for brewing or in animal feeds.

The Dried Fruit Board was established 50 years ago to stabilise the dried fruit industry which, at that stage, was destroying itself because of fierce competition between a large number of packers.

Its other functions were to control the importation of dried fruit, curb periodic over-production and administer quality control.

Today, the board's main function is still the promotion of stability in the production and marketing of fruit produced for drying. The board also administers single-channel pool schemes for currants, sultanas, raisins and prunes.

Producers usually dry the fruit themselves on their farms and deliver it to receiving depots of the board's agent, the South African Dried Fruit Co-operative (SAD), where it is processed further, packaged and marketed. Selling prices are not controlled.

Mr J Coetze, public relations officer of the board, says there is often criticism that dried fruit is too expensive, but the board feels this criticism is unjustified.

Many problems affect industry

Floods spoiled dried fruit aim

Caroline Mehliss

"Consumers must remember that the ratio of fresh fruit to the dried product is high. It takes, for example, 12 kg of fresh apples to make 1 kg of dried apple rings. Dried fruit price increases have stayed below the general inflation rate. Our marketing costs are low because of the single-channel marketing system and, because our industry is basically sound and well organised, it has never been dependent on State subsidies or assistance," he says.

South Africa exports more than 60 percent of its dried fruit production. Sanctions have placed increasing pressure on the industry, although several alternative markets have been found.

Other factors, according to Mr Coetze, which may also affect the position of our dried fruit industry on the world market include:

- The uncertainty of harvests in the producer countries due to unpredictable climatic conditions.
- Subsidies. In many countries, governments pay production subsidies which spur producers on to higher production.
- Protection of imports. Some countries protect their own agricultural products by imposing duties on imported goods, including dried fruit from South Africa.
- South Africa's high inflation rate, which is extremely detrimental to export industries.
- Improved quality in third-world countries. The advantage South Africa had in the past is steadily being reduced as countries such as Turkey and Argentina improve the quality of their products.
EC cuts back on SA apple quota

CAPE TOWN — South African apple exports to Europe will be cut by about 10 percent this year following restrictions on imports by the European Community.

The multi-million rand deciduous fruit industry is one of the biggest employers and earners of foreign currency in the Western Cape.

The EC has limited apple imports from all its southern hemisphere suppliers, partly because of dumping of fruit in Europe by some countries and partly to protect European producers, especially France and Italy which have large quantities of last year's crop in store.

Although South Africa's quota is the largest, it has been limited to 168,000 tons, about 10 percent less than usual, according to Mr Fred Meintjes, public affairs manager of Unifruco, the marketing arm of the Deciduous Fruit Board.

He said southern hemisphere countries supplying Europe imposed voluntary quotas but some producers had been undisciplined and had flooded the market with fruit.

It was not known at this stage what the effect on the South African industry would be but it was possible the shortfall in exports would be made up by higher prices in Europe.

In the meantime South Africans could look forward to more export quality apples this year and more class 2 fruit would be sent to the processors.

The cuts could affect some seasonal packing jobs but this would be minimal because the season was nearly over, Mr Meintjes said. — Sapa.
BRUSSELS — South African apple imports by the European Community (EC) will be restricted this year with apples from all other southern hemisphere suppliers because France and Italy have large quantities of last year's crop in store.

Traders and consumer groups in Britain are to protest to their government.

Between now and the start of the homegrown season in the autumn, Britain normally imports thousands of tons of apples from the southern hemisphere and North America.

This year's imports into the EC from South Africa will be restricted to 165,000 tons, from Chile (142,000), New Zealand (115,000), Argentina (70,000), Australia (11,000) and others, including the United States and Canada, (17,500).
SA apple exports to Europe to be cut by 10% after import clamp

Staff Reporters
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The EC has limited apple imports from all its southern hemisphere suppliers, partly because of dumping of fruit in Europe by some countries and partly to protect European producers, especially France and Italy which have large quantities of last year’s crop in store.

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The Argus Foreign Service reports from Brussels that traders and consumer groups in Britain are to protest about the quotas to the government.

Trade representatives are angry at the lack of EC consultation.
SA dried fruit sales blitz on the cards

Business Staff

SOUTH African Dried Fruit Co-operative, flush after profits of R13-million from export-weighted trading for each of the past three years, is to mount a marketing blitz at home.

The co-operative, abbreviated SAD (Suid Afrikaanse Droëvrugtekoöperasie), celebrates 60 years of business this year. Established in Wellington in 1938, its sales have increased steadily since.

Nearly 60 percent of SAD's production is for export and, in spite of sanctions and an unresponsive international market, it succeeded in increasing overseas trade by over 1 000 tons during 1987. Nearly R75-million was earned in foreign exchange.

SAD made headway during the 1984-86 recession as the low rate for the rand yielded higher returns on exports. However, the co-operative remained dissatisfied with the local market. SAD considers the home market to be of vital importance to long-term stability and growth. As a result it has evolved a new marketing strategy, including:

- Modernisation of its identity and image, including the design of a new logo, in bright orange, gold and black;
- Introduction of a new logo - "Enjoy Our Sunshine Taste";
- A re-design of packaging materials in bright identifiable colours.

At a function in Wellington this week, SAD's chief executive, Mr. Charal van Schoor, said dried fruit would be billed as a health product.
Oceans of bubbly sold to ring in the 90s

By GERTRUDE COOPER

With individual Christmas orders for champagne and sparkling wine from Peninsula liquor outlets running as high as 30 cases, the festive season is set to outsie Guy Fawkes as the Big Bang.

Stellenbosch Farmers Winery’s executive chairman, Dave Marlow said: “The demand for sparkling — and noble — wines is literally bubbleing.”

His comment is borne out by caterers, liquor stores, hotels and restaurants which, accustomed as they are to silly season overindulgence, are anticipating a record barrage of popped corks.

Capeonians’ taste for bubbly is in keeping with a worldwide increase in the demand for champagne. In the UK in the first three months of this year alone sales were up by 25%.

In South Africa there has been a 30% growth in the last two years, says liquor man Arthur Freedberg. “Although there has been a slowdown on other wines, there is no sign of the demand for champagne abating. At this time of the year of course, bubbles identity with the celebratory mood and sparkling wine — champagne for the bigger spenders — heads most liquor shopping lists.”

Generally local makers of sparkling wine whose numbers have increased dramatically with the increased interest in wines with a bubble are having a wonderful time. With imported champagnes such as vintage Moët et Chandon selling at R100 a bottle at liquor outlets, Cape methode champenoise sparkling wines are being snapped up.

John Platter’s 1990 South African Wine Guide lists 10 whites and six pinks made by this method alone. With contributions from co-operatives and smaller vineyards the selection is large and comprehensive.

Responding to the demand retailers are giving good prices so that bubbles financially are the best choice to accompany the Christmas turkey.

“There is also the gift aspect,” says Freedberg. “A bottle of sparkling wine attractively wrapped always has that much more glamour than a bottle of still wine at the same price.”

In the popular price bracket, vintages such as Grand Mousseux and JC le Roux le Domaine are firm favourites, as is Nederburg Cuvee Deux reintroduced last month after 10 years. Shoppers lucky to find vintage Pommery at the pre-surchage price of R70 a bottle are buying up to nine cases at a time.

For those who want the best, a bottle of Dom Perignon, the artistocrat of champagne, retails at a hefty R320 a bottle.

In anticipation of a bumper harvest of revellers with a taste for sparkling wine, the Tastevin restaurant at the Cape Sun hotel is one of many Peninsula eating places which has increased its sparkling wine orders.

“Last year we went through 20 cases. This year we’ve supplemented with another 10 cases,” said a restaurant spokesman.

At the Nico Malan last year 1 080 bottles of sparkling wines popped as theatre-goers saw the New Year in. This year there are 2 024 500ml bottles in readiness for the theatre-goers who will await the arrival of 1990 at the City’s largest and most popular New Year’s Eve celebration.

Cheers... Nothing like bubbly when the mood is festive.
THE launch last week of Rietvallei's first unfortified wine, a 1987 Chardonnay, is an occasion of some importance in the wine industry. Rietvallei's transition from a Muscadel to a premium white wine producer provides a significant paradigm for the country's wine farmers. The Rietvallei Estate has belonged to the Burger family since 1964. Though it delivered tons of dry white varietals to the local co-op, its estate wine business depended on its Muscadel sales through the Bergkelder.

While the quality of the Rietvallei Muscadel is indisputable, the future of Muscadel in SA is somewhat uncertain. Current wine fashions have little time for the great fortified wines on which the Cape initially established its international reputation. Clearly if Rietvallei wished to expand its estate wine operations, a change of varietal was essential.

Jonny Burger built a dry white wine cellar about ten years ago. He then consulted Julius Laslo of the Bergkelder and was guided into grafting over young Muscadel vineyards to Chardonnay. Despite the difficulties which beset aspirant Chardonnay producers in the mid-1980s, Rietvallei's maiden vintage in 1987 yielded grapes of superb quality.

The wine was part tank-fermented. It underwent malolactic fermentation and wood-ageing — 50% in new oak — for more than a year. It has been bottle matured since April 1988. The result is most impressive.

The Rietvallei Chardonnay 1987 is full flavoured and complex, with plenty of varietal fruit and a lovely harmony with the wood. Priced to retail at about R18, it is a bargain by current industry standards and a likely trend setter to more sensible Chardonnay pricing.

Rietvallei Chardonnay surprises and delights

What has happened at Rietvallei is not only a tribute to Johnny Burger's courage in changing the nature of his Robertson wine farm, but also to Julius Laslo's insight in directing him into Chardonnay. The region's climate and soils seem surprisingly well-suited to Chardonnay.

Rietvallei's future was exposed in the stagnant Muscadel business: it is now much more secure in the top end of the quality dry white wine market — a lesson of note to many of the Cape's wine farmers.

Too young

For those wine drinkers around the country who attended the pre-auction tastings of the New World Wine Auction — scheduled to take place at Vergelegen in Somerset West on January 19 — the virtues of SA Chardonnays must now be evident. In addition to pre-release samples of wines from Klein Constantia and Talana Hill, there was also the award-winning Bakkerberg Chardonnay of 1985 and an excellent wine from Van Loveren. It is worth reflecting on the fact that the Van Loveren, like the Vio-expo champion wine of Dewetshof and the newly released Rietvallei, comes from the Robertson/Bonnevale area.

MICHAEL FRIDJHON
AGRICULTURE AND GROWTH

Pennies from heaven again

Bumper crops add some glow to a generally gloomy economic outlook

Economists might find it as instructive these days to keep an eye on the rain gauge as on the zig-zagging gold price. Gold may underpin the economy, but the weather — and what it means for agricultural prospects — counts for a great deal, one way or the other.

We have emerged from a six-year drought which seriously aggravated already grim economic conditions. There were sanctions and drought relief schemes burdened taxpayers with a R1,4bn bill.

This year, the farming sector has again revealed its underlying strength. Though contributing only an estimated 6,5% to 1989 GDP, excellent summer rains and handsome crops could keep the economy growing at a pace that would not otherwise have been possible. Moreover, export earnings from farm exports should help SA meet its international debt commitments for the year.

Department of Agriculture estimates say these exports will translate into close to R5,8bn in foreign exchange this year, with the sector’s share of GDP increased by 8% to R10,5bn. And Rand Merchant Bank economist Rudolf Gous says the sector could contribute 0,6% to this year’s projected real GDP growth rate of 2,2%.

While the non-farming sector experienced negative growth of 2,8% in the third quarter, agriculture’s strong performance boosted total GDP growth at factor cost to 1% (Economy November 24).

This is the direct result of buoyant growth in the value of farming output of 42%, 31,4% and a huge 67,8% (largely thanks to maize exports) in the first, second and third quarters, respectively, of 1989.

While statistics relating to farming can be volatile, the sector is clearly enjoying exceptionally good times — and the spin-offs are considerable. The heavy burden of the farmers’ debt is falling; in nominal terms it is still an unaccept-

able R14bn, but it has come down in real terms, with increases of only 4,1% and 4,9% in 1987 and 1988 (with inflation running at 14%-15%). The relatively slow increase in the total agricultural debt in 1988 confirms that, globally speaking, there are indeed signs of financial recovery in agriculture, states the SA Agricultural Union’s 1988/1989 annual report.

Between 1986 and 1988, short-term debt came down from 52,4% of the total to 50,7%, while net farm income — as a percentage of total debt — increased from 25,2% to 40,6%.

This indicates a potentially shorter debt repayment period and/or a better ability to repay debt, reports the union. This is good news for the long-suffering commercial banking sector — owed R3,5bn — though banks complain that farming co-ops are still unfairly benefit from the lien they hold on owners’ produce.

The co-ops are owed about R3,4bn, with the Land Bank in for another R2,9bn. In fact, the commercial banking sector was the end-provider of most of the Land Bank’s funds as well. Nourished by cheap finance, the 290 co-ops’ turnover leapt from R11,6bn in 1985 to R18,7bn in 1989, while their total assets increased from R2,9bn to R11,1bn — growth of 12% a year.

But, while farmers look no nearer than ever to controlling their own destiny, their grass is growing greener. Booming sectors include agronomy (gross 1989 income up 15% to R5,7bn), animal husbandry (earning 14% more at R8,2bn) and horticulture with gross earnings lifted 4% to R3bn. Total gross farm income increased 12% to R16,9bn over the past year and net income increased (by a smaller 6%) to R5,7bn after production costs and interest payments. The latter remains the largest single agricultural cost.

Purveyors of intermediary goods and services are benefiting from the current boom. To end-September, total expenditure jumped by 19% to R6,9bn (from R5,8bn) on sales of fertiliser, animal feed and agro-chemicals which increased by 22%, 17% and 12% respectively. But, while volumes increased, higher prices added to the farming bill — the prices of farming requisites increased by 18,4% in the year to end-September. Fuel costs went up by 32% and maintenance and repairs an additional 27%.

Farmers are up by the escalating cost structure of production inputs. Volkskaap agricultural economist André Louw says the terms of trade in agriculture (the ratio between producer prices and input costs) weakened from 100 in 1975 to 59 in 1989. "Tractor prices this year rose by 29%, fertiliser by 24,4%, fuel by 32%, irrigation equipment by 21% and implements by 18%. This is placing the future profitability of the sector under severe stress and the market is seen in a very serious light by the SA Agricultural Union," according to Du Toit.

Producer prices are falling — the increase of 13,4% in the consumer price index in the year to end-September was made up of a non-agricultural rise of 14,3%, while food prices — up only 10,6%, reports the department. This compares with a food price increase of 17,7% in the previous year. So the good rains have also reduced the inflationary impact of food prices.

The boom in farming has not only created spin-offs for industry and service sectors like transport (moving this year’s 11 Mt maize crop should earn Sats about R500m), but has also helped support the economic base of the platteland.

Millions benefit. Agricultural union economist Koos du Toit says: "Some 1,4m farmworkers and domestic servants — about 13,6% of the economically active population — are employed in agriculture, making it the second-largest single employer in the economy. These people support a further 4,3m dependents, so that about 5,7m souls find their sustenance in agriculture."

Development Bank’s Johan van Rooyen adds that for each R1m invested in agriculture about
Local fruit farmers go for gap overseas

Pipes and peels are out as “convenient fruits” became a must at formal functions in Europe and the US, and South African hostesses are beginning to follow suit.

Western Cape fruit farmers, turning to “convenient citrus”, products in between the deciduous seasons, are planning the lead in exploiting an unexpected gap in the European market, LANEY SALISBURY reports.

WESTERN CAPE deciduous fruit farmers are cashing in on the world-wide craze for easy-to-peel, seedless, “convenient citrus”, a market long dominated by Spain.

Export of the fruit — increasingly a must for top executive entertaining, but as yet largely undiscovered by local hostesses — has provided South African fruit farmers with a gap in the difficult European fruit market.

At this stage only the English market has been penetrated but sales to France, Germany, Belgium and the Netherlands are being developed.

In 1985 South African exports of so-called convenient fruits to Europe totalled 84 000 kg but this year it has increased to 1,2 m kg.

An indication of the nation-wide growth of the industry is the fact that the number of trees has increased by 90% in the past three years, largely because Western Cape deciduous fruit farmers decided on production after citrus growers were slow to respond to efforts by the Citrus Exchange to persuade them to take up the challenge.

The Exchange estimated that a farmer who normally concentrates on deciduous fruit-growing could earn an additional R16 000 per hectare a season from convenience fruit.

Unlike citrus farming, apple and peach cultivation does not clash with the “convenient fruit” season, therefore presenting deciduous fruit farmers with the chance to extend their productive season. citrus farmers, on the other hand, do not enjoy this advantage as the seasons overlap, adding them with a longer labour-intensive peak.

“Convenience fruits comprise only 0,5% of South Africa’s citrus exports at this stage”, explains J P Wahl, Pearland area extension manager of the Citrus Exchange.

“I believe that it could rise to as high as 15% in the next 10 years, by which time the majority of young trees planted and in the process of being planted will have matured.” A detailed breakdown of fruit export figures is no longer provided and the value of the predicted 30-fold increase cannot be determined.

Wahl points out that the South Africa season fills the gap between Spain’s citrus season and Europe’s deciduous fruit period.

“Our products hit the market between April and June when the European sources alone cannot meet the demand,” Wahl adds.

The extent of the European market for convenience fruit is underlined by the fact that Spain provides 3,1 million tonnes annually. South African cannot compete effectively with Spain in the European conventional fruit market because of the overlap in seasons and convenience citrus has, therefore, provided the local fruit-growing industry with an unique gap.

The local market for convenient fruit, however, has a long way to go before capturing South Africans taste buds.

“it is a completely different concept,” says Wahl.

FRUIT LOVERS’ DREAM COME TRUE . . . Pip-free, easy-to-peel and juice-packed fruits are hitting SA shelves. Janine Gombert at Old Cape Farm Staiti reads herself to taste a pampino, a cross between a pawpaw and a papaya. Although containing seeds, pampinos are sweeter, brighter in colour and conveniently smaller than the ordinary pawpaw.

Picture: STEWART COLEMAN

Aids card game is launched in UK

LONDON — A card game for school-children with cards depicting sex aids, consumptions and sperm donation has been launched by the British Medical Association as an educational project to teach children about the risks of Aids.

It consists of 25 picture cards showing a range of social and sexual activities, which the children are asked to divide into those which pose a risk of transmitting AIDS and those which are “safe”.

The game, which costs £2.5 (about R100), is based on a book called Aids and You, which has sold 25 000 copies.

— Own Correspondent
Fruit exports likely to be grounded

Own Correspondent

JOHANNESBURG — SA fruit exports — worth R300m over Christmas alone last year — are in danger of being grounded by a shortage of air cargo space.

Perishable Products Export Control Board (PPECB) CE Dave Schreuder said on Friday an inadequate number of charter flights had been secured to export perishables, such as fruit, over the year-end peak period.

ZAS charter company will provide 15 flights between December and February.

However, it has been estimated 22 charter flights would be needed to relieve congestion on scheduled international flights over the peak period, Schreuder said.

Inadequate airspace for exports would probably lead to a surplus of fruit on the local market. While this would lower prices to the consumer, farmers would lose thousands of rands, he said.

He said the National Transport Commission had allowed for about 1 000 tons of perishables, over and above the capacity of scheduled carriers.

Schreuder said the government would have to weigh up the importance of fruit and create more full cargo operations in and out of SA.

Three years ago the government withdrew its R2m subsidy which covered the difference between air charter and international tariffs.

The year after the subsidy was withdrawn a disastrous amount of fruit had to be dumped because of inadequate cargo space to export it.

Schreuder said the situation improved last year when SA Airways effectively subsidised exports in arranging air charters.

He said although SAA no longer arranged the charter flights, it had bent over backwards, reserving all its north-bound cargo space for perishables.

This year the PPECB was informed by air charter companies they were unable to accept quoted prices for charters.

The PPECB had obtained quotes from 12 air charter operators approached to quote for the carriage of perishable products from SA to Europe in the peak period.

The understanding was that the chartered airline itself would assume responsibility for the south-bound leg, and the exporter or agent who concluded the charter would assume the responsibility and risk for the north-bound leg.

The lowest three quotes were chosen and flights were offered to all agents at the prices quoted which varied between R3.60 and R4.10 a kg in comparison to the then "standard" schedule price of R3.20 a kg.

The carriers said they were unable to operate at such a low rate.
Christmas fruit grounded

CAPE TOWN — The Western Cape deciduous fruit industry has announced that it still needs air transport for about 15% of its Christmas season exports, following reports that fruit exports are in danger of being grounded by a shortage of air cargo space.

A spokesman for the industry's international marketing arm, Unifruto, which earned over R900m from deciduous fruit exports last year, said that except for 12% to 15% of members' Christmas exports, it had managed to secure air space for most of the anticipated Christmas exports.

Fruit exporters tend to transport their produce by ship during most of the year because of the high cost of air freight. Unifruto transports less than 1% of its annual crop by air, according to the spokesman. But, higher demand and higher prices in international markets over the Christmas season, justify the cost of getting the fruit to markets as quickly as possible.

There is often a scramble for air space negotiated by the Perishable Products Export Control Board near the end of the year, as many smaller exporters prefer to see the outcome of their crop before committing themselves to transport arrangements.
Deregulated market for citrus a great success

THE deregulated market for local sales of citrus fruit to processors and the informal fresh fruit trade has proved so successful that the Citrus Exchange board of directors and the Citrus Board has decided to expand the system to the entire local market in 1989.

Citrus Exchange chairman Dave Lotter said in a statement yesterday the citrus industry had been deregulating gradually since 1986.

In 1989 the system had been so successful that it accounted for all sales to processors and 25% of fresh sales, Lotter said.

**Standards**

Complete deregulation of the local market would mean that individual citrus growers would be fully responsible for all their local market sales.

"However it is important to note that regulations governing quality standards and packaging will still apply," Lotter added.

"The Citrus Exchange will also continue to render various back-up services to citrus growers in respect of local marketing, such as advertising and promotions, market research, technical extension and research services."

The total crop in 1989 was about 53.3-million 15kg cartons compared to 56.8-million cartons in 1988.

A record volume of about 36.3-million cartons was exported against last year’s 29.6-million, a 24% improvement.

Gross sales value of 1989 exports was up to R893m against R735m in 1988.

"It was not a vintage year from a quality point of view," Lotter said.

"But fortunately most of our overseas markets have been relatively buoyant for most of the season."

Distribution to citrus growers rose 19% to R422m from last year’s R357m, but because of cost inflation the grower was no better off than last year.
Unifruco payout hits record R481m

FRUIT farmers in the Western Cape will share a record payout of R481m this year. This is 17.4% above last year's record of R404m.

But Leo Fine, chairman of Universal Frutrade Co-operative (Unifruco), marketing organisation of the deciduous fruit industry, told a press conference yesterday that growers had been hard hit by soaring input costs.

"After distribution, production and packaging costs have been deducted, the average producer of certain fruit kinds experienced a substantial decrease in net income."

"This once again proves that the industry will have to do everything in its power to win the war against costs in order to ensure its survival."

Fine said that "although certain cost increases are related to exchange rate changes, increases such as sea freight (32%), paper for cartons (23%), pallets (23%), imported paper for polyethylene bags (25%) and polyethylene (35%) cannot be accepted without further ado."

The deciduous fruit industry employs about 260 000 people and has increased export earnings every year in spite of the fact that some markets have been lost due to political pressure. Others have been found to replace them.

Fine said Unifruco now offered the biggest range of products sold by one organisation under one trade mark in the world.

"In the past season we have sold no less than 152 different fruit cultivars of nearly 1 500 different size specifications to more than 40 countries around the world."

Gross export earnings totalled R924m, which is 20% more than the R764m achieved in the previous season. Fine said that this was the ninth consecutive year that gross earnings had shown "healthy growth".

In spite of a reduced pear crop, 29.9m cartons of fruit had been exported.

"This is a very satisfactory performance in a year in which the fruit industry is celebrating the 50th anniversary of its successful single-channel export marketing system."

Fine said Unifruco represented about 80% of the total sales turnover of the deciduous fruit industry at present — which was about R1.2bn this year.

The remaining 20% of sales were made locally, mostly by growers who were members and shareholders of Unifruco.

"They contribute greatly to the success and viability of our industry."
The deciduous fruit sector is caught firmly between the pinches of international isolation and domestic inflation.

The strains this causes for a business dependent on exports for 80% of its turnover is illustrated by the latest results of Unifruco.

Apple exports... writing is on the wall

The sector’s international marketing body. Were it not for the lifeline offered by the falling rand fruit producers would be considerably worse off.

In recent years they have lost 17% of export markets because of sanctions. Now it’s battling with enormous annual costs increases: 23% for cartons, 53% for pallets and 39% for polyethylene.

So, although export earnings at R24m were 20% up on 1988, chairman Leo Fine reported that “the average producer of certain fruit kinds experienced a substantial decrease in net income.” The increase in earnings, moreover, is largely due to the deteriorating exchange rate: the volume of 29.9m cartons exported only marginally above 29.8m in 1988.

Apples, grapes and pears are the three most important fruits, earning R450m, R238m and R180m respectively. Plums, peaches, nectarines and apricots make up the balance. Producers of apples and pears had good years with payments up by 19% and 32% respectively. Receipts on grapes were up by only 7%.

