

GENERAL AGREEMENT ON TARIFFS AND TRADE

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STATE TRADING

Notifications Pursuant to Article XVII:4(a)

Addendum

SOUTH AFRICA

I. Enumeration of State-trading enterprises

At present the only South African enterprises which can be regarded as covered by the provisions of Article XVII are marketing boards concerned with the marketing of certain agricultural products.

Marketing boards exist for the following products:

1. Bananas
2. Bush tea
3. Chicory root
4. Citrus fruit for export
5. Dairy products, i.e. butterfat, butter, cheese-milk and industrial milk
6. Deciduous fruit, i.e. apples, apricots, grapes, peaches, pears and plums
7. Dried fruit, i.e. prunes and dried vine fruits
8. Dried beans (main varieties produced)
9. Eggs
10. Fresh milk (Cape Town, Witwatersrand, Pretoria, Bloemfontein and the Western Transvaal)
11. Livestock and meat
12. Lucerne seed
13. Maize and grain sorghum
14. Oilseeds, i.e. groundnuts and sunflowerseed
15. Potatoes
16. Tobacco
17. Winter cereals, i.e. wheat, oats, barley and rye
18. Canning peaches and apricots
19. Mohair
20. Karakul

II. Reason and purpose for introducing and maintaining State-trading enterprises

The reasons and purposes for introducing and maintaining the various marketing schemes may be summarized as follows as will be seen from the notes supplied below on each scheme:

- (i) to achieve a measure of stability for the producers concerned;
- (ii) to facilitate the marketing of the crops concerned; and
- (iii) to ensure sufficient supplies to consumers at reasonable prices either from local production or importations.

III. Description of the functioning of the State-trading enterprises

A. The specific schemes

1. The Banana Board is concerned virtually exclusively with the marketing of bananas in the domestic market. Whereas the Board has in recent years sold the bulk of the supplies on auction markets in the main urban areas, the Board has decided to revert to its previous method of sale, i.e. selling the bulk of supplies on a direct basis to the trade at prices fixed by the Board from time to time, in the light of the existing supply and demand position. The system of pooling of proceeds according to grade has been maintained. Imported supplies are treated on a par with domestic supplies. Furthermore, the Board has also decided to erect its own ripening facilities in two urban centres (namely Germiston and Pretoria) and sell ripe bananas to the trade at prices determined by the Board from time to time.
2. The Bush Tea Board sells an indigenous type of tea on behalf of producers on a pooling basis. Beyond selling tea to packers there is no control and the commodity is of no importance in international trade. Before establishment of the Board producers were largely at the mercy of one large packer who could determine prices.
3. The Chicory Board sells chicory root on behalf of producers to coffee roasters. An advance price is paid to producers and a subsequent payment is made depending upon the ultimate realization for each crop. Three large coffee roasting firms use about 70 per cent of the chicory root and the Board ensures equitable treatment for all producers. The Board has nothing to do with imports of coffee beans nor with the trade in prepared coffee or coffee and chicory mixtures.

4. The Citrus Board exports oranges, lemons, grapefruit and tangerines on behalf of producers on a pool basis. The disadvantages arising from several thousand producers competing amongst themselves on overseas markets are thereby avoided. The export fruit handled by the Board is usually sold by private treaty through overseas representatives on a commission basis. The scheme is therefore maintained to achieve the benefits derived from co-ordinated marketing.

With the latter object in view the Board has also been empowered to act as a one-channel marketing organization for virtually all citrus fruit intended for domestic consumption. As in the case of overseas markets the Board utilizes existing trade channels in disposing of fruit received from producers.

5. Dairy products being considered an essential foodstuff, the dairy products scheme is devised so as to ensure a steady supply of these products at reasonable prices to consumers.

The Dairy Board controls, with approval of the Minister of Agricultural Economics and Marketing, the producer prices of butterfat and industrial milk.

The Board is the sole first-hand buyer and importer of butter, Cheddar cheese and Gouda cheese and also controls the manufacturing and trade prices of these products.

6. The Deciduous Fruit Board functions in the same manner as the Citrus Board and is maintained for the same reason. The Board exports fresh apples, apricots, grapes, peaches, pears, plums and prunes produced in the main production area on behalf of producers on a pool basis. With the exception of apples and apricots the Board is also responsible for the marketing of the above varieties of fruit which are grown in the Western Province area, on a pool basis in the domestic markets.

