

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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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
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, buckwheat and grain sorghum
14. Oilseeds, i.e. groundnuts, sunflowerseed and soyabeans
15. Potatoes
16. Tobacco
17. Winter cereals, i.e. wheat, oats, barley and rye
18. Canning pears, peaches and apricots
19. Mohair
20. Karakul
21. Wool

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 with the marketing of bananas in the domestic market. It controls the marketing of bananas leaving the demarcated production areas. Banana importers in the production areas are obliged to market through the Board if the imported bananas are destined for consumption outside the production areas. The Board sells the bulk of supplies to the trade directly. A smaller quantity of bananas is also sold on the Cape Town auction market. The Board has its own ripening facilities and sells ripe bananas to the trade at prices determined by the Board from time to time, in the light of the existing supply and demand position. Green bananas are sold on the Cape Town auction market.

For bananas marketed through the Board four-weekly pools are operated by the Board for the various grades and sizes.

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. 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.

The Board has also been empowered to act as the sole importer of whole and skimmed milk powder, condensed milk, and process cheese, when local supplies of these products are insufficient to meet domestic demand. The Board does not control the 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. Floor prices for cattle are higher towards the end of the year to encourage marketing in the off-season. When necessary the Board buys surplus quantities of meat at floor prices at the main urban centres.

If circumstances should warrant such action, the flow of animals to the urban centres concerned is regulated by the Board in conjunction with the agents appointed by the Board to handle livestock marketed in the urban centres. 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 and buckwheat. 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
1968/69	R 3.42	R 3.12	R 3.21	R 3.26
1969/70	R 3.61	R 3.29	R 3.83	R 3.64

These prices are per 200 lb.

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.

The Board also operates a one channel marketing scheme for buckwheat in terms of which this product is sold to the best advantage by the Board and the producers concerned are paid advance and subsequent payments for quantities delivered to agents of the Board.

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 also operates a floor price scheme for soyabeans in terms of which the Board has the power to fix, with ministerial approval, minimum or floor prices for soyabeans should the volume of local supplies and local marketing conditions warrant such action.

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 net prices paid to producers, plus levies and the storage and handling charges of its agents.

These cereals, as well as barley meal and 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 BL)	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	-	-	-
1968/69	R 6.10	-	-	-
1969/70	R 6.10	-	-	-

18. The scheme for canning pears, peaches and apricots is primarily aimed at the promotion of orderly marketing of canning pears, peaches and apricots with a provision for a measure of price protection, proper grading and payment according to quality. The scheme merely enables the Board for Canning Fruit to prohibit the sale of pears, peaches and apricots by producers to canners, except in accordance with a written contract which must at least provide for the sale of such pears, 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. Since January 1972 the Board has been empowered to prohibit producers from selling mohair except through the Board, in which event the Board will conduct pools for the sale of such mohair.

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.

21. The wool industry is regulated by two statutory organizations, viz the South African Wool Board and the South African Wool Commission.

- (a) The South African Wool Board was established in 1946 under the Wool Act. In co-operation with the International Wool Research and Publicity Secretariat the Wool Board promotes the wool industry and undertakes research in the production of wool and in matters incidental thereto, and takes or aids such steps, including propaganda, as may be calculated to stimulate the consumption of wool and woollen fabrics.
- (b) The South African Wool Commission entered the field of wool marketing on 1 July 1960 in terms of the Wool Commission and Wool Amendment Act. The object of the Commission is to stabilize the wool market in the Republic in any manner approved by the Minister of Agriculture. For this purpose the Commission operates a reserve price scheme.

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 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, cheese (including process cheese), condensed milk, condensed skim milk, milk powder and skim milk powder;
 4. Chicory Board - unroasted chicory root.
- (b) A permit, issued by the Secretary of Agricultural Economics and Marketing, is required for the importation of dried prunes and dried currants, leguminous seeds, potatoes (with the exception of seed potatoes) and grain-sorghum and grain sorghum products.

