

AN ECONOMIC ANALYSIS OF THE SUPPLY  
AND DISTRIBUTION OF FRUIT AND VEGETABLES AT  
FOUR TERMINAL MARKETS IN THE UNION OF SOUTH AFRICA  
1947/48.

B Y

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Submitted in partial fulfilment of the  
requirements for the degree of

DOCTOR OF SCIENCE IN AGRICULTURE.

in the Faculty of Agriculture,

University of Pretoria.

Pretoria.

September 1950.

## ACKNOWLEDGEMENT

I wish to thank the following for the help given :

Mr. S.J. de Swardt, Chief, Division of Economics and Markets, whose interest in the subject made the study possible. In particular I wish to thank him for the patience exercised and the generous assistance rendered at all times.

Professor F.R. Tomlinson, for the valuable criticisms and suggestions offered that greatly aided in the completion of the study.

Mr. C.M. van Niekerk, Assistant Professional Officer, Division of Economics and Markets for his assistance in the field work and tabulation of the data.

The various members of the branch offices of the Division of Economics and Markets who extracted data from the railway consignment notes, and in particular Mr. P.J. Bekker, Mr. M. Papke, Mr. G. Delate, Mrs. R.J. Gilliland and Mr. A. Oosthuizen for tabulating this data.

I also wish to thank the various market masters, market agents, wholesalers, retailers and hawkers for their co-operation in supplying the data.

Mrs. E.M. Breedt, for typing the manuscript.

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### DEFINITIONS.

For the purposes of this study the following definitions will apply.

1. MARKETING: All services, processes and activities involved in the movement of farm products from the farm to the consumer at the time, or the place and in the form, desired by the ultimate consumer in a free market at a price which will clear the market.  

Time: Includes storage, financing and risk bearing.  
Place: Assembling farm products and transportation.  
Form: Processing including grading and packing.  
Price: Involves supply and demand.
2. MARKET: A group of buyers and sellers having facilities for trading with each other.
3. MUNICIPAL MARKET: A market under the control and supervision of a local authority which owns and facilities and provides the services required to facilitate trading between buyers and sellers.
4. TERMINAL MARKET: All the facilities scattered throughout the city that make up the total market.
5. FARMERS' MARKET: That section of the municipal market where producers are permitted to sell their produce out-of-hand on their own account.
6. COMMISSION AGENT: Any person in the business of receiving perishable agricultural commodities for sale, on commission for, or on behalf of, another.
7. MARKET AGENT: A commission agent authorised to conduct business on the municipal auction market.
8. MARKETING AGENCIES: Municipal auction markets, brokers, wholesalers, retailers, commission agents and market agents.
9. CONSIGNING STATION: A railway station or siding from which the produce is consigned to the terminal market.
10. UNION: The Union of South Africa.
11. PROVINCES: The four provinces that constitute the Union of South Africa viz. Cape Province, Transvaal, Orange Free State and Natal.
12. ABBREVIATIONS:  
Tvl. Transvaal.  
C.P. Cape Province.  
O.F.S. Orange Free State.  
P.E.A. Portuguese East Africa

### I N T R O D U C T I O N .

The system of marketing in the Union is an adaptation of the existing systems in the United States of America and Britain, which had their obscure beginnings in the primitive agricultural civilisation of Anglo-Saxon England.

Specialisation in labour marked the beginning of commercialised agriculture by which the farmer no longer produced solely for his own needs, but became a specialised producer of one or more commodities. In order to satisfy his needs of the many things which he no longer produced, the farmer was now faced with the problem of marketing his surplus production to earn an income for the purchase of those requirements.

Concomitant with this change, a wide field of human relationships opened up. The striking advances made in scientific and in technological research have largely enabled the entrepreneur to solve his production problems within the limits of his own farm. But the marketing problems of the farmer are wider in scope, involving both economic and physical factors, and because of their complex nature, cannot be solved on the farm alone, for such a solution requires the close co-operation of all those who are in the business of production and marketing, since producers and consumers have become widely separated.

The extent of this separation is evident from Table 1 :-

TABLE 1 URBAN AND RURAL POPULATION (ALL RACES) OF THE UNION OF SOUTH AFRICA, 1904, 1911, 1921, 1936, 1946 AND 1948. (1)

YEAR	POPULATION			PROPORTION OF TOTAL POPULATION	
	URBAN	RURAL	TOTAL	URBAN	RURAL
	1000 omitted			Percentage	
1904	1,200	3,976	5,176	23.2	76.8
1911	1,478	4,495	5,973	24.7	75.3
1921	1,736	5,193	6,929	25.1	74.9
1936	3,010	6,580	9,590	31.4	68.6
1946	4,145	7,247	11,392	36.4	63.6
1948	4,460	7,430	11,890	37.5	62.5

1) Adapted from the publications of the Office of Census and Statistics, Union of South Africa.

111.

The table shows that, since 1904, a steady but definite trend towards urbanisation has taken place. Whereas some 77 per cent of the total Union population resided in rural areas in 1904, this proportion had decreased approximately to 63 per cent in 1948.

A product of this growth of urbanisation is the increase in the number of cities, Table 2.

TABLE 2      NUMBER OF CITIES WITH POPULATION OF 5,000  
 OR MORE PEOPLE ( ALL RACES ) IN THE UNION  
 OF SOUTH AFRICA 1911-1946 (1)

YEAR	NUMBER OF CITIES	RELATIVE INCREASE IN NUMBER OF CITIES (1911=100)
1911	29	100.0
1921	43	148.3
1936	63	217.2
1946	85	293.1

1) Adapted from the publications of the Office of Census and Statistics, Union of South Africa.

This rapid increase in the number of cities since 1911 with a population of 5,000 or more people has accentuated the spread between consumer and producer, and made for the development and growth of existing marketing agencies.

Growth of the cities has also brought about the need for a greater production of food in excess of farm consumption to provide the urban inhabitants with their needs.

The approximate gross farm value of all products, in groups of commodities, is shown in the following table :-

## IV.

(1)

TABLE 3 APPROXIMATE GROSS FARM VALUE OF ALL FARM PRODUCTS, IN GROUPS OF COMMODITIES - UNION OF SOUTH AFRICA, 1943/4 - 1945/6, 1946/7, 1947/8.

GROUP OF COMMODITIES	GROSS VALUE			PROPORTION OF GROSS VALUE OF ALL FARM PRODUCTS		
	1943/6	1946/7	1947/8	1943/6	1946/7	1947/8
	Thousands £			Percentage		
Grains	28,883	40,163	52,091	23.7	27.6	28.7
Fresh Fruit	10,158	10,905	14,427	8.4	7.5	8.0
Vegetables	10,332	11,334	11,193	8.5	7.8	6.2
Sugar cane	4,789	4,140	5,723	3.9	2.8	3.2
Hay	3,638	3,180	3,668	3.0	2.2	2.0
Wine products	3,048	3,742	4,271	2.5	2.6	2.4
Tobacco	2,121	4,103	4,575	1.7	2.8	2.5
Other crops	1,883	3,610	7,307	1.6	2.4	4.0
ALL CROPS	64,852	81,177	103,255	53.3	55.7	57.0
Meat animals	26,341	29,727	31,334	21.6	20.4	17.3
Dairy products	14,948	17,808	20,325	12.3	12.2	11.2
Wool	10,517	11,626	19,690	8.6	8.0	10.9
Poultry and eggs	4,224	4,264	4,597	3.5	2.9	2.5
Other	821	1,179	2,020	0.7	0.8	1.1
ALL LIVESTOCK	56,851	64,604	77,966	46.7	44.3	43.0
Total crops and livestock	121,703	145,781	181,221	100.0	100.0	100.0

- 1) Gross farm value of products calculated by the Division of Economics and Markets. That value includes Native production, on farm consumption, feedstuffs, and seed used on farms.

In groups of commodities ( Table 3 ), the order of importance of the principal products, based on gross farm value, were: Grains, meat animals, dairy products, wool, fresh fruit and vegetables. Fresh fruit comprised 8 per cent and vegetables 6.2 per cent of the gross farm value of all farm products.

In order to obtain a clear insight into the manifold problems of marketing perishable farm produce, and to effect possible solutions, it is necessary to study the pattern of its movement from producer to consumer in all its variations. In this way a comprehensive picture of the problems can be formed with each problem in its proper setting.

#### PURPOSE OF THE STUDY.

The specific purpose of this study is to ascertain the following details regarding the supply areas and the marketing of certain fruit and vegetables railed to the terminal markets of Johannesburg, Cape Town, Pretoria and Bloemfontein during the period 1st July, 1947 to 30th June, 1948:-

V.

1. The Provincial and magisterial district areas whence supplies of the following fresh fruit and vegetables were railed :

<u>Fruit</u>	<u>Vegetables</u>
Apples	Cauliflower
Avocados	Cabbage
Bananas	Green beans
Granadillas	Green peas
Mangoes	Onions
Papaws	Potatoes
Pineapples	Pumpkins
	Squashes
	Sweet potatoes
	Tomatoes

2. The leading districts and principal consigning stations within each district in the Union, and in each province, whence those fresh fruit and vegetables were railed to the terminal markets.

3. The relative quantity of each kind of fresh fruit and vegetable railed to

- (a) The municipal market
- (b) Other marketing agencies, operating at the terminal markets.

4. The number and kind of each type of marketing agency handling fruit and vegetables at the terminal markets.

5. The functions and activities of the various kinds of marketing agencies at the terminal markets.

6. The cost of handling fresh fruit and vegetables by the municipal markets, wholesalers and market agents operating at the terminal markets.

SOURCE OF DATA.

The data concerning the origin of supplies, to the terminal markets were obtained by extracting from the railway delivery notes at each of the terminal markets the number of containers, gross weight of the consignment and the name of the consigning station whence each product was railed to the markets during the period under review.

The extraction of these data was carried out by members of the staff of the office of the Division of Economics and Markets at each of the terminal markets, and analysed and tabulated at the Head Office of that Division in Pretoria, under the immediate supervision and direction of the writer.

At each of the terminal markets, the principals of wholesale fresh produce firms, as well as market agents, retailers, hawkers and the market master were interviewed. The number of records obtained are shown in Table 4:

TABLE 4 NUMBER OF RECORDS OBTAINED FROM VARIOUS MARKETING AGENCIES AT THE TERMINAL MARKETS OF JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN. FEBRUARY / JULY 1949.

Number of records obtained from	Johannesburg	Cape Town	Pretoria	Bloemfontein	Total
Retailers .....	100	112	81	41	334
Wholesalers .....	36	23	16	6	81
Market Agents .....	21	12	6	5	44
Hawkers .....	14	62	47	6	129
Municipal markets....	1	1	1	1	4
<b>TOTAL</b>	<b>172</b>	<b>210</b>	<b>151</b>	<b>59</b>	<b>592</b>

The information obtained from the wholesalers, retailers and hawkers, included source of purchase, frequency of purchase, manner of purchase, kind of firm, activities of the firm and principal outlets. Wherever possible, accounts for the year ending 30th June, 1948, were obtained. The market agents supplied information which included the kind of firm, period in business, functions and activities and products handled. All the records and accounts concerning the operation of the municipal markets were made available by the market master concerned.

APPRAISAL OF DATA.

The data relating to the volume of produce consigned to the 4 terminal markets presented many problems. The railway invoices would e.g. show 6 bags of peas weighing 220 lbs. an average of 37 lbs. per bag. The 6 bags could have represented a combination of pockets, sugar bags or large bags of which the respective gross weights are approximately 20, 40 and 100 pounds. The consignment could, therefore, have consisted of 4 pockets, 1 sugar bag and 1 large bag.

Due to the considerable variation in weight, type, kind, and size of the containers of produce received at the terminal markets, the railway invoices showing the quantities handled, provided no reliable information which could be safely used for purposes of comparison.



## VII

To overcome this difficulty, to afford comparisons between receipts at the terminal markets and to handle the data concerning supplies in order that it could be easily understood, the following procedure was adopted :-

1. The type of container selected for presenting the data was one in which the bulk of the commodity is usually marketed. Where there was no such container, especially in the case of vegetables, one was selected which was commonly known and considered most suitable for presenting the data.
2. By weighing daily, over a period of two weeks, a number of these selected containers received by rail at the Johannesburg and Pretoria terminal auction markets, their average gross weight was determined.
3. The weights shown on the railway notes for each consignment of a commodity was totalled and divided by the average weight of the selected containers; the number of containers thus determined was expressed as the volume received.

Any errors made by the Railway Authorities when transcribing weights from the railway invoices on to the delivery notes would be embodied in the data. It is believed, however, that these errors are few and would not seriously affect the data.

A similar procedure was followed in determining the volume of each product railed from the various districts and from the stations within each district.

Possible errors in the data presented could arise from one or more of the following :-

1. Faulty transcription.
2. Faulty addition.
3. Faulty division.
4. Faulty delivery notes from which the data were extracted.
5. The weight of the material constituting the container may have varied due to differences in the weight of the material from which similar kinds of containers were made. This may have the affect of in - or decreasing the nett weight of the product railed.

6. The proportionate weight of the container to the nett weight of the contents for the various containers wherein the products were marketed may not have been similar to that of the container selected for each product analysed. This would, however, not distort the result of the analysis to any appreciable extent.
7. No allowance was made for shrinkage in transit as data on the subject is lacking. This would only affect the actual weight of receipts at the terminal markets but would have no effect on the validity of the data.

In handling the data every possible effort was made to avoid arithmetical errors whence all calculations were carefully re-checked. The data presented may therefore be accepted as reliable.

Financial records obtained from wholesalers and agents were certified by accountants who compiled the accounts of the firms concerned. Financial statements and records of market masters were extracted from the official files of the municipal authorities concerned.

#### OBJECT OF THE STUDY.

It is the object of this study to portray and examine critically the existing system of marketing the enumerated fruit and vegetables at the terminal markets of Johannesburg, Cape Town, Pretoria and Bloemfontein in order to provide background information, either for the improvement or the promotion of a higher standard of efficiency in the marketing of these products in the Union, or as a basis for further research that will eventually provide solutions for existant marketing problems.

#### SCOPE OF THE STUDY.

There are nine principal urban centres in the Union and these also constitute its main terminal markets.

As the work involved for the purposes of this study was of such an extensive nature it was felt that if the four terminal markets - Johannesburg, Cape Town, Pretoria and Bloemfontein - were investigated, the survey would present a representative picture indicative to the Union as a whole.

The importance of the four terminal markets as a collective consuming area is demonstrated in Table 5.

## 1X.

TABLE 5 PROPORTION OF TOTAL UNION OF SOUTH AFRICA POPULATION ( ALL RACES ) IN THE CITIES OF JOHANNESBURG, PRETORIA, BLOEMFONTEIN AND CAPE TOWN - 1911, 1921, 1936, 1946, 1948. (1)

YEAR	Total Union Population.	Total population in the four cities	Proportion of Union population in the four cities
	Thousands		Percentage
1911	5973	484.5	8.1
1921	6929	597.6	8.6
1936	9590	932.2	9.7
1946	11392	1556.0	13.7
1948	11890	1670.1	14.1

1) Adapted from the publications of the Office of Census and Statistics, Union of South Africa.

The increase in the population of the 4 cities for the period 1911 to 1948 was more rapid and greater than the increase in the total population of the Union. During this period their population increased by 245 per cent compared with that of 1911 as against an increase of 99.1 per cent for the Union as a whole, Table 6.

TABLE 6 INCREASE IN THE TOTAL POPULATION ( ALL RACES ) OF THE UNION OF SOUTH AFRICA COMPARED WITH INCREASE IN THE POPULATION ( ALL RACES ) OF JOHANNESBURG, PRETORIA, BLOEMFONTEIN AND CAPE TOWN 1911, 1921, 1936, 1946, 1948 1)

YEAR	POPULATION UNION (1911 = 100)	POPULATION OF THE FOUR CITIES (1911 = 100)
1911	100.0	100.0
1921	116.0	123.3
1936	160.6	192.4
1946	190.7	321.2
1948	199.1	344.7

1) Adapted from the publications of the Office of Census and Statistics, Union of South Africa.

X.

TIME OF STUDY.

All the data in the study relate to the period 1st July, 1947, to 30th June, 1948.

During January 1948 a start was made with the extraction of data from the railway invoices by the offices of the Division of Economics and Markets at the respective terminal markets.

The work of analysing and tabulating the data was begun at Pretoria in April 1948 and completed in February 1950.

The field work of canvassing the various marketing agencies was begun in February 1949 and was completed in July, 1949.

SECTION 1.

an analysis of the supply of

Apples ;

Avocados ,

Granadillas ,

Mangoes ,

Papaws ,

Pineapples ,

Bananas ,

to the terminal markets of

Johannesburg,

Cape Town,

Pretoria,

Bloemfontein.

CHAPTER 1.

TOTAL RAIL SUPPLIES TO THE FOUR TERMINAL MARKETS.

Total receipts.

The total rail consignments of these fruits to the four terminal markets are shown in Table 7.

TABLE 7 TOTAL RAIL CONSIGNMENTS OF VARIOUS FRUITS TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Kind of fruit	Kind and gross weight of container	Total rail receipts at the four terminal markets
		Number
Apples .....	bu. box, 50 lb.	515,213
Avocados .....	tray, 12½ lb.	293,902
Granadillas.....	tray, 8½ lb.	102,079
Mangoes .....	tray, 12½ lb.	657,638
Papaws .....	std. box, 21 lb.	1,132,412
Pineapples.....	std. box 40 lb.	195,854
Bananas .....	crate, 22½ lb.	131,628

Distribution of rail supplies among the terminal markets.

The supplies railed to the four terminal markets as shown in Table 7 were distributed among these markets as shown in Table 8. (More than 50 per cent of each kind of fruit railed to the four terminal markets was destined for Johannesburg).-

TABLE 8. QUANTITIES OF VARIOUS FRUITS RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, RESPECTIVELY 1947/48.

Kind of fruit	Terminal market				Total rail receipts
	Johannesburg	Cape Town	Pretoria	Bloemfontein	
	Number of containers				
Apples, bu. box	304,976	111,342	59,525	39,370	515,213
Avocados, tray	154,987	66,638	59,133	13,144	293,902
Granadillas, tray	71,321	18,429	8,830	3,499	102,079
Mangoes, tray	350,686	182,474	89,250	35,228	657,638
Papaws, std, box	672,814	208,799	181,673	69,126	1,132,412
Pineapples, tray	106,290	60,275	17,194	12,095	195,854
Bananas, crate	75,878	38,541	12,435	4,774	131,628
	Percentage of total rail receipts				
Apples	59.2	21.6	11.6	7.6	100.0
Avocados	52.7	22.7	20.1	4.5	100.0
Granadillas	69.8	18.1	8.7	3.4	100.0
Mangoes	53.3	27.7	13.6	5.4	100.0
Papaws	59.4	18.4	16.1	6.1	100.0
Pineapples	54.2	30.8	8.8	6.2	100.0
Bananas	57.7	29.3	4.4	3.6	100.0

Quantities railed to the auction markets and other marketing agencies.

The respective proportion that the municipal auction markets and other marketing agencies at the four terminal markets received of the total volume of each kind of fruit railed to these terminal markets are shown in Table 9 :-

TABLE 9 QUANTITIES OF VARIOUS FRUITS CONSIGNED BY RAIL TO (a) MUNICIPAL AUCTION MARKETS AND (b) OTHER MARKETING AGENCIES AT THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Kind of fruit	Rail receipts		Total
	Municipal auction markets	Other marketing agencies	
	Number of containers		
Apples, bu. box	262,623	252,590	515,213
Avocados, tray	249,743	44,159	293,902
Granadillas, tray	75,912	26,167	102,079
Mangoes, tray	588,808	68,830	657,638
Papaws, std. box	917,730	214,682	1,132,412
Pineapples, std. box	167,432	28,422	195,854
Bananas, crate	44,360	87,268	131,628
	Percentage of total rail receipts		
Apples	51.0	49.0	100.0
Avocados	85.0	15.0	100.0
Granadillas	74.4	25.6	100.0
Mangoes	89.5	10.5	100.0
Papaws	81.0	19.0	100.0
Pineapples	85.5	14.5	100.0
Bananas	33.7	66.3	100.0

Excluding bananas and apples, the greater proportion of the fruits was directly consigned to the municipal auction markets (Table 9). In the case of bananas, which usually arrive green and have to be ripened, the consignees were wholesalers who sell the bananas direct from their stores. In so far as apples are concerned, dealers purchase large supplies from growers through the brokerage service of market agents during the plentiful season. These apples are then cold stored by the dealers who transfer considerable quantities of cold stored apples on to the auction market during the scarce season.



Source of supply.

The source of supply of the fruit to the four terminal markets on the basis of provinces within the Union, and territories outside, is shown in Table 10 :-

TABLE 10 SOURCE OF SUPPLY OF VARIOUS FRUITS RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Kind of fruit	<u>Source of supply within the Union</u>				Extra Union	Total rail receipts
	Tvl.	C.P.	O.F.S.	Natal		
	Number of containers					
Apples, bu box	13,205	497,037	4,394	529	48	515,213
Avocados, tray	207,703	1,073	78	84,435	613	293,902
Granadillas, tray	97,511	4,181	-	355	32	102,079
Mangoes, tray	654,632	1,235	401	1,370	-	657,638
Papaws, std. box	1,129,988	1,504	247	456	-	1,132,412
Pineapples, std. bx.	6,469	186,587	237	3,379	181	195,853
Bananas, crate	3,164	253	31	45,867	82,313	131,628
	Percentage					
Apples	2.6	96.5	0.8	0.1	x	100.0
Avocados	70.7	0.4	x	28.7	0.2	100.0
Granadillas	95.5	4.1	-	0.4	x	100.0
Mangoes	99.6	0.2	x	0.2	-	100.0
Papaws	99.9	0.1	x	x	-	100.0
Pineapples	3.3	94.8	0.1	1.7	0.1	100.0
Bananas	2.4	0.2	-	34.9	62.5	100.0

The supply of fruit to the terminal markets principally came from sources within the Union. Supplies of apples and pineapples, 96.5 and 94.8 per cent respectively came from the Cape Province. The Transvaal and Natal supplied 70.7 and 28.7 per cent, respectively, of the avocados, while greater supplies of granadillas 95.5 per cent, mangoes 99.6 per cent, and papaws 99.6 per cent, came from the Transvaal. Lourenco Marques in Portuguese East Africa, supplied 62.5 per cent and Natal 34.9 per cent, of the bananas consigned to the terminal markets.

Leading magisterial districts from which fruit was railed.

The leading magisterial districts from where the various fruits were railed to the terminal markets are shown in Tabel 11. From the table it is evident that the districts which supplied the greater proportion of the fruit are relatively few in number. Three districts supplied 69.5 per cent of the apples, whereas 83.9 per cent of the avocados, 84.9 per cent of the granadillas, 89.6 per cent of the mangoes, 92.4 per cent of the papaws and 89.4 per cent of the pineapples came from two districts only. The greater proportion of the bananas, namely 62.3 per cent, were imported from Lourenco Marques and 24.3 per cent came from two districts within the Union.

The Letaba district, Transvaal, was the principal source of supply of avocados, granadillas, mangoes and papaws. Pineapples came principally from Bathurst, and apples from the Caledon district in the Cape Province. Port Shepstone, in Natal, was the main source of supply for bananas grown within the Union.

TABLE 11 LEADING MAGISTERIAL DISTRICTS FROM WHICH VARIOUS FRUITS WERE  
RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN  
TERMINAL MARKETS, 1947/48.

Kind of fruit	Magisterial district	Proportion that supplies from each district represented of total supplies railed to the four terminal markets
		Percentage
Apples	Caledon, C.P.	33.0
	Uniondale, C.P.	25.9
	George, C.P.	<u>10.6</u>
		<u>69.5</u>
Avocados	Letaba, Tvl.	59.1
	Durban, Natal	<u>24.8</u>
		<u>83.9</u>
Granadillas	Letaba, Tvl.	59.9
	Nelspruit, Tvl.	<u>25.0</u>
		<u>84.9</u>
Mangoes	Letaba, Tvl.	46.2
	Barberton, Tvl.	<u>43.4</u>
		<u>89.6</u>
Papaws	Letaba, Tvl.	61.1
	Barberton, Tvl.	<u>31.3</u>
		<u>92.4</u>
Pineapples	Bathurst, C.P.	70.0
	Albany, C.P.	<u>19.4</u>
		<u>89.4</u>
Bananas	Lourenco Marques, P.E.A.	62.3
	Port Shepstone, Natal	17.6
	Pinetown, Natal	6.7

The relatively small number of districts and the high proportion that the supplies from these districts formed of the total supplies consigned to the terminal markets should greatly facilitate the compilation of marketing data to aid in the distribution of the crop. Valuable aid could be rendered growers were a seasonal service introduced to furnish them with the following information :-

1. A monthly crop report.
2. A weekly estimate of the tree-ripe crop that can be marketed.
3. The daily loadings and their destination.

Taken in conjunction with the daily terminal market reports prepared by the Division of Economics and Markets and broadcast by the South African Broadcasting Corporation, such information should render valuable assistance to growers in selecting their marketing centres.

#### Principal consigning stations

The principal consigning stations are shown in Table 12.

The bulk of the fruit was consigned from relatively few such stations within the leading magisterial districts. Apples consigned from Elgin, Joubertina and Camfer, represented 62.2 per cent of the total apples railed to the terminal markets. Avocados railed from Politsi, Durban, Tzaneen and Duiwelskloof, represented 76.7 per cent of the total avocados railed to the terminal markets; Tzaneen and Nelspruit loadings accounted for 53.7 per cent of the granadillas; Tzaneen, Kaap Muiden, Malelane and Letaba for 69.1 per cent of the mangoes; Letsitele, Kaap Muiden and Tzaneen for 69.4 per cent of the papaws; and Trappes Valley and Grahamstown for 46.9 per cent of the pineapples consigned to the terminal markets.

Bananas were chiefly consigned from Lourenco Marques from which 62.3 per cent of the total supplies of bananas to the terminal markets were railed. Within the Union, the principal consigning station for bananas was Port Shepstone whence 16.4 per cent of the bananas railed to the terminal markets was consigned.

The most important single consigning station for each of the fruits was Elgin, C.P., for apples; Politsi, Tvl., for avocados; Tzaneen, Tvl., for granadillas and mangoes; Letsitele, Tvl., for papaws; Trappes Valley, C.P., for pineapples; and Port Shepstone, Natal, for bananas consigned from within the Union.

**TABLE 12**      **PRINCIPAL CONSIGNING STATIONS FROM WHICH FRUIT WAS RAILED TO**  
**THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL**  
**MARKETS, 1947/48.**

Kind of fruit	Magisterial district	Principal consigning station	Proportion that quantity railed from each consigning station represented of total rail receipts at the four terminal markets.
			Percentage
Apples	Caledon, C.P.	Elgin	32.5
	Uniondale, C.P.	Joubertina	19.1
	George, C.P.	Gamfer	10.6
	Ceres, C.P.	P.A. Hamlet	4.6
Avocados	Letaba, Tvl.	Politsi	25.0
	Durban, Natal	Durban	21.2
	Letaba, Tvl.	Tzaneen	16.9
	Letaba, Tvl.	Duiwelskloof	13.6
Granadillas	Letaba, Tvl.	Tzaneen	41.8
	Nelspruit, Tvl.	Nelspruit	11.9
Mangoes	Letaba, Tvl.	Tzaneen	22.2
	Barberton, Tvl.	Kaap Muiden	19.9
	Barberton, Tvl.	Malelane	15.2
	Letaba, Tvl.	Letaba	11.8
Papaws	Letaba, Tvl.	Letsitele	33.6
	Barberton, Tvl.	Kaap Muiden	24.8
	Letaba, Tvl.	Tzaneen	11.0
Pineapples	Bathurst, C.P.	Trappes Valley	27.9
	Albany, C.P.	Grahamstown	19.0
Bananas	Lourenco Marques, P.E.A.	Lourenco Marques	62.3
	Port Shepstone, Natal.	Port Shepstone	16.4

CHAPTER 11

ANALYSIS OF RAIL RECEIPTS OF FRUIT AT EACH OF  
THE TERMINAL MARKETS

Proportionate receipts by the auction market and other marketing agencies

The total rail receipts of the fruit and the volume consigned to the auction market and to other marketing agencies at each of the terminal markets is shown in Tables 13, 14, 15 and 16.

Excluding apples railed to Johannesburg, and bananas railed to Johannesburg and Pretoria, the greater proportion of the fruit consigned to the terminal markets were sent to the municipal auction markets.

The proportionate rail receipts by other marketing agencies in Johannesburg was the highest for all four markets. This is accounted for by the greater number of wholesalers, market agents and distributors operating in that city, who purchase supplies for their clients direct from growers. The relatively low receipts of avocados, granadillas, mangoes, papaws and pineapples by marketing agencies, other than the auction markets at Cape Town, Pretoria and Bloemfontein, is indicative of the role the municipal markets of these cities play as a concentration point for the wider distribution of these products.