However, the figures disguise important trends already sounding warning bells in the business.

For growers of Granny Smith apples the writing is on the wall. These constitute 50%-60% of the national crop, partly because they’re easy to produce and partly because the US used to take 15%-16% of SA’s Granny Smith exports. The US market has been lost and the signals coming from Europe show consumers want more dark red or striped apples — varieties such as Gala and Royal Gala. These can earn up to double what the green Granny Smith earns. Big supermarket chains, in the UK in particular, are also laying down unprecedented quality standards, which meant that 20% fewer Golden Delicious apples were made available for export.

The challenge is thus to reduce the percentage of Granny Smiths grown and sold and increase production of dark red apples. But there are two main problems: insufficient availability of new varieties from the nurseries and the seven-year lead time before a decent output can be expected. One shortcut farmers are using is grafting new varieties onto existing trees.

Also suffering are table-grape growers in the Berg River region who produced 30.4% of the total crop. Their problem is partly one of cultivars and partly one of timing. They grow mainly seeded grapes and demand is increasingly for seedless. They are also early producers. Traditionally, this has been lucrative because limited availability has meant hefty premiums. Cartons that arrive on the market in the three weeks either side of New Year can fetch up to R60. Those landing five weeks later fetch less than R20.

This year, for the first time, some of their Southern Hemisphere competitors — Chile in particular — landed grapes in Europe in January.

This had a dramatic effect on prices with Berg River producers estimating that the five cultivars which constitute over 90% of their exports fetched from 4% to 23% less than last year.

Bitter pill

Two factors make this a particularly bitter pill for grape farmers to swallow: their high expectations based on a quality crop and optimistic predictions made by Unifruco which were not realised, and their powerlessness to act since Unifruco, by law, runs a single-channel marketing system.

The solutions are clear, if not easily implemented. On the production side both grape and apple producers are going to have to make sure they grow what the market wants. On the marketing front, there is increasing pressure on Unifruco to break into the East, seen by the farmers as the home of much money and many bellies. Further, farmers will be praying there’s no recovery in the exchange rate.
Cape fruit fills out the world’s baskets

By Charmain Naidoo

The Cape deciduous fruit industry showed a healthy growth in gross export earnings for the ninth consecutive year.

But sharp increases in input costs had a significant effect on the net income of producers.

Uniruco, the international marketing organisation of the deciduous fruit industry, announced this week that their export earnings had increased by more than 26% from R764-million to R941-million.

And payments to producers increased by 17.4% to R941-million.

Public affairs manager Fred Meintjes has scoffed at criticism that Uniruco’s performance was directly related to the exchange rate.

**Export**

Uniruco chairman, Leo Fine says the achievement was accomplished despite the fact that the export volume of 25.9 million cartons was only slightly higher than the previous year — due to a reduced pear crop.

"This is a very satisfactory performance in a year when we celebrate the 50th anniversary of our successful single-channel export marketing system."

Mr Fine adds that after distribution, production and packaging costs are deducted, the average producer of certain kinds of fruit experienced substantial decreases in net income.

Mr Meintjes says that every year, new cost efficiency measures are investigated.

"In the past decade, we have introduced new measures which have saved us many millions of rand — like changing our handling systems on the South African side from a railway to a road system."

**Quality**

"And we refurbished cold storage facilities in Cape Town and asked the South African Transport Services whether we could run it ourselves. This not only cost us much less, but improved our quality and decreased handling."

But, Mr Meintjes says that a major part of the cost increases are not in their hands.

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Western Cape vulnerable to sanctions

Staff Reporter

The Western Cape was particularly vulnerable to sanctions because it depended on a number of industries which would be severely affected if they were effectively applied to South Africa.

This view was expressed by the Mayor of Cape Town, Mr Gordon Oliver, when he welcomed farmers to the 85th congress of the South African Agricultural Union in Sea Point last night.

Mr Oliver said Cape Town depended on agriculture for its prosperity.

The deciduous fruit industry alone generated more than R500 million in export earnings and employed more than 250,000 people, who in turn supported more than 750,000 people in the Western Cape. Cape Town's status as an export port for agricultural produce was critical to the local economy.

MORAL ISSUE

The mayor said the impending Commonwealth conference in Malaysia had brought the vulnerability of the Cape sharply into focus.

"The issue of sanctions was also a moral one. "It is an insane assumption to believe that sanctions will destroy apartheid. In fact it is economic qualities and growth that has been the chief subverter of apartheid in recent years," Mr Oliver said.

He praised Mrs Margaret Thatcher for resisting excessively punitive measures against South Africa and particularly for steering the European Community clear of a ban on agricultural imports from the Republic.

"She did the Western Cape a great service in the process," he said.

He warned that mandatory sanctions would destroy any chance of meaningful economic and technological co-operation between South Africa and the rest of Africa, which would be detrimental to everyone.
Record exports

(From page 1).

world class standard of excellence.

The 188 hectare farm is a model of road, housing and orchard planning. Nothing is undertaken without exhaustive research.

Mr Fine is proud that the industry has become such a major earner of foreign exchange and an employer of labour in the region.

Not less than 100 ships loaded fruit in Cape Town harbour this year, providing further employment to SATS staff.

He says the industry employs about 250 000 people, which means that over a million people are dependent on the industry.

The farm clearly makes a lot of money, much to the delight of Mr Berend du Plessis. But Mr Fine says “My ambition now is not merely to make more money. I would like to develop the farm further for the benefit of everyone living and working here — that will make me happy.”
Record year for fruit exports

By TREvor WALKER
Business Staff

SOUTH African deciduous fruit exports this year have hit a record R810-million to R820-million and next year will easily top the R1-billion mark, Mr Leo Fine chairman of the Deciduous Fruit board and the independent sales and marketing company, Unifruco said.

Mr Fine said costs have kept pace with total sales, so profits by the farmers have also been held back by the impact of steadily rising prices.

South African deciduous fruit, be they apples, pears, plums, apricots, table grapes or nectarines are among the best in the world.

Of the Southern Hemisphere producers, Cape fruit sets the standard and everyone else has to match it.

"Anyone new set on entering the market invariably travels to South Africa to study our methods of picking, packaging and transport infrastructure."

"Our Mediterranean climate has led to the development of our industry. We are fortunate that our geographical position has put us only two weeks shipping away from Europe whereas Chile, our major competitor is 21 days from the market and Australia and New Zealand 28 days."

"The advantage of a week over Chile is a very real one and has consistently helped us to stay as leaders in quality."

"Sanctions have affected us in the North American market, but in Europe our quality has helped to maintain sales."

"Removing our products from some supermarket shelves led to a backlash from consumers and our products were soon reinstated."

"This season's sales effort in the UK, which ended this week, has been particularly good one as fruit quality was improved even further by the extended cold spell late in the season."

Apples accounted for about 89 percent of total volumes and about 60 percent in value terms in the full range of exported fruit.

However, South African supermarkets now demanded very high quality of fruit and what was being sold locally was as good and in most cases better than the best that the industry supplied to the export markets.

The South African consumer, and particularly the Western Cape consumer, is eating fruit of an exceptionally high standard.

Deciduous fruit growers in the Transvaal tended to sell only into the local market and most of the marketing effort was undertaken in that province.

Unifruco is celebrating the 50th anniversary of the single channel marketing system of Cape fruit this season and the industry's 100th anniversary as an exporter of grapes.

Mr Leo Fine's farm, Goede Hoop, in the Elgin Valley was bought after World War 2 by his father and Leo has developed the estate to its present

(See page 3).
Union to sue over pamphlet?

A TRADE UNION has threatened to sue an industrial relations consultancy unless it publicly apologises for a pamphlet claiming the ANC used unions to unite farm workers as "part of its revolutionary struggle".

The Food and Allied Workers' Union (Fawu) said it had suffered defamation and organisational damage as result of the pamphlet, circulated in the June edition of the Deciduous Fruit Grower, official mouthpiece of the industry.

The pamphlet was produced by the Johannesburg-based Liaison Bureau for Industrial Relations Services.
Fruit industry slams anti-trade union ad

By CHARL DE VILLIERS

THE deciduous fruit industry has condemned an advertisement in its own mouthpiece which warns farmers against “falling prey to trade unions”.


The insert, produced by the Johannesburg-based Liaison Bureau for Industrial Relations Services (LBIRS), includes warnings to farmers against “falling prey to trade unions” and inadvertently “assisting the ANC in their power struggle”.

The fruit industry’s public affairs manager and spokesman for the powerful Unifroco international fruit-marketing group, Mr Fred Meintjes, said yesterday: “An advertisement like that is totally uncalled for and shows a total lack of insight. An approach like that to industrial relations will not have much benefit.”

Magazine editor Ms Hannarie Wenholt said she had not seen the advertisement, which had been inserted “at the last-minute” into copies of the magazine already at the printers.

Describing the brochure as an information sheet to farmers, LBIRS co-director Dr Kobus Slabbert said yesterday he was not opposed to trade unions “as such” but to “politicised” unions which “misled” workers.

“The ANC is advocating that farm and domestic workers fall under labour legislation,” he said. Farmers who were confronted with trade unions needed to “know their opponents”.

Sanctions hit fruit workers’ jobs

By JOHN YELD
Staff Reporter

SANCTIONS against South Africa have caused a decline in the number of seasonal workers in the fruit industry, according to Stellenbosch magnate Dr Anton Rupert.

Dr Rupert was speaking in Stellenbosch yesterday at the opening of the Fleurbeix complex, a historical Cape-Dutch homestead on the banks of the Eerste River dating from 1788 which has been restored as headquarters of the SA Plant Improvement Organisation.

Dr Rupert said the fruit industry was the anchor industry of the Western Cape and earned valuable foreign exchange — estimated at more than R1 500-million this year.

It was also the largest employer of black labour, providing work for nearly 250 000 workers with more than a million dependents.

“It is disturbing to note that sanctions have already led to a decline in the number of seasonal workers,” he said.

The South African fruit exporting industry generated about R2 000-million for European institutions, and import duty on South African fruit alone was about R75-million — more than the R60-million which these countries channelled through organisations like the SA Council of Churches and the Kagiso Trust in 1987-88, Dr Rupert said.

“This shows just how self-defeating the actions of some of our European trading partners are.”
Nuremberg joins boycott of SA fruit

The Star's Foreign News Service

MUNICH — Another West German city — Nuremberg — has joined the mounting boycott action against South African fruit imports.

The leftist Social Democrats in the Nuremberg City Council joined with the minority Greens in passing a resolution calling on the city's market wholesalers not to buy South African fruit.

The resolution is not binding, and it faces stiff opposition from the Bavarian Society of Fruit Importers and the state's Society of Wholesalers.

The two organisations recently appealed to the Bavarian state government to block a similar resolution passed by Munich's city council. The legality of the resolution is being examined by the state government.
Fruit exports seen at R1,5bn this year

By AUDREY D'ANGELO
Financial Editor

THE fruit industry — which provides a living for more than 1m people in the Western Cape alone — is expected to earn more than R1,5bn in foreign exchange this year, Rembrandt chairman Anton Rupert said last night.

He was speaking at the formal opening of a new centre for the industry in the restored 17th century Fleurbaix manor house near Stellenbosch.

Describing fruit growing as "an anchor industry in the Western Cape", Rupert said it was the largest employer of black people in the area.

"It is disturbing to note that the sanctions policy which some overseas countries have seen fit to apply to SA has already led to a decline in the number of seasonal workers."

Sanctions, he continued, would also hit business in the countries applying them.

"The SA fruit exporting industry generates some R2bn for European institutions."

"In the export of Cape grapes, for example, the Europeans get about 65% of the retail price. This includes the retail and wholesale shares as well as import duty and distribution costs."

"The SA share, which includes transport and all packing materials, is 35% and the farmer's share amounting to only 10% of the retail price in Europe."

"The wine farmer is in the same situation. His share of the retail price of a bottle of wine in the higher price range on the overseas market varies between 10% and 12%."

"On the other hand the import duty alone on SA fruit delivered to the European Economic Community markets amounts to some R5bn."

"This is more than the R80m which these countries channelled, for example, in 1987/88 through organizations such as the SA Council of Churches, the Catholic Bishops' Conference, Cosatu and the Kagiso Trust for the upliftment of the under-privileged."

Rupert said that in the difficult trading situation SA was currently experiencing "the Cape fruit industry has to be particularly resourceful to retain current markets and to open new ones."

"Ultimately the consumer's demand for quality products is the only truly effective counter to political scheming."

In the long run, the service and quality which were the foundations of the SA fruit industry would ensure it a place in the world market.

Fleurbaix, with more than 63 ha of land, is now the headquarters of the SA Plant Improvement Organization, a project managed in partnership with the deciduous, dried and canned fruit industries.

It will also be used by the industry for conferences and training.

Rupert, who has played a leading part in the conservation of old buildings, said it was an ideal site where the best use could be made of the infrastructure serving the industry such as the research institutes, plant quarantine stations and the University of Stellenbosch.

"Research is the lifeblood of an industry and ensures that it will remain at the forefront of technological development."

"In a strategically important industry like the fruit industry this is indispensable."

Business Report
Dutch get the pip over SA fruit

The Argus Foreign Service

UTRECHT. — Rotterdam city councillors have been embarrassed to discover that a large loan granted to extend the fruit terminal in the city's Merwe harbour will also help the import of an annual 14,500 tons of South African fruit.

None of Rotterdam's city councillors, including activists in the Labour Party faction, had realised this until it was too late to cancel the financial contract with the fruit terminal's management organisation.

About 15,000 tons (1.7 percent) of the Merwe harbour's annual 860,000 tons of handled fruit is of South African origin. This is only a small portion of the total South African fruit trade in Europe. Of Antwerp's 1,2-million tons of fruit, 65,000 or 5.1 percent is South African. Hamburg handles a hefty 117,000 tons (16.1 percent) and Bremen 25,000 tons (3.3 percent) annually.

The Fruit Terminal Rotterdam (FTR) management company is unwilling to help the city council out of its political predicament. FTR refuses to voluntarily relinquish its South African trade and also will not allow any last-minute insertions of any anti-apartheid clauses in their credit contract with the city.

The city council's management committee has now decided to put the council land, designated for the terminal's expansion, on "temporary hold" until the problem can be debated again in May.

But well-informed sources are sceptical that Rotterdam's business community will back a council attempt to back-pedal on the loan.
Unifruco reaches export milestone

By BRUCE WILLAN

UNIFRUCO, the international marketing group of the deciduous fruit industry, celebrated a milestone in its history with the export of its 600 millionth carton of fruit to Western Europe since the Second World War.

This is a far cry from the 14 trays of peaches which were first exported in February 1932 from Table Bay.

This comes in the same year as the organization celebrates its 50th anniversary of single-channel marketing for the export of deciduous fruit.

The specially marked carton of Waltham Cross grapes was loaded yesterday and will be shipped to Britain where it will be auctioned with another 149 cartons of grapes to raise funds for the education of farm children.

It is expected that each carton will fetch in excess of £5 (about R22).

Chairman of Unifruco, Leo Fine says this milestone is a special achievement for the industry.

"With the aid of overseas earnings, which is expected to reach a record R900m this season, a healthy industry with a capital investment of R2 875m has been established."

The organization has a shipping bill of some $60m (R150m) per year for the 110 trips to carry the vast amount of apples, grapes, pears, peaches, apricots, nectarines, plums, melons, pineapples, watermelons, kiwi fruit, mangoes and prickly pears.

Over the past four years deciduous fruit exports have increased by 6m cartons to around 30m cartons a year and Fine is confidently optimistic that this positive growth rate will continue in the future.

Since 1980 Unifruco has almost doubled its export earnings from R246m to the expected R300m this season.

The benefits of the low rand and higher volumes exported are tremendous for the organization.

Manager of Public Affairs, Fred Meinjtjies says this achievement is quite remarkable considering that all the fruit exported is on a consignment basis and totally at the mercy of the traditional market place.

He attributes the success of Unifruco to the high standards set by the industry and the quality of the product exported.

Fine indicated that the quality of crops is good this year especially the grape crop.
Boycott probe proposed

THE government and the Deciduous Fruit Board should investigate the proposed boycott in Britain of South African deciduous fruit and look for alternative markets, the Acting Minister of the Budget and Auxiliary Services, Mr Chris April, said yesterday.
Sacked over SA fruit packs, says girl

22/2/89

The Argus
Foreign Service

LONDON. — The re-
newed boycott of South
African goods here has
been highlighted at a
Newcastle supermarket
after a 15-year-old shop
assistant was allegedly
sacked for refusing to
handle South African
fruit.

Miss Claire Morgan
said she was dismissed
from her part-time job
at William Low after
she refused to pack and
price South African
fruit. William Low's
management says she
left of her own accord.

The incident has
sparked protests, includ-
ing picketing of the
store.

Miss Morgan said
when she found out last
month that she was
working with South Afri-
can produce she threat-
ened to hand in her no-
tice. The store manager
suggested he might be
able to find her another
job.
Shining future for SA dried fruit industry

By TREVOR WALKER

SOUTH Africa boasts the world's highest quality dried fruit in the world, and the outlook for the industry has improved dramatically in the last two years.

South African Dried Fruit Co-Operative (SAD) with its headquarters in Wellington has, following recent senior management appointments, been very active in marketing and raising the image of the industry.

General manager Mr Charl van Schoor, marketing manager Mr Philip Botha and industrial market manager Mr Daan Costzee all joined the co-op in the last two years.

The dried fruit industry in the Cape has a long history. Cecil Rhodes was one of the earlier investors in the industry before the turn of the century.

Mr van Schoor says SAD is not really a co-op in the strict sense of the word, but is more of a marketing agent for the 2,759 farmers who belong to it.

"We do fulfil some of the more normal supply requirements of an ordinary co-op, but our main function is to market dried fruit."

Turnover has increased substantially in the past 10 years. In 1977 the co-op sold about R28-million for its farmers and last year sales rose to nearly R200-million.

"Dried fruit is a high risk business, with weather conditions having a crucial impact on the eventual quality of the crop."

"Dried fruit is an exotic crop, coming at the end of the line which starts with fresh fruit, canned fruit, juice, jam and then the dried product.

Fruit is left longer on the tree to maximise the sugar content and then has to dry in the open where it is very vulnerable to rain.

Nevertheless, the quality of the South African fruit is of the very best and is quickly bought up by the major European sellers.

Boosting snacks

Mr van Schoor said it was no coincidence that two US dried fruit farmers were present in the country studying the production methods of local farmers.

Raisins and sultanas account for the bulk of the output, but apple, peach and apricot are being sold in ever-increasing quantities.

The co-op has been so successful in marketing its products to the public that the catering and food industry has begun to show increasing interest in the various products.

"It is because of this interest that we appointed Mr Daan Costzee to head up our industrial sales division and we are going full out to expand our pre-packing facilities for industry."

"Our long-term objective is to develop the increased use of dried fruit in confectionery, sweets, snacks and cereals.

"The gold mines are now using one of our packs as natural sugar boosting snacks for miners who go underground in the early hours and who require a natural energy food between meals.

The "Sunshine Taste" is the banner under which the co-op sells its fruit and clearly the outlook for the future is equally bright and shiny."
Hybrid melon grown in Cape

CAPE TOWN — The first seedless watermelons in the country are to go on sale in Cape supermarkets today.

The hybrid melons, the result of about 50 years research in the United States, are being grown on eight western Cape farms with some success.

One row of seedless melons is planted between rows of conventional seeded fruit and then cross-pollinated by bees brought into the fields.

The new variety of melon may contain some white seeds but these are undeveloped seed pods which are very soft and are edible, the report said. — Sapa.
Money in marula oil

THERE'S money to be made from the kernel of the marula fruit, according to the Council for Scientific and Industrial Research.

Investigation by the CSIR's division of food science and technology into the composition of marula nuts shows they contain an oil of potential economic value.

Scientific, the CSIR's quarterly science journal, says the oil's qualities that could make it useful for coating dried fruit. Its main quality is that it remains fresh much longer than most other oils.

The dried-fruits industry in SA imports about 250 tons of oil from the US each year to coat its products.

The marula tree produces up to 1.5 tons of fruit a year and cultivation of orchards could hold great potential for agriculture.
‘Wind caused fruit mountain’

THE south-easter and recent mountain fires has been blamed by South African Airways for the build-up of perishable fruit at D F Malan Airport's freight terminal.

SAA spokesman Mr Francois Louw yesterday said the fires had created a hothouse effect which had speeded up the ripening process of fruit and the south-easter had prevented several ships from loading fruit.

The Cape Times reported on Wednesday that a shortage of aircraft had caused tons of perishable export fruit to be dumped on the local market and that SAA had laid on several extra flights to reduce the backlog.

The airline also chartered several aircraft from foreign carriers.

But Ceres fruit farmer Mr Pietie Wolfaardt hit back at Mr Louw's claim, saying the fires could not be blamed for the earlier fruits.

"Weather patterns are marginally different this year and some of the fruit ripened earlier," Mr Wolfaardt said.

Deciduous Fruit Board spokesman Mr Fred Meintjes said yesterday that the board had a long-term export programme to ensure that enough flights were available for exports.
SOUTH African Airways has arranged four extra charter flights to Europe this week to transport tons of Boland fruit which is in danger of rotting.

Yesterday, 60 tons of melons were awaiting a flight at a freight agent at D F Malan Airport, while 130 tons of fruit — mainly grapes — were due to be transported by road from Cape Town to Johannesburg today because freight space could not be obtained.

Two of the extra flights will be from Cape Town — tomorrow and on Friday — and the others from Johannesburg.

Mr Gerd von Mansberg of Perishable Cargo Agents, the largest freight agent in the country, said he had dumped 12 tons of reject melons on to the market on Friday and another 10 tons yesterday.

"Fruit is coming in to our cold storage rooms all the time," he said.

"When one load in our refrigeration rooms begins to go off, we dump it as 'export reject' on the open market to make room for fresher produce. "

"But with 15 to 20 tons coming in every day, the situation is getting worse."

At the harbour yesterday, 180 tons of fruit was being loaded into refrigerated trucks for transport to Johannesburg because space on freighters could not be obtained.

Also in danger of spoiling, the consignment will be treated as priority cargo on the two extra flights from Johannesburg, said SA Transport Services spokesman Mr Leon Els.

He said the freight agents had met the Ministry of Transport Services, Mr Eli Louw, late last year.
MAIZE EXPORTS

Farmers' R1bn kiss-of-life

The export outlook for SA's maize farmers has improved considerably, with average revenues from foreign sales now exceeding local market prices.

Should local weather conditions continue to complement the bullish export outlook, farmers could boost export earnings to R1bn this year. With the handsome premiums paid for SA's undermilled maize, gross earnings could go as high as R320/t-R340/t.

On Friday, March maize futures quoted on the Chicago market hovered at around US$123/t fob Gulf (R290/t). This is already $9/t above March futures quoted earlier in December and the general tone is "extremely bullish," says Holcom Brokers head of soft commodity and futures trading, Lyndsay Williams.

Underpinning the Chicago market is news that the Soviet Union is increasing corn (maize) purchases from the US, while reduced US stocks and fears that the North American drought could return this year are adding to bullish sentiment.

"The latest US-Soviet grain pact shows a 4 Mt/year increase in Soviet corn purchases from the US to 16 Mt/year. In the past month alone, Russia has bought 2 Mt from the US. Following the bad US crop season, strategic stocks have been drawn down and must be replenished. The general outlook for 1989 is highly positive," says Williams.

Stabilisation of international prices at a level almost $40/t higher than this time last year augurs well for local farmers. This, together with a weaker rand/dollar exchange rate, could result in local maize farmers earning up to R90/t more on maize exports than they did last year.

Maize Board sources say with the current state of underground moisture reserves, a 9 Mt maize crop is "guaranteed," and a 10 Mt crop is possible. With local consumption at about 6 Mt, the country should leave 3 Mt-4 Mt for export, adding export revenue of R900m-R1,2bn to the coffers of producers.

This would be excellent news for banks and other creditors of the debt-striken maize sector. Dealers in tractors, fertilisers, chemicals and other materials also stand to benefit.

Good rains early in the planting season have created positive crop expectations, but the crunch will, as usual, come during the traditional February-March heatwaves. If the predictions by weather forecasters (that SA is entering an eight-year "wet" cycle) come true, farmers can expect an excellent crop.

Some long-term weather forecasters are predicting a return of the great American drought this year, which could send Chicago prices through the roof. Last year's US drought knocked about 6% off world grain output and prices are bound to remain strong until at least the end of the northern summer.

The Maize Board is cautious about giving too positive a price indicator to producers — yet. Not only has government been trying to wean farmers away from crop over-production, a bumper US crop later this year could cause a collapse in world market prices.

But, according to Holcom's Williams, Chicago maize prices have "built a base" and are being strongly supported by the draw-down in US stocks and growing Russian demand.

"Should the US drought return with a vengeance, prices could firm considerably. By March or April, we should also get an idea of the size of US wheat plantings, which could further impact on grain stock expectations. At worst, the market could move sideways, but I expect prices to firm," he adds.

With China's burgeoning population and Russia's ongoing agricultural problems, Williams expects bullish price fundamentals for the next five years — "and even longer."