7. The Dried Fruit Board is the sole buyer from producers of prunes, currants and the various dried vine fruits. After providing for the requirements of the domestic market, the Board sells any surpluses overseas.

Producers are paid advance prices and deferred payments are made after the crops have been sold. Domestic wholesale selling prices are fixed by the Board with the approval of the Minister.

The scheme protects producers from price fluctuations resulting from the annual fluctuations in output and from the disadvantage of unco-ordinated selling.

8. The Dried Bean Board is empowered to operate floor prices for the main varieties of dried beans when local supply and demand conditions warrant such action. In accordance with crop prospects the Board may thus fix minimum

prices at which it offers to buy beans from producers if they cannot obtain the equivalent or better prices from traders.

Beans which the Board might purchase are resold in the domestic market for local consumption or export. The scheme is maintained in order to achieve a measure of stability for the producers of dried beans.

9. The Egg Board fixes from time to time the minimum prices at which registered packers are required to buy eggs from producers. These prices vary according to the seasonal nature of production. All stocks of graded eggs which the packers cannot dispose of domestically or in adjoining territories may be sold to the Board which may resell such eggs at a later stage in the domestic market or export them. The bulk of the Board's purchases is generally sold in overseas markets at prevailing prices.

The production of eggs being very seasonal, the scheme is maintained to prevent producer prices from fluctuating too severely with the fluctuations in production.

10. The Milk Board at present regulates the sale and distribution of fresh milk in the urban areas of Cape Town, the Witwatersrand, Pretoria, Bloemfontein and the Western Transvaal. This scheme previously only applied to Cape Town, but it was subsequently extended to the other four areas. The price at which distributors may buy fresh milk from producers is fixed by the Board with ministerial approval. Surplus milk is diverted to industrial outlets by the Board, which distributes the joint net proceeds of milk sold for fresh consumption and for other purposes on a pool basis to producers.

The scheme is maintained to regulate the distribution of fresh milk to the advantage of both producers and consumers.

11. The Livestock and Meat Board sets floor prices at which it is prepared to buy slaughtered carcasses of cattle, sheep, goats and pigs at the auctions in the main urban centres. The floor prices for cattle are increased during the winter and spring months. During recent years the need for the Board to buy arose spasmodically, as the level of the auction prices have generally been above the floor prices.

The system whereby the Board regulates the movement of slaughter stock to the urban centres by way of permits, has been discontinued. If circumstances should warrant such action, the flow of animals to the urban centres concerned is at present regulated by the Board in conjunction with the selling agents. Under this system each agent is allotted a certain weekly quota. In centres other than the main urban areas, there is no control over the marketing of slaughter stock.

12. The Lucerne Seed Board buys lucerne seed (alfalfa) from producers through appointed agents at prices fixed annually with ministerial approval. Likewise the Board fixes the trade prices of this commodity. Particular attention is paid to the quality and purity of the seed supplied to buyers.

13. The Maize Board operates a scheme for maize and grain sorghum. The Board buys all maize from producers through appointed agents at prices which are fixed annually when the maize harvest commences. Hereby equitable treatment is ensured to all maize producers and they are protected against the vagaries of the market. The Board sells surplus maize on tender to private exporters and any losses sustained or profits made on such sales are met from or accrue to the Board's stabilization fund to which all producers, and to a lesser extent consumers and the State, contribute. By means of this fund the shocks of sudden price fluctuations in the export markets are moderated. Although the control measures are aimed at stabilizing local producers' prices to some degree, internal selling prices are fixed on a conservative basis as can be seen from the figures quoted below.

Export realizations in respect of maize compare as follows with domestic prices for the seasons mentioned:

Season	Board's domestic selling price (best grades)		Board's export realization	
	White	Yellow	White	Yellow
1965/66	R 3.19	R 2.92	-	R 4.12
1966/67	R 3.37	R 3.07	R 3.64	R 4.03
1967/68	R 3.37	R 3.07	R 3.29	R 3.61

When maize is occasionally imported, these quantities are sold by the Board at domestic prices and the resultant losses are met by the Treasury.

For grain sorghum the Board operates a floor price scheme. Prices by grades are established annually at which the Board buys supplies which producers are unable to sell at higher prices to grain traders. The scheme is maintained for the stability it renders to producers of grain sorghum.