TABLE 13 RESPECTIVE PROPORTIONS THAT THE MUNICIPAL AUCTION MARKET AND OTHER MARKETING AGENCIES RECEIVED OF THE TOTAL QUANTITY OF VARIOUS FRUITS RAILED TO THE JOHANNESBURG TERMINAL MARKET, 1947/48.

Kind of fruit	Total rail receipts	Receipts by	
		Municipal auction market	Other marketing agencies
		Number of containers	
Apples, bu. box	304,976	96,207	208,769
Avocados, tray	154,987	111,489	43,498
Granadillas, tray	71,321	45,459	25,862
Mangoes, tray	350,686	283,426	67,260
Papaws, std. box	672,814	460,994	211,820
Pineapples, std. box	106,290	80,313	25,977
Bananas, crate	75,878	467	75,411
		Percentage of total receipts	
Apples	100.0	31.5	68.5
Avocados	100.0	71.9	28.1
Granadillas	100.0	63.7	36.3
Mangoes	100.0	80.8	19.2
Papaws	100.0	68.5	31.5
Pineapples	100.0	75.6	24.4
Bananas	100.0	0.6	99.4

TABLE 14 RESPECTIVE PROPORTIONS THAT THE MUNICIPAL AUCTION MARKET AND OTHER MARKETING AGENCIES RECEIVED OF THE TOTAL QUANTITY OF VARIOUS FRUITS RAILED TO THE CAPE TOWN TERMINAL MARKET, 1947/48.

Kind of fruit	Total rail receipts	Receipts by	
		Municipal auction market	Other marketing agencies
Number of containers			
Apples, bu. box.	111,342	75,178	36,164
Avocados, tray	66,638	66,316	322
Granadillas, tray	18,429	18,404	25
Mangoes, tray	182,474	182,407	67
Papaws, std. box	208,799	208,550	249
Pineapples, std. box	60,275	58,913	1,362
Bananas, crate	38,541	37,436	1,105
Percentage of total rail receipts			
Apples	100.0	67.5	32.5
Avocados	100.0	99.5	0.5
Granadillas	100.0	99.9	0.1
Mangoes	100.0	100.0	-
Papaws	100.0	99.9	0.1
Pineapples	100.0	97.8	2.2
Bananas	100.0	97.1	2.9

TABLE 15 RESPECTIVE PROPORTIONS THAT THE MUNICIPAL AUCTION MARKET AND OTHER MARKETING AGENCIES RECEIVED OF THE TOTAL QUANTITY OF VARIOUS FRUITS RAILED TO THE PRETORIA TERMINAL MARKET, 1947/48.

Kind of fruit	Total rail receipts	Receipts by	
		Municipal auction market	Other marketing agencies
Number of containers			
Apples, bu. box	59,525	54,520	5,005
Avocados, tray	59,133	58,872	261
Granadillas, tray	8,830	8,573	257
Mangoes, tray	89,250	87,928	1,322
Papaws, std. box	181,673	180,457	1,216
Pineapples, std. box	17,194	16,413	781
Bananas, crate	12,435	3,468	8,967
Percentage of total rail receipts			
Apples	100.0	91.6	8.4
Avocados	100.0	99.6	0.4
Granadillas	100.0	97.1	2.9
Mangoes	100.0	98.5	1.5
Papaws	100.0	99.3	0.7
Pineapples	100.0	95.5	4.5
Bananas	100.0	27.9	72.1

**TABLE 16** RESPECTIVE PROPORTIONS THAT THE MUNICIPAL AUCTION MARKET AND OTHER MARKETING AGENCIES RECEIVED OF THE TOTAL QUANTITY OF VARIOUS FRUITS RAILED TO THE BLOEMFONTEIN TERMINAL MARKET, 1947/48.

Kind of fruit	Total rail receipts	Receipts by	
		Municipal auction market	Other marketing agencies
		Number of containers	
Apples, bu. box.	39,370	36,718	2,652
Avocados, tray	13,144	13,066	78
Granadillas, tray	3,499	3,476	23
Mangoes, tray	35,228	35,047	181
Papaws, std. box	69,126	67,729	1,397
Pineapples, std. box	12,095	11,793	302
Bananas, crate.	4,774	2,989	1,785
		Percentage of total rail receipts	
Apples	100.0	93.3	6.7
Avocados	100.0	99.4	0.6
Granadillas	100.0	99.3	0.7
Mangoes	100.0	99.5	0.5
Papaws	100.0	98.0	2.0
Pineapples	100.0	97.5	2.5
Bananas	100.0	62.6	37.4

Source of fruit supplies to each of the terminal markets

The source of supply of the fruit railed to each of the terminal markets is shown in Tables 17, 18, 19 and 20.

Apples : The main source of supply was the Cape Province. Johannesburg received 96.6 per cent of its rail supplies from the Cape Province; Cape Town, 99.5 per cent; Pretoria, 91.6 per cent, and Bloemfontein, 94.3 per cent. Apples from the Transvaal amounted to 7.4 per cent of the receipts at Pretoria, and Bloemfontein received 3.6 per cent of its supplies from the Orange Free State.

Avocados : Supplies to Johannesburg and Pretoria, 92.6 and 77.4 per cent, respectively, came principally from the Transvaal. Natal supplied 76.0 per cent of those railed to Cape Town, and 74.8 per cent of those railed to Bloemfontein.



TABLE 17 SOURCE OF SUPPLY OF VARIOUS FRUITS RAILED TO THE JOHANNESBURG  
TERMINAL MARKET, 1947/48.

Kind of fruit	Total rail receipts	Rail receipts from					Extra Union
		Tvl.	O.P.	O.F.S.	Natal		
		Number of containers					
Apples, bu. box.	304,976	7,562	294,609	2,695	62	48	
Avocados, tray	154,987	143,529	493	-	10,607	358	
Granadillas, tray	71,321	71,072	140	-	79	30	
Mangoes, tray,	350,686	349,776	509	401	-	-	
Papaws, std. box	672,814	671,892	546	241	62	73	
Pineapples, std. box.	106,290	2,663	102,874	196	557	-	
Bananas, crate.	75,878	550	90	5	5,829	69,404	
		Percentage of rail receipts					
Apples	100.0	2.5	96.6	0.9	x	x	
Avocados	100.0	92.6	0.3	-	6.9	0.2	
Granadillas	100.0	99.7	0.2	-	0.1	x	
Mangoes	100.0	99.7	0.2	0.1	-	-	
Papaws	100.0	99.9	0.1	x	x	x	
Pineapples	100.0	2.5	96.8	0.2	0.5	-	
Bananas	100.0	0.7	0.1	x	7.7	91.5	

TABLE 18 SOURCE OF SUPPLY OF VARIOUS FRUITS RAILED TO THE CAPE TOWN  
TERMINAL MARKET, 1947/48.

Kind of fruit	Total rail receipts	Rail receipts from					Extra Union
		Tvl.	O.P.	O.F.S.	Natal		
		Number of containers					
Apples, bu. box	111,342	489	110,824	14	15	-	
Avocados, tray	66,638	15,485	272	-	50,655	226	
Granadillas, tray.	18,429	14,785	3,525	-	119	-	
Mangoes, tray	182,474	181,758	254	-	462	-	
Papaws, std. box.	208,799	208,229	424	-	146	-	
Pineapples, std. box	60,275	243	57,960	40	2,032	-	
Bananas, crate	38,541	828	111	26	37,508	68	
		Percentage of rail receipts					
Apples	100.0	0.5	99.5	x	x	-	
Avocados	100.0	23.2	0.4	-	76.0	0.4	
Granadillas	100.0	80.2	19.1	-	0.7	-	
Mangoes	100.0	99.6	0.1	-	0.3	-	
Papaws	100.0	99.8	0.2	-	-	-	
Pineapples	100.0	0.4	96.2	x	3.4	-	
Bananas	100.0	2.2	0.3	x	97.3	0.2	

TABLE 19 SOURCE OF SUPPLY OF VARIOUS FRUITS RAILED TO THE PRETORIA TERMINAL MARKET, 1947/48.

Kind of fruit	Total rail receipts	Rail receipts from					Extra Union
		Tvl.	C.P.	O.F.S.	Natal		
		Number of containers					
Apples, bu. box,	59,525	4,393	54,498	273	361	-	
Avocados, tray,	59,133	45,751	16	-	13,337	29	
Granadillas, tray,	8,830	8,299	516	-	13	2	
Mangoes, tray,	89,250	88,634	470	-	146	-	
Papaws, std. box,	181,673	181,215	220	-	94	144	
Pineapples, std. box,	17,194	8,187	13,685	-	322	-	
Bananas, crate.	12,435	1,616	11	-	936	9,872	
		Percentage of rail receipts					
Apples	100.0	7.4	91.6	0.4	0.6	-	
Avocados	100.0	77.4	x	-	22.6	x	
Granadillas	100.0	94.0	5.8	-	0.2	x	
Mangoes	100.0	99.3	0.5	-	0.2	-	
Papaws	100.0	99.8	0.1	-	x	0.1	
Pineapples	100.0	18.5	79.6	-	1.9	-	
Bananas	100.0	13.0	x	-	7.5	79.5	

TABLE 20 SOURCE OF SUPPLY OF VARIOUS FRUITS RAILED TO THE BLOEMFONTEIN TERMINAL MARKET, 1947/48.

Kind of fruit	Total rail receipts	Rail receipts from					Extra Union
		Tvl.	C.P.	O.F.S.	Natal		
		Number of containers					
Apples, bu. box.	39,370	761	37,106	1,412	91	-	
Avocados, tray.	13,144	2,938	292	78	9,836	-	
Granadillas, tray.	3,499	3,355	-	-	144	-	
Mangoes, tray,	35,228	34,464	2	-	762	-	
Papaws, std. box.	69,126	68,652	314	6	154	-	
Pineapples, std. box	12,095	376	11,068	1	469	181	
Bananas, crate.	4,774	170	41	-	1,594	2,969	
		Percentage of rail receipts					
Apples	100.0	1.9	94.3	3.6	0.2	-	
Avocados	100.0	22.4	2.2	0.6	74.8	-	
Granadillas	100.0	95.9	-	-	4.1	-	
Mangoes	100.0	97.8	x	-	2.2	-	
Papaws	100.0	99.3	0.5	x	0.2	-	
Pineapples	100.0	3.1	91.5	x	3.9	1.5	
Bananas	100.0	3.5	0.9	-	33.4	62.2	

Granadillas, papaws, mangoes By far the greater proportion of these fruit railed to the four markets came from the Transvaal. Granadilla supplies from the Transvaal to Johannesburg, Cape Town, Pretoria and Bloemfontein, respectively, amounted to 99.7, 80.2, 94.0 and 95.9 per cent of the receipts at these markets. Similarly, papaws from the Transvaal represented 99.9 per cent of the receipts at Johannesburg; 99.8 per cent of the receipts at Cape Town and Pretoria; and 99.3 per cent of the receipts at Bloemfontein. The proportion of the receipts at each market for mangoes from the Transvaal was 99.7 per cent for Johannesburg, 99.6 per cent for Cape Town, 99.3 per cent for Pretoria, and 97.8 per cent for Bloemfontein.

Pineapples The chief source of supply for pineapples to the markets was the South Eastern Cape Province. Supplies from this source accounted for 96.8 per cent of the receipts at Johannesburg; 96.2 per cent of the receipts at Cape Town; 79.6 per cent of the receipts at Pretoria; and 91.5 per cent of the receipts at Bloemfontein.

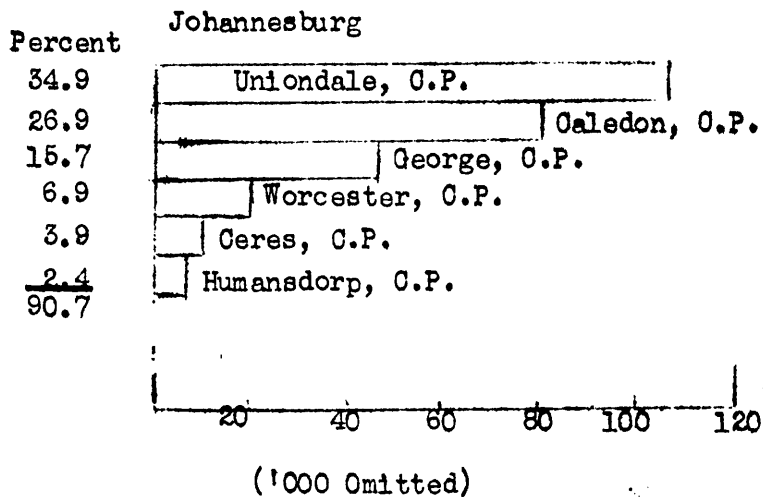
Bananas The main source of supply of bananas to Johannesburg, Pretoria, and Bloemfontein was Portuguese East Africa. Johannesburg received 91.5 per cent; Pretoria 79.5 per cent; and Bloemfontein, 62.2 per cent of its bananas supplies from this source. Supplies of bananas to Cape Town came mainly from Natal, which supplied 97.3 per cent of the bananas railed to that market. Natal supplied 7.7 per cent of the bananas railed to Johannesburg; 7.5 per cent of the supplies to Pretoria; and 33.4 per cent of the supplies to Bloemfontein.

Leading magisterial districts from which  
the fruit was railed to each terminal  
market

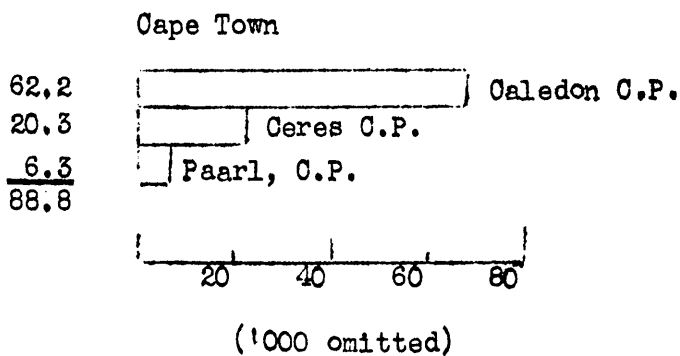
The leading magisterial districts and the proportion that the supplies from each district represented of the total supplies railed to each of the terminal markets are shown in Figures 1 to 7.

Figure 1 SOURCE OF SUPPLY BY DISTRICTS OF APPLES  
RAILED TO THE JOHANNESBURG, CAPE TOWN,  
PRETORIA AND BLOEMFONTEIN TERMINAL  
MARKETS. 1947/48.

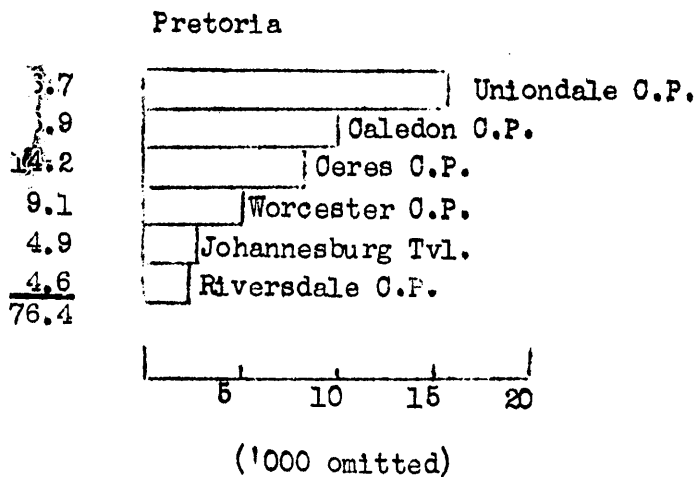
(Bushel Boxes 50 lbs. gross)



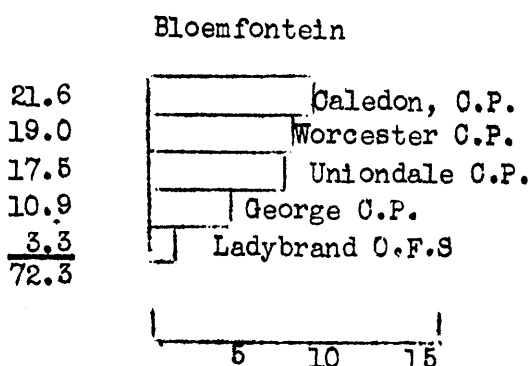
The 6 leading districts supplied 90.7 per cent of the 304976 bu. boxes of APPLES which were railed from 120 stations located within 70 magisterial districts.



The 3 leading districts supplied 88.8 per cent of the 111342 bu. boxes of APPLES which were railed from 84 stations located within 49 magisterial districts.



The 6 leading districts supplied 76.4 per cent of the 59525 bu. boxes of APPLES which were railed from 58 stations located within 41 magisterial districts.



The 5 leading districts supplied 72.3 per cent of the 39370 bu. boxes of APPLES which were railed from 84 stations located within 52 magisterial districts.

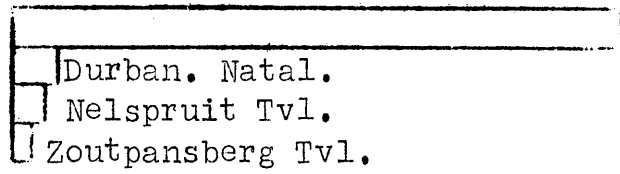
Figure 2 SOURCE OF SUPPLY BY DISTRICTS OF  
 AVOCADOS RAILED TO THE JOHANNESBURG,  
 CAPE TOWN, PRETORIA AND BLOEMFONTEIN  
 TERMINAL MARKETS. 1947/48.

(Trays  $12\frac{1}{2}$  lbs. gross)

Johannesburg

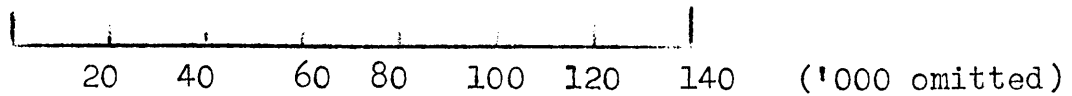
Percent

80.4  
6.4  
4.5  
2.9  
94.2



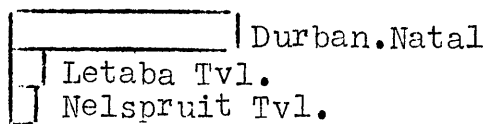
Letaba Tvl.

The 4 leading districts supplied 94.2% of the 154987 trays of AVOCADOS which were railed from 55 stations located within 25 magisterial districts.

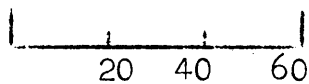


Cape Town

71.0  
9.8  
9.0  
89.8



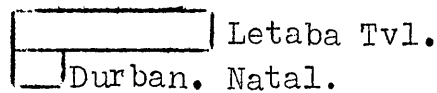
The 3 leading districts supplied 89.8% of the 66638 trays of AVOCADOS which were railed from 45 stations located within 21 magisterial districts.



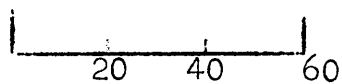
('000 omitted)

Pretoria

70.3  
19.3  
89.6



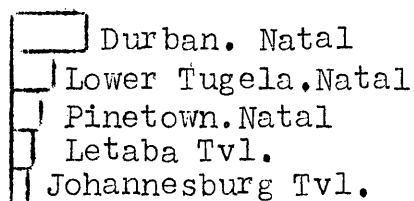
The 2 leading districts supplied 89.6% of the 59133 trays of AVOCADOS which were railed from 43 stations located within 18 magisterial districts.



('000 omitted)

Bloemfontein

31.7  
16.9  
12.9  
8.0  
6.3  
75.8



The 5 leading districts supplied 75.8% of the 13144 trays of AVOCADOS which were railed from 41 stations located within 19 magisterial districts.

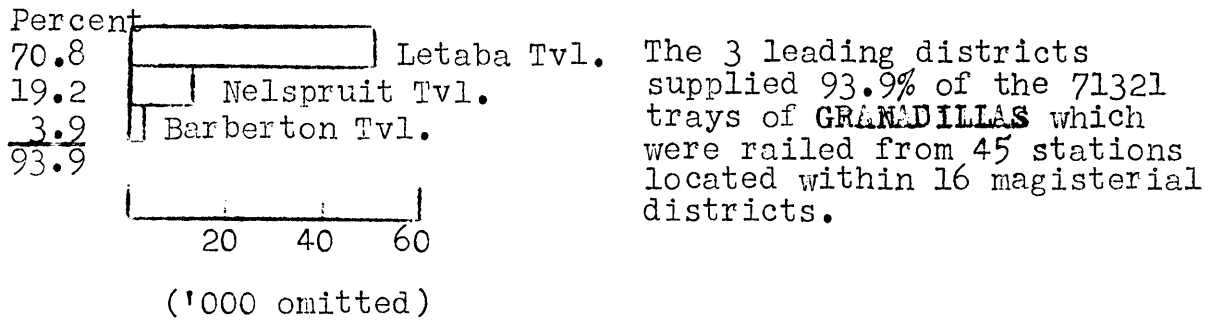


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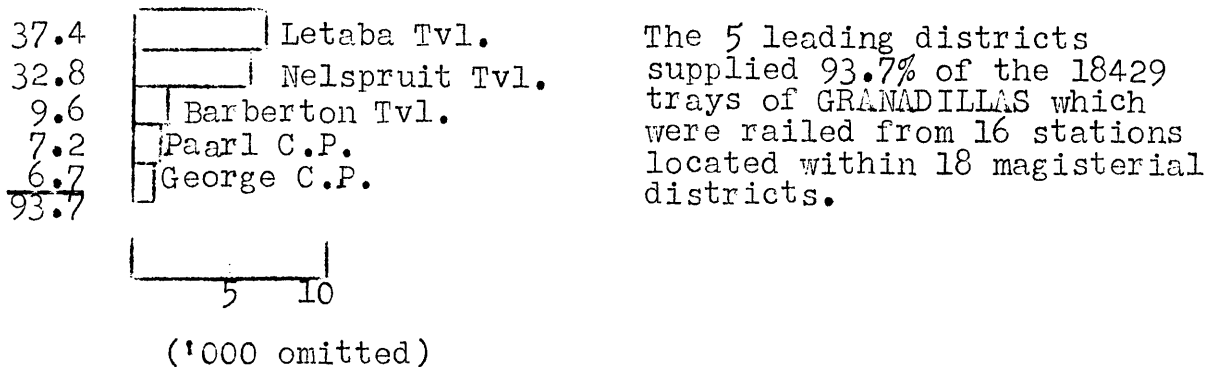
Figure 3 SOURCE OF SUPPLY BY DISTRICTS, OF  
 GRANADILLAS RAILED TO THE JOHANNES-  
 BURG, CAPE TOWN, PRETORIA AND BLOEM-  
 FONTEIN TERMINAL MARKETS. 1947/48.

(Trays  $8\frac{1}{2}$  lbs. gross)

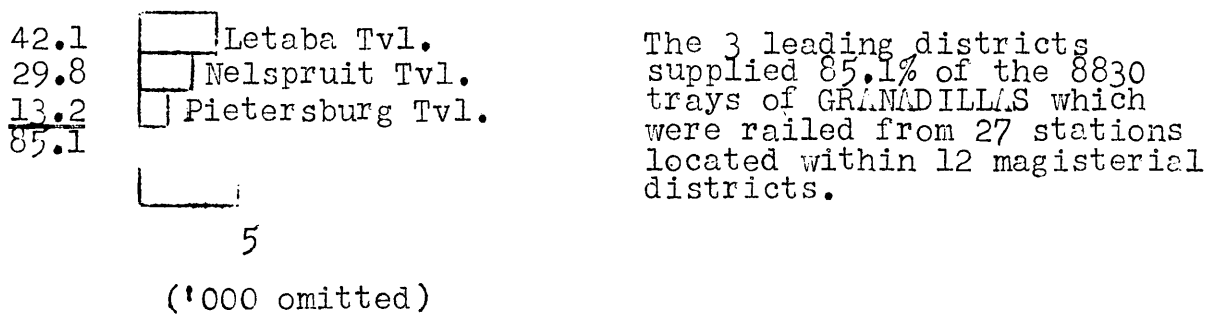
Johannesburg



Cape Town



Pretoria



Bloemfontein

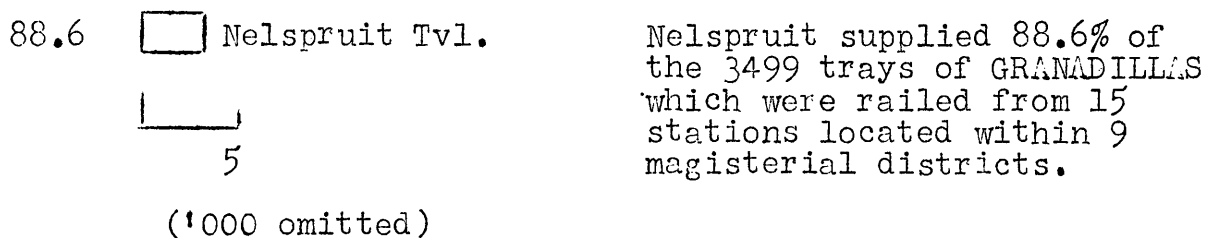
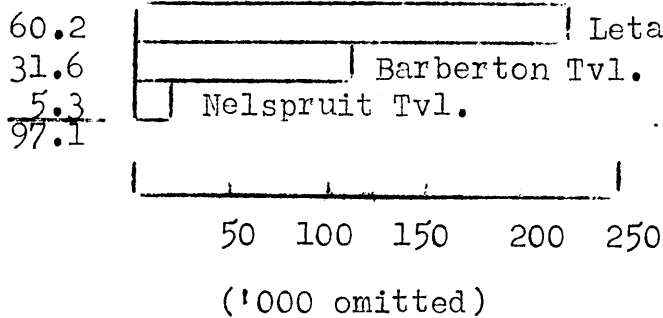


Figure 4 SOURCE OF SUPPLY. BY DISTRICTS OF  
 MANGOES RAILED TO THE JOHANNESBURG,  
 CAPE TOWN, PRETORIA AND BLOEMFONTEIN  
 TERMINAL MARKETS. 1947/48.

(Trays  $12\frac{1}{2}$  lbs. gross)

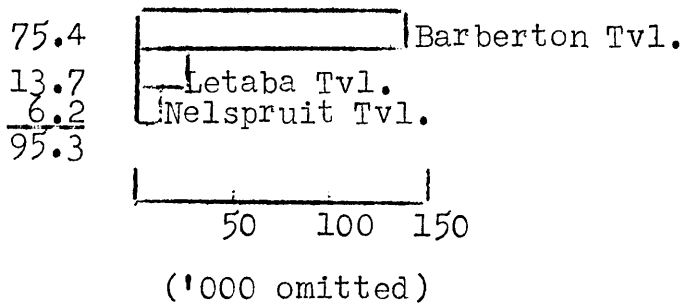
Johannesburg

Percent



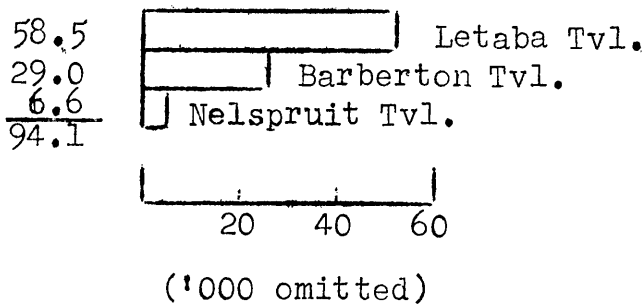
The 3 leading districts supplied 97.1% of the 350686 trays of MANGOES which were railed from 55 stations located within 24 magisterial districts.

Cape Town



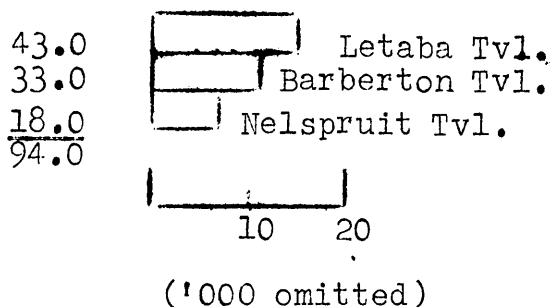
The 3 leading districts supplied 95.3% of the 182474 trays of MANGOES which were railed from 28 stations located within 11 magisterial districts.

Pretoria



The 3 leading districts supplied 94.1% of the 89250 trays of MANGOES which were railed from 30 stations located within 13 magisterial districts.