"The wild card remains US weather conditions. Meteorologists talk of recurring North American droughts as a direct result of the so-called Greenhouse effect.

"There is a limited downside potential for grain prices, but the sentiment definitely lies on the upside," he says.

Confirming this view is the fact that Chicago soya prices on Friday surged "limit up" by US$16/bushel on the combined news that US stocks are down, the Brazil crop has been hit by the drought and that Argentina (the third major producer for the world market) is experiencing a heatwave.

MILLER WEEDEON

Debt of dishonour

The Keystone Cops award for 1988 must surely go to Miller Weedon (MW). Letting the sheriff loose on someone at 6.30 am on Christmas Day is, by anyone's standards, a clumsy method of debt collection.

Cape Town millionaire Jack Walsh acknowledges this, and says he regrets the dawn arrest of former MW shareholder Mike Menof as he stepped off an aircraft from the United States.

Court officials arrested Menof over R72,000 he allegedly owes MW. Only by rustling up an R80,000 guarantee did he avoid Christmas in jail. A judge subsequently cancelled the guarantee and awarded Menof costs.

Menof, who says he plans to sue Walsh and two other MW directors over the incident, says it was caused by personal malice.

Walsh denies this: "We have no particular fight with Menof. We want him to meet his commitments as a vendor of MW in terms of legitimate warranties in the agreement."

He tells the PM he brought an urgent
Maize Board (MB) GM Henrie Daveu responds to an FM report (Business December 16), in which a group of Natal maize farmers criticized the one-channel marketing system and the attempts to extend MB control. The article raised the issue of whether the region’s farmers should pay for export losses on excess national production, when the region itself is a maize “importer” from other provinces.

Most maize in Natal is produced by farmers who support the one-channel marketing system. The MB believes the FM provided a platform for the views of only a few people, and disregarded the interests of 11 520 other maize farmers and 275 millers.

The fact that Natal is a net importer of maize has nothing to do with the issue — the same situation prevails in other areas. It even happens that certain areas may switch from being a “net exporter” one year, to “net importer” the next, and vice versa, due to fluctuating weather conditions.

The crux of the matter is that SA is collectively producing too much maize and, therefore, all maize farmers must share in export losses (or profits). An increase of maize production by farmers in uncontrolled areas directly contributes to greater export losses for the maize industry, while no contribution is made towards those losses by the farmers concerned.

This gives rise to an artificial market benefit for farmers in uncontrolled areas and encourages production. To make profits at the cost of others who are not responsible for the increase in production and subsequent export losses, is relatively simple. Further, government is spending millions of rand to curtail production in the controlled areas, while production in uncontrolled areas is being increased. This does not make economic sense.

Natal farmers in uncontrolled areas are not operating in a free market system in the real sense, but in a system in which they are protected, cushioned and benefited by one-channel marketing in controlled areas.

They do not pay for export losses or carry costs for marketing promotions, quality control and quality improvement. If their maize is sold out, the MB must stand in for the continuity of supply with the result that they enjoy the advantages offered by the system, but are not prepared to pay for them. No wonder maize farmers in controlled areas argue that either all maize farmers collectively carry the costs of the system, or everyone should be free.

Maize farmers, however, have voted for the present one-channel marketing system to be maintained. So it is neither the MB nor the minister who asked that the same marketing system be applied throughout the country, but 95% of all SA maize farmers.

Even farmers outside the controlled areas were not excluded from the vote by Nampo farmers. The decision was taken on a democratic basis and the reasons for the retention and extension of the one-channel system are highlighted in the Brand Committee’s report.

Your report created the impression that farmers must pay unnecessary levies to the MB. But over a period of about three months, the MB buys and takes delivery of the total maize crop.

Its responsibility to keep stocks for supply throughout the year, results in interest, carrying and storage costs. The MB is not in the favourable position of certain Natal farmers, who move in and out of the market as it suits them.

Complaints by certain Natal farmers that they must sell at MB selling prices or use MB storage facilities are unfair. They can sell to whomsoever they wish, at whatever price and use what storage facility they choose. All that is asked of them is that they make a contribution towards export losses (if any), continuity of supply, market promotions and administration costs.

Is this asking too much, especially if they already enjoy these advantages? In years when profits are made on exports, they will share in those profits even if their maize was not exported. In all fairness, these individuals are unreasonable.
NATAL MAIZE

Fight for freedom

Maize farmers in Natal remain determined to fight off — or at least postpone — the unwelcome clutches of the Maize Board (MB).

By virtue of their classification, until recently, as a “C” area, farmers in parts of the province have been free to sell their maize independently to privately owned mills.

Net prices received were generally higher than those paid by the MB to its “captive” farmers or its agent mills, since “C” area farmers escaped the levies imposed by the MB to pay off accumulated export losses.

This independence ended when Agriculture Minister Greyling Wentzel ruled, in terms of the findings of the Brand Committee, that MB control would be extended to all parts of the country from May 1 (Business December 16).

The board’s justification for exercising rigorous control over the industry and levying farmers, is that increased production in “uncontrolled” areas contributes to the existing surplus which must be exported at a loss (Business January 27).

The angry retaliation by Natal farmers to news of their imminent inclusion under MB control has resulted in a war of words bet-

The farmers remain unrepentant. A deputation will see Davel and MB chairman Hennie de Jager in their Pretoria offices this week. Representing the farmers will be Natal Agricultural Union director Steve Shone, William Mullins (representing East Griqualand farmers), John Bredin (southern Natal) and Keith Todd (Natal Midlands).

In terms of an original proposal, MB deputy GM Peter Cowney was due to meet with farmers in Maritzburg last week. But in view of the growing delicacy of the matter, he asked farmers to come to Pretoria instead.

The FM understands Natal farmers will use the meeting to appeal for relief from Wentzel’s ruling that farmers within magisterial districts producing more than 5000 t of maize should lose their “C” status and henceforth fall under the MB’s authority.

Their counter-proposal (already dismissed by the MB) is that magisterial districts which are net importers of maize products should be free of MB control, or that a “more scientific” formula be employed in allocating exemptions.

Alternatively, they want a stay of execution of the minister’s ruling for five years. ■
Fruit
1983

January — Nov.
League to back up monopoly claim

**Mercury Reporter**

THE Housewives' League is to gather evidence to support its claim that Langeberg Co-operative controls a monopoly over the country's canned fruit and vegetable market, and will present its case to the Competition Board.

A vice-president of the watchdog body, Mrs Jean Tatham, yesterday said the matter had been taken up after the company had raised the prices of its foodstuffs by between 15 and 27 percent this week.

It had been resolved to prove that Langeberg had a 'stranglehold' on the industry and that as a result was in a position to manipulate the market.

Mrs Tatham said it had also been decided to approach other bodies, including retail organisations, to support the league's contentions.

At least one national supermarket chain has already indicated that it feels Government action is needed.

She said it was the lower-income groups who again would be the hardest hit by the increases.

The chairman of the Competition Board, Dr David Mouton, said all submissions to him, whether by individuals or representative bodies, were considered and that investigations would be initiated if claims were made that could be substantiated.
Canned fruit output is falling

Production in the canned fruit industry has dropped by almost 50 percent since 1980, a spokesman for the Canning Fruit Board told delegates to Agrocon.

The decline in the export market and the drop in local demand has brought about a drop of 46 percent in production compared with 1980, he said.

The board believed it was essential that a comprehensive agricultural export policy was formed to prevent farmers losing interest.

The Western Cape could not afford to lose its canning industry because it provided foreign exchange as well as jobs.

The board called for government aid to enable the industry to compete with subsidised products on the export market.

In January the largest manufacturer of canned goods, Langeberg Co-operative, increased its prices by 14 to 20 percent but retailers say consumers are resisting rising prices.
Many canning-fruit farmers are giving up

By JAN VAN DER POLL

MANY Western Cape farmers have delivered their last load of fruit to the canning factories and are pulling up their fruit trees.

Canning prices have dropped from R140 to R123 a ton in 10 years, while production costs more than trebled.

World-wide bumper crops of fruit since 1980 have knocked the bottom out of the local canning-fruit industry. Indications are that the market is not likely to recover for many years.

A heavy blow came in July 1981 when Greece, Europe's main canned-fruit producer, was admitted as an EEC member and was consequently protected by the EEC's 17 to 24 percent import tariff.

Another factor is the health-food trend among Europeans which favours fresh fruit. Previously, the Cape canning industry sold 88 percent of its turnover to EEC countries.

One farmer who anticipated the crisis, Mr Mike Pickering of Franschhoek, replaced his peach orchards with nectarine and pear trees suitable for the fresh-fruit export market.

The move is seen by local farmers as long-term and expensive — costs run upwards of R10 000 a hectare and it takes five years to full production.

The Canning Fruit Board intends asking the government for a subsidy to ease the transition.

"The measure should not be to protect the canning-fruit industry as such, but to ward off economic collapse. Five fruit-canning factories have already closed," Mr Pickering said.

Mr Frans le Roux, manager of the Canning Fruit Board, said there would always be a demand for the Cape's high-quality canned fruit in Europe. "But the government must provide a subsidy similar to the import levy charged by the EEC."
EAST LONDON — Fresh produce prices have rocketed to all-time highs as a result of the drought and are expected to remain at their present levels for as long as the drought prevails, a spokesman for the municipal market at Wilsonia said yesterday.

The drought has severely affected supply, but the demand for fresh produce has increased, pushing up the prices even further, the spokesman said.

Locally produced vegetables, particularly tomatoes, potatoes, carrots, beetroot and turnips, are "very expensive".

Tomatoes, which could be had for R1.25 a box during the glut in November last year, now go for R6 a first-grade box on the market. Greengrocers are selling first-grade six-packs for between R1.80 and R2 but lesser grades are up to 5 per cent cheaper.

"Potatoes too, are very expensive, going for between R6 and R6.50 for a first-grade pocket. Even at that price there is no shortage of buyers," he said.

Greengrocers are asking up to R9 for a pocket of first-grade potatoes.

Bunches of carrots, beetroot and turnips bought for between 40 and 60 cents on the market are retailing at up to 90 cents.

Cucumbers are fetching R2 a half a pocket of 12 and are retailing at up to 60 cents each. Pumpkins are being sold for up to R3.70 for a bag of between six and 10. Greengrocers are asking an average of R2 a pumpkin.

The quality of produce brought to the market has been fair.

"It's not outstanding, but it's being snapped up," the spokesman said.

Fruit, although expensive, had not escalated, he said, a result of the drought. Although locally grown pineapples are expensive, a box of between 12 and 20 is selling for between R7 and R8 on the market and are being sold for up to 50 cents apiece at greengrocers.

"Other fruit, imported to the Border from the Western Cape, is still fairly reasonable for this time of year although prices are up about 30 per cent of last year."

Red Delicious first-grade medium apples are fetching R6 a box of 150 apples, while large Red Delicious are going for up to R13 a 100 and retail at 25 cents each.

Mangoes are fetching between R2.50 and R3 a dozen and are retailing at up to 72 cents each. Peaches, which cost on average 25 cents at greengrocers, sell for between R3 and R3.80 a half box of 50 on the market. New-season pears, going for up to R6 for 120, on the market, are retailing at 25 cents upwards each.

Referring to the shortage of locally produced fresh produce, the spokesman said that the reluctance of a number of farmers to pump water to irrigate their lands because they feared they would not cover their production costs had been a major contributing factor to the price rise.

"Once the drought has eased, things should be better all round for the producer, retailer and consumer." — DDR
Pato pine venture gets R6 000 award

ZWELITSHA — The Minister of Agriculture, Mr L. M. Fani, presented a cheque to the Pato tribal authority for the first direct cash benefit of a pineapple production venture.

Presenting the R6 593.99 cheque he said the tribal authority's decision in the 70s to establish a pineapple production unit would have lasting effects on the area's future growth and development.

The production unit was a joint venture with the Ciskei Government at Dyam-Dyam.

Pineapples had long been grown in that coastal zone and were seen as having a primary position in the agricultural production of the region.

"Pineapples are one of the most successful dryland crops therefore it is sound agricultural policy to continue to expand this resource base," Mr Fani said.

"There seems to be no limit to the market at present and therefore production and expansion must continue."

The venture was initiated in March 1979 when land preparation and planting began.

With 25 ha planted annually, the unit now totalled 105 ha.

He said the quality of the pineapples harvested had been excellent and the present unit was considered to be the second best pineapple production unit in the Border region, according to a preserving company, the buyers of the fruit.

A 300 ha unit was planned which would generate about R40 000 annually. — DDR.
Fruit and veg prices rocket as quality takes a dive

THE drought in many of South Africa's vegetable producing areas has affected prices, which are starting to bite into the pockets of consumers nationwide and worse is probably on the way.

Buyers for supermarket chains in Cape Town say the situation is certain to get much worse before it improves and some expect many prices to be double last year's.

In their efforts to offer customers a higher quality standard of fruit and vegetables, one major supermarket chain is using refrigerated trucks to bring produce from as far as the Transvaal and Western Cape to Port Elizabeth.

Farmers in the Transvaal are no longer planting potatoes because of the drought, so the current price of about R7 for a 15-kilogram pocket is already double the lowest prices last year.

The price could approach R9 a pocket when the second crop from the Ceres area, which will have to supply the Transvaal and Natal as well as the Cape, comes on the market in April.

A spokesman for the municipal market in Port Elizabeth said the Port Elizabeth public was feeling the delayed reaction of the drought and prices would surely worsen even if there were substantial rainfalls. Almost all the prices of fresh produce were up on last year.

The supply of fruit is fair at the moment, but quality has suffered as a result of the dry weather.

Potatoes are in very short supply, as are lettuces and most greens. Customers have been charged as much as 96c a lettuce in cafes in the city and this week's prices at the market soared as high as R7 a carton.

The spokesman said R1,50 to R2 a carton was a fair price for lettuces. Cartons usually contain between eight and 16 lettuces.

Although most of Port Elizabeth's lettuces are produced in the Gamtoos Valley area, this year's hot weather affected the crops. Even the irrigation systems in the Gamtoos area could not improve the quality of the lettuces. Because they are grown above the soil's surface, scorching temperatures had damaged their quality.

The spokesman said the supply of greens at this time of the year was usually fairly good, but this year was exceptionally bad.

"Even if we get rain soon, it will still take another three months before we see the results," he said.
Mr. R. W. HARDINGHAM asked the Minister of Agriculture:

(a) What were the proceeds from South African exports of deciduous fruit in each of the latest specified three years for which figures are available and (b) what was the highest relevant figure for any specified year prior to the year referred to above?

The MINISTER OF AGRICULTURE:

(a) Gross proceeds:
- 1979/80  R245.1 million
- 1980/81  R201.4 million
- 1981/82  R364.0 million

(b) Gross proceeds:
- 1978/79  R206.4 million
Business is booming as...

'Rebel' farmers do their bit to curb inflation

By DIANNA GAMES

FIVE farmers, all under 32 and who see themselves with a role in protecting the fresh produce consumer, are the masterminds and managers of a multi-million-rand business with 7000 customers a month.

The "rebel farmers" formed a fruit and vegetable retailing outfit four years ago when they became frustrated at not being able to control the marketing or prices of their produce, or the condition in which it ended up on kitchen tables.

The unusual role of marketing their own produce went against the workings of the industry and earned them their name of "rebel farmers".

Competitors gave their ambitious project a six-month lifespan when it began, but in four years it has grown by 100% and the "rebels" plan to double their present capital within three years.

The men are all of farming stock from the Pretoria-Witwatersrand-Vereeniging area and see themselves at the forefront in protecting the consumer, especially in this time of serious drought.

They have only two outlets — one in South Hills, Johannesburg, and one in Roodepoort — although their suppliers are countrywide.

Last week a founder of the group, Mr Alan Teixeira, spoke about the present situation in the produce industry which has seen prices soaring by more than 100%.

He said their produce was nearly all grown and transported by them, which saved up to 33% on packaging and commission. Also by cutting out middle-men they were able to keep prices down and preserve quality.

"I feel we have helped the consumer by becoming a barometer for prices in the chain stores and larger outlets. But these outlets can't compare with our prices because they have too many people handling the stuff — too many middle-men taking cuts."

He said they bought produce from other sources when their own supplies were short, but were very selective in what they bought.

"But most things have been upgraded because of the drought. What would normally be third grade is now selling as first grade and even what was previously unsaleable is being graded and sold."

"This is why it is important for housewives not to buy in bulk. Because the quality is poor, the produce is less likely to last. While this situation lasts, people should only buy for their short-term requirements."

He said many retailers were deceiving the public who now expected to pay much more for fresh produce and were not questioning prices or quality.

"Because farmers are not able to replant crops this year, shortages will be with us for the next few years. Winter crops such as cucumbers and green peppers have already been drastically affected by the drought."

"We must retain full participation in our retail outlets. When we set up, we wanted to ensure that fresh produce was sold to consumers at the right prices and we weren't going to capitalise on surplus situations and mark-ups."

Mr Teixeira said they worked on a 20% profit margin, as opposed to a more average retail mark-up of about 60% to 80%, and only had 0.8% wastage.
Fruit exports threatened by protectionism

On a move to a freer market system, the chairman of the Elgin Fruitpackers Co-operative, Mr Jimmy Rawbone-Viljoen, said that the economic viability of the fruit farmer was being threatened by disproportionate increases in input costs from protected local sources.

Speaking at the co-operative's annual general meeting on Friday, Mr Rawbone-Viljoen said that fruit producers were obliged to pay inflated prices for items such as weed-killers, insecticides, fertilizers, packing material, fuel and tractors produced by protected local manufacturers.

He said that unless free-market principles were fully applied, the fruit farmer could be forced to reduce his exports drastically.

"This could have a serious effect on the country's foreign exchange, and could also lead to serious unemployment in the Western Cape.

"It is accepted that South Africa's international political position dictates that it should have strategic and protected industries. However, if a particular protective measure is desirable, the basic premise should be that those who receive the benefit of protection should pay for it."

If industries were artificially supported, it should be through the Treasury, which would mean that such money required would be raised through taxes and subject to parliamentary controls. The precise cost of protecting any industry would then be known.

"Under the present hidden method of subsidy,
SA agrees to cut apple exports

Own Correspondent
BRUSSELS. - Under strong pressure from Europe, South Africa has agreed to a 10 percent cut in apple exports to the EEC this year.

South African officials in Brussels, this week accepted a Common Market demand that they will bring the quantity of apples exported to the EEC down to 122,400 tons.

This is 10 percent down on the average for the last three years.

Other apple exporters to the EEC from the southern hemisphere, namely New Zealand, Chile, Argentina and Australia, have been asked by the Common Market to make a similar cut in their exports, and it is on the condition that they do so that South Africa has agreed to cut its apple sales to Europe.

The reason for the European attempts to bring about a reduction in apple imports this year, is a bumper apple harvest.

Because of this, it is estimated that a million tons of EEC apples will have to be taken off the European market to keep prices up, with the bill being picked up by the EEC taxpayer.

EEC's civil service

Against this background, it would be politically difficult for the European Commission — the EEC's civil service — to do nothing to reduce the number of apples coming into the Common Market.

In fact, originally EEC officials were asking for a 12.5 percent cut in apple imports from southern hemisphere countries, but South African negotiators managed to get this figure down.

It is not believed by South African officials here that the reduction in South African apple exports to the EEC will be too damaging, even though the South African apple producing industry has been established with the European market in mind.

The reason for this is the poor South African apple crop this season, which means that fewer apples than expected will be available for export.
Mr. J. AROSON asked the Minister of Agriculture:

What were the gross proceeds from South African exports of deciduous fruit in respect of the latest specified year for which figures are available?

The MINISTER OF AGRICULTURE:

1981-82: R364.0 million.
Criminal charges could be brought

Don’t go it alone, fruit men warned

Staff Reporter

SOUTH AFRICA’S 3,000 producers of dried fruit — 50 percent of whom are in the Western Cape — have been warned that they face possible criminal charges if they try to “go it alone” or form a splinter marketing organisation which does not conform to the quality-control regulations that govern the R80-million-a-year industry.

This warning has come from the chairman of the South African Dried Fruit Co-operative, Mr Abraham van Zyl, who says: “We have spent 75 years building up our one-channel marketing system and establishing South African dried fruit as the best in the world.

“Why, now, should we let our reputation be destroyed by a few farmers who feel that they can make an extra few rand by setting up another controlling body?”

Recent move

Mr van Zyl was speaking at the annual meeting of the SAD in Worcester and reacting to a recent move by some farmers to break away and form their own marketing body.

One such farmer was recently found guilty in Montagu Magistrate’s Court and fined R800 for packing and selling dried fruit out-of-hand... a product which did not meet up to the high quality standards of the SAD.

Mr van Zyl said that the existing one-channel quality-control and marketing system in South Africa ensured a fair deal to the farmer as well as a fair deal to the consumer.

“Actually, our SAD is the envy of many overseas countries that produce dried fruit,” he said.

Mr van Zyl produced a number of graphs which showed that South African farmers in general received an average of only 54 percent of the retail price of agricultural products, whereas the producers of dried fruit get closer to 80 percent.

The vice-chairman of the SAD, Dr Andries Burger, strongly supported Mr van Zyl’s comments and said some farmers might feel that the establishment of a second marketing body would open up a “bargaining channel”... “but I can assure them that they will lose out in the long run”.

About 120 delegates of the various sub-unions attended the meeting.
'Disappointing' wines from big grape harvest

Staff Reporter

SOUTH AFRICA'S grape harvest this year is a record according to Dr J D Burger, director of the Oenological and Viticultural Research Institute at Stellenbosch.

But because of the large crop, some of the wines in the 1983 vintage will not be of particularly high quality.

At a Press conference at Nietvoorbij, he said indications were that white wines made from Chenin Blanc and Colombard were disappointing compared to earlier good years.

However, premium quality grapes such as Weisser Riesling, Sauvignon Blanc, Gewurztraminer and Chardonnay had produced exceptionally interesting young wines which showed great promise.

Too soon

He said it was too soon to judge the red wines pressed this season, but indications were that they were rather thin and unbalanced.

Cinsaut, one of the most popular red varieties, was particularly disappointing, though early-ripening cultivars such as Pinotage might, in some cases, be better.

Stand out

Late varieties such as Cabernet had had difficulty producing enough sugar, and in many cases...
FRUIT FARMERS

Skinned

Cape fruitgrowers’ net earnings could fall by 80% in some sectors this year, says Deciduous Fruit Board (DFB) GM Louis Kriel.

Export volumes are expected to fall 10% from last year’s 24m cartons, but earnings may fall 20% from last year’s record of R250m because of softer prices in Europe.

Gross payouts to growers, says Kriel, will be about 40% down on last year, while net farm income may fall as much as 80% in some quarters, especially among apple growers.

Kriel told a symposium of the Cape Pomological Society that the deciduous fruit industry was basically sound, “but we must accept buffeting from time to time.”

However, he expressed deep concern at the gap between domestic and foreign inflation rates (see Newsletters). Cape exporters were at a disadvantage to competitors because of costly farm inputs from domestic protected industry.

Harbour charges and other shoreside expenses were higher in the 1988 season than farmers’ net earnings from all types of fruit. Kriel urged government to consider improved export incentives and other financial assistance.

The fresh fruit export industry is one of the few in the agricultural sector that has never received direct assistance from government, although it did receive exchange rate “stabilisation” standby assistance in 1974, when the rand:sterling rate slipped below R1.50. But this was financed largely out of the DFB’s own reserves in the end.

According to DFB figures, applegrowers’ net farm income may not exceed 60c/carton this season on an average gross export yield of R17.44/carton.

The perilous position of the fruit canning industry was also revealed at the symposium. Fruit deliveries for canning have slumped 35% in the past four years.
Kiwi fruit firm tempts investors

"Put it into Kiwifruit and just watch it grow. This fruit assures you and your family a continuous income for more than 50 years."

These are the claims made on the front cover of a brochure being mailed to thousands of people.

What is kiwi fruit, and why are investors trying to grow it in South Africa?

That is a question the managing director of the African Kiwifruit Investment and Development Company, Dr F Burger, was at first reluctant to discuss with The Star.

He believes his company receives unfavourable publicity because it employs the same marketing techniques used by some companies which have not lived up to their promises.

Dr Burger insists that Kiwifruit is different, and the scheme will work for investors.

Also known as the Chinese gooseberry, kiwi fruit is grown mainly in New Zealand and exported to Europe, says Dr Burger. He believes South Africa can capture a share of the market.

Most of the New Zealand fruit arrives in Europe in June - but there is a big demand for it in the earlier months.

He says that this is when South African kiwi fruit would be ready for exporting.

"Investors in New Zealand are earning 45 percent return on their original investment, and we are advertising the same returns," says Dr Burger.

African kiwi fruit is offering investors the chance to buy the rights to the profits of kiwi fruit vines planted on the company's two farms.

The "units", which cost R1 350 each, can be bought with a deposit of R120 and monthly payments of R34.

The company guarantees to plant, maintain, replace and process the fruit for the first four years at no further cost to the investor. The company promises to pay investors their first return in the fifth year.

The vines will be fully matured in 12 years, and investors can then expect at least 45 percent return on capital for years to come, says Dr Burger.

In theory, this means that if someone invests the minimum of R1 350, he will receive R325 each year for life.