14. The Oilseed Board is the sole buyer from producers of groundnuts and sunflowerseed and appoints agents to handle the crops. Depending upon the local first-hand selling prices, fixed annually by the Board, and overseas prospects, the Board establishes advance prices by grades to producers each year and subsequently makes one or more deferred payments depending upon what it realizes on average from the sale of the crops.

Practically all the sunflowerseed is sold in the Republic whilst groundnuts are also exported both as crushing nuts and nuts for the edible trade. The Board itself exports all the hand-picked nuts intended for the edible trade and the bulk of the nuts for crushing. In order to ensure sufficient supplies of oilcake both groundnut and sunflowerseed oil are produced in excess of domestic requirements and the oil is exported. The Board has built up fairly substantial reserve funds

from levies, but up to the present it has not been found necessary to use any part of these funds for price stabilization purposes.

15. The Potato Board endeavours to stabilize prices when excessive supplies reach the main markets, particularly Johannesburg, by operating on the market. Supplies thus purchased are redistributed to deficit markets, and to low income groups mostly at reduced prices, whilst a portion is exported. During periods of maximum supply, the Board also arranges with producers to grade and pack potatoes directly for export. On some exports profits are made whilst on others losses are incurred. The Board obtains its funds from levies imposed on potatoes marketed in the larger urban centres. The Board does not obtain any funds from the State.

16. The tobacco crops are handled by co-operative companies and the Tobacco Board merely fixes the minimum selling prices to manufacturers and imposes levies to build up a reserve fund. From this fund the Central Co-operative Tobacco Company is partly compensated for any shortfall on the prices of leaf exported.

17. The Winter Cereals Board is the sole buyer of wheat, oats, rye and barley from producers through its appointed agents.

The domestic prices of these cereals are determined annually on the basis of production costs surveys and other relevant economic factors. For wheat these surveys are of greater importance than for the other grains where the greater importance is attached to production in relation to consumption.

There are no measures compelling the use of substitutes when shortages of wheat occur. In fact admixtures in bread are ordinarily prohibited except that a mixed rye bread is permitted provided it is labelled as such.

Any loss on barley or oats exported periodically is recovered from stabilization funds derived from levies on producers. No contributions are made by the State.

The prices for wheat and wheaten meal, flour and bread are fixed at all stages. For the other grains the prices at which the Board buys and sells are fixed, but not the resale prices by the trade or prices of the products manufactured therefrom. The Board's selling prices are the not prices paid to producers, plus levies and the storage and handling charges of its agents.

These cereals, as well as barley malt, ground or crushed oats, rye meal, flour and bran, and wheaten flour, meal, semolina and bran may only be imported by the Board or by a person authorized to do so by a permit issued by the Board. In practice the Board is the sole importer of wheat.

The normal practice, when shortages arise, has, with the exception of barley malt, been to import grain and to produce the other products locally. When necessary the State pays a subsidy to bring the cost of imported wheat into line with that of domestic supplies. Importers obtain the other cereals at cost.

Imported wheat is sold at the domestic prices and any difference arising from the lower or higher cost of imported wheat either accrues to or is met by the Treasury, which also pays a subsidy on bread-flour and sifted and unsifted meal in order to reduce the cost of bread to the consumer.

The quantities of wheat imported, the gross domestic price to producers and the landed cost of imported supplies have been as follows in recent years:

Season	Domestic bulk price - 200 lb. (grade B1)	Quantity landed 200 lb.	Landed cost 200 lb.	Source
1965/66	R 5.59	5,287,128	R 5.35	Australia Canada United States and Argentina
1966/67	R 5.88	7,163,722	R 5.60	Australia Canada United States
1967/68	R 6.08	-	-	

18. The scheme for canning peaches and apricots is primarily aimed at the promotion of orderly marketing of canning peaches and apricots with a provision for a measure of price protection, proper grading and payment according to quality. The scheme merely enables the Canning Apricot Peach Board to prohibit the sale of peaches and apricots by producers to canners, except in accordance with a written contract which must at least provide for the sale of such peaches and apricots at prices according to grade. The Board also has the power to fix a minimum price for such sales.

19. The Mohair Control Board was established mainly for the purpose of facilitating the marketing of mohair in the Republic. The Board has no powers as regards the fixation of prices, but can prescribe the times and places of sale as well as the methods and procedures to be adopted in selling mohair in the Republic. At present mohair is mainly sold by auction.

20. The Karakul Board is mainly concerned with promotional work in the marketing of karakul pelts in the local and overseas markets. The Board has neither the power to buy or sell pelts nor to fix the price of this commodity.