Bloemfontein

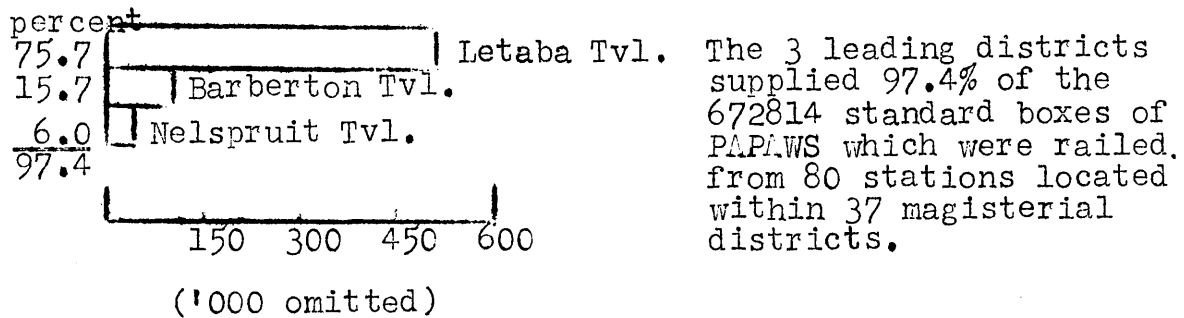


The 3 leading districts supplied 94.0% of the 35228 trays of MANGOES which were railed from 24 stations located within 9 magisterial districts.

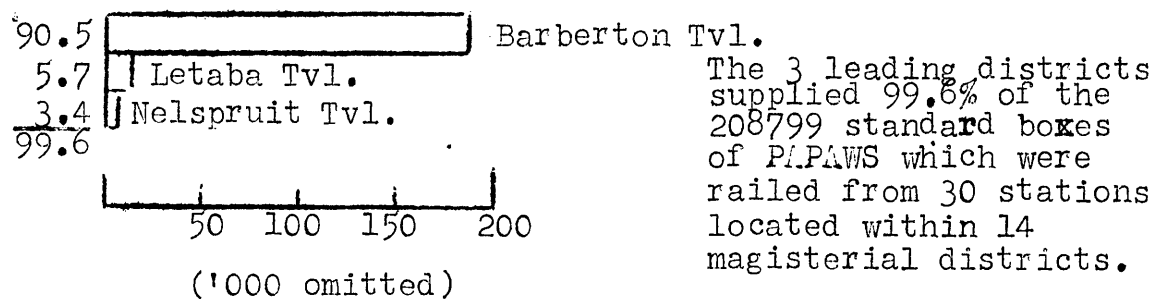
Figure 5 SOURCE OF SUPPLY BY DISTRICTS OF  
 PAPAWS RAILED TO THE JOHANNESBURG,  
 CAPE TOWN, PRETORIA AND BLOEMFONTEIN  
 TERMINAL MARKETS. 1947/48.

(Standard Boxes 21 lbs.gross)

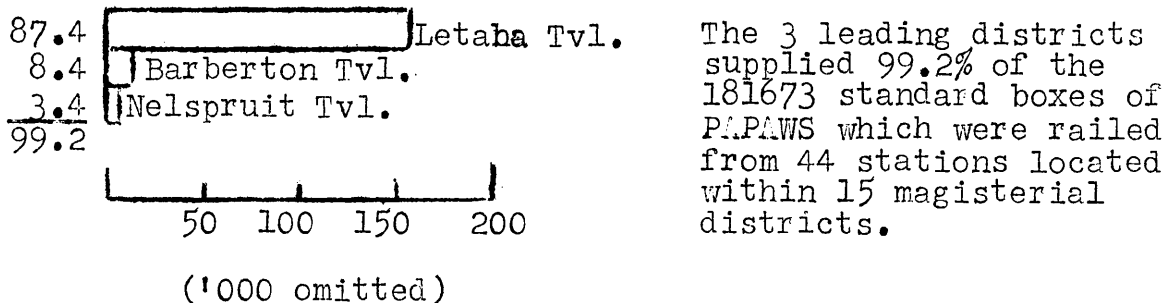
Johannesburg



Cape Town



Pretoria



Bloemfontein

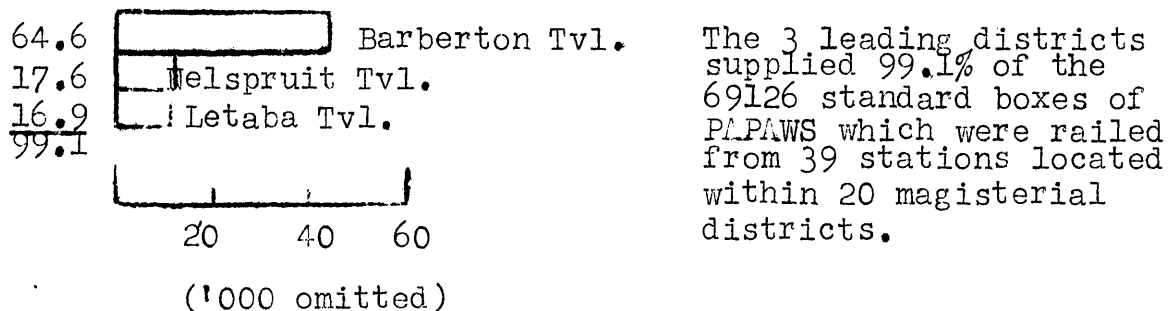




Figure 6. SOURCE OF SUPPLY BY DISTRICTS OF  
 PINEAPPLES RAILED TO THE JOHANNESBURG,  
 CAPE TOWN, PRETORIA AND BLOEMFONTEIN  
 TERMINAL MARKETS. 1947/48.

(Standard Boxes 40 lbs. gross)

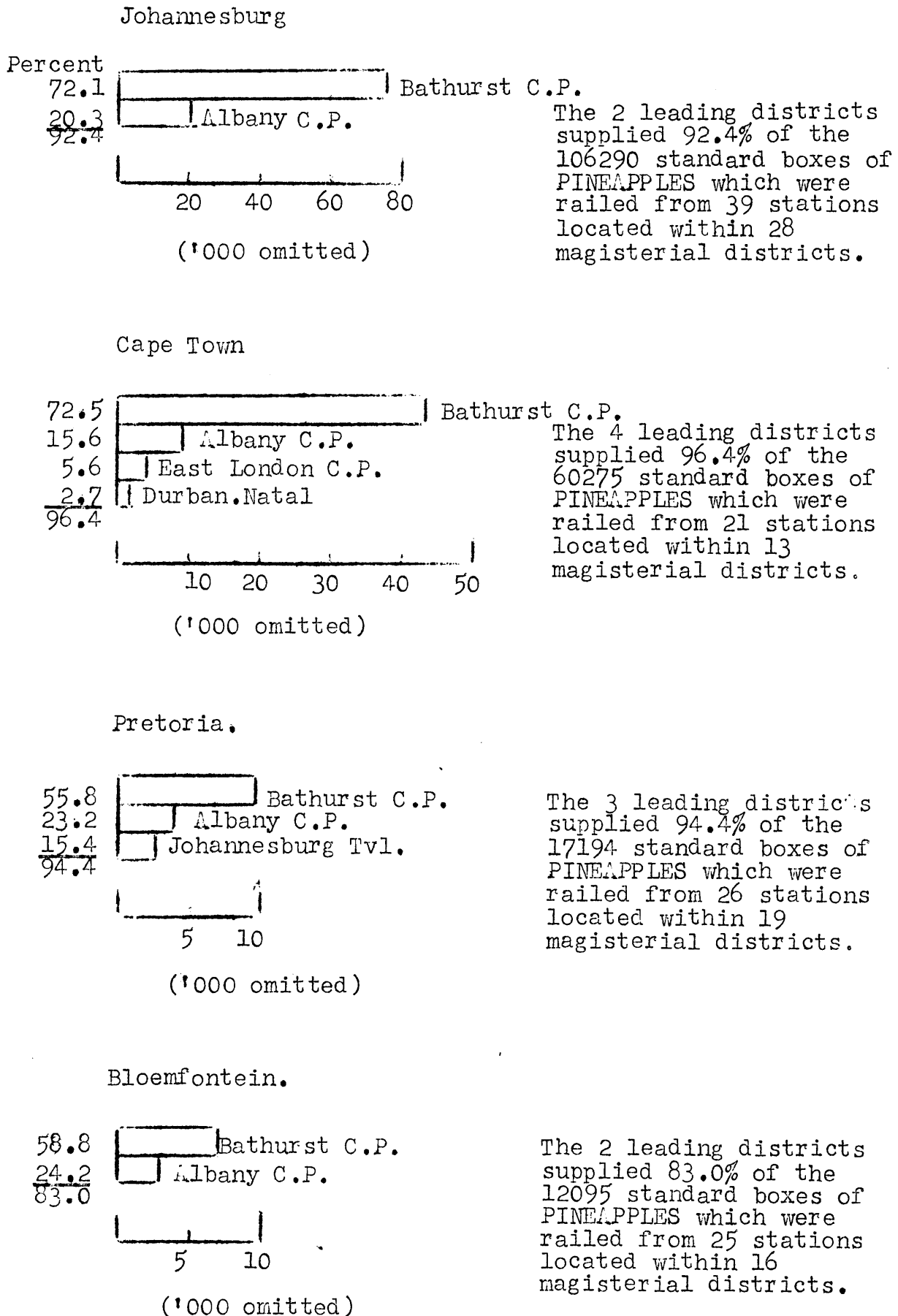
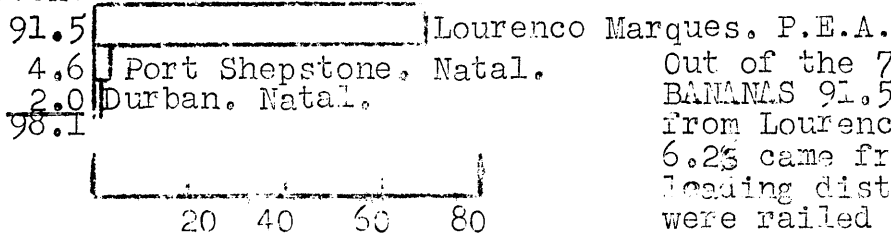


Figure 7. SOURCE OF SUPPLY BY DISTRICTS, OF BANANAS RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS. 1947/48.

( Crates 225 lbs. gross )

Johannesburg.

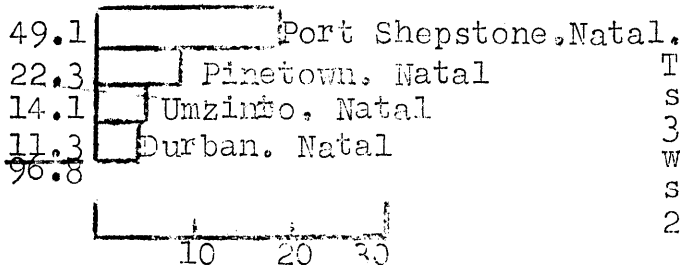
Percent



( '000 omitted. )

Out of the 75878 crates of BANANAS 91.5% was imported from Lourenco Marques and 6.2% came from the 2 leading districts which were railed from 31 stations located within 22 magisterial districts.

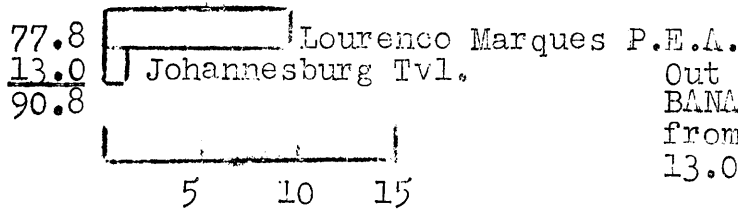
Cape Town.



( :000 omitted )

The 4 leading districts supplied 96.8% of the 38541 crates of BANANAS which were railed from 40 stations located within 24 magisterial districts.

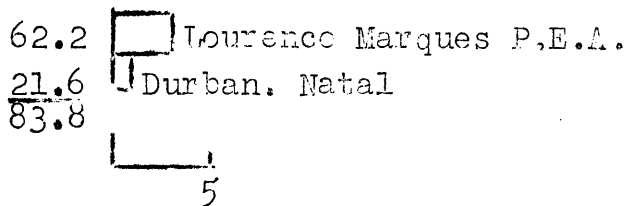
Pretoria.



( '000 omitted )

Out of the 12435 crates of BANANAS 77.8% were imported from Lourenco Marques and 13.0% came from Johannesburg.

Bloemfontein.



( '000 omitted )

Out of the 4774 crates of BANANAS 62.2% was imported from Lourenco Marques and 21.6% came from Durban.

The leading districts for each of the various fruit were :

Apples ( Figure 1): Uniondale was the leading district for supplies of apples railed to Johannesburg and Pretoria while Caledon supplied most of the apples railed to Cape Town and Bloemfontein. About 35 per cent of the apples railed to Johannesburg and about 27 per cent of those railed to Pretoria came from Uniondale while about 62 per cent of the apples railed to Cape Town and about 22 per cent of those railed to Bloemfontein, came from the Caledon district.

Avocados ( Figure 2): Letaba district furnished about 80 per cent of the avocados railed to Johannesburg, and about 70 per cent of those railed to Pretoria. Supplies ( of avocados) to Cape Town and Bloemfontein came mainly from the Durban district. Cape Town received 71 per cent of its avocados and Bloemfontein 31.7 per cent from this source.

Granadillas ( Figure 3): Johannesburg, Cape Town and Pretoria respectively received 70.8, 37.4 and 42.1 per cent of their granadillas from the Letaba district, and Bloemfontein 88.6 per cent of its granadilla supplies from the Nelspruit district.

Mangoes ( Figure 4): Mango supplies railed to Johannesburg, Pretoria and Bloemfontein came largely from the Letaba district which railed to those markets respectively 60.2, 53.4 and 43.0 per cent of their supplies. Cape Town obtained 75.4 per cent of its mangoes from the Barberton district.

Papaws ( Figure 5): Letaba district supplied 75.7 per cent of the papaws railed to Johannesburg, and 87.4 per cent of those railed to Pretoria. Cape Town and Bloemfontein respectively, received 90.5 and 64.6 per cent of their papaws from Barberton.

Pineapples ( Figure 6): Bathurst district was the leading source of supply for pineapples to all four markets. Johannesburg received 72.1 per cent; Cape Town 72.5 per cent; Pretoria, 55.8 per cent; and Bloemfontein, 53.8 per cent of their pineapples from this source.

Bananas ( Figure 7): The main source of supply of bananas to Johannesburg, Pretoria and Bloemfontein was Portuguese East Africa. Supplies to Cape Town came largely from Port Shepstone, Natal. The proportion of the total rail receipts for bananas from Lourenco Marques at each of the markets was 91.5 per cent for Johannesburg; 77.8 per cent for Pretoria; and 62.2 per cent for Bloemfontein. Port Shepstone supplied 49.1 per cent; Pinetown,

22.3 per cent; and Umzinto, 14.1 per cent of the bananas railed to Cape Town.

Principal station from which fruit was consigned to each terminal market.

The principal consigning stations from which each kind of fruit was railed to the terminal markets are shown in the table below :-

TABLE 21 PRINCIPAL CONSIGNING STATIONS FROM WHICH EACH KIND OF FRUIT WAS RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Kind of fruit	Terminal market			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Principal consigning station			
Apples :	Joubertina	Elgin	Joubertina	Elgin
Avocados :	Politsi	Durban	Politsi	Durban
Granadillas :	Tzaneen	Tzaneen	Tzaneen	Nelspruit
Mangoes :	Tzaneen	Kaapmuiden	Tzaneen	Tzaneen
Papaws :	Letsitele	Kaapmuiden	Letsitele	Kaapmuiden
Pineapples :	Trappes Valley	Grahamstown	Trappes Valley	Trappes Valley
Bananas :	Lourenco Marques	Port Shepstone	Lourenco Marques	Lourenco Marques

The principal consigning stations for fruit railed to Johannesburg and Pretoria excluding apples were similar. The principal consigning stations for apples and avocados to Cape Town and Bloemfontein were the same, but varied for the other fruit. No single principal consigning station was common to all four markets for any one kind of fruit.

Apples: The principal consigning station for apples to Cape Town and Bloemfontein was Elgin, C.P., and for Pretoria and Johannesburg, Joubertina, C.P.

Avocados: Politsi, Tvl., was the most important consigning station for avocados to Johannesburg and Pretoria, and Durban, Natal, for Cape Town and Bloemfontein.

Granadillas: Tzaneen, Tvl., was the main consigning station for granadillas to Johannesburg, Cape Town and Pretoria, and Nelspruit, Transvaal, for Bloemfontein.

Mangoes: Tzaneen was also the principal consigning station for mangoes to Johannesburg, Pretoria and Bloemfontein, and Kaapmuiden, Tvl., for Cape Town.

Papaws: The principal consigning station for papaws to Johannesburg and Pretoria was Letsitele, Tvl., and for Cape Town and Bloemfontein, Kaapmuiden, Transvaal.

Pineapples: Trappes Valley, C.P., was the main consigning station for pineapples to Johannesburg, Pretoria and Bloemfontein, and Grahamstown, C.P., for Cape Town.

Bananas: Lourenco Marques, in Portuguese East Africa, was the principal consigning station for bananas to Johannesburg, Pretoria and Bloemfontein. The principal consigning station for bananas to Cape Town was Fort Shepstone, Natal.

Average distance travelled by the greater proportion of the fruit consigned by rail to each terminal market.

The weighted average rail distance which the bulk of each kind of fruit travelled to reach each of the terminal markets is shown in Table 22. The weighted average distance was calculated on the basis of the shortest distance that the consigning station was from the terminal market, as shown in the Tables of Mileages as published by the South African Railways and Harbours, and the proportion of the total rail receipts at the terminal market for the volume railed from each consigning station.

TABLE 22 WEIGHTED AVERAGE DISTANCE TRAVELLED BY RAIL BY THE GREATER PROPORTION OF VARIOUS FRUITS CONSIGNED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Kind of fruit		Terminal market			
		Johannesburg	Cape Town	Pretoria	Bloemfontein
Apples	A. Percentage	84.4	88.8	71.5	69.0
	B, Miles	918	85	913	638
Avocados	A. Percentage	89.4	71.0	73.0	61.5
	B, Miles	332	1253	291	518
Granadillas	A. Percentage	93.9	79.8	85.1	88.6
	B, Miles	322	1303	250	512
Mangoes	A. Percentage	97.1	95.3	94.1	94.0
	B, Miles	330	1320	285	566
Papaws	A. Percentage	97.4	99.6	89.2	89.1
	B, Miles	331	1321	290	564
Pineapples	A. Percentage	92.4	93.7	79.0	83.0
	B, Miles	702	746	729	438
Bananas	A. Percentage	91.5	96.8	78.8	62.2
	B, Miles	395	1304	352	657

A Percentage of total rail receipts

B Weighted average distance travelled by rail.

Avocados, granadillas, mangoes, papaws, pineapples and bananas travelled the longest distances to the Cape Town and Bloemfontein terminal markets. The shortest rail distances for these fruits were to Johannesburg and Pretoria. Apples travelled the shortest distance to market when railed to Cape Town and the longest distance when railed to Johannesburg.

S U M M A R Y

1. More than 50 per cent of the fruit were consigned to Johannesburg ( Table 8).
2. The municipal auction markets received 85 per cent of the avocados, 74 per cent of the granadillas, 90 per cent of the mangoes, 81 per cent of the papaws and 86 per cent of the pineapples. Nearly equal proportions of the apples, 51 and 49 per cent were respectively consigned to the auction markets and other marketing agencies, while two-thirds of the bananas were consigned to agencies other than the municipal auction market ( Table 9).
3. The Transvaal supplied 71 per cent of the avocados, 96 per cent of the granadillas, and nearly all the mangoes and papaws. About 97 per cent of the apples and 95 per cent of the pineapples came from the Cape Province, while about 29 per cent of the avocados, and 35 per cent of the bananas came from Natal. Most of the bananas were imported from Lourenco Marques. Imports from this source represented about 63 per cent of the supplies. The Orange Free State was of no significance as a source of supply for these fruit. ( Table 10).
4. Supplies were mainly derived from a few districts in the provinces. The Letaba district in the Transvaal was the most important single district for supplies of avocados, granadillas, mangoes and papaws; Caledon, C.P., for apples; Bathurst, C.P., for pineapples; and Lourenco Marques, P.E.A., for bananas (Table 11).
5. The bulk of the supplies were railed from relatively few consigning stations within the leading districts ( Table 12).
6. The greater proportion of avocados, granadillas, mangoes, papaws and pineapples railed to each of the terminal markets were consigned to the auction market (Tables 13, 14, 15 and 16). Apple and banana receipts at each of the terminal markets followed a different pattern. Nearly all the bananas and about two-thirds of the apples railed to Johannesburg went to marketing agencies other than the auction market. /...

Practically all the bananas, and two-thirds of the apples railed to Cape Town, went to the auction market. Nearly three-quarters of the bananas railed to Pretoria were consigned to other marketing agencies, and the bulk of the apples went to the auction market. Rail receipts of apples and bananas at Bloemfontein were mainly of those consigned to the auction market.

7. The Transvaal supplied nearly all the granadillas, mangoes, papaws and 93 per cent of the avocados railed to Johannesburg. About 97 per cent of the apples and pineapples railed to Johannesburg came from the Cape Province, and about 92 per cent of the bananas from Lourenco Marques ( Table 17).
8. Nearly all the mangoes and papaws and 80 per cent of the granadillas railed to Cape Town came from the Transvaal. About 99 per cent of the apples, and 96 per cent of the pineapples railed to Cape Town, came from the Cape Province, while 76 per cent of the avocados and 97 per cent of the bananas came from Natal ( Table 18).
9. Nearly all the mangoes and papaws, 94 per cent of the granadillas and 77 per cent of the avocados railed to Pretoria, came from the Transvaal. About 92 per cent of the apples and 80 per cent of the pineapples railed to Pretoria came from the Cape Province; 80 per cent of the bananas came from Lourenco Marques ( Table 19).
10. About 96 per cent of the granadillas, 98 per cent of the mangoes, and 99 per cent of the papaws railed to Bloemfontein, came from the Transvaal; 94 per cent of the apples and 92 per cent of the pineapples came from the Cape Province. Approximately 75 per cent of the avocados railed to Bloemfontein came from Natal, and about 62 per cent of the bananas from Lourenco Marques ( Table 20).
11. A relatively small number of districts supplied the greater proportion of each kind of fruit railed to each of the terminal markets ( Figures 1 to 7).
12. The greater proportion of apples railed to Johannesburg travelled about 918 miles, pineapples about 702 miles; the distances travelled by avocados, granadillas, mangoes, papaws and bananas varied from 322 to 395 miles ( Table 22).



13. The bulk of the apples railed to Cape Town travelled about 85 miles; pineapples about 746 miles, and the distances travelled by avocados, granadillas, mangoes, papaws and bananas varied from 1,250 to 1,320 miles ( Table 22).
14. Most of the apples railed to Pretoria travelled 913 miles; pineapples, 729 miles, and avocados, granadillas, mangoes, papaws and bananas 250 to 352 miles ( Table 22).
15. The major proportion of pineapples railed to Bloemfontein travelled about 438 miles. The distances travelled by the greater proportion of the other fruit\* varied from 512 to 657 miles ( Table 22).

SECTION II.

An analysis of the supply of

Potatoes,  
Onions,  
Cauliflower,  
Cabbage,  
Green beans,  
Green peas,  
Pumpkins,  
Tomatoes,  
Squashes,  
Sweet potatoes,

to the terminal markets of

Johannesburg,  
Cape Town,  
Pretoria,  
Bloemfontein.

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CHAPTER 1.

Total rail supplies to the four terminal markets.

Total receipts.

The total rail consignments of certain vegetables (below) to the four terminal markets during 1947/48 are as shown in Table 23:

TABLE 23 TOTAL RAIL CONSIGNMENTS OF VARIOUS VEGETABLES TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Vegetables	Kind and gross weight of container	Total rail receipts at the four terminal markets
Potatoes .....	Pockets, 38 lbs.	4,936,376
Onions .....	Bags, 123 lbs.	223,882
Cauliflowers (1) .....	Bags, 83 lbs.	9,625
Cabbages .....	Bags, 103 lbs.	291,365
Green beans .....	Pockets, 20 $\frac{1}{2}$ lbs.	395,396
Green peas .....	Pockets, 20 $\frac{1}{2}$ lbs.	443,872
Pumpkins .....	Bags, 163 lbs.	151,658
Tomatoes .....	Std. box, 17 $\frac{1}{2}$ lbs.	2,842,560
Squashes .....	Bags, 133 lbs.	77,157
Sweet potatoes .....	Bags, 123 lbs.	133,428

- 1) The railway notes were not always explicit whether the consignment was cabbages or cauliflower. It is highly probable, therefore, that the volume of cabbage railed to each of the four terminal markets as shown did include a proportion of cauliflower. Where the railway notes distinguished between the two the data were accordingly extracted and differentiated as such.

Distribution of rail supplies among terminal markets.

The supplies railed to the terminal markets as shown in Table 23 were distributed among the four markets as shown in the following table:

TABLE 24 QUANTITIES OF VARIOUS VEGETABLES RAILED TO THE JOHANNESBURG,  
 CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS RE-  
 SPECTIVELY, 1947/48.

Kind of vegetable	Terminal market				Total rail receipts
	Johan- nes- burg	Cape Town	Pre- toria	Bloem- fon- tein	
	Number of containers				
Potatoes, pcts.	2,806,736	1,465,925	393,657	270,058	4,936,376
Onions, bags	120,747	86,108	12,668	4,359	223,882
Cauliflowers, bags	3,003	2,998	99	3,525	9,625
Cabbages, bags	175,671	62,622	34,183	18,889	291,365
Green beans, pcts.	194,898	108,446	56,485	35,567	395,396
Green peas, pcts.	278,237	106,809	47,481	11,345	443,872
Pumpkins, bags	114,859	17,445	12,461	6,873	151,638
Tomatoes, std. box	1,636,066	727,644	351,410	127,440	2,842,560
Squashes, bags	26,990	36,669	10,771	2,727	77,157
Sweet potatoes, bags.	45,537	45,457	24,386	18,048	133,428
	Percentage of total rail receipts				
Potatoes	56.8	29.7	8.0	5.5	100.0
Onions	53.9	38.5	5.7	1.9	100.0
Cauliflowers	31.2	31.2	1.0	36.6	100.0
Cabbages	60.3	21.5	11.7	6.5	100.0
Green beans	49.3	27.4	14.3	9.0	100.0
Green peas	62.7	24.1	10.7	2.5	100.0
Pumpkins	75.8	11.5	8.2	4.5	100.0
Tomatoes	57.5	25.6	12.4	4.5	100.0
Squashes	35.0	47.5	14.0	3.5	100.0
Sweet potatoes	34.1	34.1	18.3	13.5	100.0

More than 50 per cent of the potatoes, onions, cabbages, green peas, pumpkins and tomatoes railed to the four markets were consigned to Johannesburg. Equal proportions of cauliflower and sweet potatoes were consigned to Johannesburg and Cape Town. The greater proportion of the squashes went to Cape Town.

Quantities railed to the auction markets and other marketing agencies.

The relative proportions of the total volume of each kind of vegetable railed to the four terminal markets and received by the municipal auction markets and other marketing agencies are shown in Table 25:-

TABLE 25 QUANTITIES OF VARIOUS VEGETABLES CONSIGNED BY RAIL TO (a) MUNICIPAL AUCTION MARKETS AND (b) OTHER MARKETING AGENCIES AT THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Kind of vegetable	Rail consignment receipts		
	Municipal auction markets	Other marketing agencies	Total rail receipts
	Number of containers		
Potatoes, pcts.	4,397,642	538,734	4,936,376
Onions, bags	203,092	20,790	223,882
Cauliflowers, bags	9,418	207	9,625
Cabbages, bags	285,717	5,648	291,365
Green beans, Pcts.	387,524	7,872	395,396
Green peas, Pcts.	430,411	13,461	443,872
Pumpkins, bags	146,113	5,525	151,638
Tomatoes, std. box	2,680,305	162,255	2,842,560
Squashes, bags	75,801	1,356	77,157
Sweet potatoes, bags	131,609	1,819	133,428
	Percentage of total rail receipts		
Potatoes	89.1	10.9	100.0
Onions	90.7	9.3	100.0
Cauliflowers	97.8	2.2	100.0
Cabbages	98.1	1.9	100.0
Green beans	98.0	2.0	100.0
Green peas	97.0	3.0	100.0
Pumpkins	96.4	3.6	100.0
Tomatoes	94.3	5.7	100.0
Squashes	98.2	1.8	100.0
Sweet potatoes	98.6	1.4	100.0

Excluding potatoes, more than 90 per cent of the volume of each kind of vegetable railed was consigned to the municipal auction market. About 11 per cent of the potatoes, about 9 per cent of the onions, and about 6 per cent of the tomatoes railed to the terminal markets were consigned to marketing agencies other than the municipal auction markets. These three vegetables represented the most important group consigned to marketing agencies other than the municipal auction market.