Inflation will cause this figure to rise, but in terms of today's values, this is what the profit will be worth.

In return for this, African Kiwifruit Investment and Development Company can Kiwifruit will charge investors a 15 percent management fee.

The scheme sounds great on paper — but what are the drawbacks? Dr Burger admits that he cannot guarantee investors a return in four years.

"It cannot be guaranteed, but the probability is very high," he says. "If I guaranteed a return after four years, and for some reason we could not pay one, some investors would insist on getting returns, and this might jeopardise the project's future."

Another problem is that no one can predict with certainty market prices in 10 or 20 years. The contract the investor signs does not guarantee a certain percentage profit.

The contract merely states that the "limited partner" will receive the net profit from the rights to the crops, minus the expenditure incurred by the company, and its 15 percent management fee.

Any investor in an agricultural project should also consider the possibility of a water shortage — the present drought is threatening the livelihood of thousands of farmers.

Dr Burger is, however, confident the company's farms in Rustenburg and Lydenburg have adequate water supplies.

"We appointed a specialist to examine the situation on our Lydenburg farm. He said two dams would have to be built in the next two years to ensure an adequate supply of water. The dam will not be completed in October." How long will the vines bear fruit for investors?"
Uncertainty hits pineapple farms

By KEITH ROSS

EAST LONDON — Many pineapple farms in this district could lie fallow this year because of uncertainty caused by the Government's plans for the consolidation of Ciskei.

The farmers affected by consolidation do not want to plant while facing the prospect of being bought out by the Government.

The worst affected are 11 farmers in the Chalumna and Ncrer areas, who have already received offers from the Department of Co-operation and Development.

These offers were refused and the Government was asked to reconsider its valuations before the end of June. But there appear to have been some delays in the making of further offers on the properties, according to the chairman of the East London West District Farmers' Association, Mr Neville Hewson.

Mr Hewson said this week that the farmers felt they were "sitting on a load of dynamite".

"The farmers must hesitate to plant because they don't know whether or not the offers will be acceptable," he said.

"It costs about R1 000 a hectare to plant."

Mr Hewson said the farmers would have been a lot more agitated if the planting season had not been delayed by drought.

The farmers had not been able to plant in April as usual and this had given the Government time to reconsider its offers.

Mr Hewson said more uncertainty had been caused by the Department of Co-operation and Development's recommending this week that the borders be altered in the Gulu area.

He said this alteration would incorporate the Silverdale pineapple farm and place another six farms on Ciskei's borders.

"It would be an impossible situation," said Mr Hewson, whose farm will border on Ciskei if the recommendation is implemented.

"What will happen in 10 or 20 years?" he asked. "There might be a change of government in Ciskei and a settlement could be established on our border."

"The South African Government can't guarantee us anything once the land is controlled by another country."

Mr Hewson criticised the latest recommendation on the grounds that it was contrary to an agreement between the Government and organised agriculture that borders would run along rivers or roads and would not consist of fences "through bushes and kraaltses".

He criticised the consolidation scheme for the East London area as it would cut the farming section of the pineapple industry in half.

"Ciskei will get half and South Africa will get half," he said. "The canneries must suffer as there will not be enough fruit from South Africa for them."

Mr Hewson said the pineapple industry was ideal for Ciskei as it was drought-resistant and labour-intensive.

He thought, however, that if Ciskei was going to enter the industry, the South African Government should look seriously at the situation before finalising boundaries.

"The whole thing should go either one way or the other," he said.

Mr Hewson could not estimate the value of pineapple farming to the East London area. "It is worth many a million," he said, "and it creates employment for thousands of blacks and whites."
W Cape produce prices soaring

Staff Reporter

THE drought has pushed the price of fruit and vegetables in the Western Cape through the ceiling. In one of the more extreme cases, a pocket of squashes which sold for R1.50, now sells for between R5 and R5.50.

Although the Western Cape was not directly affected by the drought, the long term secondary effects are beginning to be noticed.

The flow of farm produce from the Transvaal and other drought-affected areas of the country has slowed — once the price increase demanded by up-country farmers was viewed with stall owners and attendants.

Earlier this year before the pinch of the drought was felt — a pocket of squashes sold for R1.50 at the market, a stall attendant said. Now, the same pocket is sold at between R5 and R5.50, she said.

Washed out

Potatoes were another expensive commodity. Prices of other farm produce, local and from up-country, have risen. These include tomatoes, baby marrows, green peppers, egg-fruit, beans, butter-nut, hubbard squashes, cucumbers, lettuce, onions, apples, peaches, oranges, pawpaws, carrots, pineapples, pumpkins, guavas, naartjies and pears.

Mrs Miriam Gool, a stall attendant at the Salt River market, said the market for the next 23
THE drought has pushed the price of fruit and vegetables in the Western Cape through the ceiling. In one of the more extreme cases, a packet of squashes which sold for R1.50, now sells for between R5 and R5.50.

Although the Western Cape was not directly affected by the drought, the long term secondary effects are beginning to be noticed.

The flow of farm produce from the Transvaal and other drought-stricken areas of the country has slowed, hence the price increases demanded by up-country farmers, a survey at the Salt River vegetable market yesterday revealed.

The price increase on gem squashes was one of the highest determined during interviews with stall owners and attendants.

Earlier this year - before the pinch of the drought was felt - a packet of squashes sold for R1.50 at the market, a stall attendant said.

Now, the same packet is sold at between R5 and R5.50, she said.

"Washed out"

Potatoes were another expensive commodity, although their price had dropped from about R12 a pocket. They now sell at R8.50 a packet, with second grade potatoes fetching R6.87 a packet.

Prices of other farm produce, local and from upcountry, have risen. These include tomatoes, baby marrows, green peppers, egg-fruit, beans, butter-nut Hubbard squashes, cucumbers, lettuce, onions, apples, peas, oranges, pawpaws, carrots, pineapples, pumpkins, gunyas, naartjies and pears.

MRS Miriam Gool, a stall attendant at the market for the past 22 years, said the winter rains had "washed out" certain crops in the Western Cape.

"Lettuce has had to be brought in from George and carrots were picked earlier this year, while they were still young, otherwise they would rot in the water in the flooded fields," she said.

Another stall attendant, Mrs Fazlin Ally, said prices might drop towards the end of the year - provided local produce due to be harvested soon, was sufficient to cover the gap in fruit and vegetable production the drought has left.

Production drop

Last week, the Minister of Finance, Mr Owen Horwood, said the country's mean agricultural production had dropped by 34 percent in the first half of 1983 because of the drought.

In Johannesburg potatoes were selling to the supermarkets at R7 a pocket yesterday - over double the normal price of R3 for this time of year.

Similarly, tomatoes were going at R2.50 a case (normal price for the time of year R1.50) beans were selling at R12 a packet against the normal price of R4, gem squash cost R5 against the usual R2; and cucumbers were R8 a pocket against R2.

In the red meat industry farmers are being forced to sell off carcasses at a "floor price" of approximately R2.23.

"We haven't got refrigeration space, and we can't create freezing space to cope with a situation that only happens every 200 years," a Meat Board spokesman said.
by the big supermarket chains. They are now simply by-passing the markets and buying the bulk of their requirements direct from farmers.

This week the SA Agricultural Union (SAAU) set up a committee to study the matter.

The three big retail groups have been buying direct for almost two decades, but Checkers and Pick 'n Pay (P’nP) have gone into it on a big scale only in the last two years.

In this period P’nP increased its direct purchases from 30% to some 65% of its estimated R35m expenditure. And Checkers’ direct buying has risen from 10% to about 80%. OK Bazaars has increased its direct purchases at a somewhat lower rate.

And now, says a spokesman for the SAAU, farmers who sell to the market are beginning to feel the effects.

He says: "Because the retailers generally buy the cream of the crops, more second and third rate products are coming to market. With fewer class products on offer, the market can no longer serve as a true pricing mechanism. And we don’t want it to become a dumping ground.

"Furthermore, with the retailers out, there are less buyers to compete, which reduces prices even more."

Malcolm Baxter, P’nP’s GM of produce development, says: “By buying straight from the farmers, we can avoid the delays and handling problems which occur on the market.”

Adds Checkers’ procurement manager, Pitman Combrink: “There are times when the market’s produce is bad or just not available. If we buy direct, we can have most products on the shelf year-round.”

Farmers who sell direct do not have to pay market and agent’s commission, which runs as high as 13% of their turnover. And often they can benefit from long-term contracts at pre-determined prices.

Another advantage of direct selling is that some retailers provide containers, which means that farmers do not have to write off packaging costs as they do on the markets.

An SAAU spokesman admits that although agent’s commission is low by international standards, "farmers are starting to question it. To alleviate this, I believe we could cut it to 7%.”

Despite the SAAU’s concern at the new trend, statistics show that sales volume at SA’s 14 municipal markets has risen 7.5% a year over the past three years and turnover by just under 20% a year to R432m. These figures no doubt reflect growth in total demand and increasing prices due to the drought.

Market agents are also trying to attract farmers back to the market. Paul Mouton, MD of WL Ochs, suggests that farmers should be shown that they get a better deal on the market. "We realise there are handling problems, and we are trying to reduce them," he says.

Says Peter Venter, Johannesburg’s director of markets: “We cannot force people to sell on the markets, but we must compete with private enterprise and offer a good service. Otherwise, we will continue to lose customers.”

VEGETABLES

New ground rules

The system of distributing fruit and vegetables through municipal markets and their associated middlemen is being challenged.
Cape fruit exports in peril

Staff Reporter

The export of Cape fruit to Mauritius and Réunion could be affected by a 15 percent increase in shipping charges announced by the Indian Ocean Islands Conference of shipping companies.

As Cape fruit, especially apples, is exported to the islands, exporters fear demand for these exports could be harmed by higher prices caused by shipping costs.

The conference consists of two active members, the Durban-based Unicorn Line and the Mauritian-based Société Maurienne de Navigation.

Anomaly

Mr Mike Casey, general manager of Unicorn's foreign short sea trade service, said the tariff between Durban and the islands had been increased by 7.5 percent and the tariff between Cape Town and the islands by 15 percent.

The higher increase for Cape Town was to rectify an anomaly, as it cost the same to ship freight to the islands from Cape Town as it did from Durban, which was much closer.

The new increase would not eliminate the anomaly entirely and further increases for Cape Town could be expected in future.

The increase was needed to cover higher shipping costs as there had been no increases for some time, he said.

Freight costs were a small component of the total cost of exports and it was much cheaper for the islands to import from South Africa than from suppliers farther afield such as Australia and Europe, he added.

However, exporters in Cape Town say they are looking to alternative shipping lines to send produce to the islands to circumvent the increase.

Damaged

South Africa's exports to Réunion have been damaged by the cutback on foreign allowances paid by the French Government to civil servants in view of France's economic problems.

This has reduced buying power on Réunion, which was previously a good market. Economic problems on Mauritius which limit the island's buying power do not make it an important market.

Exporters said shipping costs throughout the world had decreased substantially as there was an excess of shipping. Unicorn had gone against the trend by increasing tariffs.
SAB subsidiary starts ball rolling

Price war could squash SA fruit juice producers

Someone may be about to get squelched in the fruit juice industry. And it is unlikely to be the South African Breweries subsidiary, Appletiser, which has started a potentially disastrous price war.

Appletiser controls Liquifruit and Fruittree. Its competitors are the small companies of Ceres and Freshup.

And the two small firms are convinced the move is an attempt to put them out of business.

Appletiser this week dropped its prices on fruit juice by 22,5 per cent to what its competitors claim is a "loss level".

A director of one of South Africa's biggest supermarket chains also told 24 Hours that the price drop would lose money for Appletiser.

PROFIT MARGIN

"The cost of juice and packaging and the retailer's profit would leave no room for a profit by the company," he said.

He added that the latest move in the industry was that Appletiser, acting through Big Brother South African Breweries - which is backed by the Grand-daddy of South African conglomerates, Anglo American - had budgeted for an initial loss of R2 million in the price war.

The managing director of Appletiser, Mr Guy Hallows, rejected the claims as incorrect.

When approached by 24 Hours he said: "Who told you about the price drop? This is just a normal business move."

SLOW GROWTH

"The fruit juice industry hasn't grown as fast as we would have liked over the past few months.

"So we are trying to stimulate business by cutting prices. We are not going to make a loss. And we aren't trying to put other people out of business."

Later during the discussion Mr Hallows said: "If the volume comes right we'll break even. If there's no consumer reaction we will have to think again."

The general manager of Ceres in the Cape, Mr MDS Hamman, said 40 million litres of long-life fruit juice was sold each year. Up to five million litres was each sold by Ceres and Freshup.

NO CONTEST

"So you can see there's no real contest. We're small in the market. It's in the interest of consumers that SAB's subsidiary has competition. After all, look what happened in the beer market."

Long-life juice is a R35 million a year industry. Short-life juice is worth R70 million a year of which the dairy industry has more than half. But the big competition is in long-life juice - where the dairy industry does not figure.

Mr Hamman said if the long-life fruit juice industry came to be dominated by the SAB group it...
Growers hit hard by drought

Price of jam, canned fruit to rise by 9%-

By PAT SIDLEY
Consumer Mail

THE PRICE of jam, fruit and vegetables canned by Langeberg Co-operative will increase by an average of 9% in February next year.

Canned fruit will increase by an average of 14.7%, vegetables by 8.7% and jams by about 13.3%.

This means that a can of guavas which costs about 75c in a supermarket now, will cost about 94c in February.

Peach slices are likely to increase by even more as Langeberg is to pay its peach growers about 35% more for fruit next year.

This will be the third increase since the beginning of this year by Langeberg, which estimates it has around 60% — but could have 70% — of the canned foods market in South Africa.

The price was increased in 1981 when it took over the interests of the beleaguered Piccan canning company for about R5 600 000.

Prices rose by about 19% this year — with about 15.5% on average in January and the rest in July.

A statement from Langeberg said that “in the new season deciduous fruit, in particular, would cost the canner much more than was the case a year ago”.

“In an effort to keep the productive producer in the industry, the price of deciduous fruit has been dramatically increased by comparison to that of the previous season. For example a ton of the new season’s peaches is expected to cost the canner 32% more than was the case a year ago.”

Depending on stocks, Langeberg believed consumers would not feel the increases before April next year.

“While profit margins had been under pressure the whole year, Langeberg had kept the new price increases to a minimum, in line with the Government’s fight against inflation.

“In addition, we decided to postpone until February 1 these increases, which normally become operative on January 1. At the same time we tried to further accommodate consumers by keeping to a minimum the prices of high volume lines like baked beans in tomato sauce,” the statement said.

A spokesman for Langeberg told Consumer Mail that the drought had hit the co-operative very hard and many deciduous fruit growers were leaving fruit growing, in order to keep being supplied the co-op was having to pay more to fruit growers.

Langeberg lost R7 700 000 in the 1982 financial year and this year (its financial year ended in October) is expected to be a similar disaster.

It lost R1 100 000 in 1981.

It attributed most of the R7 700 000 loss to Land Bank interest rates — which were lower than commercial banks’ interest rates at the time.

Major supermarket chains had mixed reactions to the announcement yesterday.

One chain believed that with consumers resisting, and demand lower, it was unwise to put prices up. Another believed that because of Langeberg’s problems, the drought and the necessity for imports, the increase was both expected and reasonable.

Both chains agreed yesterday that although Langeberg had a huge slice of the market, the market remained competitive. If Langeberg’s prices rose too far it could price itself out of the market, one chain warned.

“If we find their prices are too high we buy from one of the small independent canners. Langeberg has to take cognisance of this,” another said.

Production in the canned fruit industry has dropped by about 50% over the past three years.

This is partly because of cutbacks in the export market, the recession and the drought.
Fruit — 1990
Rich pickings for Cape fruit farmers

By Derek Tomney

While Transvaal and Free State farmers are in the grip of a drought and forecasting major crop losses, farmers in the Western Cape and Langukloof are expecting another bumper deciduous fruit crop.

This is after one of the coldest and wettest winters on record.

Fred Meintjes, manager, public affairs, for Unifruco, the deciduous fruit industry’s marketing arm, is not prepared to go as far as the farmers in forecasting a record harvest.

He says it is still some time before the fruit can be picked.

"But when the winter has been cold and the dams are full, we usually get an excellent crop of fruit," he says.

In the season just ended about 33 million cartons of fruit were exported.

The growth of the deciduous fruit industry in the past nine years has been phenomenal.

In 1981, exports were worth R200 million. By 1988-1989 they had risen to R978 million. In the 1989-90 season they jumped to R1,31 billion.

As an earner of foreign currency the deciduous fruit industry is on a par with the entire pulp and paper industry.

The favourable weather conditions in the winter just ended, together with recent plantings now beginning to bear, could produce an even greater bonanza for farmers this year.

They have done well out of the export fruit boom. In 1981, payments to farmers totalled R84 million.

By 1988-89 these payments had jumped to R10 million, and in the season just ended to R767 million. This represents a ninefold increase in earnings in nine years.

The farmers like to say all this was achieved at a time when many countries were imposing boycotts on SA exports.

But the sustained high quality of SA fruit in the end helped the industry overcome many barriers.

Mr Meintjes says most exports lose their SA identity once they leave the country.

By contrast, SA deciduous fruit maintains its identity until it reaches the retailer.

In the mid-1980s when the industry was battling against boycotts there was some suggestion locally that the origin of the fruit be concealed.

But the biggest German fruit dealer insisted that the name "Cape Fruit" be retained on all cartons, otherwise the industry could lose its markets. This turned out to be wise advice.

Today Unifruco exports 142 different products with 1400 different specifications to 40 countries. However, Europe is still the main market.

SA is the natural supplier of deciduous fruit to Europe, says Mr Meintjes.

Fruit shipped from Cape Town takes 14 days to get there. This, together with the best packaging in the world, enables it to retain its superior quality.

Fruit from competitors usually takes a minimum of 25 days to reach Europe.

The industry’s main exports, in order of importance, are apples, pears, table grapes, plums, peaches, nectarines and apricots.

But it has recently added “exotics” such as melons and kiwi fruit.

Unifruco has become a major marketing organisation. Part of its success is the result of it being able to offer fruit to retailers for 11½ months of the year.

The strong growth in exports has generated tremendous confidence among fruit farmers and huge expansion is taking place.

The industry has been steadily growing since 1981.

But it was the return to power in Britain in 1988 of the Conservatives and their opposition to sanctions which helped to trigger a major surge in new plantings of fruit trees.

However, more is needed than growing more fruit. The farmers also need labour to ensure they can harvest the ever-larger crop.

This has resulted in substantial upgrading of farm workers’ accommodation and the building of many new houses.

An idea of the size to which the industry has developed is that one farmer alone is reported to be building 400 new houses for his labour force.

With sanctions likely to be lifted in the near future, leading to the reopening of such important markets as the US and Canada, this confidence appears to be fully justified.
Sub-tropical success for TVL exporter

Upping exports of sub-tropical fruit by 2,500 percent over a five-year period has earned Tzaneen-based Wayland Green Exports top honours in the agriculture sector of the 1999 State President's Award for Export Achievement.

"From a modest beginning five years ago, when it exported 200 tons of sub-tropical fruit, Wayland Green currently sells 20,000 tons abroad valued at R36 million."

"I believe the reason for our success to date can be ascribed to a number of factors," says Wayland Green group MD Nino Burelli.

"Primarily we are a strong team, have all the same values, believe strongly in the production of quality products and in servicing our clients to the best of our ability.

"We have as a group integrated vertically as far as possible in producing, packing and marketing our products — something which is not very common at this time in South Africa," he says.

Top quality

A large portion of the product exported is grown by the members' own farms. The balance comes from producers who have a similar marketing philosophy regarding top quality continuity of exports.

A primary objective of the group to form an internationally recognised quality brand for 'sub-tropicals' was achieved with the introduction of the Katope (Zulu name for avocados) brand.

Wayland Green Exports is presently involved wholly or partly with 11 packhouses which handle the Katope brand.

The group's view has always been long-term, Mr Burelli emphasises.

"Even with the constant threat of sanctions, we believed in creating a sound base from which our product line could grow."

...
The bumper Cape fruit crop seen from page 7.
Avocado producers guarantee survival

WAYLAND Green Exports started five years ago when a consortium of six major avocado producers got together to involve themselves in the exporting of their produce to "guarantee our survival", says managing member Nino Burell.

The result has seen exports grow by 100% a year for the past two years.

"We started marketing our products successfully and soon others asked us to export their products as well," says Burell.

French partner Malet Azoulay helped Wayland Green establish its brand name — Katope, the Zulu name for avocado's — to market the company's exotic fruits in Europe.

Countries in which Katope fruits are marketed include France, the Benelux countries, Spain, Germany and the UK.

"Success has come because of innovative marketing methods, efficient running of the operation and a few good ideas," Burell says.

Wayland Green Exports is based in Tzaneen and has subsidiaries all around the Lowveld.
Value of home plans passed rises 16.2%

GERALD REILLY

PRETORIA — Building plans passed in the first eight months of this year increased by 16.2% compared with the same period last year, according to Central Statistical Service.

The value of plans for houses increased 7.4% to R2,441bn, and for flats and townhouses 35.2% to R308,9bn.

Plans for non-residential buildings increased 8.5% in value from R1,591bn to R2,664bn.

Additions and alterations plans were valued at R2,135bn — an increase of 31.7%.

Citrus may net SA R600m

GERALD REILLY

PRETORIA — This year’s citrus exports will earn the country R600m in foreign exchange — R100m more than last year, says Citrus Exchange GM Arend Venter.

About 30-million cartons had been shipped abroad so far this year — about the same as last year’s total, he said. Total gross value at the point of sale abroad would be about R1bn.

Venter said the packing season for the industry in southern Africa had come to an end, and the last portion of the crop was now being marketed.

During the first part of the season, export markets had been relatively buoyant.

However, during the second half severe competition from South America had created difficulties. Venter said overall, prices had been higher than during the previous season.

The main reasons for the sharp upturn in production costs were the high costs of inputs, the weak rand, escalating wages, and the high local inflation rate.

Venter said the belief that fruit farmers were in the pound seats was wrong, mainly because of the inflation spiral, which had forced production costs to record levels.
Fruit exports boosted by political climate  Kriel

POLITICAL changes in SA have already had a favourable impact on fruit exports, with continental supermarkets expressing interest in renewing orders, says a report in Friday's Financial Times.

The report quoted Unifruruco MD Louis Kriel as saying six out of eight German supermarkets that had stopped supporting Unifruruco this year had invited it to start supplying again.

He said he did not believe the US, Canadian and Scandinavian markets would remain closed to SA beyond 1991 and estimated that their opening could add 20% to Unifruruco's potential.

The Financial Times report quoted Citrus Exchange GM: operations and finance Arend Venter as saying that drought and an ambitious replanting programme had meant that for the past six to eight years the citrus industry had not had the capacity to meet fully the demands of all of its markets in terms of type and size.

He said total citrus production was due to rise significantly in the near future, and the suspension of sanctions would help in disposing of the increased volume.

Venter anticipated that export volumes — normally about 60% of the total crop — could increase from the current 30-million cartons to 48-million cartons by 1998.

The deciduous fruit and citrus industries earn about 80% and 90% of their total returns from exports and both sell the bulk of their production to the EC.

Gross export earnings of Unifruruco, the international marketing company of the deciduous fruit industry increased by nearly R400m (43%), to R1,3bn in the season to the end of September. UK sales increased from R176m to R210m and sales to West Germany from DM146m to DM205m.

Unifruruco chairman Leo Fine said the 43% earnings increase was attributable to a bigger crop, a more favourable exchange rate and better unit prices overseas.
Unifruco lifts earnings to record R1,4bn

By AUDREY D'ANGELO
Business Editor

WESTERN CAPE deciduous fruit growers have again achieved record gross export earnings. The Financial Mail reports that, thanks to an improved political and trading climate overseas — and an exceptionally good crop — gross export earnings by the farmers' international marketing company, Unifruco, increased by nearly R400m to a record R1.3bn in the past season.

This is the eighth year in succession that gross earnings have risen, regardless of sanctions and fluctuations in the rand.

Last year they rose to R914m from R764m in 1988 and R680m in 1987.

They are expected to be even better in the current year, with the opening up of new markets in Eastern Europe and the expected lifting of sanctions.

But a 43% rise in gross profits and a bigger pay-out to farmers does not necessarily mean higher net profits. Growers point out that rising costs and wages are eroding these every year.

And higher oil prices will mean bigger freight bills.

However, the 43% rise very comfortably outstrips inflation and is more than can be accounted for by exchange rate weakness.

The Financial Mail quotes Unifruco chairman Leo Fine as saying that improved perceptions of SA in Europe mean fruit from this country is again judged solely on merit.

This has allowed more aggressive marketing, and changes in Eastern Europe have opened up new markets.

Unifruco MD Louis Kriel says that the export market for fresh fruit will continue to expand.

He forecasts that deciduous fruit production in SA will grow by more than 50% in the next four years, providing more jobs.

But he points out that the Middle East crisis will push up the cost of distribution.

He believes that prejudice against buying SA exports will disappear as the full implications of reform are understood elsewhere. But he expects the already growing competition from South America to increase as the potential of new European markets attracts more producers.