B. Legal provisions

Relevant extracts from basic legislation

Marketing Act No. 59 of 1968 (as amended)

Section 1(3)(a)

For the purposes of this Act:

Any product imported into the Republic shall, for the purposes of any scheme relating to such product, be deemed to have been produced in the Republic except in so far as the scheme provides otherwise.

Section 2(1)

There shall be a council to be known as the National Marketing Council which shall consist of a chairman and four other members, all of whom shall be appointed by the State President, and one of whom shall be designated by him as deputy chairman for such period as he may determine: Provided that -

- (a) either the chairman or the deputy chairman shall be an officer of the Department of Agricultural Economics and Marketing;
- (b) the State President may, if he deems it expedient to do so, appoint an additional member to the said council.

Section 4(1)

The marketing council may -

- (a) on the instructions of the Minister, investigate, or cause to be investigated, marketing conditions in general or in any province, or the conditions relating to any particular product, or ruling on any market;
- (b) examine and report to the Minister on any scheme which he may refer to it;
- (c) draft and submit to the Minister any scheme which it may deem necessary or which the Minister may require it to draft;
- (d) from time to time examine any scheme which is in operation in terms of this Act and report thereon to the Minister and, in connexion with such examination, inspect, or cause to be inspected, the books, records, and other documents of the board which administers that scheme;

- (e) assist in the organization of any control board and require any such board to furnish the marketing council with such information as it may deem necessary for the proper performance of its functions;
- (f) attend any meeting of any control board or any committee of a control board and participate in the proceedings at such meeting in an advisory capacity, or authorize one or more of its members, or any officer designated by the Minister, to attend any such meeting and so to participate in the proceedings;
- (g) cause the books of account of any control board to be audited, and consider the report of the person who audited such books of account, and recommend to the Minister any action which it may consider necessary in connexion with any such report;
- (h) recommend to the Minister the prohibition or the regulation of the importation of any product into the Republic generally or from any particular country;
- (i) recommend to the Minister the prohibition or the regulation of the exportation of any product from the Republic generally or to any particular country;
- (j) advise the Minister in regard to any matter within his purview under this Act which he may refer to it for its advice;
- (k) perform the duties imposed, and exercise the powers conferred on it in terms of this Act, and perform such other duties as the Minister may from time to time assign to it.

Section 8(1)(a) and (b)

- (a) Any association of producers or any co-operative society, co-operative company or control board may submit to the Minister in writing a proposed scheme relating to any product or products which the members of the association, society or company concerned produce, or in respect of which the board concerned has been established or is in terms of sub-section (2) deemed to have been established, as the case may be.
- (b) The marketing council or any body which, in the opinion of the Minister, is representative of persons engaged in agricultural pursuits, may submit to the Minister in writing a proposed scheme relating to any product.

Section 9(1)

The Minister may, after consultation with the marketing council, reject any proposed scheme submitted to him under section 8(1)(a) or (b), or approve it provisionally, or refer it back to the association, society, company, board or

body concerned for consideration of and report on such modification of the proposed scheme as he may suggest, and, after having received such report (if any) he may reject the proposed scheme or approve it provisionally, either without modification or with such modifications as he may deem expedient.

Section 14(1)

The State President may publish any scheme by proclamation in the Gazette and declare that it shall come into operation on a date mentioned in such proclamation -

- (a) if the Minister has, in terms of section 12(1)(b), recommended the approval of such scheme; or
- (b) where such scheme has been voted on as provided in section 12(1)(a) and has not been recommended by the Minister as contemplated in paragraph (a), if the State President is satisfied that the producers who voted in favour of the scheme -
 - (i) constitute more than half or, in the case of a scheme which confers a specified power on its control board, not less than three fifths of the producers who voted on the scheme; and
 - (ii) produced more than half the total quantity of the product to which the scheme relates, which was, during the period of three years immediately preceding the first meeting at which the scheme was submitted to a vote, produced in the area in which the scheme is to apply, by persons who were entitled to vote on the scheme.

Section 18

A scheme shall specify its name, the product to which it relates and the area or areas in which it applies.

Section 25(1)

A scheme shall provide for the establishment of a board to administer the scheme.

Section 42

- (1) The levy contemplated in section 41 shall be payable in such manner and at such times as may be prescribed by regulation under section 89, and shall be so payable by persons belonging to such class or classes of persons as may be prescribed in the scheme in question.