Source of supply.

The source of supply of the vegetables railed to the four terminal markets on the basis of provinces within and territories outside the Union is shown in Table 26.

TABLE 26 SOURCE OF SUPPLY OF VARIOUS VEGETABLES RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Kind of vegetable	Source of supply						Total
	Tvl.	C.P.	O.F.S.	Natal	Extra Union		
	Number of containers						
Potatoes, pots.	3,602,403	726,472	603,414	3,242	845	4,936,376	
Onions, bags	43,100	172,442	8,151	139	50	223,882	
Cauliflowers, bags	4,262	5,232	50	81	-	9,625	
Cabbages, bags	226,571	64,415	266	113	-	291,365	
Gr. beans, pots.	326,060	67,079	1,046	1,063	148	395,396	
Gr. peas, pcts.	338,406	103,533	1,727	168	38	443,872	
Pumpkins, bags	131,669	14,170	5,598	201	-	151,638	
Tomatoes, std. box	2,774,006	64,595	3,139	328	492	2,842,560	
Squashes, bags	58,021	18,038	889	159	-	77,157	
Sw. Potatoes, bags	70,428	62,344	534	120	2	133,428	
	Percentage of total supplies railed						
Potatoes	73.0	14.7	12.2	0.1	x	100.0	
Onions	19.3	77.0	3.7	x	x	100.0	
Cauliflowers	44.3	54.4	0.5	0.8	-	100.0	
Cabbages	77.8	22.1	0.1	x	-	100.0	
Green beans	82.5	17.0	0.2	0.3	x	100.0	
Green peas	76.3	23.3	0.4	x	x	100.0	
Pumpkins	86.8	9.4	3.7	0.1	x	100.0	
Tomatoes	97.6	2.3	0.1	x	x	100.0	
Squashes	75.2	23.4	1.2	0.2	-	100.0	
Sweet potatoes	52.8	46.7	0.4	0.1	x	100.0	

The chief sources of supply of vegetables railed to the four terminal markets were the Transvaal and the Cape Province. Negligible supplies of potatoes, onions, green beans, green peas and tomatoes arrived from outside the Union.

By far the greater proportion of each kind of vegetable, except onions and cauliflowers, railed to the four terminal markets came from the Transvaal. The greater proportion of onions and cauliflowers came from the Cape Province. The Orange Free State supplied a small proportion of the potatoes, onions, pumpkins and squashes railed to the markets. For all practical purposes, supplies of the various vegetables from Natal were negligible.

Transvaal supplied 73 per cent of the potatoes, 44.3 per cent of the cauliflowers, 77.8 per cent of the cabbages, 82.5 per cent of the green beans, 76.3 per cent of the green peas, 86.8 per cent of the pumpkins, 97.6 per cent of the tomatoes, 75.2 per cent of the squashes, and 52.8 per cent of the sweet potatoes railed to the four markets. The proportion of rail receipts for each kind of vegetable from the Cape Province as a percentage of total rail receipts at the four terminal markets was : Potatoes, 14.7 per cent; onions, 77.0 per cent; cauliflowers, 54.4 per cent; cabbages, 22.1 per cent; green beans, 17.0 per cent; green peas, 23.3 per cent; pumpkins, 9.4 per cent; squashes, 23.4 per cent; and sweet potatoes, 46.7 per cent.

Leading magisterial districts from which  
the vegetables were railed.

The leading magisterial districts from which the vegetables were railed to the four terminal markets are shown in Table 27. The number of districts from which the greater proportion of the vegetables railed to the market was derived, are relatively few in number, as with fruit.

TABLE 27 LEADING MAGISTERIAL DISTRICTS FROM WHICH VARIOUS VEGETABLES  
 WERE RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEM-  
 FONTEIN TERMINAL MARKETS, 1947/48.

Kind of vegetable	Magisterial district	Proportion that supplies from each district represented of total supplies railed to the four terminal markets	
		Percentage	
Potatoes	Bethal, Tvl.	19.0	
	Witbank, Tvl.	12.5	
	Letaba, Tvl.	7.3	
	Ermelo, Tvl.	7.1	
	Middelburg, Tvl.	4.7	<u>50.6</u>
Onions	Caledon, C.P.	51.2	
	Pretoria, Tvl.	7.9	<u>59.1</u>
Cauliflowers	Nelspruit, Tvl.	26.9	
	Uitenhage, C.P.	20.3	
	Caledon, C.P.	11.6	<u>58.8</u>
Cabbages	Nelspruit, Tvl.	60.5	
	Barberton, Tvl.	10.9	<u>71.4</u>
Green beans	Barberton, Tvl.	46.1	
	Nelspruit, Tvl.	14.8	<u>60.9</u>
Green peas	Nelspruit, Tvl.	13.8	
	Bethal, Tvl.	12.5	
	Belfast, Tvl.	9.4	
	Letaba, Tvl.	9.2	
	Ermelo, Tvl.	6.7	<u>51.6</u>
Pumpkins	Bethal, Tvl.	19.2	
	Groblersdal, Tvl.	16.0	
	Witbank, Tvl.	8.1	
	Springs, Tvl.	7.3	<u>50.6</u>
Tomatoes	Letaba, Tvl.	37.1	
	Barberton, Tvl.	33.7	<u>67.8</u>
Squashes	Barberton, Tvl.	20.0	
	Letaba, Tvl.	14.1	
	Groblersdal, Tvl.	9.4	
	Pilgrims Rest, Tvl.	9.0	<u>52.5</u>
Sweet potatoes	Nelspruit, Tvl.	27.1	
	George, C.P.	21.6	
	Barberton, Tvl.	15.3	<u>64.0</u>

Five districts respectively supplied 50.6 per cent of the potatoes and 51.6 per cent of the green peas; 4 districts respectively 50.6 per cent of the pumpkins and 52.5 per cent of the squashes; 3 districts respectively 58.8 per cent of the cauliflowers and 64.0 per



cent of the sweet potatoes; 2 districts respectively 59.1 per cent of the onions; 71.4 per cent of the cabbages; 60.9 per cent of the green beans; and 67.8 per cent of the tomatoes.

Based on magisterial districts, the leading sources of supply of cauliflowers, cabbages, green beans, green peas, tomatoes, sweet potatoes and squashes ( Table 27 ) coincide to a very great extent with those districts from which avocados, granadillas, mangoes and papaws were obtained ( Table 11).

A seasonal service to provide marketing data to aid consignors of fruit to terminal markets as recommended in Section 1, chapter 1, page 6, could with advantage be extended to give a similar service to vegetable growers who would derive the same benefits as in the case of the fruit growers.

Principal stations from which the vegetables were consigned.

The principal consigning stations for the various vegetables to the four terminal markets were :

<u>Bethal,</u>	potatoes
<u>Caledon ,</u>	onions
<u>Uitenhage,</u>	cauliflowers
<u>Mataffin,</u>	cabbages
<u>Kaapmuiden,</u>	green beans and tomatoes
<u>Schagen,</u>	green peas
<u>Marble Hall,</u>	pumpkins and squashes
<u>Barberton and</u>	
<u>George,</u>	sweet potatoes

Although the number of leading magisterial districts from which the bulk of the vegetable supplies were railed were relatively as small as for fruit, the number of stations from which vegetables were consigned were considerably more than for fruit, Table 28.

**TABLE 28 PRINCIPAL CONSIGNING STATIONS FROM WHICH VARIOUS VEGETABLES WERE  
 RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN  
 TERMINAL MARKETS, 1947/48.**

Kind of vegetable	Magisterial district	Principal consigning station	Proportion that supplies from each consigning station represented of the total supplies railed to the four terminal markets	
			Percentage	
Potatoes	Bethal, Tvl.	Bethal	11.1	
	Witbank, Tvl.	Oogies	7.1	
	Bethal, Tvl.	Kinross	6.4	
	Ermelo, Tvl.	Davel	5.3	
	Bethal, Tvl.	Leslie	2.9	<u>32.8</u>
Onions	Caledon, C.P.	Caledon	24.3	
	Caledon, C.P.	Elgin	8.0	
	Caledon, C.F.	Botrivier	5.2	
	Pretoria, Tvl.	Pyramid	4.9	<u>42.4</u>
Cauliflowers	Uitenhage, C.P.	Uitenhage	20.2	
	Nelspruit, Tvl.	Godwin River	11.4	<u>31.6</u>
Cabbages	Nelspruit, Tvl.	Mataffin	33.9	
	Caledon, C.P.	Elgin	4.5	<u>38.4</u>
Green beans	Barberton, Tvl.	Kaapmuiden	28.3	
	Barberton, Tvl.	Malelane	7.6	<u>35.9</u>
Green peas	Nelspruit, Tvl.	Schagen	29.6	
	Belfast, Tvl.	Belfast	25.5	
	Barberton, Tvl.	Kaapmuiden	24.3	<u>79.4</u>
Pumpkins	Groblersdal, Tvl.	Marble Hall	15.9	
	Bethal, Tvl.	Leslie	6.8	
	Bethal, Tvl.	Bethal	6.5	<u>29.2</u>
Tomatoes	Barberton, Tvl.	Kaapmuiden	15.5	
	Barberton, Tvl.	Malelane	11.9	
	Letaba, Tvl.	Letsitele	11.8	<u>39.2</u>
Squashes	Groblersdal, Tvl.	Marble Hall	9.4	
	Wilgrins Rest, Tvl.	Acornhoek	8.9	
	Letaba, Tvl.	Letsitele	7.5	
	Barberton, Tvl.	Kaapmuiden	6.9	<u>32.7</u>
Sweet potatoes	Barberton, Tvl.	Barberton	15.2	
	George, C.P.	George	15.1	
	Nelspruit, Tvl.	Nelspruit	8.5	<u>38.8</u>

CHAPTER 11.

ANALYSIS OF RAIL RECEIPTS OF VEGETABLES AT EACH  
OF THE TERMINAL MARKETS.

Proportionate receipts by the municipal auction market and  
other marketing agencies.

The total rail receipts for vegetables at each of the terminal markets and the volume consigned to the municipal auction market, and other marketing agencies, are shown in Tables 29, 30, 31 and 32.

A small proportion of each kind of vegetable was received by other than municipal marketing agencies in Johannesburg, tomatoes, onions, potatoes and cauliflower being the most important ( Table 29). These marketing agencies in Cape Town received a fair proportion of potatoes and onions but negligible proportions of the other vegetables (Table 30). Receipts of all kind of vegetables by such marketing agencies in Pretoria were relatively insignificant ( Table 31), whereas these agencies in Bloemfontein ( Table 32) received a fairly large proportion of potatoes and onions, and a small proportion of pumpkins.

The municipal markets received by far the greater proportions of the vegetables consigned to the four terminal markets by rail.

TABLE 29 RESPECTIVE PROPORTIONS THAT THE MUNICIPAL AUCTION MARKET AND OTHER MARKETING AGENCIES RECEIVED OF THE TOTAL QUANTITY OF VARIOUS VEGETABLES RAILED TO THE JOHANNESBURG TERMINAL MARKET, 1947/48.

Kind of vegetable	Total rail receipts	Receipts by	
		Municipal auction market	Other marketing agencies
		Number of containers	
Potatoes, pcts.	2,806,736	2,599,214	207,522
Onions, bags	120,747	110,633	10,114
Cauliflower, bags	3,003	2,811	192
Cabbages, bags	175,671	170,662	5,009
Green beans, pcts.	194,898	188,202	6,696
Green peas, pcts.	278,237	266,935	11,302
Pumpkins, bags	114,859	110,417	4,442
Tomatoes, std. box	1,636,066	1,479,622	156,444
Squashes, bags	26,990	25,766	1,224
Sw. potatoes, bags	45,537	44,930	607
		Percentage of total rail receipts	
Potatoes	100.0	92.6	7.4
Onions	100.0	91.6	8.4
Cauliflower	100.0	93.6	6.4
Cabbages	100.0	97.1	2.9
Green beans	100.0	96.6	3.4
Green peas	100.0	95.9	4.1
Pumpkins	100.0	96.1	3.9
Tomatoes	100.0	90.4	9.6
Squashes	100.0	95.5	4.5
Sweet potatoes	100.0	98.7	1.3

TABLE 30 RESPECTIVE PROPORTIONS THAT THE MUNICIPAL AUCTION MARKET AND  
 OTHER MARKETING AGENCIES RECEIVED OF THE TOTAL QUANTITY OF  
 VARIOUS VEGETABLES RAILED TO THE CAPE TOWN TERMINAL MARKET,  
 1947/48.

Kind of vegetable	Total rail receipts	Receipts by	
		Municipal auction market	Other marketing agencies
		Number of containers	
Potatoes, pcts.	1,465,925	1,192,615	273,310
Onions, bags	86,108	76,703	9,405
Cauliflowers, bags	2,998	2,998	-
Cabbages, bags	62,622	62,564	58
Green beans, pcts.	108,446	107,940	506
Green peas, pcts.	106,809	105,407	1,402
Pumpkins, bags	17,445	17,118	327
Tomatoes, std. box	727,644	725,889	1,755
Squashes, bags	36,669	36,565	104
Sweet potatoes, bags	45,457	44,746	711
		Percentage of total rail receipts	
Potatoes	100.0	81.4	18.6
Onions	100.0	89.1	10.9
Cauliflowers	100.0	100.0	-
Cabbages	100.0	100.0	x
Green beans	100.0	99.5	0.5
Green peas	100.0	98.7	1.3
Pumpkins	100.0	98.1	1.9
Tomatoes	100.0	99.8	0.2
Squashes	100.0	99.7	0.3
Sweet potatoes	100.0	98.4	1.6

TABLE 31 RESPECTIVE PROPORTIONS THAT THE MUNICIPAL AUCTION MARKET AND OTHER MARKETING AGENCIES RECEIVED OF THE TOTAL QUANTITY OF VARIOUS VEGETABLES RAILED TO THE PRETORIA TERMINAL MARKET, 1947/48.

Kind of vegetable	Total rail receipts	Receipts by	
		Municipal auction market	Other marketing agencies
		Number of containers	
Potatoes, pcts.	393,657	376,993	16,664
Onions, bags	12,668	12,073	595
Cauliflowers, bags	99	99	—
Cabbages, bags	34,183	33,800	383
Green beans, pcts.	56,485	56,203	282
Green peas, pcts.	47,481	46,770	711
Pumpkins, bags	12,461	12,156	305
Tomatoes, std. box	351,410	347,581	3,829
Squashes, bags	10,771	10,756	15
Sweet potatoes, bags	24,386	24,305	81
		Percentage of total rail receipts.	
Potatoes	100.0	95.8	4.2
Onions	100.0	95.3	4.7
Cauliflowers	100.0	100.0	—
Cabbages	100.0	98.9	1.1
Green beans	100.0	99.5	0.5
Green peas	100.0	98.5	1.5
Pumpkins	100.0	97.6	2.4
Tomatoes	100.0	98.9	1.1
Squashes	100.0	99.9	0.1
Sweet potatoes	100.0	99.7	0.3

TABLE 32 RESPECTIVE PROPORTIONS THAT THE MUNICIPAL AUCTION MARKET AND OTHER MARKETING AGENCIES RECEIVED OF VARIOUS VEGETABLES RAILED TO THE BLOEMFONTEIN TERMINAL MARKET, 1947/48.

Kind of vegetable	Total rail receipts	Receipts by	
		Municipal auction market	Other marketing agencies
		Number of containers	
Potatoes, pcts.	270,058	228,820	41,238
Onions, bags	4,359	3,683	676
Cauliflowers, bags	3,525	3,510	15
Cabbages, bags	18,889	18,691	198
Green beans, pcts.	35,567	35,179	388
Green peas, pcts.	11,345	11,299	46
Pumpkins, bags	6,873	6,422	451
Tomatoes, std, box	127,440	127,213	227
Squashes, bags	2,727	2,714	13
Sweet potatoes, bags	18,048	17,628	420
		Percentage of total rail receipts	
Potatoes	100.0	84.7	15.3
Onions	100.0	84.5	15.5
Cauliflowers	100.0	99.6	0.4
Cabbages	100.0	99.0	1.0
Green beans	100.0	98.9	1.1
Green peas	100.0	99.6	0.4
Pumpkins	100.0	93.4	6.6
Tomatoes	100.0	99.8	0.2
Squashes	100.0	99.5	0.5
Sweet potatoes	100.0	97.7	0.3

Source of vegetable supplies to each of the terminal markets.

The source of supply of the various vegetables arriving by rail at each of the terminal markets is shown in Tables 33, 34, 35 and 36.

Potatoes: The main source of supply of potatoes to Johannesburg was the Transvaal which supplied 88.8 per cent of the potatoes consigned by rail. Rail receipts of potatoes at Cape Town were mainly from the Transvaal and the Cape Province. These two Provinces supplied nearly equal proportions, respectively 45.1 and 45.4 per cent of the potatoes railed to Cape Town. The Transvaal supplied 95.5 per cent of the potatoes railed to Pretoria whereas rail supplies of potatoes to Bloemfontein comprised 59.6 per cent from the Orange Free State, 26.9 per cent from the Transvaal, and 13.4 per cent from the Cape Province.

Onions: The Cape Province was the principal source <sup>of supply</sup> of onions to Johannesburg, Cape Town and Pretoria. The proportion of the total rail receipts made up by consignments of onions from the Cape Province at these markets was 68.8 per cent, for Johannesburg; 94.0 per cent for Cape Town; and 56.6 per cent for Pretoria. Receipts of onions by rail from the Cape Province amounted to 31.6 per cent at Bloemfontein. Onions from the Transvaal accounted for 27.9 per cent of the rail receipts at Johannesburg, and 20.2 and 41.3 per cent of the rail receipts at Pretoria and Bloemfontein respectively. Onions from the Orange Free State represented 23.2 per cent of the rail receipts at Pretoria, and 26.5 per cent at Bloemfontein.

Cauliflowers: Cauliflowers railed to Johannesburg and Pretoria came from the Transvaal, and those railed to Cape Town came from the Cape Province exclusively. Rail receipts of cauliflowers at Bloemfontein showed that 63.4 per cent came from the Cape Province, 32.9 per cent from the Transvaal, and the balance from the Orange Free State and Natal.

Cabbages: Cabbages railed to Pretoria and 99.8 per cent of that railed to Johannesburg came exclusively from the Transvaal. Cape Town received all the cabbages railed from the Cape Province. Bloemfontein received 87.8 per cent of its supplies from the Transvaal and 10.5 per cent from the Cape Province.



TABLE 33 SOURCE OF SUPPLY OF VARIOUS VEGETABLES RAILED TO THE JOHANNESBURG TERMINAL MARKET, 1947/48.

Kind of vegetable	Total rail receipts	Rail receipts from				
		Tvl.	C.P.	O.F.S.	Natal	Extra Union
		Number of containers				
Potatoes, pcts.	2,806,736	2,493,357	22,751	288,594	2,027	7
Onions, bags	120,747	33,700	82,922	3,962	113	50
Cauliflowers, bags	3,003	3,002	-	1	-	-
Cabbages, bags	175,671	175,329	285	33	24	-
Gr. beans, pcts.	194,898	192,327	1,362	954	202	53
Gr. peas, pcts.	278,237	270,592	5,922	1,555	168	-
Pumpkins, bags	114,859	110,629	1,377	2,686	167	-
Tomatoes, std. bx.	1,636,066	1,629,189	4,873	1,651	267	86
Squashes, bags	26,990	26,684	137	122	47	-
Sw. potatoes, bags	45,537	44,205	752	489	91	-
		Percentage of rail receipts				
Potatoes	100.0	88.8	0.8	10.4	x	x
Onions	100.0	27.9	68.8	3.3	x	x
Cauliflowers	100.0	100.0	-	x	-	-
Cabbages	100.0	99.8	0.2	x	x	-
Green beans	100.0	98.7	0.7	0.5	0.1	x
Green peas	100.0	97.3	2.1	30.6	x	-
Pumpkins	100.0	96.3	1.2	2.4	0.1	-
Tomatoes	100.0	99.6	0.3	0.1	x	x
Squashes	100.0	98.9	0.5	0.4	0.2	-
Sweet potatoes	100.0	97.1	1.6	1.1	0.2	-

Green beans: The Transvaal supplied 98.7 per cent of the green beans railed to Johannesburg and 99.7 and 97.0 per cent of that railed to Pretoria and Bloemfontein respectively. The Cape Province supplied 59.9 per cent, and the Transvaal 39.6 per cent of the green beans railed to Cape Town.

Green peas: Green peas from the Transvaal comprised 97.3 per cent of the total rail receipts at Johannesburg; 99.5 per cent of those at Pretoria; and 74.8 per cent of those at Bloemfontein. Cape Town received 88.7 per cent of its supplies by rail from the Cape Province.

Pumpkins: The proportion of the total rail receipts at each of the terminal markets made up by supplies of pumpkins from the Transvaal was 96.3 per cent for Johannesburg; 33.7 per cent for Cape Town; 97.7 per cent for Pretoria; and 43.4 per cent for Bloemfontein. The Cape Province supplied 62.8 per cent of the pumpkins railed to Cape Town, and 26.6 per cent of that railed to Bloemfontein. About 30 per cent of the pumpkins railed to Bloemfontein came from the Orange Free State.

Tomatoes: More than 90 per cent of the tomatoes railed to the terminal markets came from the Transvaal. The proportion of the total rail receipts at each terminal market made up of tomatoes railed from the Transvaal was 99.6 per cent for Johannesburg; 92.6 per cent for Cape Town; 99.7 per cent for Pretoria; and 94.6 per cent for Bloemfontein.

Squashes: By far the larger proportion of squashes railed to the four terminal markets came from the Transvaal. It supplied 98.9 per cent of the total railed to Johannesburg; 50.1 per cent to Cape Town; 99.1 per cent to Pretoria; and 84.1 per cent to Bloemfontein. About 48 per cent of the squashes railed to Cape Town came from the Cape Province.

Sweet potatoes: Sweet potatoes railed to Johannesburg and Pretoria came mainly from the Transvaal. The sweet potatoes railed to Pretoria and 97.1 per cent of that railed to Johannesburg came exclusively from the Transvaal. The Cape Province supplied 99.5 per cent and 90.7 per cent of the supplies railed to Cape Town and Bloemfontein respectively.

TABLE 34 SOURCE OF SUPPLY OF VARIOUS VEGETABLES RAILED TO THE CAPE TOWN  
TERMINAL MARKET, 1947/48.

Kind of vegetable.	Total rail receipts	Rail receipts from				
		Tvl.	C.P.	O.F.S.	Natal	Extra Union
		Number of containers				
Potatoes, pcts.	1,465,925	660,614	665,210	139,880	178	43
Onions, bags	86,108	5,043	80,964	101	-	-
Cauliflowers, bags	2,998	-	2,998	-	-	-
Cabbages, bags	62,622	474	62,140	-	8	-
Gr. beans, pcts.	108,446	42,921	64,933	-	592	-
Gr. peas, pcts.	106,809	12,067	94,686	37	-	19
Pumpkins, bags	17,445	5,886	10,945	614	-	-
Tomatoes, std. box	727,644	673,997	53,043	604	-	-
Squashes, bags	36,669	18,373	17,535	662	99	-
Sw. Potatoes, bags	45,457	223	45,227	7	-	-
		Percentage of rail receipts				
Potatoes	100.0	45.1	45.4	9.5	x	x
Onions	100.0	5.9	94.0	0.1	-	-
Cauliflowers	100.0	-	100.0	-	-	-
Cabbages	100.0	0.8	99.2	-	x	-
Green beans	100.0	39.6	59.9	-	0.5	-
Green peas	100.0	11.3	88.7	x	-	x
Pumpkins	100.0	33.7	62.8	3.5	-	-
Tomatoes	100.0	92.6	7.3	0.1	-	-
Squashes	100.0	50.1	47.8	1.8	0.3	-
Sweet potatoes	100.0	0.5	99.5	x	-	-

TABLE 35 SOURCE OF SUPPLY OF VARIOUS VEGETABLES RAILED TO THE PRETORIA TERMINAL MARKET, 1947/48.

Kind of vegetable	Total rail receipts	Rail receipts from				
		Tvl.	C.P.	O.F.S.	Natal	Extra Union
		Number of containers				
Potatoes, pcts.	393,657	375,806	2,343	13,917	884	707
Onions, bags	12,668	2,558	7,176	2,933	1	-
Cauliflowers, bags	99 <sup>1)</sup>	99	-	-	-	-
Cabbages, bags	34,183	34,183	-	-	-	-
Gr. beans, pcts.	56,485	56,318	1	2	164	-
Gr. peas, pcts.	47,481	47,257	223	1	-	-
Pumpkins, bags	12,461	12,171	20	265	5	-
Tomatoes, std. box	351,410	350,303	323	378	-	406
Squashes, bags	10,771	10,671	10	90	-	-
Sw. potatoes, bags	24,386	24,364	7	12	3	-
		Percentage of rail receipts				
Potatoes	100.0	95.5	0.6	3.5	0.2	0.2
Onions	100.0	20.2	56.6	23.2	x	-
Cauliflowers	100.0	100.0	-	-	-	-
Cabbages	100.0	100.0	-	-	-	-
Green beans	100.0	99.7	x	x	0.3	-
Green peas	100.0	99.5	0.5	-	-	-
Pumpkins	100.0	97.7	0.2	2.1	x	-
Tomatoes	100.0	99.7	0.1	0.1	-	0.1
Squashes	100.0	99.1	0.1	0.8	-	-
Sweet potatoes	100.0	100.0	x	x	x	-

1) The arrival of cauliflowers by rail at Pretoria is restricted to negligible quantities. The supplies sold on the market are principally locally produced and conveyed by motor truck to the market.

TABLE 36 SOURCE OF SUPPLY OF VARIOUS VEGETABLES RAILED TO THE BDOEMFON-  
 TEIN TERMINAL MARKET, 1947/48.

Kind of vegetable	Total rail receipts	Rail receipts from					Extra Union
		Tvl.	C.P.	O.F.S.	Natal		
		Number of containers					
Potatoes, pcts.	270,058	72,626	36,168	161,023	153	88	
Onions, bags	4,359	1,799	1,380	1,155	25	-	
Cauliflowers, bags	3,525	1,161	2,234	49	81	-	
Cabbages, bags	18,889	16,585	1,990	233	81	-	
Gr. beans, pcts.	35,567	34,494	783	90	105	95	
Gr. peas, pcts.	11,345	8,490	2,702	134	-	19	
Pumpkins, bags	6,873	2,983	1,828	2,033	29	-	
Tomatoes, std. box	127,440	120,517	6,356	506	61	-	
Squashes, bags	2,727	2,293	406	15	13	-	
Sw. potatoes, bags	18,048	1,636	16,358	26	26	2	
		Percentage of rail receipts					
Potatoes	100.0	26.9	13.4	59.6	0.1	x	
Onions	100.0	41.3	31.6	26.5	0.6	-	
Cauliflowers	100.0	32.9	63.4	1.4	2.3	-	
Cabbages	100.0	87.8	10.5	1.3	0.4	-	
Gr. beans	100.0	97.0	2.2	0.2	0.3	0.5	
Gr. peas	100.0	74.8	23.8	1.2	-	0.2	
Pumpkins	100.0	43.4	26.6	29.6	0.4	-	
Tomatoes	100.0	94.6	5.0	0.4	x	-	
Squashes	100.0	84.1	14.9	0.5	0.5	-	
Sweet potatoes	100.0	9.1	90.7	0.1	0.1	x	

The principal source of supply of potatoes, cauliflowers, cabbages, tomatoes, squashes and sweet potatoes to Johannesburg and Pretoria was the Transvaal. Supplies of onions to these two markets were received mainly from the Cape Province.

Large proportions of potatoes, green beans, pumpkins, squashes, and about 93 per cent of the tomatoes, railed to Cape Town came from the Transvaal. The balance of the vegetables came from the Cape Province.

The chief source of supply of potatoes to Bloemfontein was the Orange Free State which also supplied fairly large proportions of the onions and pumpkins railed to that market. The Cape Province supplied the largest proportions of the cauliflowers and sweet potatoes railed to Bloemfontein, and was also an important source of supply of potatoes, onions, green peas and pumpkins. The greatest proportion of cabbages, green peas, tomatoes, green beans and squashes railed to Bloemfontein came from the Transvaal.

Natal and the territories outside the Union were negligible sources of supply of the various vegetables to the four terminal markets.

Leading magisterial districts from which the vegetables were railed to each terminal market.

The leading magisterial districts and the proportion of the total volume of each kind of vegetable in terms of supplies from each district railed to each terminal market, are shown in Figures 8 to 17.