Detailed results of the last season will be announced to growers at Unifruco's annual meeting in Stellenbosch today, when prospects for the current year will be discussed.
Agricultural exports net SA R1,75bn

LESLEY LAMBERT and GERALD REILLY

This past season's deciduous fruit exports, coupled with the 1.5-million ton surplus from the 1989/90 maize crop, has netted the country about R1,75bn in foreign exchange.

This figure consists of R1,2bn - 43% up on the previous season's R814m - raised by fruit exports and R497m from the maize surplus.

Already, R867m (R90m last season) of the R1,3bn has been paid out to producers.

This record performance was achieved on a 12% growth in sales volumes from 90 million cartons of fruit last year to 23,6 million this year.

The growth in fruit earnings confirms the increasing international acceptability of the SA export market, while the 56% growth in producers' gross income indicates that foreign distribution and marketing costs have been kept under control.

But producers' net earnings have once again been hammered by domestic inflation and local production and packaging costs.

Unifrueco, the industry's international marketing company, estimates that the net earnings of the producers of a number of the fruit varieties were actually lower than before in real terms as a result of rampant domestic costs.

Unifruco chairman Leo Pine attributed the growth in gross earnings largely to the achievement of better unit prices in export markets, but said that the increased volume and quality of the crop, coupled with foreign exchange benefits, had also contributed.

Unifrueco MD Louis Kriel recently pointed out that on a macro level, major factors for an improved performance were the opening up of Eastern European markets and an improved political climate.

Gross earnings of apple producers, who had been through some tough competitive trading years, grew by 51% to R697m, even though volumes declined by 3%.

The gross earnings for grape exports increased by 32% to R520m on 19% volume growth, in spite of some rain-related prob-

Agricultural exports

lemons experienced by producers in the Hex River Valley region. Pear earnings increased by 36% to R249,8m on 29% volume growth and stone fruit earnings grew by 43% to R71,8m on 27% volume growth.

Kriel said that while the export market for fresh fruit would continue to grow, greater competition could be expected from South American countries which were also targeting new opportunities in Europe.

On the maize side, the export programme which led to the bumper R450m earnings figure would run until next year, the Maize Board said.

Until end-July, international market prices were about $154 a ton.

However, an above average US crop has raised world supplies with a consequent dip in the price to less than $100.

On the eve of planting this season's crop, the Maize Board's projected prices range from R321 for a 7-million ton crop to R267 for a large 10-million ton crop.

Nampo economist Kit le Clus said he expected input costs to rise by about 13% during the coming season.

The comparatively low input cost escalation was due mainly to cash-strapped farmers cutting back on inputs and the fact that the crop was expected to be planted over a record small area of 3,1-million hectares.

Nampo estimates planting and growing the new crop will cost farmers about R2bn.
Finance Staff

FRUIT exports from farmers in Boland during the past deciduous fruit season have helped boost South Africa’s foreign exchange earnings.

This year fruit farmers’ exports netted the country R1.3 billion — 43% up on the previous season’s R914 million.

The farmers sent 33.6 million cartons of fruit out of the country, an increase of 12% on the previous season. The growth confirms the increasing international acceptability of the major South African export market.
Deciduous fruit growers, in Stellenbosch this week for Unifraco's annual meeting, were greeted with some of the best news they've heard in years. Thanks to an improved political and trading climate overseas — and an exceptionally good crop — gross export earnings increased by nearly R400m to a record R1,3bn.

Unifraco, the industry's international marketing arm, reports that export earnings grew by 43%. Chairman Leo Fine says the improved political climate in Europe meant SA fruit was again judged solely on merit. This allowed more aggressive marketing and the changes in eastern Europe opened new markets.

Unifraco MD Louis Kriel says the export market for fresh fruit will continue to expand with the emphasis on central and southern Europe. However, the Middle East crisis will mean higher distribution costs due to higher oil prices.

He believes the acceptance of SA products will improve as the full implications of government's reforms sink in overseas, but competition from South America will stiffen because the potential of new European markets will attract more producers. Unifraco markets in a total 40 countries.

Kriel expects deciduous fruit production in SA to grow by more than 50% in the next four years. He says labour constitutes 45% of production costs and healthy labour relations are therefore essential to ensure the industry's prosperity.
Citrus industry set to pass R1bn mark

By PETER DENNEHY

THE Southern African citrus industry's total overseas gross income is about to exceed the R1bn mark for the first time.

Mr Arend Venter, general manager, operations and finance, of the SA Cooperative Citrus Exchange Ltd, disclosed this yesterday soon after Unifruco — which deals with deciduous fruits — reported that Western Cape fruit farmers had boosted South Africa's foreign earnings by R1,3bn.

Packing of citrus would continue until the middle of this month in the Cape, while it had already ended last month in the Transvaal, Natal, Zimbabwe, Mozambique and Swaziland, he said.

This year's total Southern African citrus crop was 52 million cartons, of which 30,5 million would be exported.

"The early varieties have had a relatively good sales season," Mr Venter said, adding that as long as the current "relatively buoyant market conditions" prevailed, the citrus industry's overseas income would exceed R1bn.

Citrus fruits were selling at fairly high prices this season, and growers had received higher payouts, but production costs had increased, he said.

On average, 60% of any citrus crop was exportable, and this section brought in 92% of the industry's income. Locally sold fresh fruit took up 15% of production, but generated only 6% of income.
Seshego goes off oranges

ORANGES and drinks derived from oranges will no longer be sold at Seshego township shops as from next Monday, according to an agreement reached between the Seshego Chamber of Commerce and the National Council of Trade Unions.

The ban on oranges is in support of the striking Zebedela Citrus Estate workers who are demanding higher wages. SCC chairman Mr AB Kekana said after a briefing by Nactu officials on Monday night, that his organisation pledged full support for the strikers.

"We were shocked to hear of the slave wages and the horrible conditions under which the workers have to live. Our chamber was even more horrified by the evictions carried out last week which resulted in women and babies sleeping in the open," Kekana said.

The orange boycott call also received unanimous support from a historic meeting of organisations held at the Seshego Community Hall on Monday to discuss the education crisis.

**Boycott**

The ANC, Azapo, Sayco, Azayo, Azasm Cosas, Seshego Education Watchdog Committee, Seshego Civic Association, Seshego Taxi Association, Seshego Traders Association, Cosatu and Nactu, interrupted their programme to endorse the call for the boycott of oranges.

The organisations further called on informal business sectors such as spaza shops and street vendors to join the call and stop selling the affected drinks and fruit.
Unions start action to boycott oranges

A BOYCOTT of oranges in solidarity with striking Zebedelela Citrus Estate workers has been adopted by organisations in the northern Transvaal, with Sehoko township taking the lead.

The boycott call was made by the National Council of Trade Unions.

University of the North students pledged to ban drinks derived from oranges and lemons in campus canteens, following a campaign by the Azanian Students Convention and the National Students Congress.

In Venda, vendors joined the boycott while the African Council for Informal Business has cancelled a R2.1 million order of orange-related items.

The Azanian Students Movement and the Azanian Peoples Organisation in the northern Transvaal have called for support for the strikers. They pledged to boycott oranges.

The strike by more than 1,200 workers started in August after the management's alleged refusal to negotiate wages for the workers, who the union says earn an average of R120 a month.

The estate is Government-owned, with State President FW de Klerk as chief trustee.

De Klerk's connection with the estate has caused a political row, with the union threatening him overseas for demonstrations by anti-apartheid campaigners.

Zebedelela public relations officer, Mr Cornel van Rooyen, has said workers earned a minimum of R156 a month.

The company is to conduct a tour for journalists today to counter the adverse publicity by what has become the longest farmworker strike in South African history. - Sapa.
PROCLAMATION
by the
State President
of the Republic of South Africa
No. R. 185, 1990
AGRICULTURAL RESEARCH ACT, 1990
(ACT No. 86 OF 1990)
COMMENCEMENT
Under section 30 of the Agricultural Research Act, 1990 (Act No. 86 of 1990), I hereby determine 1 December 1990 as the date on which all the provisions of the said Act, excluding section 29 thereof, shall come into operation.

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

F. W. DE KLERK,
State President.
By Order of the State President-in-Cabinet:
J. DE VILLIERS,
Minister of the Cabinet.

GOVERNMENT NOTICES

DEPARTMENT OF AGRICULTURE
No. R. 2474 26 October 1990
MARKETING ACT, 1968 (ACT No. 59 OF 1968)
REGULATIONS RELATING TO THE GRADING, PACKING AND MARKING OF AVOCADOS INTENDED FOR SALE IN CERTAIN AREAS OF THE REPUBLIC OF SOUTH AFRICA.—AMENDMENT
The Minister of Agriculture has under section 89 of the Marketing Act, 1968 (Act No. 59 of 1968), made the regulations set out in the Schedule.

174.—A

PROKLAMASIE
van die
Staatspresident
van die Republiek van Suid-Afrika
No. R. 185, 1990
WET OP LANDBOUNAVORSING, 1990
(WET No. 86 VAN 1990)
INWERKINGTREDING
Kragtens artikel 30 van die Wet op Landbouavorsing, 1990 (Wet No. 86 van 1990), bepaal ek 1 Desember 1990 as die datum waarop al die bepalings van genoemde Wet, uitgesonder artikel 29 daarvan, in werking tree.

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

F. W. DE KLERK,
Staatspresident.
Op las van die Staatspresident-in-Kabinet:
J. DE VILLIERS,
Minister van die Kabinet.

GOEWERMENSKENNISGEWINGS

DEPARTEMENT VAN LANDBOU
No. R. 2474 26 Oktober 1990
BEMARKINGSWET, 1968 (WET No. 59 VAN 1968)
REGULASIES MET BETREKKING TOT DIE GRADE-
RING, VERPAKKING EN MERK VAN AVOKADO'S
BESTEM VIR VERKOOP IN SEKERE GEBIEDE VAN
DIE REPUBLIEK VAN SUID-AFRIKA.—WYSIGING
Die Minister van Landbou het kragtens artikel 89 van
die Bemarkingswet, 1968 (Wet No. 59 van 1968), die
regulies in die Bylae uiteingesit, uitgevaardig.

12805—1
A combination of positive political change in SA and a top-quality crop of record size has re-opened doors in Europe for local deciduous fruit growers, says Louis Kriel, MD of Unifruco, the industry’s international marketing arm.

In West Germany, the industry’s second biggest market after the UK, six of the eight supermarket chains that have boycotted SA fruit since 1985 asked Unifruco to start supplying them again earlier this year. “Boardroom boycotts” in other countries are also easing and there are indications of a move in Scandinavia to lift government-imposed sanctions on SA fruit, he says. Government-sanctions now prevent SA selling fruit in Scandinavia and North America, which represents 17% of the export market.

“The change in Europe is all the more remarkable considering the negative population growth in the region and relatively depressed consumer demand in recent years. But then the trend towards healthier living has worked in our favour.”

Export earnings from SA deciduous fruit sales in Europe this year will top R1bn for the first time. It was reported recently that SA citrus would also earn more than R1bn on foreign markets this year.

Helped by the transformation of East Germany, Unifruco’s sales in Europe will show their biggest increase in West Germany, Kriel says. But Unifruco’s largest market is the UK, where it will sell about one-third of its products this year.

Since 1985 SA fruit has been a main target for anti-apartheid activists in Europe because of its high marketing profile.

Kriel says Unifruco was able to ride out the storm because it supplies high-quality products and has good relations with the trade in Europe. This is due largely to an intensive lobbying programme that includes bringing trading partners to SA to see how the industry operates — and in particular its role in social investment programmes and its importance as a provider of jobs.

“But from February onwards the situation changed dramatically. The market was buoyant because of what was happening in eastern Europe and there was a new atmosphere towards SA because of what was happening here.”

He says SA fruit is again able to command a premium for quality in Europe over its main competitors. When resistance to SA fruit was at its height, Unifruco had to drop prices to the same level as competitors to stay in the market. SA supplies 44% of all southern hemisphere deciduous fruit sold in Europe, including 52% of citrus and 58% of sub-tropical. The country’s closest competitors are Chile with 18%, followed by Argentina and New Zealand with 12% each and Brazil with 7%.

About two-thirds of the locally produced deciduous fruit is exported. The re-opening of overseas markets and the increasing demand could affect the domestic market. "Urbanisation and increasing consumer demand mean we face a dilemma in allocating fruit to the different markets. But our policy is to maintain a good balance in market allocation in both quality and volume.”

Since 1980, Unifruco’s “first cornerstone of corporate philosophy” has been to encourage farmers to grow more. “We’ve never backed away from that, even when we lost the Scandinavian and North American markets,” says Kriel.
Proteas wilting before cruel cut

By DIRK TIEMANN

THE PROTEA, SA's national flower, which earned R125-million in exports last year is wilting in international markets after transport subsidy cuts.

The value of State subsidies last year was R15-million – R2.2-million for domestic transport and R4.4-million for the international legs. They have been cut to R5-million – and next April they will be abolished.

About 2,560 tons of fresh flowers were exported by air last year. Western Cape producers' contribution was large, but they face a problem.

They need subsidised transport from Cape Town to Johannesburg to compete with producers in the Transvaal who are near Jan Smuts Airport.

The domestic transport subsidy, based on a rating system for all feeder airports to Jan Smuts, has been halved this year. The subsidy differs according to distance.

Barry Gibson, director of Mountain Range Flora, a protea and Cape greentea exporter, says he now pays 36c a kg extra for transport from Cape Town to Johannesburg.

Abolition of the airfreight subsidy to Europe adds to producer costs. Mr. Gibson says the 1% a kg subsidy his company received served as a cushion.

Delays

"It partly covered our damage claims against international carriers which accept no liability for product damage through flight delays and other problems."

"We would like Cape Town to be a fully international airport because it offers a more direct route to Europe."

Cape Town and Durban also offer international flights, but only to London. Jan Smuts offers flights to other European and Far East destinations.

Fruit exporters face a similar dilemma. Most fruit can be shipped, but some cannot survive two weeks at sea. Air exports are also important early in the season, when it is vital that produce arrives in top condition.

This allows exporters to set a price for the rest of the season's crop which is carried by ship.
**Frost proves boon for fruit farmers**

LIZ ROUSE

There is strong foreign demand for Cape fruit as a result of the European crop from the past season having been affected by frost.

Consequently, export prices are particularly high and the industry is enjoying a good season, W B Holdings directors say in their comment on their interim results.

Industry selling initiatives on the international market had largely normalised trading conditions, resulting in additional opportunities for exporters. However, the local market had remained fairly static.

The firm's earnings slipped 38.2% to 21c (34c previously) in the six months to June mainly because of a lower contribution from its pelagic fishing division and a fall in dividend and interest income. The interim dividend was cut to 7c (9c). Turnover rose to R5.8m (nearly R4m).

W B directors predict earnings of 35c a share before extraordinary items for the year to December 1990. Fruit exports are expected to compensate for lower fishing profits.

United Fishing Enterprises, in which W B Holdings has a 9.18% stake, is budgeting for a reduced profit for the full financial year, partly because of slower sales.
Fruit set to earn R1bn for SA as foreign barriers come down

CAPE TOWN — Foreign earnings from deciduous fruit exported during the 1999 season should easily exceed a record R1bn this year on relatively healthy volumes of 33-million cartons interpreted by marketers as a sign that local produce is becoming more acceptable overseas.

Louis Kriel, MD of Uniflora, the marketing arm of the deciduous fruit industry, said recently that the business climate in which the industry traded this year was the best he had experienced in 25 years of international travel.

The favourable response to President F.W de Klerk's February 2 speech, visible improvements in the working conditions of labourers in the fruit industry and the opening of Eastern European markets had all contributed to new or more accessible marketing opportunities, he said.

In many countries SA fruit was now being judged on commercial rather than political considerations.

"Sanctions are still being enforced by those countries which originally imposed them, but the boardroom boycotts — the decisions by English and European companies not to buy our produce — are falling away."

Kriel said 33-million cartons of fruit had been exported during the 1999 season which is drawing to a close.

This represented 10% growth on last year's export volumes and, although it lagged behind the domestic rate of inflation, it was higher than last year's marginal improvement from 29.8-million to 29.9-million cartons.

"With only a few exceptions, we produced fruit with exceptionally good appearance and eating qualities, and we find ourselves in a very bullish market for Cape products," Kriel said in a recent edition of a local trade magazine.

Although the value of the exports will only be known when Uniflora announces its annual financial results in October, it can safely be assumed that foreign earnings, which grew by 20% to R1924m last year, will exceed R1bn this season.

But the degree by which foreign earnings exceed sales this year compared with last is likely to be circumscribed by a relatively stronger and more stable rand.

This year there will also have been further substantial increases in wage and packaging bills.
Fruit Board ‘not privatised’

The special exemption in respect of privatisation of the Deciduous Fruit Board in the Taxation Laws Amendment Bill, did not mean that this board had been privatised, the Deputy Minister of Finance, Dr Org Marais, said yesterday.

Introducing the first reading debate on the Taxation Laws Amendment Bill, he said privatisation did not fall in the ambit of his department.

According to an explanatory memorandum on the Bill, the amendments provided for a once-only exemption in respect of:

- Stamp duty in relation to the first issue of shares by Unifruco Limited.

Les Abrahams (LP Diamant) said during the debate on the Bill that the faster South Africa moved to a point where all people could be part of agriculture, the faster suspicion would disappear. — Sapa.
Citrusdal: All Set for a Boom

By DICK Usher
Business Staff

CITRUSDAL, the Cape's famous orange-growing region, is all set for a boom.

Deregulation of the industry promises new growth opportunities and lower prices for consumers through increased competition, while plans are in hand to exploit the region's tourist potential.

The atmosphere was all optimism at the Goede Hoop Citrus Co-op this week during a media trip to the area for the official opening of the 1990 season.

Apart from expecting a record turnover this year, up 20 percent to R55 million, Goede Hoop has also taken important organisational steps in the past year which co-op members feel make it ideally poised to take advantage of deregulation.

"Goede Hoop is one of eight co-operatives countrywide to go coop-to-market its own produce. It aims to make the Western Cape its primary local market, but also hopes to make a mark in the Transvaal market.

Farmers were eager to grasp the opportunities presented by deregulation which, they feel, will reward efficient producers of high-quality citrus fruit and end the "subsidiary" of low-quality producers that occurred under the Citrus Exchange.

"They also realise that they will have to cope with competition from other co-operatives, but feel that this can only be to the good of the industry and the consumer."

"Other co-operatives, especially in the Eastern Cape which cannot absorb all their produce, are eyeing the Western Cape as a market."

"Although their transport costs will be a significant factor they'll have to be cost competitive which will put pressure on prices," said a Goede Hoop spokesman.

"Even though we feel we have a superior product and expect to dominate the Western Cape market, price is an important factor in a free market and consumers can expect to reap the benefit."

At the same time, with competition keeping prices down there should be increased demand which should lead to farmers having to expand production, so there could be a spin-off for the area in job opportunities."

Major possibilities

The co-op also hopes that different varieties could extend its season and enable it to take advantage of a gap in the Transvaal market between the end of the navel season and the start of the valencia season.

"Soft peelers" such as minneolas and clementines have been developed which extends the range of citrus fruit available to the market.

Another area where the co-op sees major possibilities is in the huge Western Cape informal sector where it is hoped that sales will help to more than double income from local marketing.

"We will also be supplying directly to hawkers and township retailers, in turn creating many job opportunities," said general manager Mr Jack van Staden.

Goede Hoop produce will be marketed under the co-op's own logo.

At the height of the season the co-op packs about 250,000 cartons of citrus a week. Of these, although the local market will be an important factor, most will be exported.

About 60 percent of South Africa's crop is exported through the Citrus Exchange and earnings are expected to reach R1,000 million this year, assisted by the favourable rand exchange rate.

According to Citrus Exchange figures, 30.3 million cartons were exported in 1989, earning R330 million.

The area also sees major possibilities for expanding its tourist potential.

Mr Louis Genis, owner of the well-known Vanmeerhoff Farmstall at the entrance to the Olifants River valley, said the region had been represented at the recent tourism Indaba in Natal where overseas travel agents had shown great interest in package tours which had been formulated.

"The region is ripe for growth in tourism and the packages will also be marketed locally," he said.

Meanwhile, construction has started on the first phase of a R3.5 million chalet and conference centre scheme at Vanmeerhoff, planned to take advantage of the area's tourist potential.
CHEAP 'N FRESH: Workers work hard at harvesting Citrusdal oranges which are going to be cheaper and fresher this winter when they are sold direct to the Cape Town consumers.

Citrusdal oranges could pip market

Staff Reporter

ORANGES will be cheaper and fresher in Cape Town this winter when Citrusdal oranges are sold direct to city consumers for the first time.

The change is as a result of the deregulation of the citrus industry and the first oranges are expected in the shops within a week.

Previously all oranges were pooled by the Citrus Exchange, leading to unnecessary overheads and ineffective marketing.

Mr Jan van Staden, general manager of the Good Hope Citrus Co-op, said a record turnover was expected this year — up 20 percent to R55m.

He said that selling direct to Cape consumers would not only mean cheaper but also fresher oranges.

"We will supply directly to hawkers and township retailers, creating many job opportunities."
Orange farmers preparing for direct marketing

By AUDREY D'ANGELO
Financial Editor

CITRUSDAL orange farmers are preparing to sell their fruit directly to small shopkeepers and the informal sector after years of having to do so through their official board, the Citrus Exchange.

And they are confident that this will enable them to bring prices down and expand the Western Cape market, estimated to be worth R1bn a year at present.

Orange farmers all over the country earn between 70% and 80% of their incomes from exports. Exporting will still be done through the Citrus Exchange, under the world-famous Outspan label.

But deregulation means that from next week the citrus co-operatives will be able to sell directly to small businesses in the domestic market.

"This means that they will be able to sell to the informal sector, including thousands of hawkers, who until now have had to buy at Epping Market," said the Citrusdal Good Hope Citrus Co-op's marketing and promotions consultant, Anthony Penderis.

"They hope that this will push up sales by about 90%, particularly if the savings made by cutting out the middleman are passed on to the consumer. The informal sector is a huge one."

"Until now oranges could be sold on the domestic market only through municipal markets, directly to very big customers such as the chain stores, or to the juice industry which buys lower grade fruit."

However, Penderis said, the Citrusdal farmers expect stiff competition from Transvaal orange growers.

"The Transvaal co-operatives will probably try to increase their penetration of the Western Cape market, particularly when the locally grown navel oranges, which will soon reach their peak, peter out and the Valencias are not yet on the market."

"But the Transvaal growers will have the extra expense of transporting their fruit to the Cape."
CITRUS INDUSTRY

Going to the market

The domestic marketing of citrus fruit is being deregulated this winter and both marketers and growers expect significantly altered retail sales patterns and improved quality.

Instead of selling through the Citrus Exchange, a statutory board, growers can now handle their own local marketing. The exchange will continue to be responsible for export marketing, which accounts for about 60% of the crop.

The deregulation of domestic marketing started in 1986. Up to now, growers have been allowed to sell their fruit directly to processors and the informal fruit trade. All citrus sales to processors and 25% of sales to the informal sector were concluded under this system last year. Its success prompted the exchange to extend it to all local marketing.

Jan van Staden, GM of Goede Hoop citrus co-op at Citrusdal, says the new marketing set-up means that co-ops must now establish a brand identity for their products. They will have to build a reputation for quality that consumers will recognise and demand. Van Staden says the co-op, which is in the top five of the country's 20 citrus co-ops with slightly more than 170 members and an annual turnover of about R55m, has taken over its own domestic marketing from the exchange. Initially it will be handled by a specialist marketing organisation — Stellenbosch-based WPK Marketing — but eventually the co-op will take full responsibility itself.

Though Goede Hoop can pack 6 000 t of fruit a week, it also will use specialist packaging company Piketso for re-packaging to suit retailers' needs and for storage. Van Staden says the new marketing system will force growers to take greater responsibility for quality — or fall by the wayside. Instead of the national crop being pooled and sold domestically through the exchange, growers can now have their product identified by brand name.

"The mediocre farmer will no longer be able to enjoy the protection provided by the old centralised system," Van Staden says.

Initially, co-ops that opt for their own marketing strategy are expected to target a manageable geographic area as close as possible to their region. For example, Van Staden says Goede Hoop will target the western Cape for its product, which will sell under the Citrusdal label. But it hopes to expand into the national market later. The co-op also has identified the informal market as a key growth area.

"We are developing a system to distribute products directly to hawkers and township retailers. We believe that more effective, marketing could increase this market sector by at least 90%," Van Staden says.

The exchange says that under the new marketing arrangement, existing regulations on quality standards and packaging will still apply. It will also continue to provide back-up services, including advertising and promotions, market research and technical assistance.

This year's citrus crop is expected to be considerably larger than last year's 53,3m 15 kg cartons, according to the exchange. Foreign earnings are expected to reach R900m. Last year, 30,3m cartons were exported, earning about R830m, compared with R733m the previous year.

The citrus industry is one of the most lucrative in the agricultural sector. In the Eighties, total earnings jumped by 39% a year and net farm income per unit exported soared by 104% a year, according to the exchange.
MORE than 1 000 tons of pineapples lie rotting and hundreds of blacks are joining the unemployment queues in a pineapple-growing area of the Cape.

