

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

Agriculture Committee

SOUTH AFRICA

Information Supplied in Respect of Unmanufactured Tobacco

A. Production: Production measures and policies

1. Statistical data on total volume of production; total acreage and average yield
2. Trends in production and estimates for 1970

Production: (metric tons)

1964/65	31,208
1965/66	27,443
1966/67	22,136
1970 (estimate)	31,000

Statistics regarding the area planted and average yield are not available for recent years. Since 1950/51 production has increased at an average rate of 2.3 per cent per annum.

3. Statistical data on carry-over stocks

Stocks held at end of season by co-operatives and manufacturers (metric tons):

1964/65	30,073
1965/66	27,034
1966/67	29,393

4. Factors which affect production

Production of tobacco is mainly affected by the variable climatic conditions experienced in production areas.

5. Policies and measures of governments or other bodies likely to influence production, other than those listed under B.

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B. Protection and support measures and policies

I. Internal support measures and policies

1. Inventory of the instruments of support
2. Levels of guaranteed or support prices

In terms of the tobacco marketing scheme, producers are obliged to sell all their leaf tobacco through co-operatives designated by the Board as its agencies. These co-operatives treat and prepare the leaf tobacco for sale to the trade, and export the quantities not taken up by the trade through a central co-operative. No direct price support measures such as floor or fixed prices are afforded to producers, but the Board annually determines the domestic minimum selling prices of the co-operatives for the various classes and grades of tobacco. In practice the fixed minimum selling prices have become the actual selling prices of co-operatives. The levels of these prices for the different classes of tobacco (average all grades) are furnished under paragraph C below. In order to maintain a fairly stable price level to producers, the Board imposes levies on tobacco leaf sold by co-operatives to domestic buyers, which with ministerial approval may, inter alia, be used for cushioning the effect of fluctuations in overseas returns realized by co-operatives.

3. Amount of producer subsidies - - -
4. Average returns to producers ex farm

	<u>\$ per kg.</u>
1964/65	0.69
1965/66	0.79
1966/67	0.82

5. Method of determining returns for producers

See under 1 and 2 above.

II. Measures at the frontier

Import Duties

Tariff heading	Rate of duty	
	M.f.n.	Pref.
24.01.10 Unmanufactured tobacco	35¢ per lb.	
24.01.50 Tobacco refuse	35¢ per lb.	

C. Consumption and internal prices

1. Statistical data on consumption
2. Trends in consumption and estimates for 1970

Consumption (metric tons)

1964	24,132
1965	24,948
1966	24,357
1970 (estimate)	25,000

Since 1950 consumption has increased at an average rate of 0.9 per cent per annum.

3. Retail and wholesale prices on major internal markets

Average wholesale prices realized by co-operatives for all grades

(\$ per kg.)

	<u>Oriental</u>	<u>Flue-cured</u>	<u>Light air-cured</u>	<u>Burley</u>
1964/65	1.43	1.26	1.01	0.91
1965/66	1.44	1.24	1.01	0.92
1966/67	1.45	1.21	1.06	1.02

Dark air-cured

	<u>Pipe</u>	<u>Snuff</u>	<u>Twist</u>
1964/65	0.51	0.68	0.69
1965/66	0.54	0.70	0.72
1966/67	0.60	0.76	0.79

4. Factors which condition the evolution of internal consumption
5. Policies and measures affecting consumption

No consumer subsidies are paid on tobacco and promotion measures are restricted to those carried out by individual manufacturers.

D. International trade and prices

1. Statistical data on the volume and value of imports and exports by source and destination.

International Trade

Q: metric tons
V: dollars

Description	Exports: destinations	1965		1966	
		Q	V	Q	V
Tobacco, un- manufactured, including scrap tobacco and tobacco stems	United Kingdom	3,486	3,668,392	3,928	4,212,631
	Netherlands	1,900	1,166,306	2,018	1,367,516
	Australia	1,814	2,030,105	1,298	1,656,620
	New Zealand	137	160,720	141	184,185
	Ireland	22	16,849	76	94,955
	Other	263	88,633	45	13,049
		7,622	7,131,005	7,506	7,528,956

2. Levels of export prices _____
3. Export aid measures and policies
No government subsidies are paid on tobacco exports.
4. Description of bilateral agreements affecting imports or exports