Such leading districts for each of the various vegetables were :

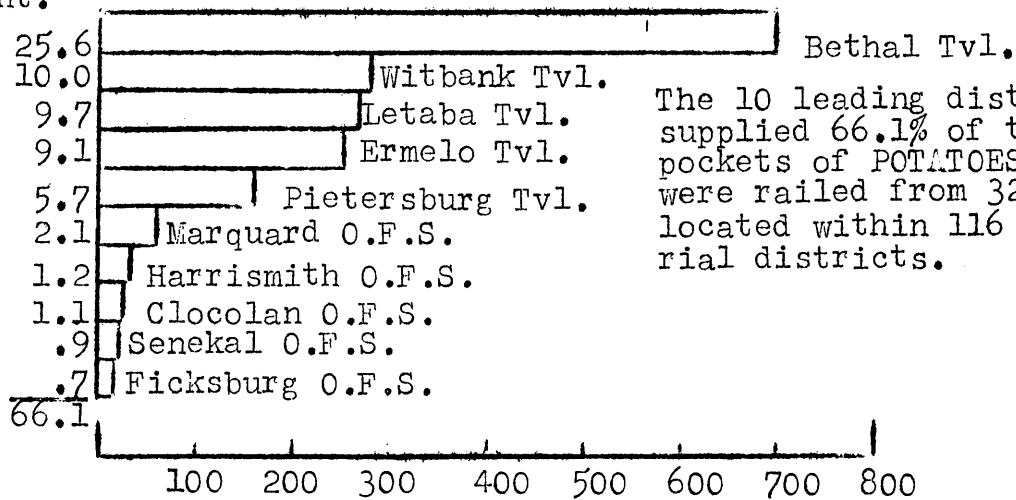
Potatoes ( Figure 8): The leading districts from which each market received potatoes varied among the four. About 26 per cent of the potatoes railed to Johannesburg came from Bethal, Tvl.; about 21 per cent railed to Cape Town came from Witbank, Tvl.; about 35 per cent of those railed to Pretoria came from Middelburg, Tvl.; and about 18 per cent of the rail receipts of potatoes at Bloemfontein came from Clocolan, O.F.S.

Figure 8. SOURCE OF SUPPLY, BY DISTRICTS, OF POTATOES RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS. 1947/48.

(Pockets 38 lbs. gross)

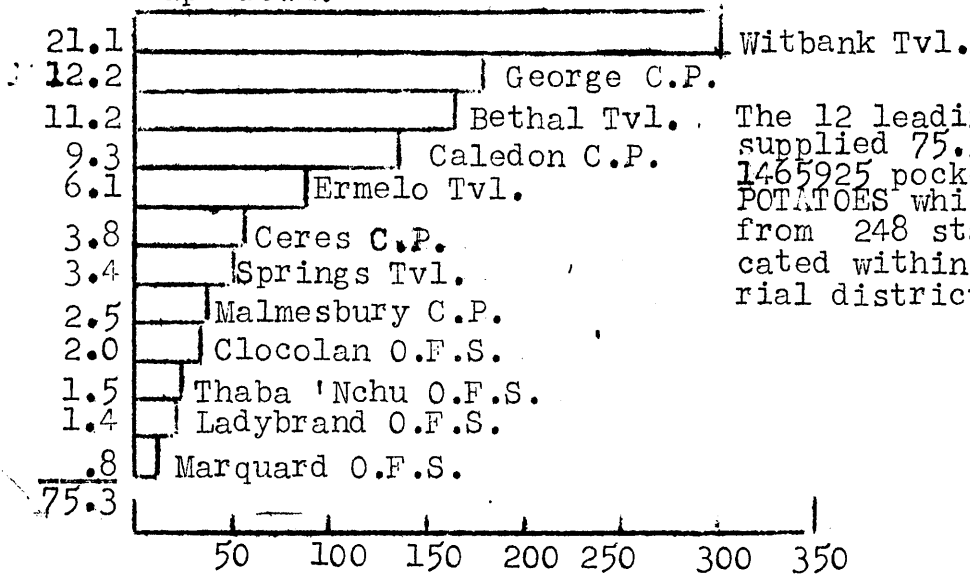
Johannesburg.

Percent.



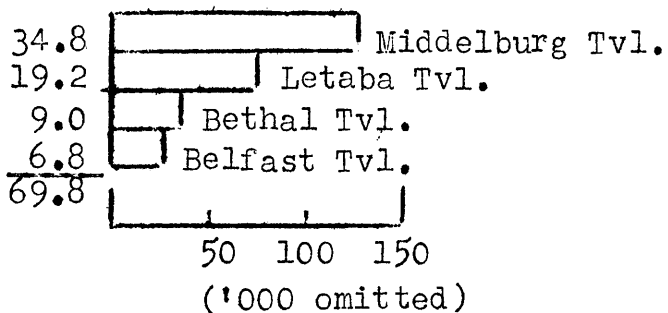
The 10 leading districts supplied 66.1% of the 2806736 pockets of POTATOES which were railed from 320 stations located within 116 magisterial districts.

Cape Town. ('000 omitted)



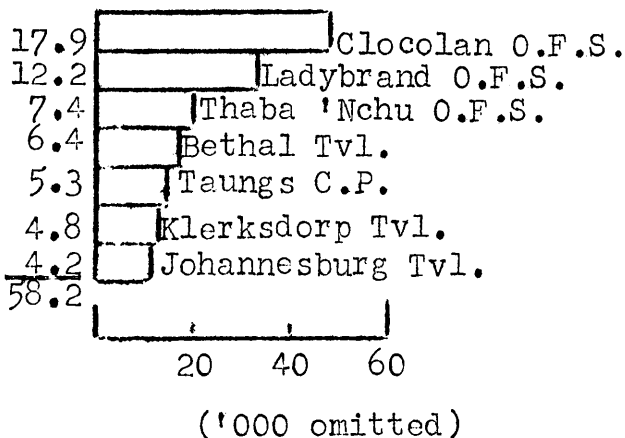
The 12 leading districts supplied 75.3% of the 1465925 pockets of POTATOES which were railed from 248 stations located within 103 magisterial districts.

Pretoria. ('000 omitted)



The 4 leading districts supplied 69.8% of the 393657 pockets of POTATOES which were railed from 210 stations located within 98 magisterial districts.

Bloemfontein.



The 7 leading districts supplied 58.2% of the 270058 pockets of POTATOES which were railed from 193 stations located within 103 magisterial districts.

Figure 9. SOURCE OF SUPPLY, BY DISTRICTS OF ONIONS RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS 1947/48.

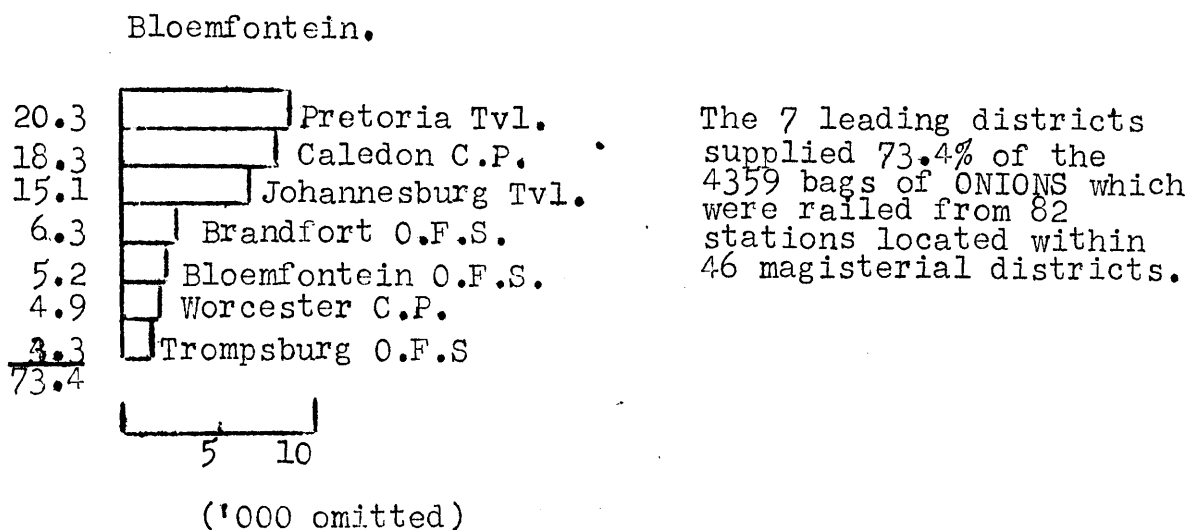
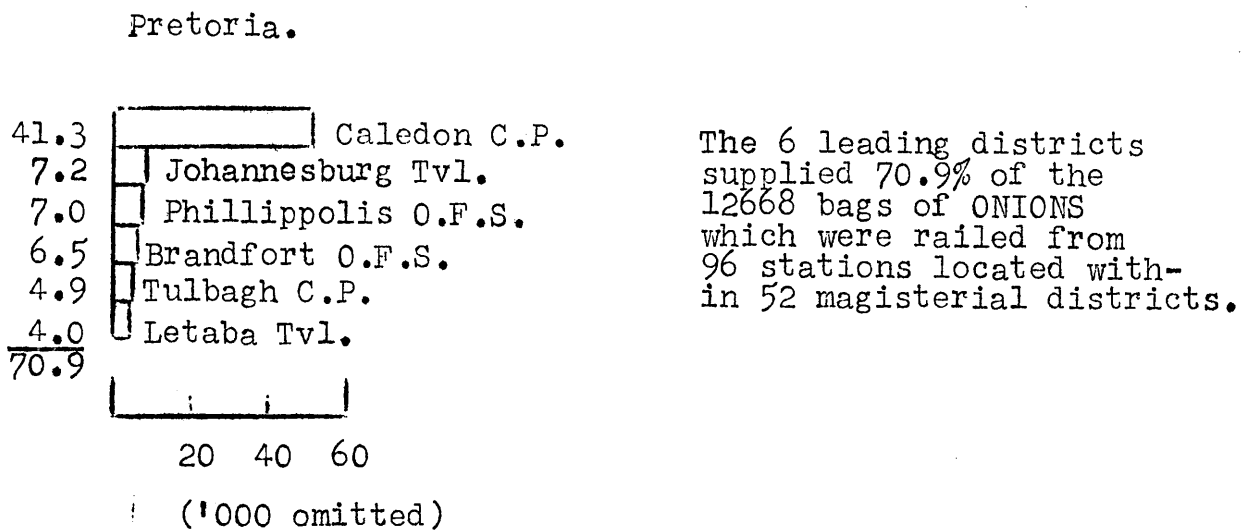
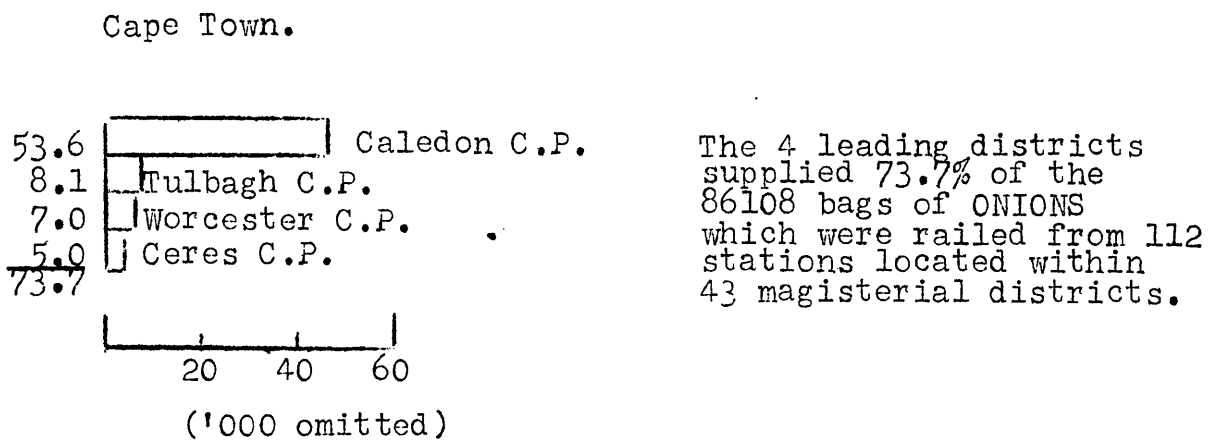
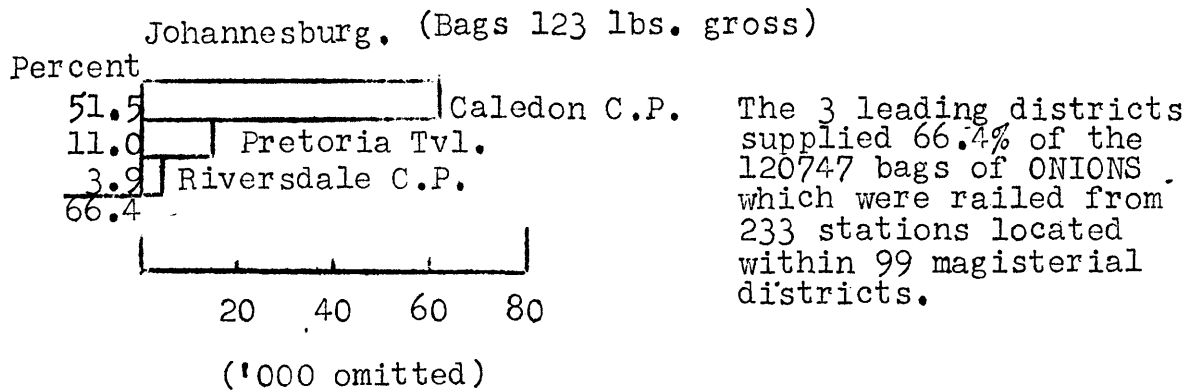
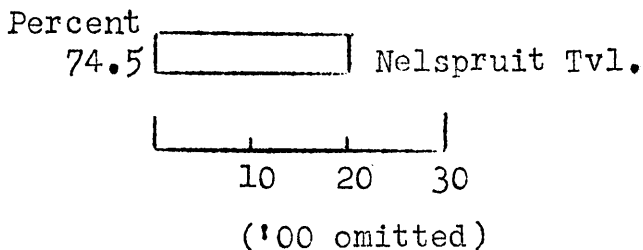




Figure 10 SOURCE OF SUPPLY. BY DISTRICTS,  
 OF CAULIFLOWER RAILED TO THE  
 JOHANNESBURG, CAPE TOWN, PRETORIA  
 AND BLOEMFONTEIN TERMINAL MARKETS  
 1947/48.

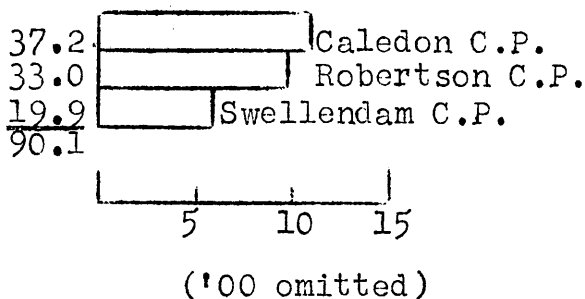
( Bags 83 lbs. gross)

Johannesburg.



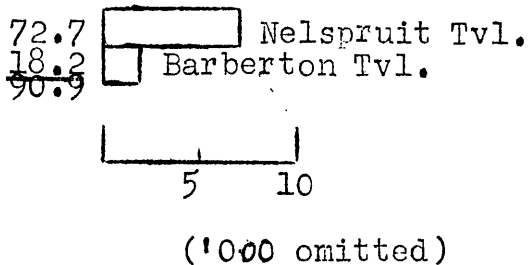
Nelspruit supplied 74.5% of the 3003 bags of CAULIFLOWER which were railed from 13 stations located within 6 magisterial districts.

Cape Town.



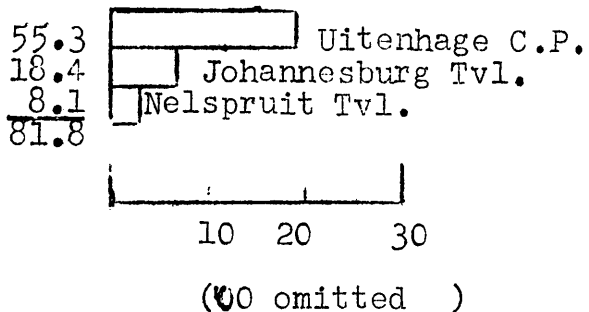
The 3 leading districts supplied 90.1% of the 2998 bags of CAULIFLOWER which were railed from 21 stations located within 13 magisterial districts.

Pretoria.



The 2 leading districts supplied 90.9% of the 99 bags of CAULIFLOWER which were railed from 6 stations located within 4 magisterial districts.

Bloemfontein.

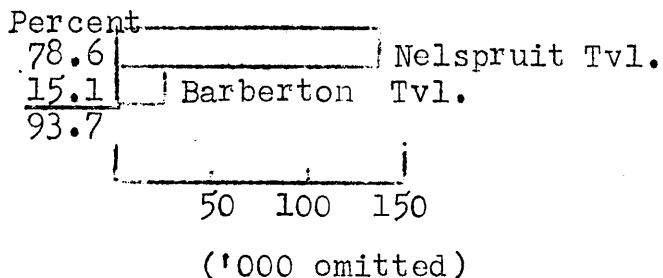


The 3 leading districts supplied 81.8% of the 3525 bags of CAULIFLOWER which were railed from 15 stations located within 10 magisterial districts.

Figure 11 SOURCE OF SUPPLY BY DISTRICTS,  
OF CABBAGES RAILED TO THE  
JOHANNESBURG, CAPE TOWN, PRETORIA  
AND BLOEMFONTEIN TERMINAL MARKETS.  
1947/48.

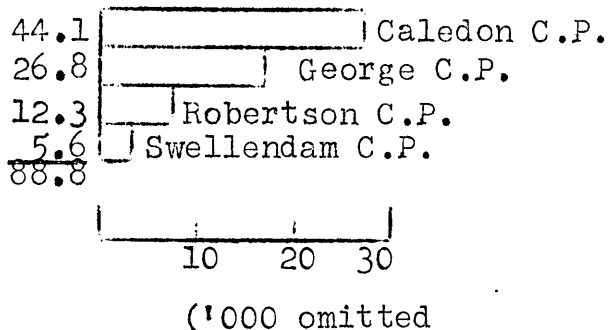
( Bags 103 lbs. gross )

Johannesburg.



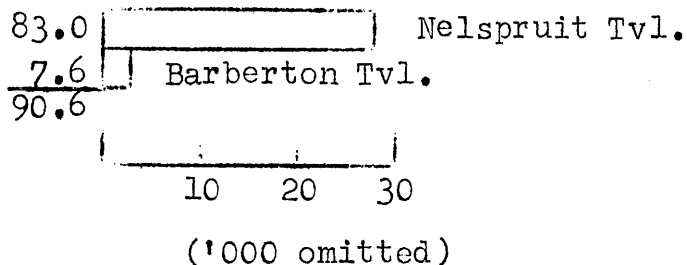
The 2 leading districts supplied 93.7% of the 175671 bags of CABBAGES which were railed from 106 stations located within 41 magisterial districts.

Cape Town.



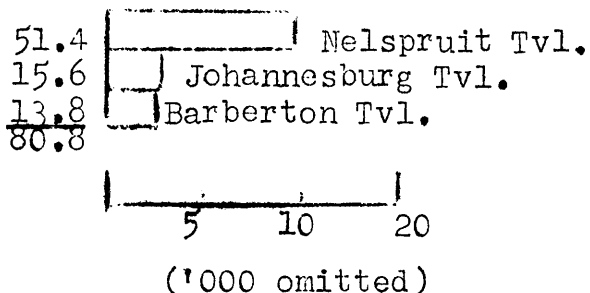
The 4 leading districts supplied 88.8% of the 62622 bags of CABBAGES which were railed from 72 stations located within 30 magisterial districts.

Pretoria.



The 2 leading districts supplied 90.6% of the 34183 bags of CABBAGES which were railed from 63 stations located within 23 magisterial districts.

Bloemfontein.

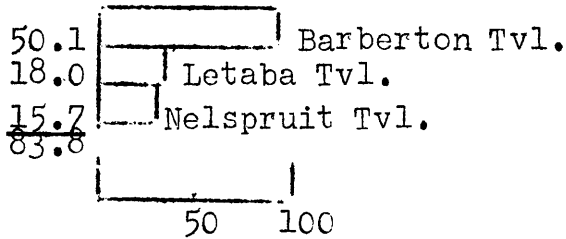


The 3 leading districts supplied 80.8% of the 18889 bags of CABBAGES which were railed from 61 stations located within 35 magisterial districts.

Figure 12 SOURCE OF SUPPLY, BY DISTRICTS, OF GREEN BEANS RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.  
(Pockets 20½ lbs. gross)

Johannesburg.

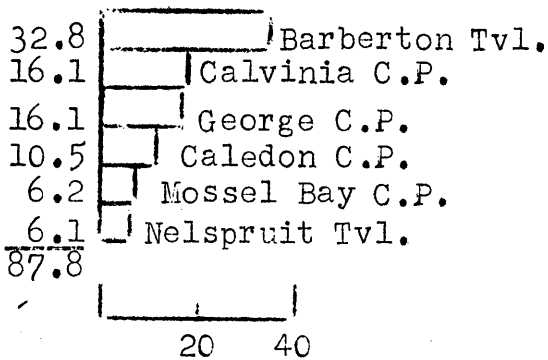
Percent



The 3 leading districts supplied 83.8% of the 194898 pockets of GREEN BEANS which were railed from 49 stations located within 53 magisterial districts.

( '000 omitted)

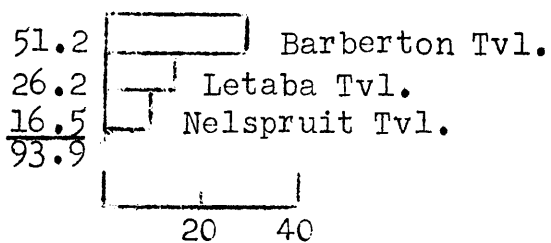
Cape Town.



The 6 leading districts supplied 87.8% of the 108446 pockets of GREEN BEANS which were railed from 82 stations located within 32 magisterial districts.

( '000 omitted)

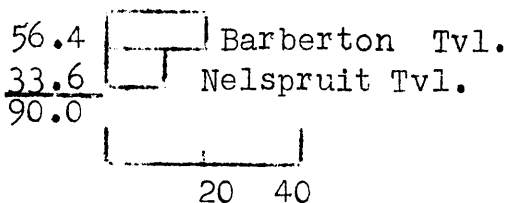
Pretoria.



The 3 leading districts supplied 93.9% of the 56485 pockets of GREEN BEANS which were railed from 75 stations located within 24 magisterial districts.

( '000 omitted)

Bloemfontein.

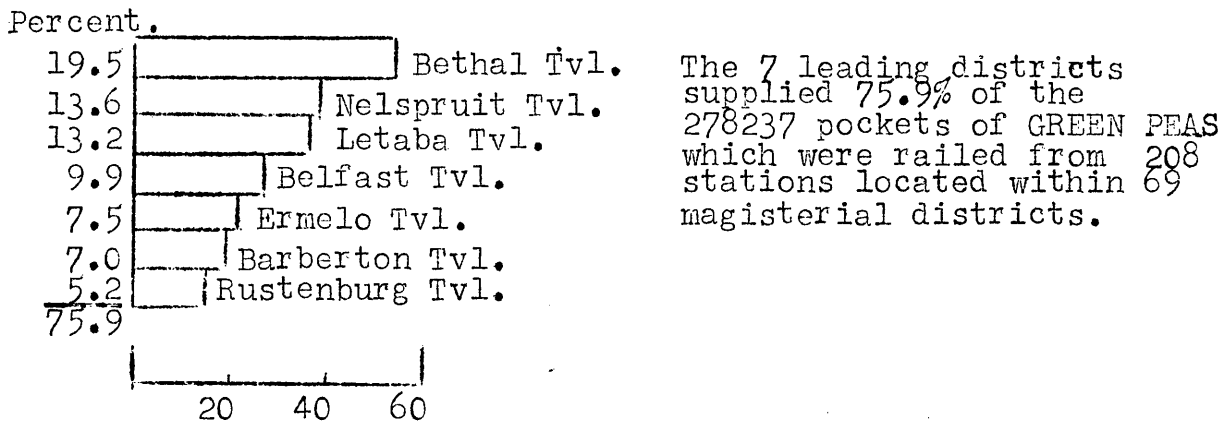


The 2 leading districts supplied 90.0% of the 35567 pockets of GREEN BEANS which were railed from 50 stations located within 28 magisterial districts.

( '000 omitted)

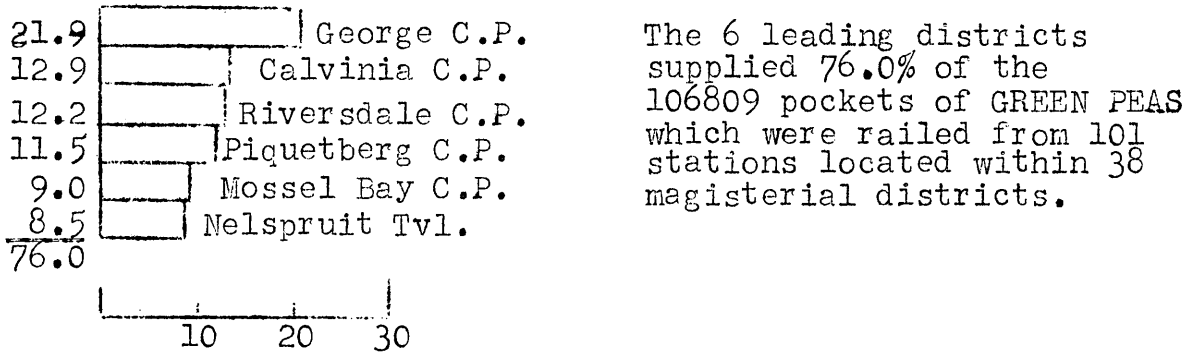
Figure 13 SOURCE OF SUPPLY, BY DISTRICTS, OF GREEN PEAS RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Johannesburg. ( Pockets 20½ lbs. gross)



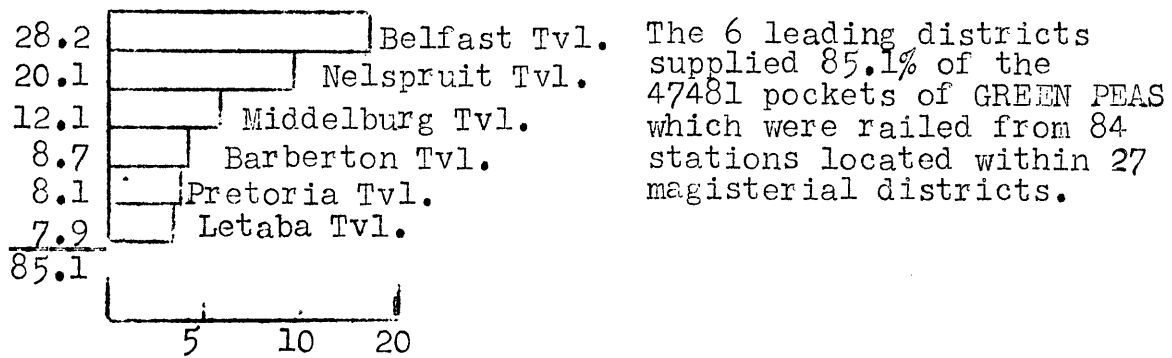
The 7 leading districts supplied 75.9% of the 278237 pockets of GREEN PEAS which were railed from 208 stations located within 69 magisterial districts.

Cape Town.



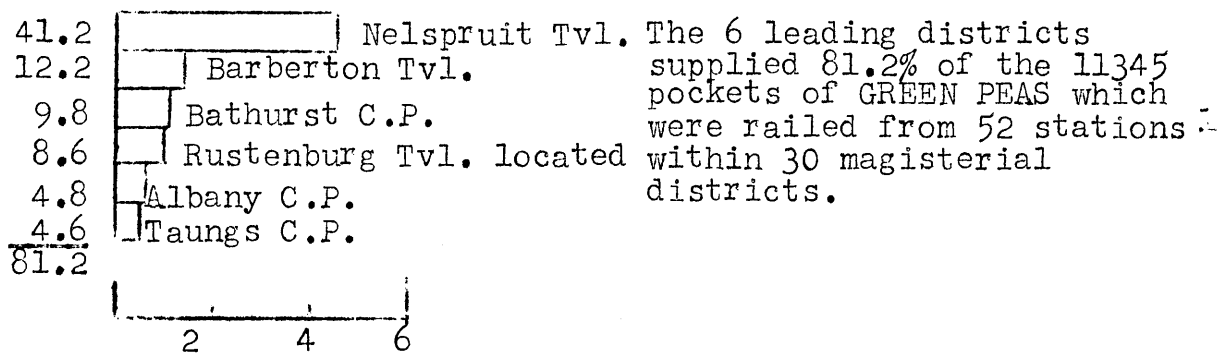
The 6 leading districts supplied 76.0% of the 106809 pockets of GREEN PEAS which were railed from 101 stations located within 38 magisterial districts.