The liquidation of East London's Premier Pineries last September put 1 200 people out of work in the economically depressed region and prospects for the pineapple industry in 1990 are not good.

In 1988 and 1989, SA producers lost the American market because of sanctions and Britons boycotted canned pineapples.

This left other European Economic Community countries, but large volumes of the fruit from the Far East, particularly Thailand, resulted in fierce competition and sharply lower prices.

**Scarce**

Former Premier Pineries managing director Charles Everard says the company decided in 1989 that it was time to "get out of the rat race".

"Sanctions, boycotts, a rapidly dwindling market and falling prices made it extremely difficult for us to operate. We decided that we would do much better investing our money elsewhere."

Premier has stopped production on all its farms and sold them. Within two years, these farms will produce no more pineapples.

Compather Western Province Preserving will buy some fruit this year and next.

The closing of Premier Pineries has hit workers badly. The pineapple industry provides jobs in a region where employment is scarce for rural blacks.

Mr Everard says a contributory factor in the closure of the company was the growing strength of trade unions, which are increasingly flexing their muscles in the Border region.

"In East London, employees refuse to work overtime, resulting in fruit being wasted. The quality of the pack is deteriorating because canners are having to work with overripe pineapples.

"The pineapple industry probably employs about 8 000 people directly, and thousands more in subsidiary industries. Tens of thousands depend directly or indirectly on the pineapple industry."

Although prospects in 1990 look healthier in terms of improving world prices and waning competition from Thailand where crops are not as good as predicted, SA's soaring inflation is dampening hopes.

SA grew about 220 000 tons of the raw fruit, which gave a pack-out of 3-million basic cartons last year. Of this, 2.5-million cartons were exported and the rest sold in SA.
Rise in fruit exports likely

CITRUS and deciduous fruit growers are expecting exports to increase, but avocado producers expect export volumes to drop.

However, says SA Advocate Growers' Association MD Colin Partridge, the avocado industry is looking forward to a "reasonable" season. The Israelis have had a larger crop than last year, but they are not expected to flood the market.

Because of the smaller SA crop, exports are expected to be lower than last year's 8.7-million cartons and to average between 7.1 and 7.3-million cartons this year.

On the deciduous side, a Unifruco spokesman says: "We are having a good season in terms of crop volume.

"Our exports are going well, but we are only midway through the season and there is still a long way to go before we can reflect on our success."

Citrus Exchange GM operations and finance Arend Venter says citrus growers have had good blossom and fruit set because of good irrigation and favourable climatic factors.

Citrus crop estimates show a considerable increase over the 1989 figures. Based on latest estimates, the southern African citrus industry could export as many as 34-million cartons this year compared with about 30-million cartons last year, a 13% increase.

However, Venter says it is far too early to make export predictions. Like all export industries, the citrus industry is also vulnerable to cost inflation, which is higher than the inflation rates in its export markets.

As a result, the industry is likely to come under severe pressure in the long term, particularly if the rand strengthens significantly against the currencies of its export markets.

Venter says early indications are that citrus fruit quality may also be better than in previous years.
Apple-stroika

The privatisation of Unifruco, the international marketing arm of SA’s deciduous fruit industry, represents perestroika in the best sense of that over-used word. It was driven by a need for restructuring and a desire by producers for greater democracy in the industry.

It started in 1987 when Unifruco — now Unifruco Ltd — was formed to take over international marketing from the Deciduous Fruit Board. All remaining controls on the local marketing of deciduous fruit were also abolished.

The privatisation, which took effect on March 1, saw the issue of 10m shares of an authorised 20m to more than 1 000 fruit growers. Shares were allocated according to the contribution each export grower made to the funding of Unifruco and the board over a three-year period. For now, the shares can be traded only among the export growers, but Unifruco does not rule out an eventual listing.

The shares represent the R45.7m value of Unifruco’s assets, including its land, buildings, equipment, investments and cash, but not its major asset, its trademarks.

Unifruco sees four main reasons for the privatisation:

☐ Over the years producers had to contribute to Unifruco’s reserves yet have had no tradeable asset. Now they have marketable shares and the potential for equity growth;

☐ Restructuring cuts down on the considerable degree to which functions overlap in the industry, especially in terms of research. Two subsidiary companies, Unifruco Promotions and Unifruco Research Services, have been formed. David Gant, chairman of the SA Apple and Pear Producers’ Association, believes better co-ordination and better decision making will follow. Unifruco CE Louis

Kriel hopes that more subsidiaries with potential as profit centres, such as a shipping company, will be formed;

☐ The overseas marketing handicap of being seen as a public corporation is eliminated; and

☐ The new format allows management incentive schemes.

From the producers’ point of view, the reforms give them a greater say in the running of the industry. “Too many farmers were waving goodbye to their product when it left the farm gate,” Gant says. “People should be involved all the way, looking at distribution, marketing and selling.”

Grower Leycester Walton adds: “Many people wanted to have their hands more on the way the industry was run. We wanted a bit of perestroika — more democracy.”

To that end, five extra places were added to the 11-member board. CE Kriel holds one place, three are elected by shareholders and one goes to an outsider, ex-Duros man Mervyn Key.

Unifruco now faces the challenge of all newly privatised companies — establishing a record of profits. In the past, returns simply went back to the grower. Now, Kriel says, “there is a degree of pressure because we have to perform both on the profit side and the returns-to-our-growers side.”
Farmers get a slice of Unifruco

CAPE TOWN — The first privatisation of an agricultural control board was rounded off yesterday when Unifruco, the international marketing arm of the deciduous fruit industry, allocated 10-million shares to its member fruit growers.

The issue of 50% of 20-million authorised shares to more than 1,000 export fruit growers completed a process of deregulation and privatisation which began in 1987 when Unifruco was established as a special co-op, Universal Fruits, to replace the Deciduous Fruit Board.

Directors hinted yesterday that a JSE listing was a future likelihood which would put the final seal on the process by enabling further expansion and spreading the share ownership beyond Unifruco's registered members. With export turnover expected to exceed R2 billion this year, Unifruco spokesmen boast that while deciduous fruit is the largest agricultural industry in the Cape, the company competes with the world's five largest fruit-marketing organisations.

The allocation of shares was based on the relative contribution of each export farmer to the funding of the fruit board and the co-op over the past three years. The contribution was made by way of levy per carton of fruit exported and was invested in the expansion of fixed assets and investments to the value of R6.7 million.

Leo Fine, who remains chairman, with Louis Kriel as MD and CE, said yesterday the allocation of shares had long been considered the most representative way of giving the industry a say in the way the company was managed.
Share bonanza for fruit farmers

By AUDREY D'ANGELO
Financial Editor

UNIVERSAL FRUTRADE (Unifruco) — the farmers' co-operative marketing millions of rands worth of Western Cape fruit overseas every year — has become a private limited company with assets of R46.7m, and 10m shares in issue.

Although ownership of shares is restricted to registered fruit exporters at present, chairman Leo Fine said yesterday that the directors intended to make them freely negotiable "in the near future".

It was possible that the company might seek a listing on the Johannesburg Stock Exchange, said Fine.

The new company came into existence yesterday when 10m shares out of an authorised 20m were allocated to more than 1,000 fruit farmers. The basis of the allocation was the relative contribution of each farmer to the funding of the Deciduous Fruit Board and of Unifruco, which took over export marketing from the board in September 1987.

A statement issued yesterday said the assets of the new company, including land and buildings, cash and investments, totalled R46.7m.

The deciduous fruit industry is one of the biggest employers and export earners in the Western Cape. Last year fruit farmers shared a record pay-out of R481m. But they complained that because of the rising cost of inputs their net earnings were below those of the previous year.

A spokesman for Unifruco said export turnover was expected to top R1bn this year and that the new company was one of the five largest fruit marketing concerns in the world.

Turning the co-operative into a company puts wealth into the pockets of individual farmers by giving them access to shares to which the individual producer previously had no right or ownership.

The company has all rights, worldwide, to the trade marks Cape, Jardin du Cap and Sunglo. It also has an interest in Fruit Importers and Distributors International (Fidil) which markets fruit from various parts of the world under the Bella Nova trade mark.

Staff who were in the service of the co-op have retained their jobs with the new company. Louis Kriel remains CE and MD.

Fine, who was chairman of the co-op, was elected chairman of the company. The vice-chairman is Stephanus Rossouw.
MILES Fennel, a shareholder in unlisted Transvaal Kiwi Orchards, stumbled across news of his company’s liquidation while looking for the crossword in Business Times.

Mr Fennel was one of many investors who bought crop rights in response to extravagant promises by the promoters of TRK in 1988.

An advertisement in Business Times last week called for offers for the company’s assets by December 7.

Mr Fennel phoned technical director Dieter Glaue, who confirmed that the Transvaal Kiwi Orchards had been placed in provisional liquidation on October 5. The order became final on October 31.

The liquidation was sought by landowner, founder and director Fritz Emil Bungcr. There are 8,354 shareholders in TRK. According to Mr Fennel, their original investment totalled R18-million.

Costs

An urgent shareholders’ meeting, attended by Mr Glaue, was held on November 22. Mr Glaue and directors Mrs A Botha and Mr D Hirschel resigned before the liquidation action. Dr Bungcr is in Germany and could not be reached for comment.

Mr Fennel was elected chairman of a rescue committee, which decided the company was worth saving.

It would be done by enlisting the support of two of the three main creditors.

Shareholders are asked to subscribe a minimum R1 000 to buy the company out of the liquidation. In return, they will receive preference shares. Should the rescue attempt fail, shareholders will get their money back less costs.

Mr Fennel says the cost will be R20 a shareholder.

By DIRK TIEemann

Delicate

The initial return would be 10%. Seven years later, the “vines and your investment are fully mature, yielding at least 40% annually. And for the 70-year lifespan of the Kiwifruit vine, your dividends will come rolling in Year after Year!”

Mr Fennel says: “Many investors are in dire straits. They are pensioners, widows and many blacks who wanted to top up their life savings.”

Dr Bungcr, sole shareholder in the private company, put forward a scheme of arrangement on April 3, 1990, whereby the company would convert to a public one. Dr Bungcr would have rights to 15% of the gross profit and hold 70% of the company.

Mr Glaue says he does not wish to pre-empt the “delicate negotiations” which are under way. “My view is that the company should have been placed under judicial management.”

“Dr Bungcr applied for liquidation through another of his companies, International Horticultural Enterprises, because he foresaw liquidity problems. The other shareholders were not consulted.”
Citrus workers call off stoppage

PIETERSBURG — The four-month strike by more than 1,200 Zebediela Estate citrus workers ended yesterday. They were due to resume work today.

The decision to end the strike and the boycott against the estate's orange crops was made at a meeting yesterday.

The offer by management of a R30 monthly interim wage increase from December 1 was accepted. The estate has undertaken to pay all workers their full bonus, December pay and leave pay.

Management has also announced a workers' housing construction programme.

Northern Transvaal Bureau
SA’s slice of Europe’s fruit market grows

LESLEY LAMBERT

CAPE TOWN — Exports to Eastern Europe are expected to give the deciduous fruit industry a healthy boost.

European exports — which earned the bulk of last year’s R1.3bn foreign income — are expected to rise by at least 5% this year.

Sales volumes benefited from a spending spree prompted by the handout of Deutsche Marks to East Germans crossing into West Germany.

And although orders from Europe had settled back to more realistic levels, Louis Kriel, MD of Unifrugo, the fruit industry’s international marketing arm, said yesterday he was still optimistic.

Kriel, who recently visited Europe, said rising inflation in Eastern Europe would inhibit growth in sales to those countries, but the opportunities for significant growth in the longer term remained strong.

Sanctions imposed by the US, Canada and Scandinavia have over the past few years rerouted the bulk of SA fruit exports to European countries, which imported two-thirds of last year’s 34-million carton export volumes.

Kriel said Unifrugo had received an increasing number of inquiries from buyers in these countries who said the lifting of sanctions was imminent.

Last year, foreign earnings from the export of deciduous fruit export grew to over R1.3bn, confirming that SA commodities were becoming increasingly acceptable on foreign markets.

But, he said yesterday, much of the effect of the euphoria which followed President F W de Klerk’s February speech had worn off and buyers in existing foreign markets had settled back into more realistic/budgeted purchasing.

It was unrealistic, Kriel said, to expect the SA industry to achieve instant success in a highly competitive market.

Nevertheless, recent negative publicity did not appear to have affected export volumes yet and, although sales had fallen off in Eastern Europe, general trading conditions in Europe remained positive, Kriel said.
A toxic shock for lovers of ‘healthy’ food

A NASTY shock awaits those people who believe they can rinse away all traces of pesticides from their fruit and vegetables. Very little of the pesticide residue actually washes off.

In addition, not all pesticides which are considered acceptable on South African produce are allowed in other countries — and both the residue limit and the acceptable daily intake vary from country to country. So Sweden, the United Kingdom and the United States may set lower limits on certain chemicals than South Africa does — and some of those countries ban chemicals which are still widely used here.

Recognition of that fact is contained in a book produced by the Department of Agricultural Development called A Guide to the Use of Pesticides and Fungicides in the Republic of South Africa which includes information on which chemicals farmers can use locally and which are ‘not for export’.

Although not all fruit, vegetables and other produce contain residues, much of it does. Legal limits are set for the maximum residue allowed in the produce so as not to harm consumers.

Almost all fruit and vegetables are grown with the help of pesticides and then almost all of it is treated again after the harvest to keep the food in good condition until it is consumed.

These chemicals can be retained by the produce and sometimes seep under the skin and into the flesh of the fruit or vegetable. For some of these residues, acceptable daily intake limits have been calculated — but not for all.

Many of the chemicals used on fruit and vegetables and other produce in high doses have been shown to cause cancer in animals on which they are tested. But other problems, like damage to embryos, nervous systems and internal organs, can arise in animal tests when chemicals are administered in high doses.

Babies and young children are more at risk from chemicals than adults, and a greater risk is run when there are several chemicals used which may cause other effects when they are mixed.

South African standards seem to be lower in this field than they are elsewhere. For instance, Sweden banned these chemicals as early as the 1970s: DDT, DNIC and aldrin, among others. The UK banned them in 1988/89, but they are not banned in South Africa, although aldrin was withdrawn by the manufacturers.

South Africa attends several international bodies which look at pesticides and their problems, but has been excluded from participating in some of them because of the country’s political policies. This has probably made it easier to avoid maintaining some of the more stringent international standards, but as South African produce reappears on international shelves, the picture is likely to change.

In a foreword, the Department of Agricultural Development’s Guide to the Use of Pesticide says: “World-wide use of these chemicals has come under severe public and scientific scrutiny, for many of the chemicals are potentially hazardous substances, which could, if used indiscriminately, harm the user, the consumer of treated commodities and the environment.”

The foreword tells the farmer that according to the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Amendment Act, pesticide use is restricted in certain ways and can only be used in the way mentioned on the label of the container.

It also draws attention to the fact that some pesticides like DDT, BHC and dieldrin have been banned. (More are likely to join this list like gamma BHC, according to sources in the industry.)

The book says: “In contrast to a number of other countries the environment of our country is still relatively free of pesticide contamination. It is mainly up to you, the user, to ensure that this will remain so. In the general interest of the country the government, from time to time, prohibits the sale and use of certain pesticides. Although this may create problems to some it should be accepted that in the long run this is to the benefit of all.”

The book is the most comprehensive guide to pesticides available in the country and lists the maximum residue levels as well as the acceptable daily intake levels of many of the chemicals.

For the (by-now) anxious consumer wishing to rid produce of residues, the Consumers’ Association has done several tests on reducing residues in apples and potatoes. The Association analysed the chemical residue found, washed the produce in water, washed it in a “pesticide wash” (widely available in the US and claimed to remove chemicals), peeled it, then tested again. Potatoes were also cooked and then tested.

The chemical residues found were largely unaffected by washing — either with water or with the pesticide wash. Peeling the apples removed 85 percent of the residue, but also removed valuable nutrients. Potatoes lost between 55 percent and 85 percent of the residues of specific chemicals when they were baked in their jackets. A higher percentage of residue was lost when the potatoes were peeled and more when they were peeled and cooked.

The association nevertheless recommends washing because it removes water-soluble residues, bacteria and dirt.

It also suggest rubbing the skin, scrubbing it, peeling, discarding outer leaves or trimming visible fat off meat and poultry.

Some organically grown foods, it is claimed, have not been treated with dangerous pesticides, but these can sometimes cost more.
Mangos seized after banned pesticide scare

By EDDIE KOCH

CITY health authorities in Cape Town this week seized a consignment of mangos laced with doses of an illegal pesticide. A local distributor had tried to dump the contaminated fruit on local markets after being forced to stop exporting it.

The mangos were being exported by a distributor called Klein & Klein when inspectors discovered they contained high levels of a pesticide that may not legally be used on the fruit, according to sources in the Western Cape Regional Services Council.

The distributor was instructed to stop the transaction and appears to have dumped the fruit on local markets. At least 700 boxes of the mangos were then impounded by health authorities at the Pick 'n Pay warehouse near DF Malan airport.

Another 1 500 boxes of the poisoned mangos were confiscated from the Epping fresh produce market in Cape Town by the city's health authorities. Both batches were intercepted before they reached the consumer shelves.

The mangos, grown on a farm called Riverside in the Eastern Transvaal, were contaminated with a fungicide called propiconazole. This is not registered for use on mangos and the levels exceeded those stipulated for other products.

The government's registrar for pesticides, Max Oban, told The Weekly Mail that the use of propiconazole was strictly confined to barley, grapes, ground nuts, wheat and peaches.

The Department of Health is investigating the matter but it is not yet clear whether charges will be laid against the farm owners.
Fruit
Vine imports 'could kill wine industry'

Pretoria — Government has issued an urgent warning about the illegal importation of vine plants, which it says could wreak havoc with SA's multimillion-rand wine and grape industry.

Killer viruses and bacteria in grapevine propagation material could damage up to 90% of the grape crop, or render soils useless for up to five years, says the Agriculture Department's directorate of plant and quality control.

Certain pests, if imported to SA, could force a 50% escalation in pesticide expenses, rendering viticulture unprofitable. The penalty for importing vine propagating materials is a R50,000 fine.

A spokesman for the directorate says that although no lethal pests have been detected in SA recently, vigilance is essential as they can spread easily.

Among the pests most dangerous to the wine industry is tomato ring spot virus. It is impervious to most decontamination measures. Drupe moth can damage between 60% and 90% of a grape crop, and even regular chemical spraying will not eliminate losses entirely.

The directorate says pesticide residue can affect grape exports, which have to comply with international requirements. The problem with importing lethal crop diseases lies mainly with amateur gardeners and tourists, as most grape producers and plant breeders know the risks involved in importing vine propagation material.
Imported seedless fruit grapes for tests

By George Nicholas
Agricultural Correspondent

In an effort to meet the tremendous demand for seedless table grapes, vine cuttings of outstanding cultivars have been imported from Russia and Hungary for testing and propagation in SA.

The only seedless cultivar of note currently grown on a commercial scale in this country is the popular sultana, which is now becoming available in fairly large quantities in the PWV region, where supplies are snapped up as fast as they arrive.

Its marketing season, however, is a relatively short one.

The sultana is a sweet, tasty grape but it has several shortcomings.

The most serious shortcoming is the tendency of the berries to crack easily. And they are apt to loosen in the carton during handling and marketing.

The Director of the Fruit Research Institute at Stellenbosch, Dr Pieter van Rooyen, has just returned from an extensive visit to Eastern Europe, where he gathered cuttings from 17 new table-grape cultivars that have proved to possess superior characteristics, including seedlessness and resistance to disease.

These cuttings will now be propagated in trials, so that their production and general response in South African conditions can be monitored scientifically.

If successful — and prospects look promising — they will be multiplied for distribution among growers.

The South African table-grapes breeding programme is one of the most extensive in the world.
A hundred fruitful years!

KARIN SCHMIDT, Staff Reporter

FOURTEEN yellow-wood crates of perfect peach-

es will start a nostalgic trip to London tonight.

The trip commemorates UNIFRUCO's one-hun-
dredth year of fruit export from the Cape. The
first large consignment was sent to England on the
Drummond Castle in February 1892.

The fruit was sent to Covent Garden and fetched
excellent prices — as much as two shillings and
three pence a peach.

The fruit export trade grew quickly and within
the same year the Cape Fruit Syndicate, as it was
known, had exported 1,000 cases of grapes, 6,000
cases of apples and 3,500 cases of pears. The 1901-02
season produced more than 40 million cartons of fruit.

A ceremony commemorating not only the cen-
tury of fruit export, but also opening the
peach marketing season, is being held in grand style
in Stellenbosch this evening.

The farm Schoongezicht in Stellenbosch was
chosen because the original cargo of fruit was
grown in Stellenbosch.

Workers dressed in eighteenth century costume
will be packing the fruit into the crates, after
which the fruit will be transported off the farm in
a horse-drawn wagon.

Instead of being shipped to England, the fruit
will be put on an aircraft on Wednesday evening
and will arrive at the Covent Garden market on
Friday morning.

The chairman of the Covent Garden Traders' As-
sojancation and the vice-chairman of UNIFRUCO,
Mr Phillip Emansiel, will be there to receive the
cargo.

Since the first successful, albeit small, export
UNIFRUCO has grown to be the largest private
sector employer in the Cape.

The fruit is produced by 1,600 producers mainly
in the Western Cape and in the lower
Orange Free State.

THE NEW: A modern grape packing shed.

FIRST FRUIT: The ship that carried the first cargo of fruit
to London — the Drummond Castle.

CHECKING: Measuring and packing of fruit in the early
1900s.

FOUNDER: Percy A Molteno, the son of the
Cape Colony's first prime minister who
formed the Cape Fruit Syndicate.

THE OLD: A packing shed at the turn of the century.
Now rain threatens Boland grape crop

HENRIETTE GELDENHUYS
Staff Reporter

PROLONGED rain in the Boland could seriously damage crops, according to wine farmers.

Farmers interviewed said they were unhappy about unseasonal rain during mid-harvest although the past few days' rain had endangered only crops to be harvested in the next week.

Harvest time was between late January to late March.

Simonsig wine estate owner Mr Frans Malan said the 30mm to 40mm of rain this week would cause mature crops to rot.

Farmers had to harvest quickly before the sugar level became too high, he said.

Rust en Vrede estate owner Mr Jannie Engelbrecht said: "At the moment it is only a problem for this week's mature crops. The weather is clearing today. But prolonged rain could cause more serious crop failures. We don't want rain during harvest time."

But farmers said the rain would have a positive effect on late-harvest and tired vines.

"The rain will benefit crops that produce wines like clairette blanche and cabernet sauvignon because they will mature readily. The rain also brings relief for dry grapewines," said Mr Malan.

"It will push up sugar levels of late-harvest crops that could still be unsatisfactory. For the farmers who have finished harvesting, the rain will benefit the growth of roots," said Mr Engelbrecht.
Port aims to profit from fruit exports

Business Staff

The port of Cape Town will be looking mainly at increased exports of fruit and imports of maize to ensure further growth this year, according to Portnet GM Rudi Basson.

But the port also had a number of lucrative long term possibilities waiting in the wings, Mr Basson said in an interview this week.

He expects a marked increase in fruit exports for 1992 as new markets open up to fruit farmers of the Western Cape.

He forecasts that Portnet will handle around 1.4 million tons of deciduous and citrus fruit in the 1992/93 season — almost 10 percent more than in 1991/92.

Indications are that almost one million tons of fruit for export have already been handled in the 1991/92 season to date.

He said Portnet and Unifrac has upgraded their fruit handling facilities in anticipation of greater volumes of fruit exports in the years ahead.

Mr Basson concedes that fruit farming, like any agricultural venture, is risky but stressed that risks are slimmer in a reliable rainfall region like the Western Cape.

Conversely, the drought which is ravaging parts of the Western Transvaal will give the port additional imports.

The Maize Board intends importing between two- and three-billion tons of maize (worth R2-billion) this year to offset the drought-induced local production shortage.

Additional growth, especially in the long term, could come from the development of Cape Town as the import distribution centre for the PWV.

Mr Basson said Spoorner was offering favourable rates for transporting imports from Cape Town to the Reef.

Because most ships called here first, almost 72 hours days before docking at Durban, industries could save up to three days transit time by using Cape Town.

He said the transit time to the Reef from Durban and Cape Town was marginal at 18 hours and 27 hours respectively.

"I hope to see a major swing for containers destined for the Reef coming through Cape Town instead of Durban," he said.

He said Durban was running close to capacity and the swing to Cape Town would rectify any imbalances in the business activity of the two ports.

Mr Basson said foreign shipping lines were showing renewed interest in operating lines out of Cape Town harbour and four established lines had resumed full operation in the port.

Norwegian-based Wilhelmsen Lines, the Baltic Shipping Company's Besta Lines and the Italian-based Messina Lines and Portlines had so far re-established themselves in Cape Town.

Mr Basson cautioned that the international liner business would not grow larger overnight as shipping lines would initially fight rights to carry similar cargoes.

But these lines would serve South Africa strategically in the long term, he said.

He also sees an upswing in the number of visits by cruise liners to the area and A-Berth has been renovated to accommodate these vessels.