- (2) A scheme may provide for the recovery, by any person contemplated in sub-section (1) or any other person and under the circumstances prescribed in such scheme, of any amount paid or payable by such person or other person by way of or in respect of such levy, from any other person determined in accordance with a manner so prescribed.
- (3) The control board of the scheme in question may pay to any person by whom an amount paid by him by way of such levy may be recovered as contemplated in sub-section (2), such commission on the amount in question as that control board may determine.
- (4) Provision may be made, in any case where a control board has prohibited producers of the product in question from selling the product except to or through that board, for such levy to be deducted from the price payable to such producers or added to the price at which the board disposes of the product to any person.

Section 43

- (1) The levy contemplated in section 41 -
 - (a) may be in the form of a percentage or portion of the selling price of every unit or quantity of the product in question purchased or sold;
 - (aA) may be in the form of a fixed amount on any unit or quantity of that product dealt with in a manner determined in the scheme;
 - (b) may be indicated by means of a formula according to which the amount of such levy shall be calculated on every unit or quantity of that product purchased or sold;
 - (c) may, in so far as it affects producers, be determined on a sliding scale according to the quantity of that product sold by any producer during any period determined by the board.
- (2) Such levy -
 - (a) may, in respect of any particular class, grade or standard of quality of the product in question, differ from any such levy in respect of any other class, grade or standard of quality of that product;
 - (b) may, in respect of any unit or quantity of that product which was produced or is sold in any particular area in which the scheme applies or in any particular portion of any such area, differ from any such levy in respect of any unit or quantity of that product which was produced or is sold in any other area in which the scheme applies or in any other portion of any such area, as the case may be;

- (c) may, in respect of any unit or quantity of that product which is imported into the Republic from any other country or territory, differ from but not exceed any levy in respect of any unit or quantity of that product which is produced in the Republic;
- (d) may, in respect of any unit or quantity of that product which is imported into the Republic from any country or territory adjoining the Republic, differ from any such levy in respect of any unit or quantity of that product which is imported into the Republic from any other country or territory;
- (e) may, in respect of any unit or quantity of that product which is exported from the Republic or is exported from the Republic to any particular country or territory, differ from any such levy in respect of any unit or quantity of that product which is not so exported.

Section 60(1)(a)

- (1) A scheme may empower its control board -

- (a) with the approval of the Minister to prohibit, from time to time, any person, or any person belonging to any class or group of persons, or any person other than a person belonging to any class or group of persons, from acquiring, selling or disposing of any quantity of the product to which the scheme relates, or of any class or grade thereof, at a price other than or below or above a price fixed by the board, or calculated in accordance with a basis specified in the scheme or determined by the board, for that product or for such class, grade or quantity thereof, or from selling or disposing of any quantity, class or grade of that product in any country or territory outside the Republic at a price below a price so fixed or calculated therefor.

Section 63(1) and (2)

- (1) A scheme may empower its control board -

- (a) with the approval of the Minister, to require any person, or any person belonging to any class or group of persons, or any person other than a person belonging to a class or group of persons, who has purchased from a producer any quantity of the product to which the scheme relates, to pay to the board the purchase price of so much of that quantity as has not been delivered for disposal through a pool conducted by the board in terms of section 62, after deduction therefrom of any amounts which may, in terms of the scheme or with the consent of the board, have been paid to or on behalf of that producer; and
- (b) to distribute the sum of the amounts so paid to the board during any period specified in the scheme or determined by the board, together with the proceeds derived by it from the disposal of the quantities of such

product delivered for sale through the said pool during that period, less such amounts as may be specified in the scheme or as the board may determine, among producers of such product on such basis as may be prescribed in the scheme or determined by the board.

- (2) The basis of distribution contemplated in sub-section (1)(b) may under such circumstances and subject to such modifications and adjustments as may be specified in the scheme or determined by the board, vary -
- (a) in the case of different producers, according to the respective quantities of the product in question disposed of by such producers on any day or during any period, whether by delivery for sale through the pool or in any other manner, or according to the respective quantities of that product so disposed of by such producers during any previous period, and for that purpose a producer who has not during any such period or any portion thereof so disposed of any quantity of that product shall be deemed to have so disposed of such quantity thereof during that period as the board may determine;
 - (b) in respect of different quantities of that product so disposed of by any such producer on any day or during any period in excess of a quantity which may be specified in the scheme or determined by the board and which may be fixed by reference to the quantity so disposed of, or (as the case may be) deemed in terms of paragraph (a) to have been so disposed of by such producer during any previous period, or in any other manner specified in the scheme or determined by the board;
 - (c) according to the class or grade of that product so disposed of by any such producer.