Pretoria.



The 6 leading districts supplied 85.1% of the 47481 pockets of GREEN PEAS which were railed from 84 stations located within 27 magisterial districts.

Bloemfontein.

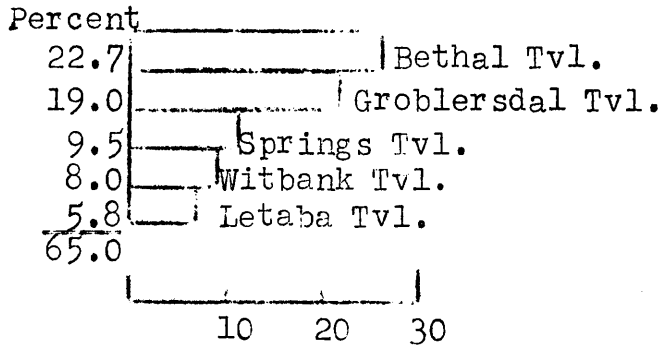


The 6 leading districts supplied 81.2% of the 11345 pockets of GREEN PEAS which were railed from 52 stations located within 30 magisterial districts.

**Figure 14 SOURCE OF SUPPLY BY DISTRICTS OF PUMPKINS RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.**

( Bags 163 lbs. gross)

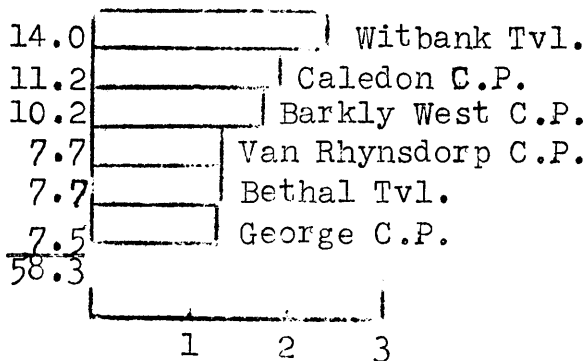
Johannesburg



The 5 leading districts supplied 65.0% of the 114859 bags of PUMPKINS which were railed from 236 stations located within 86 magisterial districts.

( '000 omitted)

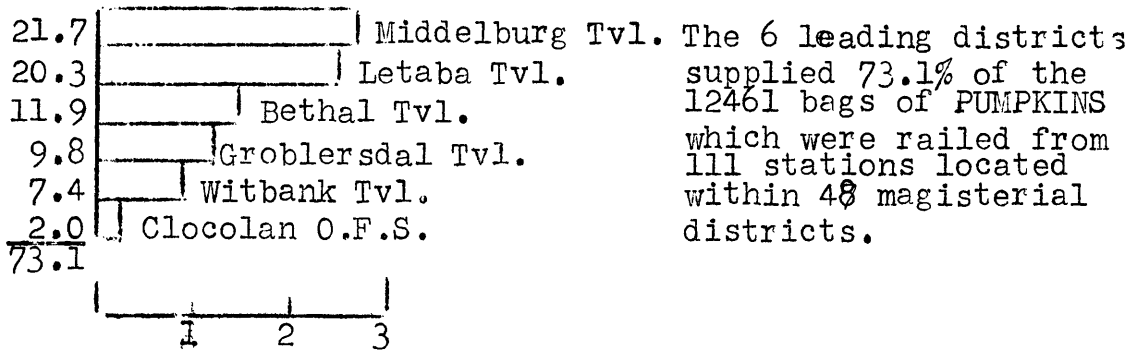
Cape Town.



The 6 leading districts supplied 58.3% of the 17445 bags of PUMPKINS which were railed from 131 stations located within 70 magisterial districts.

( '000 omitted)

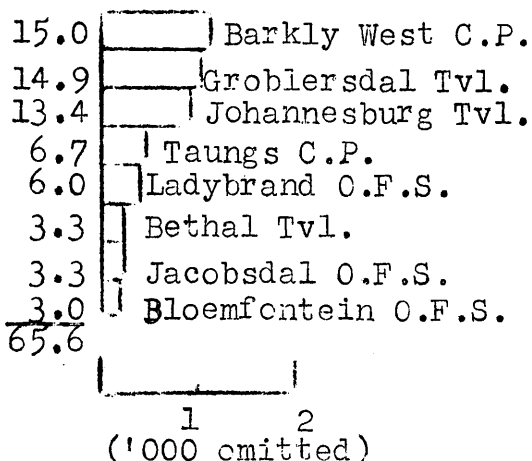
Pretoria.



The 6 leading districts supplied 73.1% of the 12461 bags of PUMPKINS which were railed from 111 stations located within 48 magisterial districts.

( '000 omitted)

Bloemfontein.



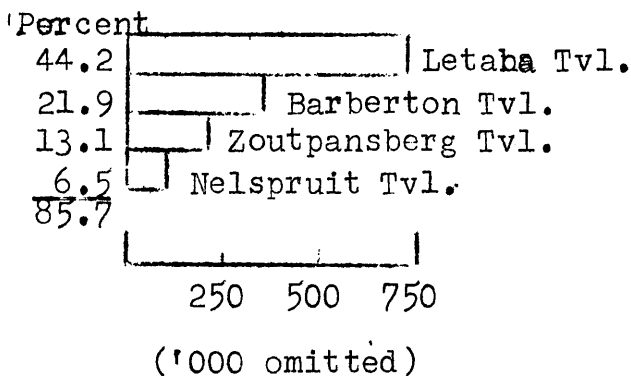
The 8 leading districts supplied 65.6% of the 6873 bags of PUMPKINS which were railed from 116 stations located within 66 magisterial districts.

( '000 omitted)

Figure 15 SOURCE OF SUPPLY, BY DISTRICTS, OF TOMATOES RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

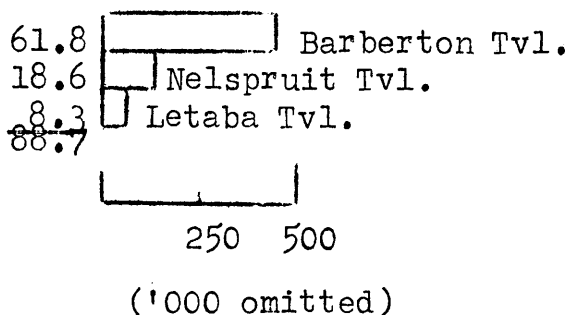
(Standard Boxes 14½ lbs. gross)

Johannesburg.



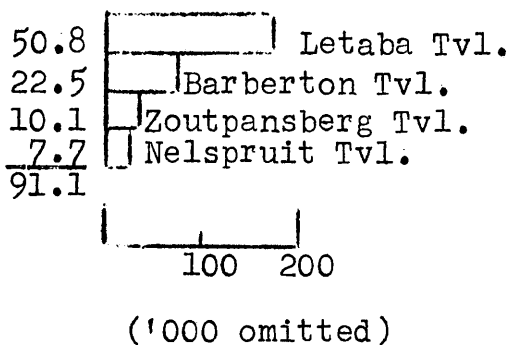
The 4 leading districts supplied 85.7% of the 1636066 boxes of TOMATOES which were railed from 218 stations located within 73 magisterial districts.

Cape Town.



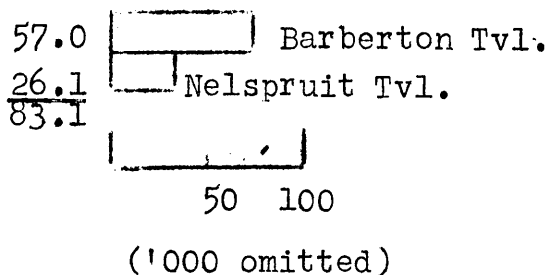
The 3 leading districts supplied 88.7% of the 727644 boxes of TOMATOES which were railed from 102 stations located within 44 magisterial districts.

Pretoria.



The 4 leading districts supplied 91.1% of the 351410 boxes of TOMATOES which were railed from 104 stations located within 34 magisterial districts.

Bloemfontein.



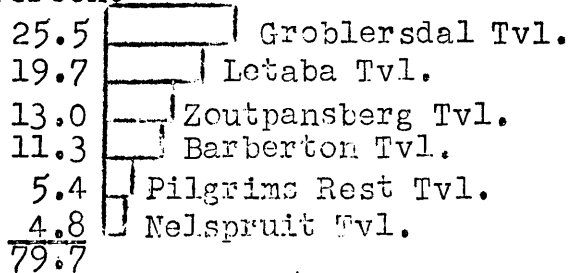
The 2 leading districts supplied 83.1% of the 127440 boxes of TOMATOES which were railed from 82 stations located within 46 magisterial districts.

Figure 16 SOURCE OF SUPPLY BY DISTRICTS OF  
SQUASHES RAILED TO THE JOHANNESBURG,  
CAPE TOWN, PRETORIA AND BLOEMFONTEIN  
TERMINAL MARKETS 1947/48.

( Bags 133 lbs. gross )

Johannesburg.

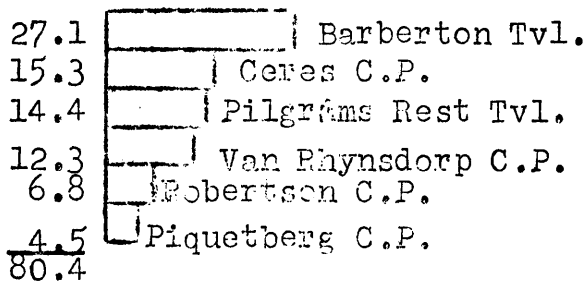
Percent



The 6 leading districts supplied 79.7% of the 26990 bags of SQUASHES which were railed from 98 stations located within 37 magisterial districts.

( '000 omitted )

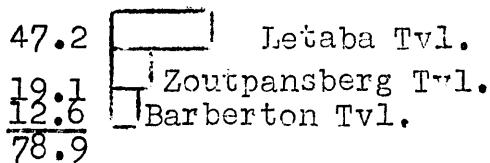
Cape Town.



The 6 leading districts supplied 80.4% of the 36669 bags of SQUASHES which were railed from 102 stations located within 46 magisterial districts.

( '000 omitted )

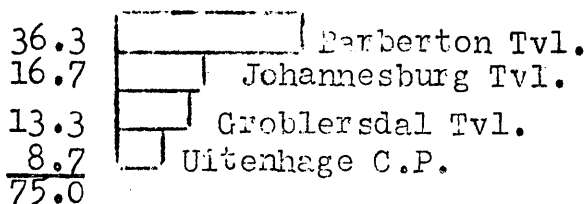
Pretoria.



The 3 leading districts supplied 78.9% of the 10771 bags of SQUASHES which were railed from 69 stations located within 24 magisterial districts.

( '000 omitted )

Bloemfontein.



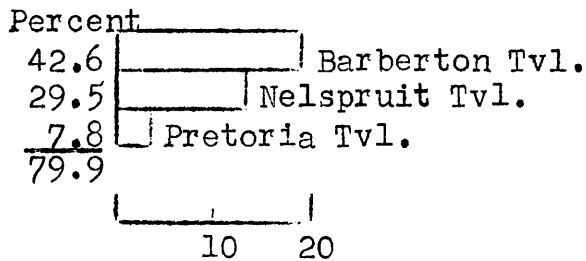
The 4 leading districts supplied 75.0% of the 2727 bags of SQUASHES which were railed from 38 stations located within 22 magisterial districts.

( '000 omitted )

58  
 Figure 17 SOURCE OF SUPPLY BY DISTRICTS OF  
 SWEET POTATOES RAILED TO THE  
 JOHANNESBURG, CAPE TOWN, PRETORIA  
 AND BLOEMFONTEIN TERMINAL MARKETS  
 1947/48.

(Bags 123 lbs. gross)

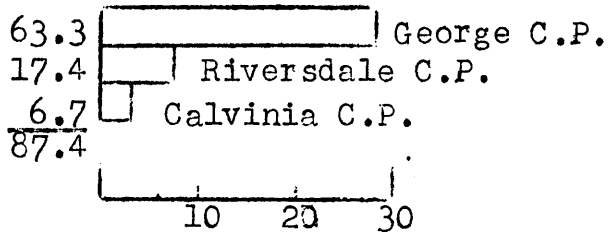
Johannesburg



The 3 leading districts supplied 79.9% of the 45537 bags of SWEET POTATOES which were railed from 117 stations located within 53 magisterial districts.

(1000 omitted)

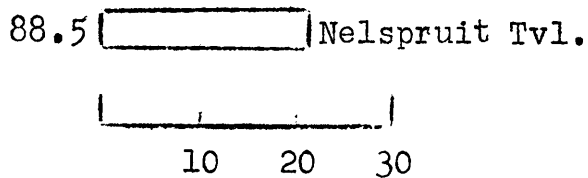
Cape Town.



The 3 leading districts supplied 87.4% of the 45457 bags of SWEET POTATOES which were railed from 92 stations located within 40 magisterial districts.

(1000 omitted)

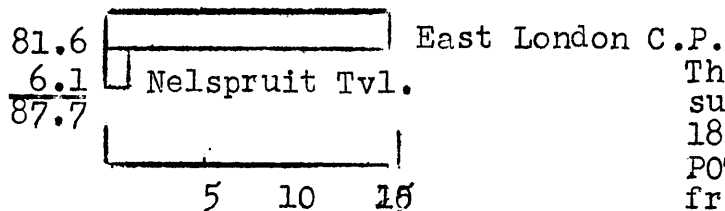
Pretoria



Nelspruit supplied 88.5% of the 24386 bags of SWEET POTATOES which were railed from 71 stations located within 27 magisterial districts.

(1000 omitted)

Bloemfontein



The 2 leading districts supplied 87.7% of the 18048 bags of SWEET POTATOES which were railed from 52 stations located within 34 magisterial districts.

(1000 omitted)



Onions ( Figure 9): Caledon, C.P., supplied about 52 per cent of the onions railed to Johannesburg; about 54 per cent of those railed to Cape Town; and about 41 per cent of those railed to Pretoria. About 20 per cent of the onions railed to Bloemfontein came from the Pretoria district, Tvl.

Cauliflowers (Figure 10): Nelspruit, Tvl., supplied about 75 per cent of the cauliflowers railed to Johannesburg, and about 73 per cent of those railed to Pretoria. About 37 per cent of the supplies of cauliflowers railed to Cape Town came from Caledon, C.P., and about 55 per cent of the rail supplies to Bloemfontein came from Uitenhage, C.P.

Cabbages (Figure 11): Nelspruit, Tvl., supplied about 78 per cent of the cabbages railed to Johannesburg; Caledon, C.P., supplied about 44 per cent of the cabbages consigned to Cape Town.

Green beans ( Figure 12): The principal source of rail supply of green beans to the four terminal markets was Barberton, Tvl. The proportion of total rail receipts at each market represented by supplies of green beans from Barberton was about 50 per cent for Johannesburg; about 33 per cent for Cape Town; about 51 per cent for Pretoria; and about 56 per cent for Bloemfontein.

Green peas (Figure 13): Bethal, Tvl., supplied about 20 per cent of the green peas railed to Johannesburg; George, C.P., about 22 per cent of those railed to Cape Town; Belfast, Tvl., about 28 per cent of those railed to Pretoria; and Nelspruit, Tvl., about 41 per cent of those railed to Bloemfontein.

Pumpkins (Figure 14): About 23 per cent of the pumpkins railed to Johannesburg came from Bethal, Tvl., about 14 per cent of those railed to Cape Town came from Witbank, Tvl., and Middelburg, Tvl., supplied about 22 per cent of the pumpkins railed to Pretoria, Barkly West, C.P., supplying 15 per cent of those railed to Bloemfontein.

Tomatoes (Figure 15): Letaba, Tvl., supplied about 44 per cent of the tomatoes railed to Johannesburg and about 51 per cent of those railed to Pretoria. Cape Town and Bloemfontein respectively received about 62 and 57 per cent of the total volume of tomatoes railed to those centres from Barberton, Tvl.

Squashes (Figure 16): Groblersdal, Tvl., supplied about 26 per cent of the squashes railed to Johannesburg, and Letaba, Tvl., about 47 per cent of those railed to Pretoria. Barberton, Tvl., provided about 27 and 36 per cent of those railed to Cape Town and Bloemfontein respectively.

Sweet potatoes (Figure 17): About 43 per cent of the sweet potatoes railed to Johannesburg came from Barberton, Tvl., and George, C.P., supplied about 63 per cent of the sweet potatoes railed to Cape Town. Nelspruit, Tvl., furnished about 89 per cent of those railed to Pretoria, and East London, C.P., supplied about 82 per cent of the sweet potatoes railed to Bloemfontein.

Principal stations from which the vegetables were consigned.

The principal station from which the vegetables were consigned to each of the terminal markets is shown in the following table:

TABLE 37 PRINCIPAL STATIONS FROM WHICH EACH KIND OF VEGETABLE WAS CON-SIGNED TO THE TERMINAL MARKETS OF JOHANNESBURG, CAPE TOWN, PRE-TORIA AND BLOEMFONTEIN, 1947/48.

Kind of vegetable	Terminal market			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Principal consigning station			
Potatoes	Bethal	Oogies	Bethal	Olocolan
Onions	Caledon	Caledon	Caledon	Pyramid
Cauliflowers	Godwin River	Bonnievale	Alkmaar	Uitenhage
Cabbages	Mataffin	Elgin	Mataffin	Mataffin
Green beans	Kaapmuiden	Kaapmuiden	Kaapmuiden	Kaapmuiden
Green peas	Schagen	Karino	Belfast	Nelspruit
Pumpkins	Marble Hall	Oogies	Middelburg, Tvl.	Marble Hall
Tomatoes	Letsitele	Karino	Letsitele	Kaapmuiden
Squashes	Marble Hall	Acornhoek	Letsitele	Kaapmuiden
Swt. potatoes	Barberton	George	Nelspruit	White River

The principal consigning stations to each of the terminal markets for the various vegetables are :

Potatoes: Bethal, Tvl., was the chief consigning station for potatoes to Johannesburg and Pretoria; Oogies, Tvl., for Cape Town, and Clocolan, O.F.S., for Bloemfontein.

Onions: Caledon, C.P., was the principal consigning station for onions to Johannesburg, Pretoria and Cape Town, and Pyramid, Tvl., for Bloemfontein.

Cauliflowers: The principal consigning stations for cauliflowers to these markets were Godwin River, Tvl., for Johannesburg; Bonnievale, C.P., for Cape Town; Alkmaar, Tvl., for Pretoria; and Uitenhage, C.P., for Bloemfontein.

Cabbages: Mataffin, Tvl., was the most important consigning station for cabbages to Johannesburg, Pretoria and Bloemfontein, and Elgin, C.P., for Cape Town.

Green beans : Kaapmuiden, Tvl., was the principal consigning station for green beans to all four terminal markets.

Green peas: The principal consigning station for green peas to Johannesburg was Schagen, Tvl., to Cape Town, Karino, Tvl., to Pretoria, Belfast, Tvl., and to Bloemfontein, Nelspruit, Tvl.

Pumpkins : Marble Hall, Tvl., was the main consigning station for pumpkins to Johannesburg and Bloemfontein; Oogies and Middelburg, Tvl., to Cape Town and Pretoria respectively.

Tomatoes: The most important consigning station for tomatoes to Johannesburg and Pretoria was Letsitele, Tvl., to Cape Town, Karino, Tvl., and Kaapmuiden, Tvl., to Bloemfontein.

Squashes: Marble Hall, Tvl., was the most important consigning station for squashes to Johannesburg; Acornhoek, Tvl., for Cape Town; Letsitele, Tvl., for Pretoria; and Kaapmuiden, Tvl., for Bloemfontein.

Sweet potatoes: The principal consigning station for sweet potatoes to Johannesburg was Barberton, Tvl., for Cape Town, George, C.P., for Pretoria, Nelspruit, Tvl., and White River, Tvl., for Bloemfontein.

Average distance travelled by rail by the bulk of  
vegetables consigned to the terminal markets.

The weighted average distance which the bulk of the supplies of vegetables consigned by rail to the terminal markets travelled is shown in the following table :

TABLE 38 WEIGHTED AVERAGE DISTANCE TRAVELLED BY RAIL BY THE GREATER PROPORTION OF VARIOUS VEGETABLES CONSIGNED TO JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN TERMINAL MARKETS, 1947/48.

Kind of vegetable	Terminal market				
	Johannesburg	Cape Town	Pretoria	Bloemfontein	
Potatoes	A percentage	60.1	67.1	69.8	67.0
	B Miles	162	767	159	260
Onions	A percentage	70.4	73.7	62.6	66.3
	B Miles	843	88	884	433
Cauliflowers	A percentage	74.5	90.1	90.9	81.8
	B Miles	267	129	234	417
Cabbages	A percentage	93.7	88.8	95.1	80.8
	B Miles	276	180	222	474
Green beans	A percentage	83.8	87.8	93.9	90.0
	B Miles	318	802	275	550
Green peas	A percentage	75.9	77.4	85.1	80.2
	B Miles	210	467	169	479
Pumpkins	A percentage	64.7	66.2	71.1	65.6
	B Miles	120	645	154	219
Tomatoes	A percentage	85.7	92.2	91.1	92.0
	B Miles	326	1312	282	540
Squashes	A percentage	79.7	80.4	78.9	78.5
	B Miles	250	755	286	439
Sweet potatoes	A percentage	84.2	90.3	95.7	81.6
	B Miles	267	356	214	402

A Percentage of total rail receipts.

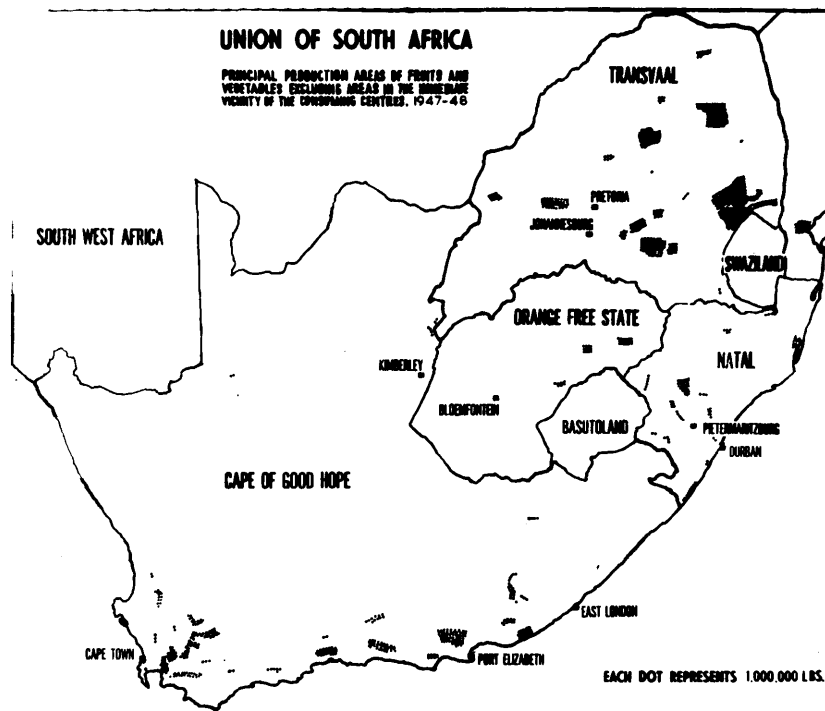
B Weighted average distance travelled.

Excluding onions, the vegetables consigned to Johannesburg and Pretoria travelled much shorter distances than those vegetables railed to Cape Town and Bloemfontein. About 70 per cent of the onions railed to Johannesburg travelled 843 miles, and about 63 per cent of the onions railed to Pretoria travelled 884 miles. The distances travelled by the other vegetables to these two markets ranged from 120 to 326 miles.

About 92 per cent of the tomatoes railed to Cape Town travelled 1,312 miles the longest distance any vegetable travelled to any of the four markets. About 67 per cent of the potatoes consigned by rail to Cape Town travelled 767 miles; about 88 per cent of the green beans, 802 miles; about 66 per cent of the pumpkins 645 miles; and about 80 per cent of the squashes consigned to Cape Town 755 miles. Onions railed to Cape Town travelled a short distance. About 74 per cent of the onions covering an average of 88 miles to the market.

Green beans and tomatoes consigned by rail to Bloemfontein, travelled the greatest distances, namely 550 and 540 miles, respectively, followed by green peas, 479 miles; cabbages, 474 miles; squashes, 439 miles; onions, 433 miles; cauliflowers, 417 miles; and sweet potatoes, 402 miles. Pumpkins (219 miles) and potatoes (260 miles) travelled relatively short distances to the Bloemfontein market.

The rail distance which the vegetables travelled to market was in all instances, directly related to the source of supply.



S U M M A R Y.

1. About 50 per cent of the green beans, more than 50 per cent of the potatoes, onions, cabbages, green peas, pumpkins, tomatoes, and about one-third of the cauliflowers, squashes and sweet potatoes railed to the 4 terminal markets were consigned to Johannesburg. The greater proportion of the squashes (47.5 per cent) was railed to Cape Town and the greater proportion of cauliflowers; (36.6 per cent) was railed to Bloemfontein (Table 24).
2. Except for potatoes, onions and tomatoes the municipal auction markets received more than 95 per cent of the vegetables consigned to the 4 terminal markets (Table 25).
3. The supplies of vegetables to the 4 terminal markets came mainly from the Transvaal and the Cape Province. The greater proportion of the potatoes, cabbages, green beans, pumpkins, green peas, tomatoes, squashes and sweet potatoes came from the Transvaal; onions and cauliflowers came largely from the Cape Province. Except for potatoes from the Orange Free State, both Natal and the Orange Free State were unimportant as sources of supply of vegetables, within the Union. Territories outside the Union consigned insignificant quantities of potatoes, green peas, tomatoes, green beans and onions to the 4 terminal markets (Table 26).
4. The bulk of the supply of vegetables railed to the 4 terminal markets came from relatively few districts. The most important single district from which supplies of the various vegetables were railed to the 4 terminal markets was Bethal, Tvl., for potatoes and pumpkins; Caledon, C.P., for onions; Nelspruit, Tvl., for cauliflowers, cabbages, green peas and sweet potatoes;

Barberton, Tvl., for green beans and squashes; and Letaba, Tvl., for tomatoes ( Table 27).

The vegetables were railed from a greater number of stations than was the case with fruit. The principal consigning stations from which a significant proportion of the vegetables was railed to the terminal markets were few in number ( Table 28).

Except for potatoes, onions, cauliflowers and tomatoes more than 95 per cent of the vegetables railed to Johannesburg were consigned to the auction market ( Table 29).

More than 98 per cent of the vegetables, excluding potatoes and onions, railed to Cape Town was consigned to the auction market. About 19 per cent of the potatoes and about 11 per cent of the onions, were railed to marketing agencies other than the municipal market (Table 30).

Excluding potatoes and onions, about 98 per cent of the vegetables railed to Pretoria was consigned to the auction market. About 4 per cent of the potatoes and 5 per cent of the onions were consigned to marketing agencies other than the municipal market ( Table 31).

Nearly equal proportions of potatoes and onions 15.3 and 15.5 per cent respectively and 6.6 per cent of the pumpkins railed to Bloemfontein, were consigned to marketing agencies other than the municipal market. Of the other vegetables about 99 per cent of the quantity railed was consigned to the auction market ( Table 32).

Except for onions from the Cape Province, and about 10 per cent of the potatoes from the Orange Free State, the bulk of the vegetables consigned to Johannesburg came from the Transvaal ( Table 33).



11. Nearly all the onions, cauliflowers, cabbages, green peas, and sweet potatoes railed to Cape Town came from the Cape Province; 93 per cent of the tomatoes, 45 per cent of the potatoes, 40 per cent of the green beans, 34 per cent of the pumpkins and 50 per cent of the squashes, came from the Transvaal ( Table 34).
12. Except for onions from the Cape Province and the Orange Free State, the vegetables consigned to Pretoria came mainly from the Transvaal ( Table 35).
13. The Cape Province supplied the bulk of the cauliflowers and sweet potatoes, about one-third of the onions, and approximately one-fourth of the green peas and pumpkins railed to Bloemfontein. The Orange Free State supplied the greater proportion of the potatoes, about one-fourth of the onions, and 30 per cent of the pumpkins railed to Bloemfontein; the bulk of the cabbages, green beans, green peas, tomatoes and squashes came from the Transvaal ( Table 36).
14. The leading magisterial districts from which the greater proportion of the vegetables was railed to each of the markets were relatively few in number ( Figures 8 to 17).
15. Of the vegetables railed to Johannesburg, onions travelled the greatest distance at 843 miles, whereas the bulk of the other vegetables travelled distances varying between 120 to 326 miles ( Table 38).
16. Tomatoes railed to Cape Town travelled the longest distance, 1,312 miles. Green beans, potatoes, squashes, pumpkins and green peas railed to market travelled distances ranging from 467 to 802 miles. Onions, cauliflowers and cabbages travelled relatively short distances. ( Table 38).