Cape Town port provides facilities (such as dry docks) for ship repair but Mr Basson admits that business has not been that good recently.

He said the development of Cape Town harbour into a terminal port would boost ship repairs.
CAPE fruit group WB Holdings (Wibhold) has disclosed a 27.9% increase in earnings to R5.4m for the year ended December.

A total dividend of 25c (1990: 21c) a share was posted and a final dividend of 18c (14c) a share declared. Sales for the year rose 29.7% to R15.3m (R11.5m) while operating income increased 46.8% to R5.3m (R4m).

WB Holdings chairman Robert Silverman said production tonnages were expected to increase this year and that prices abroad appeared firm. Good results for 1992 depended on the weather.
Farmers fear fruits of 'no' vote

MILLIONS of rands worth of canned goods are being held in storage until the results of the referendum are released, and no canned fruit has been exported for the past two weeks.

Foreign buyers have threatened to reimpose sanctions if the right-wing triumphs on March 17.

This was revealed by fruit farmers and canners in the wake of a CP referendum meeting in Robertson on Monday night.

At the meeting, fruit farmers from Robertson, Ashton and Bonnievale expressed grave concern about the effects of a "no" vote on the multi-million fruit farming industry in South Africa.

Anxious Ashton farmer Mr Johan Bruwer said yesterday he had asked the speaker, Dr Willie Snyman, Pietersburg's CP MP, how fruit farmers would survive if overseas sanctions were reimposed.

"He was unable to give a satisfactory answer," he said.

Dr Snyman said it appeared that Mr Bruwer and the fruit farmers who attended the meeting supported a government under Mr Nelson Mandela. The local fruit farmers were in the minority and most whites supported the CP, he said.

Mr Bruwer said that overseas buyers worldwide had warned they would cancel existing contracts if South Africans failed to support President F W De Klerk's reform initiatives.

"We are very concerned about the results of the referendum. About 95% of the fruit farmers in the Boland will support the State President by voting 'yes' on March 17," Mr Bruwer said.

Mr Ray Brown, managing director of Langeberg Foods Ltd — a leading food processing company in Paarl — which exports canned fruit — said a 'no' vote would be a massive blow to both the farmers and the exporters.

Exports of canned fruit are worth about R500 million a year.

Mr Louis Kriel, managing director of Unifrusco — an international marketing group for the deciduous fruit industry — said yesterday he was concerned that a 'no' vote could have major repercussions for the R1.5 billion fresh fruit industry.

He said foreign buyers were "very nervous" about the referendum outcome.
**Farm union upset at Unifruco note**

UNIFRUCO, international marketing group for the deciduous fruit industry, has upset the right-wing controlled Transvaal Agricultural Union. They are at odds over Unifruco MD Louis Kriel's issuing of a personal memo, endorsed by the organisation's 11 directors, urging producers and staff to vote in the referendum.

The union, whose president is CP MP Dries Bruwer, accuses Kriel of bluntly involving himself in politics.

The memo appears to call for a "yes" vote. In it, Kriel states that the "agricultural vote" will be observed with great interest. "Our combined horticultural industries are the biggest employer, the largest earner of foreign exchange and the biggest producer income sector in SA agriculture. It therefore makes good sense that our voice be clearly heard in all constituencies where horticulture is involved."

Kriel then sets out the consequences of a "yes" or "no" vote to Unifruco members, as he sees the matter. A majority "no" vote would earn voters an election on self-determination — and convince the world that while SA is not really serious about reform, he says. "You invite the new world order of equity, where the 'communist danger' no longer exists, to 'punish us until we listen', as they are doing with Libya and Iraq. You place expectations and aspirations of our labour force in a pressure cooker of confrontation and polarisation.

"You immediately send our growing clientele back to alternative sources in order to safeguard themselves against likely government sanctions against our products."

A majority "yes" vote, however, means the promise of democratic participation through negotiations, Kriel states. The world will be convinced that white South Africans are honest about reform — and SA and the deciduous fruit industry will be placed in line with the new world order of equity and justice.

The choice is therefore simple, according to Kriel: "If you place such a high premium on a promise of self-determination that you are willing to accept all the aforementioned consequences, you have to vote 'no.' However, if you accept the risks of a negotiated democracy, and would like to ensure the survival of your industry and its community, a 'yes' vote is called for."

In an interview with the FM this week Kriel reiterated his viewpoint: "More than 80% of the net incomes of the SA fruit industry depends on its exports. That means R3.5bn of its gross income. Add to that the approximately 500 000 people who are employed."

"Compared with gold and minerals, we in the fruit industry deal with a visible product. That is the reason why we suffered more from sanctions than other industries. However, since (President F W de Klerk's) February 2 speech in 1990 we have been playing on an even field. A change from that direction would undo everything."

Report by E. Botha, Polokwane Mail, 11 De mopulp 4, 1032.
David Gant to head Unifruco

LINDA ENSON
CAPE TOWN - Somerset West fruit farmer and DP politician David Gant has been elected chairman of Unifruco, the international marketing body of the deciduous fruit industry.

Gant is also chairman of the SA Apple & Pear Producers' Association, DP executive committee chairman and a member of the President's Council.

In a statement he forecast prosperity for the deciduous fruit industry, but said there were difficulties to be overcome, including high inflation and competition from other southern hemisphere countries.

Gant replaces Leo Fine who has retired.
Ripening quite nicely

With annual export earnings already testing the R2bn mark, doubling the figure of two years ago, the local deciduous fruit industry is actively exploring still more new markets.

Last week the first consignment of fruit for the US since sanctions were lifted last year left by ship from Cape Town. And the “yes” vote in the referendum and other positive political developments have boosted the prospects of capturing a share of the lucrative Japanese market. Another opportunity is Saudi Arabia, the world’s highest per capita consumer of fresh fruit.

The local fruit industry — comprising deciduous, citrus and subtropical fruit — earned R3,4bn on export markets last year, says Louis Kriel, MD of Unifruco, the deciduous fruit industry’s foreign marketing arm. The figure represented just over 80% of total agricultural export earnings.

He says about two-thirds of the fruit crop is exported. The country’s 12,000 fruit farmers (out of a total of 60,000) account for 40% of agricultural employment. Last year, the 5,000 deciduous fruit farmers produced 1,3m t and employed 252,000 people.

Unifruco now exports about 40m cartons of fruit annually to 40 countries, with the fruit comprising 142 varieties. The company has 40% of the EC deciduous fruit market during the southern hemisphere season, November to July.

The current strength of the deciduous fruit industry is a sharp turnaround from difficulties it faced in the post-Rubicon era, when official sanctions and “boardroom boycott” of produce closed markets around the world. About 25% of Unifruco’s traditional business was lost, including the US market.

“We lived dangerously, but we came through,” Kriel says. “Sales did not decline in any year during the sanctions period.”

Unifruco was able to survive the sanctions years, he says, because it supplied consistent-high-quality products and maintained good relations with trade in Europe. This was largely the result of a lobbying programme that included bringing clients to SA to see how the industry operated, its social responsibility programmes and its importance as a job provider.

The increase in export earnings is due partly to local fruit again being able to command a premium for quality over its main competitors. When resistance to SA fruit was at its height, Unifruco had to drop prices to the same level as its competitors to stay in the market.

But there’s little doubt that sanctions stunted the growth of the industry. Kriel admits that farmers lacked long-term confidence, but it was restored by the De Klerk reforms. “They are now ordering trees again and planting.”

The industry probably was saved by former British Prime Minister Margaret Thatcher and her German counterpart, Helmut Kohl, who persuaded the EC not to follow the US and impose mandatory agricultural sanctions.

“Had there been a ‘no’ vote in the referendum, I have no doubt that the EC would have immediately imposed comprehensive sanctions and we would have lost 80% of our market. As it was, in the run-up to the referendum all our promotions were on hold.”

Kriel believes that the referendum result boosted the prospects for market expansion more than would have been the case had political reforms simply progressed as they were.

Newly elected Unifruco chairman David Gant says that, after surviving the difficult years, the deciduous fruit industry now faces the challenge of increased competition from other southern hemisphere fruit producers.

Vice-chairman Stephanus Rossouw believes that South American producers are the greatest threat. They have a greater potential than local farmers for increasing the size of their crops and they enjoy generally better growing conditions and cheaper labour, he says. “We are preparing for an onslaught from Chile.”

Rossouw, who farms grapes at De Doorns in the Hex River Valley, still expects exports to be at least 10% up on last year. He predicts that the Japanese market will open up “any day now” and contribute significantly to the projected increase in grape exports from 14m 5 kg cases to 20m cases by 1995.
Fruit farms yield record crop

CAPE TOWN — The deciduous fruit industry had produced record crops this year and volumes should be more than 10% higher than last year, Unifruco MD Louis Kriel said at the weekend.

Unifruco is the export marketing arm of the deciduous fruit industry.

With sanctions being dropped by most countries, export markets had been buoyant and farmers were planting furiously to meet demand, he said. Fruit farmers could expect a healthy growth in gross export earnings.

In the year to end-September 1991, gross earnings from the export of fresh deciduous fruit increased by more than R100m (3.2%) to a record high of R1.4bn. Export volumes rose 4% to 35-million cartons.

Kriel said the size of the stoned fruit crop had increased significantly, while grapes, apples and pears had had a vintage year. While the volume of apples on the trees was lower, the quality had been good and wastage low. The peak selling period for apples was under way and up to a million boxes were being sold a week.

The first shipment of apples and pears to the US since 1986 would be sent in two weeks’ time, although quantities were limited and distribution would be limited to the eastern seaboard.

Kriel said the volume of grapes harvested was 15% higher than last year. Sales had been excellent, with unit prices running at about 16-15% higher than last year.

Kriel expected the gross earnings for table grapes to be up 23% on last year. A 40% increase in the size of the stoned fruit crop, including peaches, nectarines, apricots and plums, had been harvested and all of it had been sold. This was a record in terms of crop size and while there had been a slight problem with quality, about 80% of the crop had been good.

“Prices for stoned fruit have been slightly lower due to the heavy increase in volumes but gross export earnings will nevertheless be higher than last year,” he said.

With international trade opening up, demand on foreign markets exceeded what SA farmers could deliver and farmers had begun a fairly aggressive planting programme. Kriel said that by 1995, production of all kinds of fruit would have increased by about 50% over the 1991 figure.

The bigger production would be derived by replacing old orchards with new and more vigorous trees with higher yields and by cultivating new land.

Kriel said large tracts of land in the traditionally wheat and sheep-grazing area in the Villiersdorp-Riviersmond-Greyton district had been converted into apple farms. New plantings were also taking place around the Langkloof area in the eastern Cape, while there had been a dramatic takeoff in the growing of table grapes and peaches in the Transvaal.
Exports from Cape Town harbour soared by 72.3% in March to 371,839 tons compared with 215,839 in February. They were 29.1% above the 288,003 tons exported last March. Imports fell by 24.1% to 105,973 tons compared with 139,637 tons in February, and 24.9% below the 141,146 tons imported last March. Total tonnage handled at the port rose by 27.3% to 568,613 tons compared with 438,784 tons in February and 512,375 last March. The number of ships calling at the port rose to 297 in March compared with 257 in February and 289 last March.

A BUMPER fruit crop in the Western Cape was the main reason for a steep rise in exports from Cape Town harbour last month.

Exports rose to 371,839 tons in March—72.3% more than in February and 29.1% more than last March.

But port manager Rudi Basson said that there had been little increase in manufactured exports. "The rise is due mainly to the deciduous fruit season reaching its peak. Fruit exports are normally highest in March, April and May but they will continue until the end of June. They seem to be increasing every year.

"And new markets are opening up to them with the end of sanctions. A new terminal to handle the increased volumes will be in operation for the start of the next season."

Louis Kriel, CE of Unifruco—the export marketing arm of the deciduous fruit industry—said at the weekend that the first shipment of Cape apples to the US since sanctions were imposed in 1986 would leave Cape Town in two weeks time.

Kriel estimated that the volume of fruit exports would be 10% higher this year than last.

Western Cape fruit farmers achieved record export earnings of R1.4bn last year. The volume of fruit exported rose by 4% to 35m cartons.

A spokesman for Unifruco said yesterday that although it was still early in the season "the apple crop looks all right at this stage."

The crop of all fruits except plums had been higher this year. The fruit was of exceptionally good quality, which meant that a high proportion could be packed for export.

Discussing the re-opening of markets to SA, he said that Denmark, which had just lifted sanctions, was now importing Cape fruit.

Ireland was another market that had re-opened this season. "We had a tremendous welcome there. Exporting to that market is extremely rewarding."

"But we are doing well in all European markets. And the weakness of the rand against the pound is helping us in the UK market."

"The Cape Chamber of Industries (CCI) is preparing to send its first trade mission to Kenya in June.

"There is tremendous interest," said deputy director Colin Boyes, "and it has been suggested that we should send two trade missions to new markets every year."

"There are still some places available on the mission to Kenya. Manufacturers who have already booked to go represent a wide range of interests, from clothing to anti-corrosive paints, cold store refrigeration equipment and machinery for packaging milk in plastic sachets."

Boyes said the CCI was liaising with the Kenya Chamber of Commerce and Industry. "They have shown considerable interest and have supplied us with a list of their members who are manufacturers."

"We have asked them for a second list, of companies which could act as distributors for SA exporters."

Boyes considers SA exporters have products suitable for the Kenyan market, because of the similarities between the countries. "And there is a very good connection by sea between Cape Town and Mombasa."
A gold mining company is being sued in the Pretoria Supreme Court by a peach farmer, who claims the mine had caused him nearly R900 000 damages since 1988 by negligently allowing dust from a silt dam to damage his crops.

Martin Smith van der Merwe, who farms next to Western Areas, claimed the mining company had been aware of the dust problem for some time, but failed to take any steps to stop the dust from damaging his peach crops.

He said the mine had failed to plant grass on the silt dam, and allowed the dam to become dry, instead of using the water and mud to keep the dust down. The result of its negligence was a fine dust, which made his fruit unmarketable.

Van der Merwe said the damage was not limited to the loss of his peach crops over five years, but he had also been prevented from using the soil to better advantage.

The gold mine denied negligence, or that Van der Merwe had suffered any damages. Had he done so, he was also at fault because he failed to protect his crops from dust, and did not wash down the dust. The hearing continues. — Sapa.
Sweet news for citrus farmers in spite of drought

PAT CANDIDO, The Argus Bureau

PORT ELIZABETH — A bigger and sweeter citrus crop is forecast for the Eastern Cape this year in spite of the crippling drought.

Harvesting started this week and farmers say oranges are sweeter than ever. They maintain the combination of low rainfall and an abundance of sunlight has given the fruit a high sugar content.

Patonsie Citrus Co-operative general manager Mr Binky du Preez said farmers expected exports to rise by about 30 percent. The fruit was small, sweet and relatively blemish-free which made it ideal for the export market.

He said higher exports generated more income.

If 60 percent of the crop was exported, it generated 90 percent of the income, he said.

Packing of navel oranges, 50 percent of which came from the Eastern Cape, started on Tuesday.

The Eastern Cape citrus areas, the Gamtoos, Sundays and Kat river valleys produced 20 percent of country's crop. He said 45 000 tons were expected to be harvested in the Gamtoos Valley.

Gamtoos farmers, who have had their water quota cut to 10 percent of the normal supply, are desperately trying to keep the prime export crop in peak condition.

A small group of farmers in the Grahamstown area could lose their entire crop if rain does not fall soon.

Recently the South African Co-operative Citrus Exchange announced that citrus exports, which reached a record 31.5 million 12kg cartons and earned R1.1 billion last year, were set to increase by 45 percent by 1998.
CROOKES BROTHERS' diversification into orchards led to a 24% increase in turnover and 15% rise in earnings in the year ended March 1992.

Earnings a share rose to 60c (52c) from which total dividends of 21c a share were paid, up 2c on the previous year. 

Turnover rose to R44m (R35,4m) with operating income 49% higher at R7,5m from the previous year's R5,3m, but income from investments dropped 34% to R858 000 (R1,3m).

Group income before taxation was R2m, up 30% from R1,6m. Taxed income increased 15% to R7,2m.

MD Dudley Crookes said the drought had had a minimal impact on the company's farms following the diversification into deciduous and citrus fruit farming. Sugar made up less than 60% of the group's portfolio.

Crookes said although it would take years for the company's dryland farms to recover from the drought, many of its properties were under irrigation and there should be no severe impact on earnings in the coming year.

The company sold 100 000 shares in CG Smith to buy a deciduous fruit farm in the Western Cape. This, together with the distribution of CG Smith shares to shareholders in August 1990, resulted in a reduction of investment income to R4,8m from R5,4m.
Farmers giving away avocados to the hungry

3/6/92

Avocado pear farmers in the Tzaneen area, who normally export 80-90 percent of their crop, have found that this year — because of the drought — many of the fruits are too small for export.

With tons of surplus avocados on their hands, the farmers have decided to give them to the hungry.

The farmers emphasise that the fruit, of the popular American Hass variety (which turns a purplish-black colour when ripe) is in perfect condition and contains all its nutritional value.

The Star, in conjunction with the Paradise Fruit company in Tzaneen (which represents a large number of farmers) and with the help of Allied Publishing of Johannesburg, is arranging for the free distribution of avocados, starting tomorrow.

Trucks are picking up the first load of 8 tons from Tzaneen today and will transport it to Johannesburg.

Depending on the demand from organisations and the public, The Star will continue to help with distribution of the free avocados.

Charitable organisations wishing to collect fruit will have to arrange transport to pick it up. They are asked to phone The Star’s Promotions Department on 633-2724.
Citrus bodies set up new export arm

By Roy Cokayne

An operating and export marketing company, Outspan International, has been formed by the Verwoerdburg-based South African Co-operative Citrus Exchange (SACCE) to handle all aspects of southern Africa’s citrus exports.

These include marketing and distribution to 40 countries around the world.

Outspan International chief executive Dr Douglas Stanton said the new company would give exporters a greater involvement through their direct shareholding in the company.

The new company would aim to increase citrus exports to existing and new markets through a total market approach.

"The company will look after every aspect of exporters’ interests, make additional avenues of finance available and link southern Africa even more firmly to world scientific research into production of even higher quality fruit."

This year it was looking at total exports of 34,4 million 15kg cartons of citrus products — four percent more than last year and an all-time record — and the export crop was forecast to grow by about 40 percent by the turn of the century.

Establishment of the company was prompted by the changing business environment, which had clearly demanded a review of the way in which the southern African citrus industry approached its global market.

The three-tier structure now established included the Citrus Board with its statutory role, SACCE, which would be the policy-setting forum, and Outspan International, the operational and marketing organisation.

To address the issue of seasonality, the citrus industry had concluded a co-operation agreement with Unifruitco, the parent body of the deciduous fruit industry in South Africa.

In terms of this agreement, the overseas branches of Outspan International and Unifruitco in England would be in the same building and all corporate and support services common to the two industries would be handled by the staff of a new company, Fresh Fruit Services.

This company would be controlled from South Africa through Fresh Fruit International, owned jointly with equal shareholding by Outspan and Unifruitco.

But each industry would still undertake its own marketing.

"This rationalisation of activities will optimise the use of existing infrastructures and expertise and further help to reduce costs and improve productivity to the mutual benefit of the two industries," Dr Stanton said.
Fruit and flower boom in exports

Business Staff

THE Cape's horticultural industries are on the brink of dramatic expansion with markets opening up all over the world, says Mr Louis Kriel, managing director of Unifresco, which exports more than R1.4 million of deciduous fruit a year.

"These industries will see exports reach R4 billion in the next year or so," he said in Cape Town last night at the presentation of the Weekend Argus/Cape Chamber of Industries annual awards for exporters.

The Exporter of the Year trophy went to Mac-Adams Manufacturing. The other finalists in the competition were Libra Sales, Louvreflex Agencies, Swartland Boudienste and Unifresco.

Mr Colin Boyes, deputy director of the chamber, said the award showed that a small company showing a dramatic increase in exports could compete against the giants.

In his address, Mr Kriel urged the Cape's business and community leaders to draw up a "Cape Action Plan".

At a time when most South Africans were holding their breath in uncertain anticipation of renewed confrontation, mass action and street politics, the Cape wanted to tell the outside world: "Hold it, we have a dream that can come true."

He said the action plan should first ensure that someone in the administration took charge of finding and implementing fair but firm solutions to the pressing squatter problem.

The action plan should enhance a business atmosphere of growth and confidence.

An atmosphere of real reconciliation should also be promoted, he said.

*See page 22.*
Tomatoes dumped as market slumps

By Bronwyn Wilkinson

Representatives of more than 30 charities yesterday lined up in Johannesburg to fill their boxes and shopping carts with undersized avocado pears transported by The Star from the lowveld.

At the same time, discarded tomatoes littered fields near Tzaneen.

Johan Strydom, who travelled in the area at the weekend, said tons of tomatoes had been discarded in the fields where they had been picked.

“It looked like a red carpet had been rolled out on either side of the road,” he said.

He believed the fields belonged to Bertie van Zyl, a large tomato producer. However, a spokesman for Mr van Zyl’s company, Zet Zet Twee, said he was not aware of tomatoes being discarded.

A spokesman for the Northern Transvaal Co-op, who asked not to be named, said he knew tomato farmers dumped undersized fruit when the market price was too low.

Avocado pear farmers in the lowveld approached The Star last week about donating their surplus fruit to charity. The fruit, they said, was too small for export.

The second load of 8 tons was handed out to charity workers in Jan Hofmeyr, Johannesburg yesterday.

Letitia Potgieter, of the Department of National Health and Population Development, who collected the fruit for squatters at Orange Farm, south of Johannesburg, said the donation was “great”.

The Star will continue to publish details about the distribution of future avocado pear consignments.
of the last listed investments brought the rise in pre-tax earnings back down to 32%.

The balance sheet is strong. There’s no long-term debt and overdrafts of R172 000 were comfortably below R2m cash on hand.

To attempt to predict what results may stem from this year’s good crop is hazardous. However, Silverman points out that 1992 fruit crops in Chile and New Zealand have not come up to expectations.

Moreover, stocks carried over from 1991 of apples and pears in the northern hemisphere are below normal. Prices there are holding well, which bodes well for exports. Reading between the lines of trees, 1992 should be another good year.

At 615c, the share appears fairly priced, given the risks associated with farming. But if this year’s crops sell well and especially if the rand weakens, the counter could prove a real plum in any portfolio.

Gerald Hinke
Clothing, textile industry development investigated

CAPE TOWN — Board on Tariffs & Trade deputy chairman Helgaard Muller and a delegation of clothing and textile industry representatives have just returned from investigating development programmes in the Far East.

Muller sets off next week for a similar tour of Europe.

He said yesterday he had formed strong views about what the SA clothing and textile industries needed but was not willing to disclose these.

Textile Federation executive director Brian Brink said Thailand’s development programme for the clothing and textile industries was based on the initial increase and subsequent phasing out of ad valorem duties, much along the lines of the Board of Trade & Industry’s (Bti) August 1991 proposals.

Muller said the board had been inundated with submissions on the interim tariff and quota proposals promulgated on May 1. The board would attempt to sort out an interim solution within two weeks of the closing date for submissions next week.

National Clothing Federation executive director Henkie van Zyl said there had been strong reaction against the proposals. The federation had recommended the Hatty proposals be scrapped in favour, preferably, of the status quo prior to May 1 or alternatively in favour of the BTI proposals.

Van Zyl said the uncertainty in the industry was bordering on chaos as local textile mills were unable to meet the needs of clothing manufacturers.

He said SA’s trading partners had all expressed opposition to the country’s reversion to protectionist policies.

Many boat owners underinsured

MANY boat owners are finding themselves underinsured because of the rapidly escalating prices of small craft.

PPV Special Risks deputy MD John Pile said boat owners should not wait for annual policy renewals to reassess replacement values.

Santam Marine division spokesman Petra Fordyce confirmed boat prices had risen dramatically in the past few years, and brokers were not always aware of the high replacement cost of small craft. She recommended boat owners should re-assess their policies every six months, saying the average claim on a small craft was now R5 000.

Lindenberg Marine’s Bill Lindenberg said boat prices had gone up by at least 5% since January, adding the price of small engines was affected by the weak Rand/yen exchange rate.

Undercover insurance brokers spokesman Julian Dreyer suggested that boat values should be standardised — as with motor car “book” values — for accurate valuation.

Mick Ellingham

New company to market SA citrus

SA citrus producers could look forward to bigger profits and greater visibility as a result of Outspan International, the newly created private marketing arm of the SA Co-operative Citrus Exchange (Sacce), a spokesman for the company said yesterday.

Outspan has assumed the overseas marketing and promotion of citrus fruit formerly handled by Sacce.

He said Outspan would operate as the only local overseas marketer of citrus products under protection of the single-channel Marketing Act.

However, the long-term goal was “voluntary participation”, whereby the Act would be eliminated.

SA exported approximately 60% of the crop. Producers should choose what they did with the remaining 40%. Industry sources said if world market prices for export concentrate were higher than local fresh prices, farmers could choose to export.

Outspan CEO Douglas Stanton said the new infrastructure would make marketing and distribution more efficient.