Section 67(1)

A scheme may empower its control board to prohibit from time to time, with the approval of the Minister, any producers from selling any product to which the scheme relates and which he has produced, except such class, grade, quantity or percentage thereof as the board has determined, or except for such purposes as the board has defined.

Section 87

- (1) The State President may by proclamation in the Gazette -
- (a) prohibit or regulate the importation into or the exportation from the Republic of any product, or of any class or grade of a product;
 - (b) subject to such conditions as may be specified in the proclamation -
 - (i) confer on the Secretary the power to regulate the importation into or the exportation from the Republic of any product, or of any class or grade of a product;

- (ii) confer on the Secretary or, in the case of a regulated product, either on the Secretary or on the control board concerned, the sole right to import or export from the Republic such product or any class or grade thereof;
 - (iii) prohibit the importation into or the exportation from the Republic of any regulated product, or of any class or grade of any such product, except by the control board concerned or by any person authorized thereto by permit, the issue of which shall be in the discretion of the board, or otherwise than in accordance with conditions determined by the board.
- (2) Whenever any power conferred on the Secretary by proclamation under sub-section (1) involves the authority to issue permits, he may delegate such authority to any other persons subject to such conditions as he may determine.
- (3) Any person who is dissatisfied with a decision of the control board concerned in connexion with any matter relating to his application for a permit referred to in sub-section (1)(b)(iii), may appeal against such decision to the Minister who may, after consultation with the marketing council, confirm, set aside or vary such decision or make such order in connexion therewith as he may deem fit.

C. Handling of imports

- (a) The following boards have in practice the sole right to import the commodities listed below:
1. Winter Cereals Board - barley, rye, oats and wheat and the main products derived from these cereals. In practice private traders are usually permitted by the Board to actually import the products mentioned with the exception of wheat, the importation of which is done by the Board itself;
 2. Maize Board - maize and all maize products;
 3. Dairy Board - butter, Cheddar and Gouda cheese;
 4. Chicory Board - unroasted chicory root.
- (b) The following boards gain a certain degree of control over imports by virtue of the fact that all supplies of the product concerned produced in the Republic or imported into the Republic have to be marketed by or through the board concerned. Thus imports are not precluded and neither is the permission of the boards necessary to import, but imported products have to be routed through the boards for distribution in the Republic:

1. Banana Board - bananas
 2. Bush Tea Board - bush tea
 3. Dried Fruit Board - prunes and dried vine fruits
 4. Milk Board - fresh milk for the Cape Town, Witwatersrand, Pretoria, Bloemfontein and Western Transvaal areas
 5. Lucerne Seed Board - lucerne seed
 6. Oilseed Board - groundnuts and sunflowerseed.
- (c) The following boards have no control over imports:
1. Citrus Board
 2. Deciduous Fruit Board
 3. Dried Bean Board
 4. Livestock and Meat Board
 5. Maize Board - in respect to grain sorghum
 6. Potato Board
 7. Tobacco Board
 8. Egg Board
 9. Canning Apricot Peach Board
 10. Mohair Control Board
- D. Handling of exports
- (a) The following boards undertake exports for their own account:
1. Potato Board - table potatoes. (Seed potatoes are exported for the account of private concerns.);
 2. Dried Fruit Board - prunes, currants and dried vine fruits;
 3. Egg Board - hen eggs and egg pulp. (Exports to adjoining territories and the Far East are handled by the private trade.);
 4. Winter Cereals Board - oats, barley and rye;

5. Oilseed Board - groundnuts and sunflowerseed. (In some respects this Board might be classed under (c).);
 6. Dairy Board - butter, Cheddar and Gouda cheese;
 7. Livestock and Meat Board - occasional surpluses of chilled and frozen beef and pork.
- (b) The following boards undertake export on behalf of producers:
1. Citrus Board - citrus fruit
 2. Deciduous Fruit Board - fresh apricots, peaches, plums, pears, grapes and apples
- (c) The following boards sell to commercial firms who export for their own account:
1. Maize Board - maize in the grain and grain sorghum
 2. Dried Bean Board - dried beans
 3. Oilseed Board - groundnuts and sunflowerseed, partly - see (a)5
 4. Lucerne Seed Board
 5. Bush Tea Board
- (d) The following boards are not concerned with exports:
1. Fresh Milk Board
 2. Chicory Board
 3. Tobacco Board
 4. Banana Board. (A few trial consignments were exported by the Board in 1958 due to a seasonal surplus, but since then no exports have been effected.)
 5. Canning Apricot Peach Board
 6. Mohair Control Board