17. Onions railed to Pretoria travelled the longest distance, namely 884 miles, whilst the distance travelled by the greater proportion of the other vegetables railed to Pretoria ranged from 154 to 286 miles ( Table 38).
  
18. Green beans and tomatoes railed to Bloemfontein travelled the longest distance, namely about 540 miles whereas the bulk of the other vegetables consigned to the market travelled distances ranging from 219 to 479 miles (Table 38).

S E C T I O N 111.

THE MARKETING AGENCIES

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S E C T I O N 111.

CHAPTER 1.

THE MARKETING AGENCIES.

General.

It has long been a common cause among growers and consumers that the cost of distribution is too high. The reasons advanced by both growers and consumers are that the methods of distribution are inefficient and wasteful and that the agencies concerned in the distribution make too large profits. The distributors maintain that the inherent problems of distributing highly perishable commodities, such as fresh fruit and vegetables, are little understood by growers and consumers alike, and that competition among distributors leave but the barest margins to the trade.

No clear cut answers have yet been given to these contentions, nor has any alternative method of distribution been developed that has unquestionably proved superior to the existing methods of distribution.

When prices fall, the grower's interest in the costs of distribution rises. This is due to the fact that a change in the retail price has a violent effect on farm price. The inelastic marketing costs such as wages, salaries, transport and rent, adjust themselves slowly to changes in the price level. Once the crop has been produced, the grower must sell, as the perishability of most of the commodities he produces, prevents him from holding his products on the farm until such time as prices improve. In the event the grower suffers financially.

In order to enable the grower to improve his returns, the Marketing Act ( Act No. 26 of 1937) provides for the establishment of Boards to administer marketing schemes for any of the specified products to which the provisions of the Act may be applied. In practice these schemes seek to improve producer returns by enhancing the local price or improving the quality of the product, or by ensuring greater stability of prices (price fixation), or by reducing the distributive or manufacturing margin by eliminating uneconomic practices,

centralising sales or rationalising processing industries. The Marketing Council in its annual report <sup>(1)</sup> comments that it "has been favourably impressed by the growing realisation among producers generally that the regulated disposal of their products must not be regarded as a means of according undue price assistance to farmers at the expense of consumers, but as a conscious attempt to eliminate waste and inefficiency and to ensure greater stability to all concerned".

The object of these marketing schemes, introduced by means of marketing legislation, is therefore, largely directed towards achieving orderly distribution thereby to obtain economic equality for agriculture. There are, however, many practical considerations to be weighed when introducing marketing schemes by means of legislation.

There is the effect with closely competitive or complementary products would have if legislation were enacted for certain products only. Thus, for example, marketing legislation for potatoes may not attain its objective because of the possibility that sweet potatoes may effectively compete against potatoes for the consumer's pound.

The nature of the marketing scheme itself may introduce many practical difficulties of application and control. Schemes such as proration of supplies, grade limitation, acreage control, variety proration, marketing areas or limitation of grades for canning, present numerous operative problems.

Then there is the problem of safeguarding the consumer's interest by preventing the farmers price of controlled commodities from rising to a level that would be inequitable to consumers.

Among the considerations to be taken into account by the growers are :

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1) Annual Report of the National Marketing Council. 1938/39 page 7.

1. The maintenance of controls may, in the long run, lead to a lowering in the level of demand for the controlled product, because the fixed price for the controlled product may stimulate the production of a substitute product.

2. Production may increase in response to the price rise or stability of price offered by the control program, without a corresponding change in demand. This will, in the long run, cause the income of producers to fall. In order to rectify such a situation the control program will have to apply drastic limitations, with corresponding harmful effects upon producers.

Since the inception of marketing schemes under the Marketing Act the following products have come under control : wheat, deciduous fruit, dried fruit, tobacco, maize, dairy products, citrus fruit, chicory and meat.

A Regulatory Scheme for deciduous fruit was introduced in October 1939 and a Regulatory Scheme for citrus fruit was put into effect in January 1940. In the Report <sup>(1)</sup> of the National Marketing Council the Council states : "The Boards (Deciduous and Citrus Boards) have as yet operated only during an inflationary period, and have, therefore, not had the opportunity of proving their worth during the full course of the price-cycle". Whether the Boards will be able to operate successfully during a period of large supplies and falling prices remain to be seen.

The Deciduous Fruit Board controls the distribution of table grapes, pears, white-fleshed peaches and nectarines produced in the Western and South-Western Cape Province. The prices of these commodities are fixed by the Board at wholesale and retail levels. A panel of market agents, appointed by the Board, and by arrangement with the market masters distributes the fruit at fixed prices to the trade via the municipal auction markets in Johannesburg, Cape Town and Pretoria. The market master in Bloemfontein acts as the sole agent of the Board in that city.

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1) Report of the National Marketing Council on the Marketing Boards, 1938 to 1946, page 2.

The Citrus Board controls the distribution of oranges, grape, fruit and lemons marketed by growers who have orchards of 300 trees, or more. The prices of these commodities are fixed at wholesale and retail level by the Board. Employees of the Board, in arrangement with the respective market masters distribute these fruits at fixed prices on the municipal auction markets of Johannesburg and Pretoria. In Cape Town the Board has its own depot outside the market premises from which fruit is distributed by personnel of the Board. In Bloemfontein the market master distributes the fruit as sole agent of the Board.

The degree of diffusion of supplies throughout the country is not necessarily a good measure of effective and efficient distribution. The most efficient form of distribution is the provision of supplies to the nearest consumers who are both willing and able to pay the highest price for the quality and type of product being sold.

The factors which may singly, or in combination influence the distribution of a fruit or vegetable crop are as follows :-

1. The cost of handling the crop at country points:

Such cost is directly related to the distance of the individual grower from the consigning station and from the terminal market. A grower near a railhead and a particular market is able to sort his crop into more grades for his market than the more distant one. The cost of sorting, grading and packing the lower qualities for the distant producer may be uneconomical, because the lower grades cannot stand transport over a long distance as well as the top grades and, on arrival at the market, may realize such prices as would not even cover the cost of grading and packing.

2. Freight rates and services :

The cost of transport and handling charges by the Railways is an important cost item to the producer. The price differential for the same grade and quality of a product on different markets may not necessarily include the difference in the cost of transportation as between the markets concerned. Producers may, therefore, tend to consign produce to the nearest terminal market instead of seeking an outlet further afield.

3. Terminal marketing costs.

The commission charged by market masters and market agents for handling produce varies at the different markets. Producers may, therefore, tend to sell their produce on those markets where the costs are lowest. Produce consigned to markets which have no direct rail connections have to be transported from the station to the market at extra cost as in the case of Pretoria and Bloemfontein. Provincial authorities in the Transvaal levy an auction tax on all agricultural commodities sold at auction on municipal markets in the province, but such a tax is not levied in the other provinces. These costs are factors which may influence a grower in deciding where to sell his crop.

4. Type and variety of product demanded by a particular market.

At some markets particular varieties, grades and sizes of a commodity are in greater demand than at others. In selecting his points of distribution, the astute grower will, therefore, make due allowance for those characteristics.

5. Variations in family incomes by markets and areas.

A terminal market, such as Johannesburg, the largest city in the Union with a highly industrialised population and large gold mines which provide steady employment and regular incomes to its employees obviously has a more consistent demand for large volumes of produce than a smaller terminal market such as Bloemfontein. Growers would, therefore, be more likely to consign their produce to the larger market, because they would thereby be placed in a more favourable position to dispose of all their supplies at better prices than if they supplied the smaller markets which are generally more sensitive to over supplies because of their more restricted outlets. A large terminal market, such as Johannesburg, has many wholesalers and distributors who execute country orders and thereby increase the demand for produce above the normal for the city itself.



6. Duration of the marketing season.

Variations in the duration of the marketing seasons affects the distribution of a crop. Growers can take advantage of being first on the market with early crops or, where they have a long marketing season can consign supplies to distant markets which growers nearer to that market can no longer supply. The marketing season for peaches, plums, figs, grapes and other deciduous fruit grown in the Transvaal starts much earlier than that in the Cape Province. Producers in the Transvaal realise such excellent prices locally for these products that they do not concern themselves with distant markets as the demand on the large local markets exceeds the supply during the early part of the season.

The many factors that may influence the distribution of a crop, allied to the buying habits of consumers and the practices of the trade, make the process of distribution a complicated and often risky enterprise. Before the introduction of any changes without seriously hampering and, possibly complicating the problem of distribution still further a careful study must be made of the nature of the problem, the functions and the cost of operation of the agencies concerned.

Excluding the Deciduous Fruit Board and the Citrus Board, the principal distributing agencies of fresh fruit and vegetables in the Union are the municipal markets, wholesalers, retailers and hawkers. The functions and services performed by the various marketing agencies and the cost thereof are the subject of much general adverse comment by the critics of distribution under a system of free enterprise. In this study factual data will be made available, which should aid all interested parties to acquire a clearer understanding of the operations of distributors of fresh fruit and vegetables. Such an understanding should materially assist in an approach to the problem of how to devise schemes for decreasing the costs of distribution of fresh fruit and vegetables.

CHAPTER 11.

THE MUNICIPAL MARKETS.

General

The municipal markets are the main concentration points for fresh fruit and vegetables; and from these terminals the commodities are distributed by other marketing agencies.

The market area in Johannesburg, Cape Town, Pretoria and Bloemfontein, commonly referred to as the municipal market, consists of various facilities where buyers and sellers are able to meet for the purpose of trading in agricultural produce. The facilities that make up the municipal market comprise :

1. The auction market.
2. The farmers' market.
3. Shops, stalls, offices and parking spaces.

Some of the salient features of the municipal markets under review are shown in Table 39.

TABLE 39 SOME DESCRIPTIVE FEATURES OF THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL MARKETS, 1948.

	Johannes- burg	Cape Town	Pre- toria	Bloemfon- tein
1. Date when established	1913	1812	1918	1925
2. Number of years in existence	36	137	31	24
3. Owner of site and facilities	City council	City council	City council	City council
4. City Council committee controlling the market.	Parks and Estates	Market committee	Transport and market	General purposes

Based on the number of years that the market has been in existence on its present site, the Cape Town municipal market is the oldest one, having been in existence for 137 years. The Johannesburg and Pretoria markets have on their present site existed for 36 and 31 years respectively while the Bloemfontein market has operated for 24 years.

A city council committee controls the market at each centre. In Johannesburg the task of supervising the market has been entrusted to the Parks and Estates Committee. In Pretoria the committee which supervises transport also controls the municipal market, and in Bloemfontein the municipal market is supervised by the general purposes committee. In Cape Town the Markets Committee supervises both the municipal market and the abattoirs.

It would seem that the practice of entrusting a committee with the task of supervising several municipal departments, inclusive of the municipal market, is undesirable. The many problems connected with the policy of conducting, and the management, organisation, location and layout of the market, calls for the full-time and undivided attention of the authority in charge of the market. A committee which has to manage several municipal departments must necessarily be faced with vexatious difficulties if it is to execute its market supervisory duties properly.

#### The Location, Layout and Facilities of the Municipal Auction Markets.

##### Location

From the standpoints of accessibility to all types of incoming and outgoing transportation, shortest time distance to local buyers, and sufficient area to provide plenty of room for facilities and parking, none of the four markets is satisfactorily located. The Pretoria and Bloemfontein municipal markets are located in the central area of the cities. The Johannesburg and Cape Town markets, though away from the centre, are located in busy sections of the city. No expansion of any of the four markets is possible on their present sites. In consequence, each of the authorities is at present faced with the problem of moving its local market to a more favourable location because the volume of commodities handled has increased beyond the capacity of its existing facilities.

### Rail Connections

Johannesburg and Cape Town have rail connections to their respective markets. The Pretoria and Bloemfontein markets are not directly served by railway deliveries with the result that produce consigned to these markets have to be carted from the main line station.

### Layout

Buildings on each of the four sites are in good condition and well ventilated, but too small to handle the produce consigned to each, especially during peak seasons. The structure of the main auction building at Cape Town and the main auction hall and sheds at Johannesburg provide tailboard-high platforms for railway and motor transport deliveries and for the loadings of buyers' vehicles. The Bloemfontein market has one platform at a slant where vehicles can park lengthwise only for loading or off-loading. The Pretoria market has no tailboard-high platforms for loading or off-loading. In the event of re-siting these markets the incorporation of covered-in platforms of adequate width in the new structures to expedite deliveries and loadings would be highly desirable.

### Parking areas

The parking areas provided by the Johannesburg and the Cape Town markets do not fully meet the demand, and at Pretoria parking space is at a premium. The market at Bloemfontein has no special parking facilities and vehicles have to park in the streets bordering on the market.

### Enclosure

The Cape Town and the Bloemfontein markets can be completely enclosed. The Johannesburg market can be partially enclosed, but no enclosure facilities are available on the Pretoria market. The complete enclosure of a market is desirable so that hours of entry, sale and delivery, can be enforced and opportunities to pilfer minimized.

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1) During 1950 additional parking facilities were created opposite the market which has greatly relieved the pressure on parking space.

FIGURE 18. LAY-OUT OF THE JOHANNESBURG MUNICIPAL MARKET

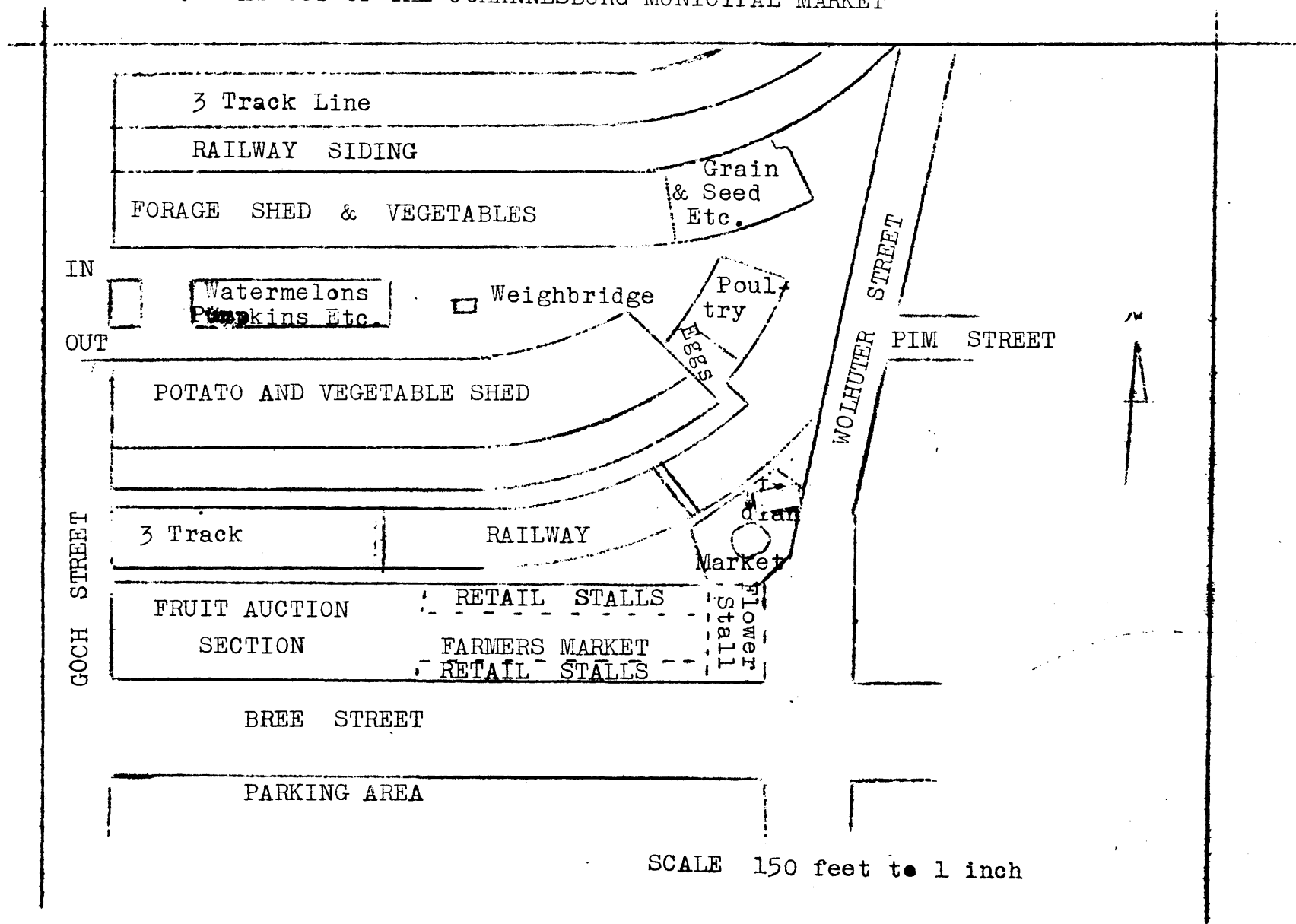


FIGURE 19: LAY-OUT OF THE CAPE TOWN MUNICIPAL MARKET

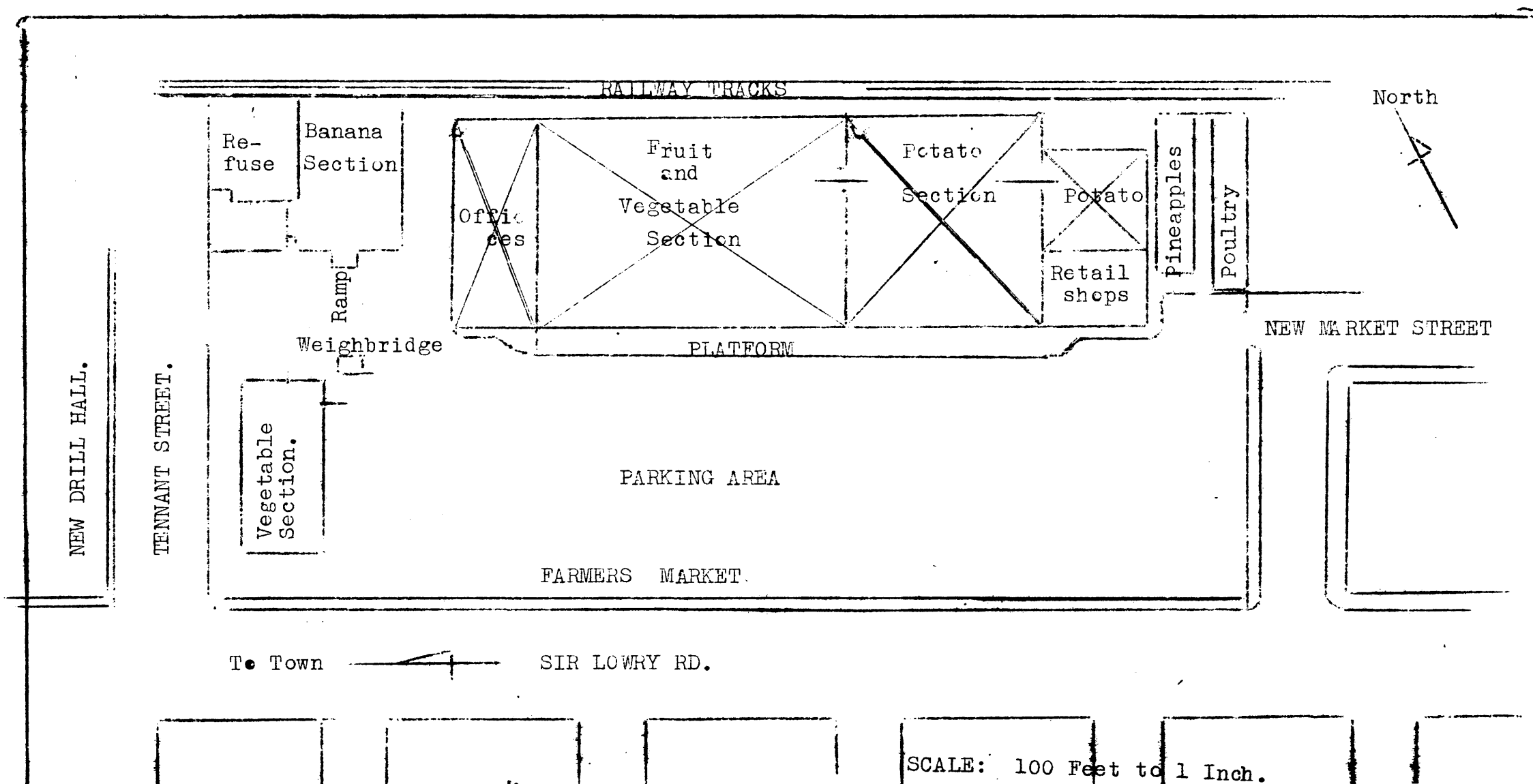


FIGURE 20. LAY-OUT OF THE PRETORIA MUNICIPAL MARKET

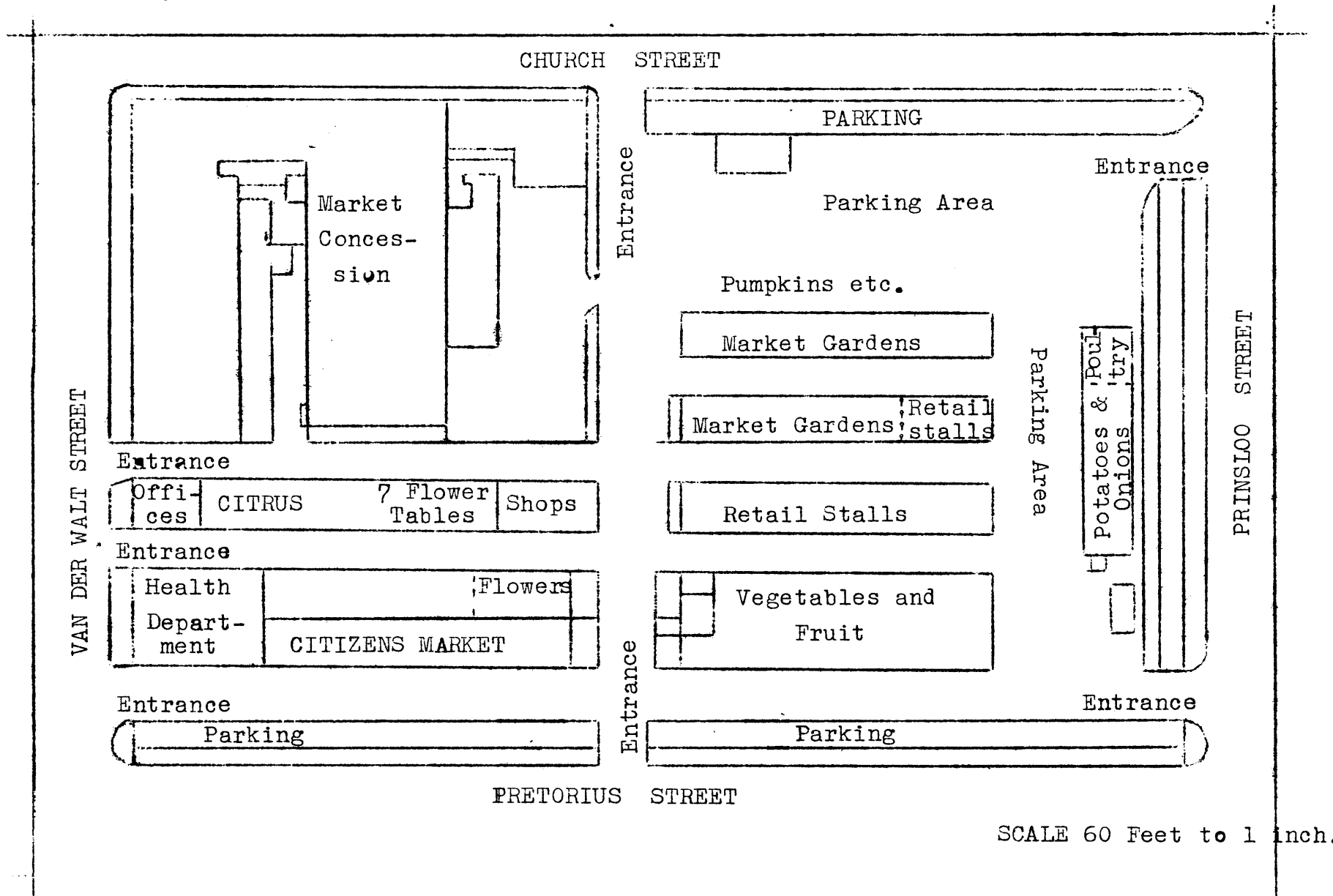
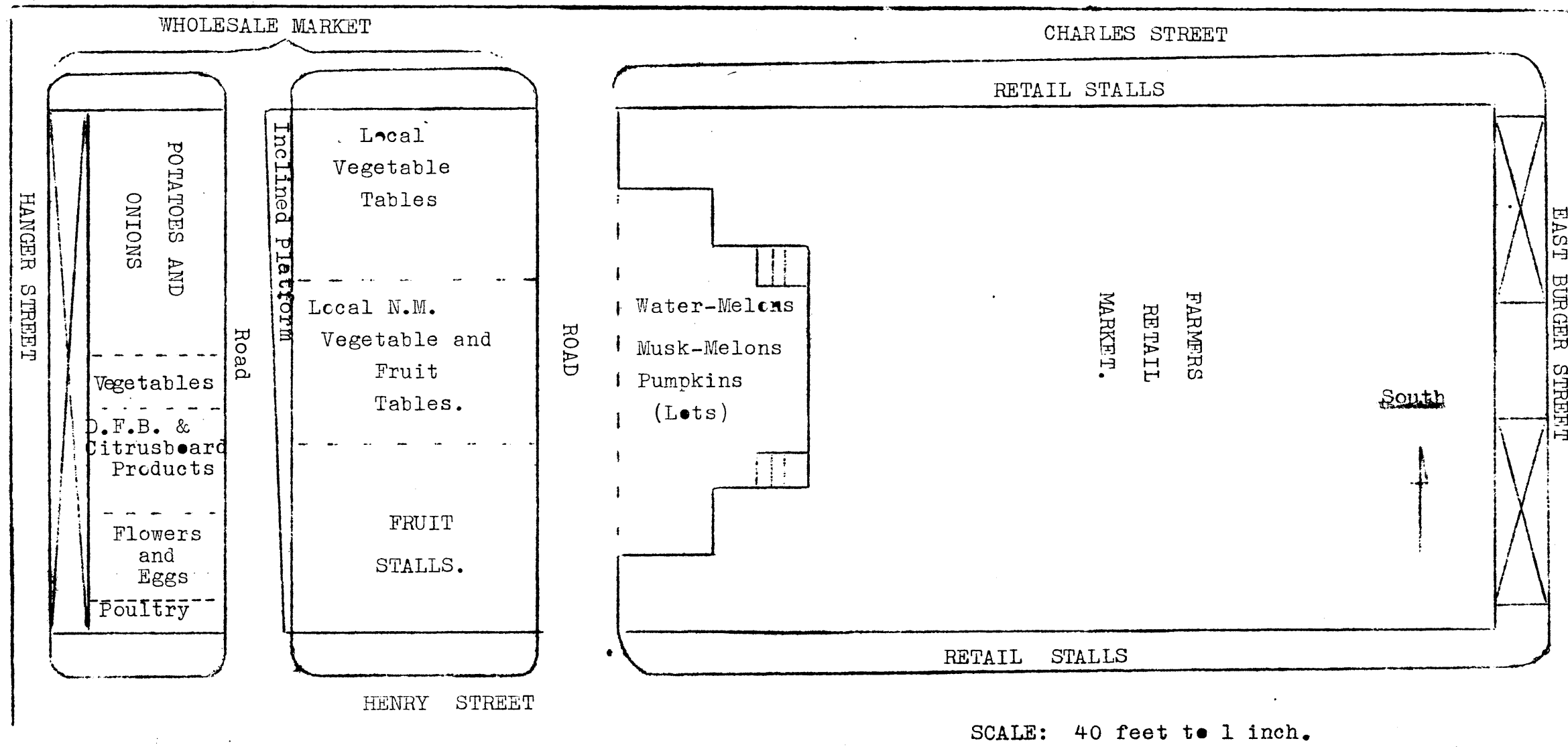


FIGURE 21: LAY-OUT OF THE BLOEMFONTEIN MUNICIPAL MARKET





### Allocation of floor space

At each of the markets the floor space is divided into sections, each devoted to the sale of certain groups of commodities. This facilitates sales, in that buyers know the section which provides for the sale of particular commodities, and do not have to waste time in looking for the place where a particular kind of offering is being sold.