Stanton said political changes in central and eastern Europe and the dramatic economic development in the Far East could open new markets for citrus.

And the expanding EC market could also provide opportunities for SA producers.

While SA was only the sixteenth largest producer of citrus fruit in the world, it was the fifth largest exporter. Stanton said Outspan would help the industry maintain its competitive edge.
Da Gama hopes tied to lower imports

DUMA GQUBULE

TEXTILE manufacturing company Da Gama is hoping to maintain its earnings in the coming financial year. But this will be a difficult task if competition from imports increases and the economy continues to shrink, CE Harry Pearce says in the company's 1992 annual review.

In the year to end-March the SAB subsidiary reported a 29% decline in attributable earnings to R18m, or 58,9c a share. The total payout came to 25,5c (1991: 38c) a share.

Chairman Laurie van der Watt said wide-ranging action was needed to bring about a significant reduction in the level of imports and help revitalise the local textile manufacturing industry.

He said imports had climbed to new levels during the past year. Imported fabrics now accounted for 40% of the SA market, again illustrating that import duties in place during the past year were insufficient to protect the local industry against cheap imports from subsidised manufacturers in foreign countries.

He said it was heartening that steps in this direction were now being taken. The government had decided to implement certain short-term measures concerning the importation of a wide range of textiles and clothing.

Export zones report out

AN IDC report on the establishment of export processing zones has found that local and regional development authorities and the private sector should be allowed to develop them.

Released yesterday, it recommended the authorities and private sector should have freedom to develop the zones with state financial assistance. The report was commissioned by the Trade and Industry Department.

Director-general Ste Naudé said the zones could be achieved by offering customs-free import facilities, creating a favourable business climate and limiting regulatory restrictions and bureaucracy.

"The IDC defines an export processing zone as a demarcated geographical area specialising in the manufacture of export products," Naudé said.

The IDC also said EPZ's served a dual purpose, namely to create employment opportunities and to earn foreign currency by exporting manufactured goods.

Fruit farming group positive about results

CAPE TOWN - Decisive.BLIND "frid" fruit farming group WB Holdings was reasonably optimistic about results for the year to end-December, 1992, chairman Robert Silverman said at its AGM yesterday.

Predictions were difficult because fruit exports were en route to Europe and the company did not know what prices they would fetch. Silverman said profits and dividends would not be less than last year when earnings increased by 27% to 57,95c (45,28c).

In the latest annual report Silverman said opening prices were higher than in 1991 due to Chilean and New Zealand fruit crops being lower than expected. Also, the European carryover stocks of apples and pears from 1991 were lower than usual and this had placed pressure on the marketplace.

Although fruit volumes were higher this year, the quantity available for export did not rise commensurately due to the high quality product demanded by the export market.

"The total crop of the group's farms is about 12% up on 1991 but unfortunately a large proportion of the fruit is rather small and not exportable," Silverman said.

He said at the AGM that another problem was SA's high inflation compared to the low rate overseas which made it difficult to keep pace with costs in what was a labour intensive industry.

Choice brings down losses

DCM-listed Choice Holdings has disclosed a net after-tax loss of R24,000 for the year ended February 1992 on the back of a 13% increase in turnover. This follows a R1,3m loss in 1991.

The company — which processes and distributes meat products and other foodstuffs — reported attributable losses of R290,000 resulting in a loss per share of 72c. Last year the company's attributable loss was R1,8m which resulted in a 180c loss per share.

Choice MD Johnny Limberopoulos said: "The year's results were affected by the continuing difficult trading conditions."

He said the company's improved results were a result of the rationalisation which had occurred during the year.

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Fruit farming group positive about results

CAPE TOWN — Deciduous fruit farming group W B Holdings was reasonably optimistic about results for the year to end-December, 1992, chairman Robert Silverman said at its AGM yesterday.

Predictions were difficult because fruit exports were en route to Europe and the company did not know what prices they would fetch. Silverman said profits and dividends would not be less than last year when earnings increased by 28% to 57,92c (45,26c).

In the latest annual report Silverman said opening prices were higher than in 1991 due to California and New Zealand fruit crops being lower than expected. Also, the European carry-over stocks of apples and pears from 1991 were lower than usual and this had placed pressure on the marketplace.

Although fruit volumes were higher this year, the quantity available for export did not rise commensurately due to the high quality product demanded by the export market.

"The total crop of the group’s farms is about 17% up on 1991 but unfortunately a large proportion of the fruit is rather small and not exportable," Silverman said.

He said at the AGM that another problem was SA’s high inflation compared to the low rate overseas which made it difficult to keep pace with costs in what was a labour intensive industry.

New plantings had been progressively undertaken, he added. In the annual report Silverman said increased water allocations from the Theewaterskloof Dam meant W B Holdings could develop an additional 200ha of orchards instead of the 100ha planned.
‘There is no point if you’re eating poison’

YOU don’t have to eat poison along with your fruit and vegetables. Educated consumers can demand organically grown produce if they don’t have the time or inclination to grow their own.

Organic agriculture is still marginal in South Africa, mostly because of ignorance, says Har Bjan, owner of a Yeoville health food shop.

“Consumers are unaware of the many health and environmental benefits of organic agriculture, so they don’t insist on it,” says Har Bjan.

His shop stocks more produce than he can sell.

And while organic produce has a reputation for being expensive, in reality this is underserved. At current prices, much of Har Bjan’s organic produce is cheaper than supermarkets.

And if you compare apples with apples, quality-wise his product is superior, he says. Even after the carrots and the lettuce go soft, a little cold water firms them up and they still have all the benefits with none of the disadvantages of chemically grown food.

“I wonder what is going to stop people from raping and plundering this earth. We all pay the price,” Har Bjan says.

Organic farmer Phina Milner uses her own earthworm humus to produce organic fertiliser to grow vegetables on a farm 15 km outside Brits.

Her rows of 10,000 spinach and 20,000 lettuces and cabbages are interplanted with garlic and onions "to prevent gogga attacks without using any poisons whatsoever”.

Ms Milner hopes to market her produce to supermarkets at no extra cost to the consumer.

She would be happier to produce the goods cheaper than produce grown with chemicals, but "the middle man is greedy".

“The Cancer Association is always telling people to eat more fruit and veggies, but what’s the use if the food is grown in nutrient deficient soil with chemical fertilisers and poisons?” she asks.

When chemical fertilisers are used, the plant goes into a "state of unnatural growth". Amino acids are produced so fast, says Ms Milner, that the plant cannot convert it into protein fast enough. These loose acids are food for insects.

The more food there is available on a plant, the more "goggas" you get. The walls of the plant become thinner and more susceptible to disease and fungal attacks.

“You can’t grow food chemically without poisons to control the insects,” she says.

When food is grown organically, the plant uses what food it needs to grow. Metabolically it is healthier and stronger, with more resistance to insect and sickness attacks.

Ms Milner would like to see all vegetable and fruit farmers converting to organic methods.

“I can prove that if they stop using poisons, they won’t lose money.”

But Bill Smit, technical manager of a company that manufactures garden-care products, says pesticides are safe depending on how they are used.

“Unfortunately we cannot rely solely on the natural rules of balance in nature as a basis for plant protection. Chemical protection offers a proven, reliable solution – if correctly applied,” Mr Smit says.

Products recommended for use on edible crops always stipulate the safe waiting period to be followed between product application and harvesting, to eliminate the risk of undesirable toxic residue.

“Pesticides must necessarily contain ‘toxic substances’, be they natural or chemical, to kill undesirable insects and control plant disease or weeds,” he says.

Pesticide manufacturers spend millions of rand researching and developing products capable of controlling problem areas while posing the least possible threat to the environment.

All pest control products sold in South Africa are required by law to be registered with the Department of Agriculture and also screened by the Department of Health.

Registration is granted only once extensive trials have proved that the product is effective for controlling specific insects or disease, and that it is safe when used according to instructions, Mr Smit says.
CAPE TOWN — Unifruco has lashed out at the Competition Board’s investigation into its alleged monopolistic export practices, saying the company acted as only one of 14 international export agents appointed by the Deciduous Fruit Board (DFB).

Unifruco is SA’s biggest exporter of deciduous fruit, concentrating on the British, European and Far East markets.

MD Louis Kriel said yesterday that it was the DFB which administered the deciduous fruit scheme and issued export permits. Allegations of a monopoly would have to be laid at its door.

He also criticised the Competition Board’s apparent ignorance of the way the export industry operated.

Kriel added, however, that he and “99.9%” of deciduous-fruit farmers were in favour of the single-channel export-marketing system as this prevented purchasers exploiting the competition between suppliers to get lower prices.

Farmers had the right to decide how to sell their product, he said.

Meanwhile, in a further development, ATEX Exporters MD George Jaumain sent a letter to Competition Board chairman Pierre Brooks yesterday calling for a liberalisation of Unifruco’s operations to open up the African market to other exporters.

Brooks said other exporting companies and smaller deciduous fruit producers had also complained about Unifruco’s monop-
Juicy future for fruit industry

CAPE TOWN — The deciduous fruit industry is anticipating an increase of about 20% in sales revenue to R1.7bn (R1.4bn) this year, which will offset to some extent the importation of agricultural foodstuffs such as maize.

The total deciduous fruit crop is 18% larger than last year with all fruit types, except plums, showing an increase in volume. International prices of apples have been particularly good due to the world shortage, Unifruco public affairs manager Fred Meintjes says.

An estimated 41-million cartons of fruit, including apples, grapes, pears, peaches, plums and apricots, will be sold on world markets — far more than the 19-million cartons sold in 1986. The target for 1987 is 30-million cartons.

The Deciduous Fruit Board (DFB) and subsequently Unifruco as its export arm, have been credited with doubling export volumes in the years despite the closure of the international doors of trade because of sanctions. In 1987 the export functions of the DFB were transferred to Unifruco which is the sole export agent of deciduous fruit for the US, UK, European, Middle East and Far East markets.

The closing of the export market meant that the major impact of the lifting of sanctions was initially felt on prices rather than volumes, though these too would increase. SA fruit is presently being sold for the first time in the US whereas before sanctions the US locked 2.3-million cartons of SA fruit. It would take some time for this market to fully recover, Meintjes said.

The single channel marketing system which reigns in the deciduous fruit industry has come under the Competition Board’s spotlight recently, but Meintjes said it allowed producers to present a united front to buyers who would otherwise exploit competition between producers to drive down prices.

SA fruit was able to command a 30% higher price than Chilean fruit at the recent single channel marketing system meetings.

Experience in other countries shows that when the single channel system is dissolved, the country concerned loses its international competitiveness,” Meintjes said.

Growers

Also, he said, the system was more cost effective, with administration costs — equivalent to an agent’s commission — representing only 2% of turnover. Whereas growers only received 49% of the gross selling price in the early 1980s, they now receive 60%.

Unifruco did not retain any profits — it only acted as agent on behalf of the 1 650 fruit growers who were its shareholders and whose representatives sat on its board. It also sold non-shareholding growers’ fruit.

To make maximum use of its infrastructure Unifruco has taken on the export of non-deciduous fruit such as melons and pineapples, as well as vegetables, a step which has raised eyebrows at the Competition Board as possibly contravening its governing statutes.

Meintjes said the company’s marketing and distribution infrastructure provided a tremendous opportunity to expand the fruit basket offered. Use of the infrastructure was also being made by Vinfruco, a company formed by Unifruco and a group of Stellenbosch wine farmers for the export of wine.

Furthermore, Meintjes said Unifruco was working closely with the Citrus Exchange which recently established a private company, Outspan International, similar to Unifruco.

A programme of co-operation had been agreed upon and a jointly owned service company, Fresh Fruit Services based in the UK, had been established to provide distribution, technical, financial and data processing services to both exporting groups. Joint use was also made of selling agents and regional associations.

As the two fruits had different seasons, cooperation would facilitate a more efficient use of their infrastructures, Meintjes said.

He said the initiative had enormous potential to cut costs, especially as it combined the bargaining powers of the deciduous and citrus industries in negotiating freight, and other rates would be strengthened. Jointly the two fruit industries would export 70-million cartons of fruit.

The deciduous fruit industry is in a growth phase with intense planting under way to take advantage of the tremendous demand for SA fruit now that it is acceptable to have the Cape label displayed in supermarkets.
Fruit exports are subject of complaint

LINDA ENSOR
CAPE TOWN—Four firms exporting food to Africa took complaints about the permit system operated by the Deciduous Fruit Board to the Competition Board yesterday.

Commerce Afrique Director Maurice Hall, Aflex Exporters' Georges Jau- main, and representatives from Sikisa Trading Corporation and Lala Govan met board chairman Pierre Brooks.

The Competition Board has launched an investigation into the monopoly of the Deciduous Fruit Board's export arm, Unifruco, over deciduous fruit exports.

Hall said the exporters objected to the system in terms of which only one permit was issued for each country. They objected also because one small firm, Kallos Exporters, had the permit for most of Africa, and Unifruco had taken over the permit for the Reunion, Seychelles and Mauritius market.

Hall said the only way his firm could export fruit was to pay a company which had a permit, for use of that permit. Exporters wanted a free market in fruit exports.
Water cuts hit fruit growers in N Tvl

By Dirk Nel
Northern Transvaal Bureau

TZANEEN — Fruit and vegetable farmers in the Letaba district have had their water quotas slashed, and the impact on supplies to Transvaal markets could be severe.

The step was taken due to the rapidly falling level of the Fanje Botha Dam in Tzaneen to 26 percent full, a Letaba Co-operative spokesman said. Most affected were citrus, bananas, avocados and tomatoes. Banana supplies, in particular, could fall by 38 percent.

The Tzaneen district produced about 40 percent of South Africa’s avocados and bananas, but the long drought had made it necessary to halve farmers’ irrigation allocations.

Mango industry executive Guy Matthews said he thought mango producers would remain afloat, as irrigation of these trees continued into the rainy season due to begin next month.

Despite the crisis, prices at several roadside stalls are very competitive.

High-quality oranges are available for as little as R5.50 a bag and potatoes are advertised at around R14 per 10 kg bag. Some producers are offering bananas at less than R1 a kilogram.

Several farmers said they would not be able to supply city markets as long as the drought lasted, but would aim for bulk disposal at low prices in the northern areas and country towns.
CAPE TOWN — Undersized fruit pulled down export volumes of fruit producer WB Holdings and contributed to a 9% drop in earnings in the six months to end-June.

The interim dividend was maintained at 7c on lower earnings of 20c (22c) a share.

WB Holdings' total fruit crop in the 1992 season was about 17% higher than last year, but a lot of the fruit was unsuitable for the export market, which represented 60% to 70% of group turnover, financial director Ben Ricketts said yesterday.

Turnover fell 9.7% to R6,7m (R7,4m) but the operating margin was maintained at 28% as a result of exceptionally good prices fetched for early apple varieties, such as Golden Delicious and Starking.

But prices for later Granny Smiths had dropped dramatically and continued to weaken since May as a result of the recession and better international crop.

Chairman Robert Silverman cautioned that earnings for the full year were expected to be "considerably less" than in 1991. But Ricketts stressed that a final dividend would be paid.
Durban upgrade as citrus exports boom

OUTSPAN International, the export marketing arm of the SA Co-operative Citrus Exchange, has announced plans to upgrade its precooling facilities at Durban harbour, in response to an anticipated 40% increase in citrus exports over the next four years.

An exchange spokesman said the upgrade, to be completed by April 1993, would cost R22m and increase the facility's capacity by over 50%.

Export volumes, at 52m cartons for this year, had nearly doubled from last year's total of 17m cartons.

He said there had been steady growth in demand for SA citrus fruit from consumers in Europe, the Far East and North America.

Citrus farmers had been relatively unaffected by the drought as most crops were under irrigation. Over the past few seasons, farmers had been planting more and more trees which should come into production in the next five years, the spokesman said.

In addition, due to trouble in Mozambique's Maputo harbour, citrus fruit from Swaziland as well as the northern and eastern Transvaal had been diverted to Durban for shipment overseas, increasing overall throughput dramatically.

He said while exports could increase by 40%, any increase in earnings would be difficult to predict.

"We are dealing with a commodity market where no two years are alike," he said.

In addition to the upgrade, Outspan's Durban facility would become a 24-hour operation by next April to cope with the burgeoning supply of fruit.
Food aid demand increases

Drought, political violence and economic woes have swelled the number of families seeking food aid from Operation Hunger, executive director Ina Perlman said in her report for the financial year.

Mooting demands for relief aid had forced the organisation to reverse its principle of independence and accept financial assistance from government, Perlman said.

Under government’s R220m hunger relief programme, Operation Hunger had received R10m “after a five-month battle”.

Perlman said a steady slide in the economy, increasing unemployment, retrenchments on the mines, violence and the return to rural areas of people fleeing warfare had swelled numbers seeking assistance.

“It is worse, much, much worse than we anticipated,” she said.

“Field trips are journeys of discovery into previously uncharted depths of misery, human suffering and want.”

Perlman said the organisation would have to halve its rations in September, knowing this would affect more than 2-million people.

In the northern Transvaal, which has been devastated by drought, 369 000 people were receiving food aid. “Prospects are frightening,” regional director Johann Rissik said in his report.

Rissik expected an increase of between 20% and 60% in numbers seeking relief from Operation Hunger.

The organisation was feeding 250 000 in the Free State, 369 000 in the eastern Cape and Border region and 102 000 in the western Cape.

In Transkei, Operation Hunger was feeding 70 000 children at 350 schools and creches.

About 60 000 people threatened with starvation were waiting to be placed in feeding schemes in the eastern Cape and Border, said regional director Clynus Baer.

The drought had also affected vegetable-growing schemes started by the organisation in Hammanskraal, Mafikeng, Rustenburg and the Free State.

Deputy director for relief and development Mpho Mashimini said that of the large-scale agricultural schemes started a year ago, 1 000 farmers in KwaZulu had a chance of yielding 30% of their harvest.

“It is no longer a case of partial intervention. All intervention must now be 100%,” he said.

Perlman said: “Central to all our thinking these past 12 months has been that hugely increased relief must be linked to long-term development.” — Sapa.

Public transport revamp facing many challenges

PRETORIA — Lack of development finance and an urbanisation strategy were two barriers in the way of solving the problem of an adequate public transport system in the PWV, TPA MSC director Ahmed Arbey said yesterday.

He said a public transport study by a consortium appointed in 1980 by the TPA was on course and more than 200 problem areas had been identified. Among them were the poor quality of public transport services and facilities, lack of co-ordination, unplanned development, and the fact that only certain public transport modes received subsidies.

Arbey said the challenge facing transport planners in the PWV area was to provide public transport for a population of 12.8-million people in an urbanised area of 210 000 hectares by the end of the century.

The population of the PWV increased from 7-million in 1985 to 9-million in 1991. A projected rate of increase of 3.8% a year would increase it to 12.9-million by 2000.

Provision would, therefore, have to be made for an increase in the transport requirements of 3.8-million people over the next eight years.

“The picture looks bleak if all the associated social costs are taken into account.” Arbey said it was important to acknowledge transport was as

Fruit and greens earned R1,51bn

SA FARMERS sold 27-million tons of fruit and vegetables worth R1,51bn at 15 markets across the country in 1991, producer representative Philie van Zyl said at the SA Agricultural Union fresh produce conference yesterday.

This represented an increase in volume of 1,6% a year.

About 20 000 producers traded at fresh produce markets, generating about 17-million transactions a year.

Producers wanted fresh produce markets “in every centre” and existing markets expanded.

Johannesburg City Council informal trading chief officer Dinkie Pillay told delegates the informal sector accounted for 15% of GDP and employed about 35% of the labour force.

Phile said the informal sector provided significant opportunities which could be exploited by businesses and farmers.

Meanwhile, the Milk Producers’ Organisation decided at its annual meeting in Port Elizabeth yesterday that the industry needed selective deregulation.

MPO chairman Boy Blackenberg said a working committee had been established to investigate the long-term effects of deregulating the industry.
Unifruco exports at new record volume

PRETORIA — Unifruco exported a record 40,5-million cartons of fruit in the 1992 season — the organisation's tenth consecutive year of growth in export earnings and producer payments, chairman David Gant said yesterday.

He said this was achieved despite difficult international marketing conditions.

Gross export earnings jumped 18% to a record R1.86bn and producer payments rose by 14% to R978m.

Gant said marketing conditions for most fruit kinds were good, but the apple market collapsed towards the end of the season resulting in the dumping of millions of tons of competitive fruit.

Although international conditions for SA products had almost been normalised, the business climate had deteriorated dramatically and Gant warned producers that marketing conditions were likely to be tough in 1993.

There were, however, positive developments, such as re-entry into the markets of the US, Ireland, Finland and Denmark, as well as openings into the Far East for SA deciduous fruit for the first time.

Gant said Unifruco contributed almost 40% to the country's export earnings from agricultural products.

Good progress was made with the implementation of the co-operation agreement between the deciduous and citrus industries. Joint bargaining resulted in large cost savings.

Unifruco MD Louis Kriel said the present surplus of almost all kinds of fresh produce on the European market could continue for some months.

However, the long-term prospects for the industry remained favourable.
Record pay-out for Cape fruit farmers

BY AUDREY D’ANGELO
Business Editor

WESTERN Cape fruit farmers will share a record pay-out of R978m — 14% more than the R861m paid out to them last year — in spite of the recession in their main export markets and an oversupply in Europe.

The total volume of soft fruit, apples and pears exported by about 2,000 growers was 19% higher than last year. Gross export earnings were 18% higher at R1.66bn — almost double the 1989 figure.

But Unfruco chairman David Gant, announcing these results yesterday, said over-supply when SA exports competed with a good European crop and fruit from South America caused a collapse in the apple market towards the end of the season.

This resulted in “the dumping of millions of tons of competitive fruit at considerable losses, and significant reductions in net farm income for SA apple producers.”

MD Louis Kriel said the present surplus of almost every kind of fresh produce on the European market could continue for months. And competition from South America was increasing.

“However, the long-term prospects for the industry remain favourable and growers should continue to expand in market-related production.

“Better eating quality and higher quality products, along with the discipline of a single-channel operation, are the only guarantees to overcome the present difficult situation,” said Kriel.

The prospects for next season’s crops were good. Wind damage in recent storms was limited to certain isolated areas.

Kriel said Unfruco was ready to make the most of new opportunities opening up in Europe, North America and the Middle East. It would spend more than R30m on publicity and promotion in 1993.

David Gant said marketing conditions had been good for all kinds of fruit until towards the end of the apple season.

But, he warned, “few people realise the full extent and impact of the present world recession. Although the playing field for SA products has almost been levelled, the business climate has deteriorated dramatically.

“Here are, however, some positive developments such as the re-entry into the markets of the US, Ireland, Finland and Denmark and the opening of the Far East to SA deciduous fruit for the first time from January 1, 1993.”
Bananas not thrown away

The Banana Board has rejected accusations that bananas are being thrown away.

In a statement, the board also said an in-depth investigation into the board's restructuring was expected.

In terms of the Marketing Act, buyers may not purchase bananas outside the production area and sell them without the mediation of the Banana Board.
Banana Board threatens to end rebel farmer’s sales

THE northern Transvaal farmer who has been bypassing the Banana Board and selling his fruit direct to dealers was warned by the Banana Board yesterday that his activities would be stopped.

But Vincent Lyons of Lyons Fresh Fruit claimed that by bypassing the board he was passing on savings of up to 30% to retailers and wholesalers.

“I have been selling the fruit from the farm, which is in a non-controlled area,” Lyons said. He added that it was at the discretion of his customers to illegally move the bananas into the controlled areas.

Producers are obliged to market bananas through the board, which determines the producer price. The board regulates the sale of bananas in controlled areas, while farmers are free to sell their produce independently in the non-controlled areas.

As a result of Lyons’ efforts, consumers, retailers and wholesalers in the northern Transvaal have been buying bananas at bargain prices relative to the rest of the country, according to Pick ’n Pay food merchandising director Sean Summers.

Lyons said he had been able to supply the fruit to the trade for 30% less than the board, allowing Pick ’n Pay customers in the northern Transvaal to pay R1,58/kg as opposed to the Johannesburg price of R2,39/kg.

Although the board’s price for a 20kg carton was quoted at R28 last month, several farmers claimed they received only R12,55 a carton.

“Even if the board spent R3 for transport, R3 for cartons, R2 for ripening and R1 for administration expenses, we have still received R7 too little,” said farmer Roy Plath. Farmers could not afford those losses and could do better while passing savings to the consumer.

Banana Board GM Ottie Fourie said farmers had received close to R20 a carton.

“High prices have resulted from the retailers marking up the bananas 70%-80% above the board’s selling price,” Fourie said.

Lyons said he would double his business if allowed to trade freely. “I would also be able to help the smaller farmers by ripening and marketing their bananas for them.” He said he could pay small farmers 30%-50% more for their fruit than the board could offer.

Lyons and Plath said direct marketing should be legalised.

“Farmers who produce better quality bananas would be able to get more than the farmer who does not look after his bananas,” Lyons said. At present all farmers receive the same price regardless of quality, he said.

Fourie said the board had been investigating the possibility of deregulating for the past six months. “Various options are being evaluated to find a balance between the uncontrolled movements of products within a free market system and the stability inherent to a one-channel marketing system.”