There is no competition between the marketing boards and private commercial interests. Buying and selling of a commodity is regulated to a certain stage (in the case of wheat, from producer to baker; in the case of leaf tobacco, merely the minimum selling prices of co-operatives are regulated) and beyond that the trade is in the hands of private firms. Even where the marketing board is the sole first-hand buyer of the commodity concerned, e.g. maize, the physical handling and storing is done by private concerns acting as agents of the Board.

E. Determination of quantities exported or imported

The policy has been to supply the domestic market to the fullest extent before any supplies are exported.

The varieties of fresh fruit mentioned are produced specially for export markets. For other commodities like maize, groundnuts, leaf tobacco and the dried fruits, production is normally in excess of domestic requirements. Domestic consumption is known fairly accurately and any excess supplies are available for export. Occasional surpluses of butter, oats and barley, and seasonal surpluses of eggs and cheese are also exported.

Imports of the controlled commodities are determined on the basis of probable requirements. For wheat, for example, crop estimates are available and by February of each year practically the entire crop has been delivered. The shortage is then easily determined. For butter or cheese, factory output is known for each month and the stocks required to keep the trade fully supplied are also known. A shortage which will arise in two or three months' time is easily determined.

F. Export prices

No export prices are determined. Any supplies available for export are sold at best in available foreign markets.

G. Mark-up on imported products

There is no general mark-up on imported supplies handled by the boards concerned. The levies paid by domestic producers also apply to imported supplies but otherwise such supplies are sold at cost or at the domestic price, e.g. wheat.

H. Contracts

No long-term contracts are negotiated by the marketing boards and there are no contractual arrangements between the marketing boards and the Government. Private firms tender for all supplies required by the Government for institutions, hospitals, etc. Marketing boards are not used to fulfil contractual obligations which may be entered into by the Government.

IV. Statistical information

The required statistical information is furnished in the annex to this notification.

Lesotho, Botswana and Swaziland form a customs union with South Africa. Trade of these countries with countries outside the union is, therefore, included in the information furnished in the tables, while trade between South Africa and the countries is excluded.

A breakdown of the figures to show trade by the boards and other trade is necessary only in the case of imported cheese and exported eggs, and is given below. In other cases exports and/or imports were either done by or through the boards, or by the trade as explained in the notes on the schemes and the handling of imports or exports.

(Quantity: '000 lb.)

Year	Imports of cheese by Dairy Board	Exports of eggs and egg pulp by Egg Board
1964/65	5,551	16,958
1965/66	6,358	11,109
1966/67	580	21,339

These figures are not exactly comparable with the figures showing total imports of cheese and exports of eggs, as they are for the seasons mentioned, while the total figures are for the calendar years mentioned. Comparable figures are not available.

V. Reasons why no foreign trade has taken place (if this is the case) in products affected

The aim is to supply the domestic market to the fullest extent possible. Therefore where shortages occur the short-falls are imported and where surpluses occur these are exported.

VI. Additional information

None.

ANNEX

Production and Total Imports and Exports of Products
for which there are Marketing Schemes

Product and year	Production		Imports		Exports	
	Quantity '000 lb.	Value R '000	Quantity '000 lb.	Value R '000	Quantity '000 lb.	Value R '000
<u>Bananas</u>						
1965	63,200	2,540	16,292	330	34	4
1966	63,800	2,611	17,023	252	7	1
1967	84,600	3,424	12,884	280	34	3
<u>Bush tea</u>						
1965	3,689	364	5	2	35	7
1966	2,905	352	3	1	44	9
1967	2,800	345	9	3	30	7
<u>Chicory root</u>						
1965	31,203	815	-	-	8,073	191
1966	42,481	936	-	-	9,792	203
1967	13,621	409	5,732	135	413	16
<u>Citrus</u>						
1965	1,194,292	27,935	2,817	123	688,406	27,155
1966	1,203,382	26,012	1,286	61	812,395	28,035
1967	1,392,104	29,032	2,186	64	738,182	26,930
<u>Dairy products:</u>						
(1) <u>Butter</u>						
1965	86,300	28,654	24,959	8,129	2,895	922
1966	85,600	32,700	22,862	5,975	1,807	598
1967	99,900	36,911	6,997	1,891	1,092	358
(2) <u>Cheese</u>						
1965	32,396	6,894	5,344	1,406	415	112
1966	32,376	7,877	6,923	1,543	430	134
1967	42,074	9,868	1,437	470	562	143