- (c) By virtue of the fact that certain control boards operate single-channel marketing schemes, importers of the relevant regulated products are obliged to market the imported products through the respective Boards. In terms of the relevant control schemes the importer of the controlled product is also regarded as the producer thereof. In this way the under-mentioned control boards can exercise a measure of control over the marketing of these imported products.
1. Banana Control Board - bananas
 2. Bush Tea Board - bush tea
 3. Dried Fruit Board - dried apricots, dried peaches, dried vine fruits and dried prunes
 4. Lucerne Seed Control Board - lucerne seed
 5. Oilseeds Control Board - groundnuts and sunflowerseed
 6. Citrus Board - all citrus fruit varieties, except for Seville oranges
 7. Deciduous Fruit Board - peaches, nectarines, plums, prunes and grapes
- (d) The following control boards do not, in terms of their schemes, exercise control over imports:
1. Livestock and Meat Board
 2. Tobacco Board
 3. Egg Board
 4. The Board for Canning Fruit
 5. Mohair Control Board
 6. Karakul 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. Board for Canning Fruit
 6. Mohair Control Board
 7. Karakul 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, cheese, oats and barley, and seasonal surpluses of eggs 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
1968/69	-	22,076
1969/70	948	25,964

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	13,023	252	7	1
1967	84,600	3,424	12,884	280	34	3
1968	114,300	4,575	10,613	243	58	7
1969	100,630	4,310	24,572	476	59	6
<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
1968	2,963	202	11	2	40	9
1969	1,678	130	14	2	45	11
<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
1968	24,912	762	2,651	79	649	27
1969	27,510	863	-	-	376	14
<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
1968	1,402,830	30,810	778	26	793,684	28,455
1969	1,361,522	38,567	258	9	623,233	35,620
<u>Dairy products:</u>						
<u>(1) Butter</u>						
1965	86,300	28,654	24,959	8,129	2,895	922
1966	85,600	32,700	22,863	5,975	1,807	598
1967	99,900	36,911	6,997	1,891	1,092	358
1968	118,000	42,614	1,177	404	2,477	582
1969	126,300	44,657	775	184	5,609	1,194
<u>(2) 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
1968	47,058	10,703	1,043	375	2,041	370
1969	53,600	12,279	1,523	518	1,527	311

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>						
1968	1,156,000	48,611	186	12	432,627	39,488
1969	1,080,000	55,877	104	4	361,382	25,536
<u>Dried Fruit</u>						
1968	40,237	4,573	8,395	790	20,124	3,169
1969	56,172	5,486	4,720	384	20,833	2,542
<u>Dried beans (in the grain)</u>						
1968	137,800	6,187	3,633	191	8,292	373
1969	115,800	7,446	6,114	385	8,032	424
<u>Eggs</u>						
1968	206,559	32,650	470	140	21,174	2,614
1969	224,522	33,005	432	220	26,296	3,380
<u>Meat</u>						
1968	1,453,300	229,039	44,414	7,988	48,608	10,729
1969	1,494,700	231,766	42,107	7,821	44,771	9,807
<u>Maize, sorghum and buckwheat</u>						
(1) <u>Maize</u>						
1968	11,720,000	188,651	229	28	6,515,951	106,158
1969	11,772,000	204,196	686,832	11,132	1,676,989	29,331
(2) <u>Grain sorghum</u>						
1968	456,000	7,752	1,184	33	557,311	9,582
1969	512,000	10,496	577	17	16,769	509
<u>Lucerne seed</u>						
1968	3,787	716	-	-	-	-
1969	6,656	1,245	-	-	-	-

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>Oilseeds:</u>						
(1) <u>Groundnuts</u>						
1968	356,900	19,497	621	71	139,946	8,296
1969	543,400	32,030	49	4	126,560	7,566
(2) <u>Sunflower-seed</u>						
1968	187,100	5,246	-	-	-	-
1969	203,300	6,251	-	-	-	-
<u>Potatoes</u>						
1968	1,229,000	22,729	18,518	686	32,487	994
1969	1,179,000	28,844	14,362	631	25,364	941
<u>Tobacco</u>						
1968	84,100	25,290	8,537	2,370	22,160	7,521
1969	83,200	24,775	8,133	2,024	28,158	9,222
<u>Winter cereals:</u>						
(1) <u>Wheat</u>						
1968	2,800,000	85,540	716	25	-	-
1969	2,960,000	90,428	2,130	61	-	-
(2) <u>Oats</u>						
1968	315,000	6,427	-	-	27,463	321
1969	242,600	4,786	-	-	190	4
(3) <u>Barley</u>						
1968	75,000	1,620	-	-	99	4
1969	44,100	973	3,277	62	83	4
(4) <u>Rye</u>						
1968	16,000	353	3,192	67	-	-
1969	14,000	312	2,509	53	-	-

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	366	3,040	68	-	-