Product and year	Production		Imports		Exports	
	Quantity '000 lb.	Value R '000	Quantity '000 lb.	Value R '000	Quantity '000 lb.	Value R '000
<u>Deciduous fruit</u>						
1965	892,000	42,461	426	31	324,258	26,097
1966	1,064,000	48,647	707	59	403,991	35,392
1967	1,020,000	52,110	230	18	399,132	33,230
<u>Dried fruit</u>						
1965	35,571	3,519	3,306	357	14,098	2,239
1966	34,752	3,432	5,460	485	18,488	2,778
1967	31,692	3,358	4,923	446	14,146	2,244
<u>Dried beans (in the grain)</u>						
1965	90,200	6,138	13,082	841	1,068	74
1966	107,600	8,447	18,946	932	657	49
1967	178,300	9,548	2,725	225	7,175	295
<u>Eggs</u>						
1965	166,879	26,772	284	51	14,175	2,017
1966	175,781	29,922	224	140	19,099	2,448
1967	195,445	31,205	362	90	20,661	2,586
<u>Meat</u>						
1965	1,555,000	195,855	1,089	266	36,917	5,539
1966	1,551,800	200,956	25,713	4,386	61,928	12,948
1967	1,554,400	218,437	38,170	6,798	55,882	10,901
<u>Maize and sorghum</u>						
(1) <u>Maize</u>						
1965	9,900,000	155,312	135	34	720,110	13,977
1966	11,140,000	192,340	598,162	11,361	102,135	2,387
1967	21,520,000	361,247	59,196	999	4,418,108	78,952

Product and year	Production		Imports		Exports	
	Quantity '000 lb.	Value R '000	Quantity '000 lb.	Value R '000	Quantity '000 lb.	Value R '000
(2) <u>Grain Sorghum</u>						
1965	960,000	14,774	2,210	213	362,361	5,948
1966	740,000	12,775	6,363	470	143,523	2,510
1967	1,860,000	27,528	4,071	262	487,388	7,876
<u>Lucerne seed</u>						
1965	3,645	544	-	-	-	-
1966	4,679	752	-	-	-	-
1967	1,459	250	-	-	-	-
<u>Oilseeds:</u>						
(1) <u>Groundnuts</u>						
1965	302,600	17,097	41,526	2,943	46	3
1966	313,600	17,252	37,876	2,554	2	1
1967	652,200	30,981	197,264	11,018	661	59
(2) <u>Sunflower seed</u>						
1965	161,000	4,274	-	-	-	-
1966	235,400	6,002	-	-	-	-
1967	230,400	6,019	-	-	-	-
<u>Potatoes</u>						
1965	882,000	20,646	17,958	735	18,918	586
1966	874,000	25,881	23,425	982	9,185	447
1967	1,124,000	19,759	16,077	684	27,042	796
<u>Tobacco</u>						
1965	60,500	15,733	570,376	2,126	1,680,280	5,094
1966	48,800	14,150	2,531,554	6,404	1,654,700	5,378
1967	59,900	16,319	2,043,325	5,781	1,993,437	6,627

Product and year	Production		Imports		Exports	
	Quantity '000 lb.	Value R '000	Quantity '000 lb.	Value R '000	Quantity '000 lb.	Value R '000
<u>Winter cereals:</u>						
(1) <u>Wheat</u>						
1965	2,363,800	66,068	-	-	-	-
1966	1,476,300	41,129	1,422,964	29,480	738	8
1967	1,250,000	36,688	1,077,171	23,975	-	-
(2) <u>Oats</u>						
1965	306,000	5,671	10,821	258	200	4
1966	227,700	4,357	1	-	573	13
1967	215,250	4,348	37,890	595	-	-
(3) <u>Barley</u>						
1965	86,120	1,395	468	9	12,386	215
1966	66,900	1,070	448	13	577	16
1967	67,500	1,292	15,054	299	146	5
(4) <u>Rye</u>						
1965	34,200	699	395	25	-	-
1966	24,000	494	-	-	103	2
1967	17,000	266	3,040	68	-	-