### THE FARMERS' MARKETS

#### General

In Johannesburg the farmers' market is held daily, but in Cape Town, Pretoria and Bloemfontein on Tuesdays, Thursdays and Saturdays.

The commodities sold on the farmers' markets are principally vegetables such as cabbages, cauliflowers, lettuce, celery, carrots, beet, spinach, parsnips, turnips, leeks, radishes, sweet potatoes, tomatoes, onions and potatoes.

The sales of produce begins in the early hours of the morning, generally from about 3 o'clock before the auction market opens and continues until such time as the sellers on the farmers' market have disposed of their produce or decide to transfer their unsold stocks to the auction market. The extent to which produce remaining unsold on the farmers' market is transferred to the auction market could not be established, but from observation and inquiries made it would appear that the volume of transferred produce is very small.

#### Johannesburg

The farmers' market in Johannesburg consists of 160 to 200 tables in the fruit auction hall. These tables are allotted daily to growers who pay for the hire of the table for the morning. The value of the produce sold on the farmers' market in Johannesburg during 1947/48 was estimated by the market master at approximately £300,000, on which he collected £8,587 in hire fees.

#### Cape Town

Although located on the site of the municipal market the farmers' market forms a separate entity. A section of the parking space

alongside the main market building providing for about 90 parking spaces, is set aside for the motor vehicles of growers who sell their produce direct from these vehicles. Investigation showed that some of the individuals who used this facility were country buyers who purchased produce direct from growers at the farm and resold the produce on the farmers market. A commission based on the value of the produce, as estimated by the market master, is charged on all produce brought by the seller to the farmers' market. The Director of Markets estimated that the value of the produce brought to the farmers' market during 1947/48 was £248,340, on which he collected £8,085.

### Pretoria

The farmers' market is conducted in a special shed where 68 tables are rented to growers on an annual basis. The lessee of a table has the option of renewing his lease, thus enabling him to maintain an indefinite right to that table. The demand for table space greatly exceeds the available supply, and because a lessee is able optionally to renew his lease, a newcomer has difficulty in obtaining a table. The lease of such a table has thus come to be regarded by the lessee as a valuable proprietary asset.

No less than five individuals have secured leases of 2 tables each, and one individual has obtained leases of four tables. This would appear to be a most unsatisfactory state of affairs since six individuals have the right to 14 tables - nearly one-fifth of the amount of available table space - when the known demand for these tables by far exceeds the number available.

The market authorities were unable to supply information on the value of produce sold on this farmers' market during 1947/48, but, after consultation with the officer-in-charge of the local office of the Division of Economics and Markets, market agents and lessees of tables, the writer estimated that value at approximately £90,000. The rental collected by the market authorities for these tables amounted to £1,455 during 1947/48.

### Bloemfontein

The farmers' market on the Bloemfontein municipal market is conducted in the retail market hall. Ninety-eight tables are available to bona fide growers who hire the tables from the market authorities. The value of the produce sold on the farmers' market during 1947/48 was estimated by the market master to have been £41,075 on which the market authorities collected £3,466.

### MUNICIPAL AUCTION MARKETS

#### Administration

The South Africa Act of 1909 (Act No. 9 of 1909) provides in section 85, (1X) that each of the four Provincial Councils may make (1) Ordinances on matters concerning local markets. The provincial councils of the provinces have in turn delegated their authority over local markets to local authorities with the proviso that the regulations governing the local municipal market are subject to approval by the Provincial Authority concerned. In practice, however, the Provincial authorities exercise no (2) jurisdiction over a municipal market. As reported by one Commission "the scrutiny of draft market by-laws submitted by any local authority is in practice confined to an examination as to their not being ultra-vires, or patently undesirable, or unjust to any section of the community".

The local authority of a city is constituted by councillors who are elected for a 3-year term of office, one-third of their number being elected annually. The various committees appointed to manage the affairs of the four cities are composed of these elected councillors. Membership of these committees, however, varies considerably:

1. Elections are conducted on local party lines, and the party in power may vary from year to year with a resultant annual change in the composition of a committee.

- 
- 1) The local markets consist of the municipal auction market, the farmers' market and attendant facilities which comprise the municipal market.
  - 2) Report of the Transvaal Municipal Markets Commission 1939, paragraph 34.

2. A councillor, whose term of office has expired, may possibly not offer himself for re-election, or may not be re-elected at a subsequent election, or, if re-elected, may not necessarily be re-appointed to the committee on which he had previously served.

This variation in membership, so characteristic of these committees, presents a grave problem, for it is difficult, if not impossible, for such a committee to formulate and execute a policy of assured continuity. A reversal of policy, a vacillating attitude, or the application of stop-gap measures to marketing problems cannot supply much needed solutions.

Membership of these committees under such circumstances tends to influence members to adopt short term policies which, when applied to such local marketing problems as the location of the market, size and nature of the facilities to be erected and whether or not rail connections should be provided, are highly unsatisfactory since these problems require long-term planning. Moreover, lack of uniformity in market by-laws, hours of sale, form of administration, conduct of sales and charges levied at the individual municipal markets, each controlled by a committee which acts independently of other municipal market committees, precludes the exercise of that highly desirable unity of practice in any efficient national marketing system.

While recognising that due to local conditions, certain minor differences in the administration of the various municipal markets are inevitably to be expected, there appears to be no reason why any major differences should exist in the by-laws, concerning auction sales and conduct of these sales on municipal markets. Of the greatest importance too, is that complete unanimity should be reached on the general policy of conducting municipal markets.

The suggestion is, therefore, made that a conference of representatives of the Department of Agriculture, local authorities, the South African Agricultural Union, the Market Agents' Association, and the Wholesale and Retail trade, be called to discuss and lay down a general policy for conducting municipal auction markets, and to draft

a set of rules and regulations to secure uniformity of practice in the operation of those markets. The recommendations of this conference should be enacted in the Provincial Statutes to ensure against wilful departures from the Regulations by local authorities.

Another recommendation is that the supervision of each municipal market - i.e. the auction and farmers' market - should be in the hands of a local committee composed of duly authorised representatives of the local authority concerned, the Department of Agriculture, the South African Agricultural Union, the wholesalers, retailers, and hawkers, the market agents, consumers, and the South African Railways.

The jurisdiction of this committee should cover all matters pertaining to the market with powers of enforcement of the Regulations officially promulgated and enforceable by the committee. One of the powers of such a committee should be the imposition of fines, or the temporary or permanent suspension of defaulters from operation on the market, or both.

The direct charge of a municipal market ( and therefore of the auction market) is vested in a market master and his staff all of whom are employees of the local authority. The jurisdiction of the market master is circumscribed in regulations compiled by the local authority and promulgated by the provincial authority concerned. It is the duty of the market master and his staff to carry out these regulations by exercising such control and supervision as is deemed necessary.

#### Conduct of sales

The form of sales officially permitted on the sales-floors of the individual municipal auction markets varies according to the marketing centre as follows :-

Johannesburg. All sales are to be conducted by public auction, excepting live poultry from crates in a section of the market set aside by the market master for out-of-hand poultry sales.

Cape Town. Sales by public auction and out-of-hand. Market agents who operate on the market are permitted to sell all produce except bananas, watermelons and poultry out-of-hand on the auction sales floors during prescribed hours.

Pretoria. Sales by public auction, but any person who has purchased produce at public auction may conduct out-of-hand sales on the auction sales floors in an area set aside for such purposes by the market master in the shed where the auction took place. The out-of-hand sales by buyers may only take place after all the produce in the section in which such a person purchased such produce has been put up for auction.

Bloemfontein. Sales by public auction, but the market master may permit out-of-hand selling by an owner or a market agent on the auction sales floor after the articles have been submitted to public auction and all salesmen have left the market area.

Although sales by public auction are common to each of these markets, the conduct of all sales is not identical at all four markets, nor is the permissible form of out-of-hand sales similar. At Johannesburg out-of-hand sales on the auction sales floors is forbidden, but does occur. At Pretoria a buyer is permitted to sell out-of-hand on the auction sales floor subject to certain restrictions. The out-of-hand sales allowed on the auction sales floors at Bloemfontein are to facilitate the disposal of unsold offerings at auction, but at Cape Town the out-of-hand sales on the auction sales floors is an integral part of the system of sales in operation on that market.

From the point of view of the producer who consigns produce to these markets the variation in selling practices on the different markets and on each market is unsatisfactory. It creates a doubt in his mind as to whether the consignment was sold to best advantage, for he is in no position to judge whether the auction or out-of-hand sales would have realized a better price.

The tolerance of out-of-hand sales by buyers on the sales floors of the auction markets appears to be an unsound practice. As stated, this practice is permitted under certain provisos on the Pretoria market but it has been observed that sales by buyers on this market occur without due observation of these provisos. On the Johannesburg auction market buyers illegally sell out-of-hand whilst the auction sales are still in progress further down the sales floor.

The objections to buyers selling out-of-hand on the auction sales floors are :

1. Buyers are drawn away from the public auction sales. This reduces the number of bidders and weakens competition at these sales.
2. It encourages speculation in that the buyer, by paying a small overnight storage charge, can, with the minimum of cost, put up unsold quantities at auction the following day without having removed the produce from the sales floor.
3. Unsold quantities left overnight on the sales floor encroach on the availability of space for produce which arrives overnight.
4. Unsold produce of a buyer left on the market for re-sale at auction the following day may be stacked in a more favourable position in the rotation of sales than the newly arrived produce.
5. Sold quantities of produce kept on the sales floor give other buyers a distorted impression of supplies available and affect the bidding.
6. Unsold produce of poor quality left on the market for sale the following day give buyers the impression that the quality of the offerings is poor which has a depressing effect on prices.
7. Buyers who sell out-of-hand on the auction market have an unfair advantage over legitimate wholesalers who have their premises away from the market. The overhead costs of the former are considerably lower and they take advantage of the natural concentration of small buyers on the market.
8. Such dealers impose on the dearth of space on the already crowded market .
9. Two prices which are in competition with each other, are caused to exist on the market, particularly when there is a sharp rise in the price above that of the preceding day.

#### Control of out-of-hand sales

Both market agents and buyers sell out-of-hand on the auction sales floor of the municipal markets. At Pretoria where buyers are permitted to sell out-of-hand, no control is exercised by the municipal authorities over their sales. At the other municipal markets, out-of-hand sales by buyers on the auction sales' floor is not permitted, but are nevertheless illegally conducted.

Out-of-hand sales by market agents in Cape Town are partially controlled in that the agent must hand the buyer two slips on which the sale is recorded. The buyer presents the two slips to an official of the market master's staff, who, after receiving the amount stated on the

slip, stamps the slips with an official, dated stamp, and returns one slip to the buyer. The buyer presents the franked slip to the market agent as proof of payment and is then allowed to remove his purchases.

This form of sale has the disadvantage that it still does not prevent connivance between the buyer and the agent and that the price paid by the buyer is not generally known to the other buyers.

The regulations of the Bloemfontein market require that out-of-hand sales on the auction floor by an owner or market agent must be reported to the market master by the market agent, or owner, after completion of the sale. No direct form of control is exercised by the market authorities. A market agent at Bloemfontein has admitted to the writer that buyers arriving late at the market obtained their supplies out-of-hand from him, and that the sale is not passed through the market books but recorded as a sale direct from his store. From the point of view of a consignor, such transaction is open to irregularities regarding the actual price realised.

Market agents on the Johannesburg market are permitted to sell poultry out-of-hand in a special section set aside on the market for this purpose. Out-of-hand sales of all other kinds of produce by market agents on the auction market in Johannesburg is prohibited. In Pretoria, the out-of-hand sales of any kind of produce by market agents on the auction market is totally forbidden. Nevertheless these sales do occur, and the agent reports the sale to the auctioneer who then writes out the sales slip. •

The reason for out-of-hand sales by agents on a market where such sales are not permitted can be ascribed to the following :-

1. Buyers are unable to attend all the auction sales that are simultaneously conducted at various points on the market. Unsold offerings often remain at the auction sale, or the reserve price is not realised, due to the absence of buyers whom the agent considers capable and willing to purchase the offering at the price he has in mind. The agent then awaits, or seeks out, potential buyers and, by the time he has negotiated a sale, the auctioneer has moved on to a different section so that the only alternative left to the agent is to put through an out-of-hand sale.



2. Buyers arrive late on the market. Unsold offerings are still available but the auctioneer is busy at another point of sale and the buyer is usually in a hurry. In order not to miss the sale the agent will sell out-of-hand.

There is nothing inherently wrong with an out-of-hand sale by a market agent provided the transaction is truly accounted for. The problem which presents itself is the prevention of mal-practices by the agent at the cost of the consignor.

The form of control exercised over out-of-hand sales by agents on the Cape Town market is practicable and although it appears to be open to abuse, as indicated above, the evidence does not show that the agents make any noticeable misuse of the out-of-hand sales permitted on that market.

#### The auctioneers

The auctioneers employed on the municipal auction markets are either permanent or temporary employees of the council. The permanent employees who act as auctioneers may be of two classes :-

1. Those employed solely as auctioneers.
2. Those seconded from other municipal departments who act as auctioneers during market sales hours and thereafter return to their respective departmental duties. These employees are remunerated on a per diem basis for their auctioneering work over and above, and cease duty after the close of the market. (their basic salaries)

The ability of these market auctioneers in general to perform their duties satisfactorily was subjected to much unfavourable criticism by the market agents, and from observation the criticism appears to be justified. Whereas each auction market had several auctioneers of outstanding ability, the majority were mediocre. The mediocrity of these auctioneers can be ascribed to:

1. Lack of training.
2. Lack of incentive. As the auctioneers are employees of the municipality, their jobs are for all practical purposes assured in that dismissal from service would only take place if they were found guilty of flagrant breaches of conduct. In addition the salary scales are fixed, and the scope for improvement is limited.

3. Low salaries: these cannot attract the best men for the job.
4. Poor selection: The knack of auctioneering is partly acquired. A good auctioneer is born and if properly trained, becomes a craftsman in his vocation.
5. Improper supervision : Constant strict supervision of the conduct of auctioneers by a qualified auctioneer during sales would materially assist to bring about a higher standard of salesmanship.

A direct result of the low standard of auctioneering on the municipal auction markets has been that the market agents have come to the assistance of the auctioneer and it is largely due to their prompting of the auctioneers and canvassing of buyers that the auction sales have attained the standard existing at present. On his own initiative the market agent has become an integral and valuable part of the sales organisation on the auction market and contributes much to the success of the auction sales.

#### The auction sales

The method of selling by auction claims several well-known advantages :-

1. Public conduct of the sales inspires confidence in that the buyers and distant growers know the prices received for the goods.
2. Greater quantities of produce can be more rapidly moved to the consumer by the auction method than by private sales.
3. The meeting of demand and supply factors in the auction establishes a price that will move the products into distribution channels.
4. The auction buyer must be prepared to protect his own purchases by bidding on other produce similar to that which he had bought so that his competitors do not make purchases of the same products at considerably lower prices.
5. Available supplies can be disposed of in one day, which is more satisfactory in the long run.
6. Retailers know what the wholesalers paid and can, therefore, limit the wholesalers' profit.
7. Fewer salesmen are needed to sell by auction than at private sales.
8. A wide range in selection of grades and sizes is possible.
9. Prices realised by auction can be more easily and accurately reported than by private sales.

In big cities the method is the best adapted for the quick distribution of highly perishable fruit to consumers with the minimum of waste of time and involving the lowest number of middlemen.

Low quality fruit and vegetables will not realise a good price on an auction market because the demand is for a product of a high quality standard. The greatest advantage is obtained at auction sales when a steady supply is available under a definite mark or brand in sufficient volume throughout the season, or year.

In general, vegetables are poorly adapted for sale by auction because of the difficulties in grading the products. The most suitable commodities for sale by auction are citrus and deciduous fruit which can relatively easily be standardised in grades.

The disadvantages claimed for the method may be summarised as follows :-

1. Buyers who have to wait for the sale of those lines in which they are interested, waste much valuable time.
2. The auction may be used as a dumping ground for products of poor quality which may thus exercise a depressing effect on the general level of prices realised.
3. On small markets the auction may not receive the required support and low prices will result at the sales.
4. By extending the sale over a few days a better price may be obtained by means of private sales.
5. It makes for a "Buyer's" market because buyers are well informed as to the available supply.
6. By combining buyers may be able to control or influence prices.

Although there is substance in some of the points raised by the critics of the method, it would appear that the most important factor necessary to determine the success of the operation of this method of selling by auction is the size of the market. A large terminal market patronised by many buyers, representing all forms of demands, ensures the keenest competition and the most rapid movement of the products into distribution.

As conducted at present, however, the auction sales could be greatly expedited. Buyers have little time to inspect the produce before the sales commence, and it is not uncommon for buyers to inspect offerings for the first time while the auction is actually in progress. In many instances the market agent will display by hand samples of the offering during the sale so that buyers can obtain an idea of the quality of the product. To a very large extent, and especially in the case of vegetables, buyers rely on the market agent's assurances regarding the quality offered.

An area especially set aside on the auction sales floor where market agents could display samples of each consignment for inspection by buyers would materially assist buyers and expedite sales. The consignment could then be auctioned on the basis of the samples submitted. Such a system operates at present on the Cape Town market where potatoes, onions and sweet potatoes are sold in this manner. The possibility of extending this practice to other products appears worthwhile exploring.

#### Accounting of sales

The form of accounting of sales by auction is laid down in the Public Auctions and Transactions in Livestock and Produce Act, of 1925 ( Act No. 22, of 1925) as amended by Act No. 4, of 1930. The relevant section reads as follows :-

"Sec. 2(b) : Every auctioneer conducting a sale of livestock by auction shall -

forthwith after the conclusion of the auction make out and deliver or transmit to each seller a sales note showing legibly -

- (i) The name of the seller;
- (ii) The name of the purchaser
- (iii) The number and description of the animals sold.
- (iv) The prices at which these animals were sold .
- (v) The deduction which the auctioneer in terms of the arrangement between him and the seller, or in the absence of such an arrangement, of the custom of the trade, is permitted to make from the purchase price and retain for his commission and for all bona fide charges actually and necessarily incurred by him in respect of the transaction, including railage, feeding, weighing, driving fees, post and telegraph charges and insurance or indemnity premiums:

Provided that if a sale is effected partly by public auction and partly by private treaty the deduction herein mentioned shall be shown on completion of such sale, and

(vi) the nett amount due to the seller".

These provisions also apply to sales by auction of agricultural produce as defined in Section 12 of the Agriculture ~~Export~~ Act, 1917 (Act No. 35, of 1917), as amended by Section 11 of the Agricultural Products Grading Act, 1922 ( Act No. 16, of 1922), and further includes fruit, wool, mohair, and ostrich feathers.

The Public Auctions and Transactions in Livestock and Produce Act further provides that "whenever an auctioneer, agent or factor has, on behalf of any person, sold agricultural produce on a market which is under the control of a local authority, he shall within seven days thereafter submit to such person a statement of the prices realised for such produce, which shall bear the signature or official stamp of the market master or other person in charge of such market".

The regulations governing the Johannesburg municipal auction market require that the name of the buyer must be shown on the market note only if a credit sale is made. The regulations governing the Bloemfontein municipal auction market do not make it obligatory that the name of the buyer must be shown on the market note. Excluding the exceptions noted above regarding the inclusion of the name of the buyer on the market note, the market authorities and the agents comply with the provisions of the Act regarding the accounting of sales. In the majority of cases payments to consignors are made daily unless otherwise requested by the consignors.

#### THE FUNCTION OF A MUNICIPAL MARKET.

##### 1. As a central market

Development: The existing municipal markets at Johannesburg, Cape Town, Pretoria and Bloemfontein have their beginnings in the primitive farmers' markets of the past. When these cities were small towns, producers in the immediate vicinity supplied produce to the townspeople. The farmers came to town by waggon or cart and either hawked their produce or foregathered at some central locality, made available by the town authorities, and sold their produce direct to the consumer.

The rapid increase in the population of these towns brought about a greater demand for produce which the producers in the immediate vicinity could not meet with adequate supplies all the year round. By the opening up of new areas of the interior with different seasons of production, where commodities could be more economically or competitively produced because of the relative advantages such as soil, climate, topography and improved transportation enjoyed by these distant producers, new and greater sources of supply were made available for the cities. The produce was sent to the cities but the producer could no longer personally market his own produce because of the far distance that separated him from the consumer.

Some central facility with the requisite supervision was needed to receive the supplies consigned by the distant growers and to serve as a point of distribution to consumers. And so the respective town authorities came to begin and develop their local markets. At first the right to conduct a market was leased to private individuals or companies. Eventually the local authorities took over their individual markets completely and municipal controls is the rule at the present day. The market agents and kindred agencies and dealers set up their premises on, or near, the market areas which thus became the centre of trading for those engaged in the produce business.

Other factors which contributed towards developing the municipal markets into central markets are :-

The buying habits of consumers : The "small-unit, wide-variety buying habit" of the consumer requires that a retailer should carry an extensive variety of commodities to meet the consumer's fancy. The wholesaler, in turn, requires that a wide variety and large quantities of the product should be assembled at one central spot where he can select the requirements to meet the demand of his clients. In addition, the wholesaler likes to shop around so as to get the feel of the market regarding quantity, quality and price, and obtain his day's requirements in the shortest possible time.

The market agents, again want to ensure as great a concentration of buyers, representing all types of demand, as is possible at the auction sales in order to maximise competition among them and to sell all their offerings.

Lack of standardisation of fruit and vegetables

Existing regulations provide for the compulsory grading of potatoes, eggs, meat, apples, pears, peaches, nectarines, plums, grapes, oranges, grapefruit, lemons and naartjies sold in those areas defined by Government proclamations.

Under the National Mark Scheme a grower can voluntarily <sup>(1)</sup> send certain produce at the farm according to grades based on specified standards laid down by the Department of Agriculture. On arrival at the terminal market Government inspectors inspect the produce, and if the grading conforms to the standards laid down, the grades are confirmed and the produce is sold according to the grades.

Thus the only graded fresh fruit and vegetables that appear on the auction markets are those that are voluntarily submitted under the National Mark Scheme and those which growers by regulation are compelled to grade.

The proportion that graded sub-tropical fruit and vegetables <sup>(2)</sup> constituted of the total value of all sub-tropical fruit and principal vegetables sold on the four municipal auction markets during 1947/48 are shown in Table 40.

TABLE 40 PROPORTION THAT GRADED SUB-TROPICAL FRUIT AND GRADED VEGETABLES <sup>(2)</sup> CONSTITUTED OF TOTAL VALUE OF SUB-TROPICAL FRUIT AND PRINCIPAL VEGETABLES SOLD ON THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION MARKETS, RESPECTIVELY, 1947/48.

Municipal auction market	<u>Graded sub-tropical fruit</u> Proportion of total value of all sub-tropical fruit sold	<u>Graded vegetables</u> Proportion of total value of principal vegetables sold
	Percentage	Percentage
Johannesburg	4.5	48.4
Cape Town	-	42.6
Pretoria	3.9	48.5
Bloemfontein	0.4	45.3

1) Vegetables: Beet, cabbages, cauliflowers, carrots, cucumbers, green beans, green peas, garlic, green mealies, marrow, onions, pumpkins, sweet potatoes, spinach, tomatoes.

Fruit: Avocados, bananas, cherries, guavas, granadillas, papaws, pine-apples, sweet melons, strawberries, watermelons.

2) Potatoes, cauliflowers, green beans, green peas, cabbages, pumpkins, sweet potatoes, tomatoes, onions, carrots, beet.

At all four auction markets sale of compulsory graded potatoes constituted the greater proportion of the value of graded vegetables in respect of the total value of the principal vegetables sold. The proportion represented by the value of compulsory graded potatoes in relation to the total value of the principal vegetables sold is shown in Table 41.

TABLE 41 PROPORTION REPRESENTED BY GRADED POTATOES IN RELATION TO VALUE OF PRINCIPAL VEGETABLES SOLD ON THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION MARKETS, 1947/48.

Municipal auction market	Proportion that graded vegetables were of value of principal vegetables	Proportion that potatoes were of value of principal vegetables	Proportion that graded vegetables (excluding potatoes) were of value of principal vegetables
	Percentage	Percentage	Percentage
Johannesburg (1)	48.4	38.7	9.7
Cape Town	42.6	42.6	0.0
Pretoria	48.5	45.2	3.3
Bloemfontein	45.3	37.7	7.6

- 1) The National Mark Scheme did not operate on the Cape Town Market during 1947/48. Proportions represent compulsory graded potatoes only.

The percentage volume of various fruit and vegetables in relation to the total volume of these commodities sold under the National Mark Scheme on the municipal auction markets is shown in Table 42 :



TABLE 42 PERCENTAGE OF VARIOUS FRUIT AND VEGETABLES SOLD UNDER THE NATIONAL MARK SCHEME IN TERMS OF THE TOTAL VOLUME OF THESE COMMODITIES SOLD ON THE JOHANNESBURG, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION MARKETS, 1947/48.

Municipal auction market			
Commodity	Johannesburg	Pretoria	Bloemfontein
Percentage of total			
Papaws	5.5	4.8	0.4
Avocados	8.0	5.1	-
Mangoes	4.6	3.9	2.7
Tomatoes	7.8	9.9	4.0
Onions	-	-	0.7
Cauliflowers	-	-	4.5
Cabbages	-	-	2.8
Green beans	-	-	9.0
Green peas	-	-	12.0
Sweet potatoes	-	-	1.4

From tables 40, 41 and 42 it is evident that both by value and volume the bulk of sub-tropical fruit and vegetables, other than potatoes, sold on the four municipal markets, is ungraded. Due to the physical characteristics of perishable products, grading and standardization is a difficult task. Irrespective of the standards laid down by the Government, buyers still want personally to inspect the offerings, even though they are graded. This is mainly due to (1) Lack of full confidence by the trade in the correctness of the grading, (2) the fact that the personal element makes for variations in the standards laid down, (3) the desire of a buyer personally to ensure that his purchases conform to the requirements of his trade.

This means in effect that the offerings, although graded, must be brought into the market for personal inspection by the buyers. This is a most important factor in facilitating sales and requires the centralisation of offerings on a market.

The perishable nature of fruit and vegetables. The highly perishable nature of most fruit and vegetables is difficult and expensive to counteract. Ripe produce requires very rapid movement into consumption. A central market, where buyers, representing all classes of trade, congregate, materially assists the rapid distribution of ripe, and even overripe produce.

2. The Municipal Market as a Factor in the Price making Process.

The function of the price making process is :-

1. To determine the value of a particular quantity of a good, and
2. The value of a particular quantity of a good compared with the value of another quantity of the same good.

A central market, such as a municipal market, assists in this price making function in that the forces of supply and demand are sharply brought together at a central point. Several conditions must, however, exist on a central market if it is to represent prices correctly. They are :

1. A sufficiently large volume of trade in that goods is required so that it should be a representative sample of trading in such goods.
2. Prices on the central market should be reported accurately.
3. Reports on prices must be disseminated daily and quickly.
4. Grades must be well understood.

EXTENT TO WHICH THE MUNICIPAL AUCTION MARKETS COMPLY WITH THE NECESSARY CONDITIONS TO REPRESENT PRICES CORRECTLY.

Volume of trade

The proportionate volume of vegetables and sub-tropical fruit sold on the four municipal auction markets in terms of these commodities marketed domestically in the Union during 1947/48 is shown in Table 43:

TABLE 43 PROPORTION THAT VOLUME OF VEGETABLES AND SUB-TROPICAL FRUIT SOLD ON THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION MARKETS WERE OF THOSE MARKETED DOMESTICALLY IN THE UNION, 1947/48.

MARKETED			
Commodity	(1 Domestically	Four municipal auction markets	Proportion sold on the four municipal markets
	'000,000 lb.		Percentage
Vegetables	1191	489	41.0
Sub-tropical fruit	163	58	35.6

1) Weight of domestically marketed produce as estimated by the Division of Economics and Markets, Department of Agriculture, Union of South Africa.

About 41 per cent of the vegetables and about 36 per cent of the sub-tropical fruit marketed domestically during 1947/48 was sold on the four municipal auction markets under review ( Table 43).

#### Reporting of prices

Price reporting of the sales on the municipal auction markets is done by officers of the Division of Economics and Markets. The lowest and the highest price realised for each kind of commodity per type of container and grade ( where existant) is daily extracted from the market masters sales notes; the weighted average price realised for each kind of product according to grade ( where existent), and per each type of container, is calculated, and the number of each type of container of each kind of product sold is ascertained. This information is then cast into report form and submitted daily to the South African Broadcasting Corporation for dissemination.

As the quantities sold and prices realised are extracted directly from the market masters' sales notes, accuracy of reporting is beyond doubt. Errors in calculation are reduced to a minimum as great care is exercised in preparing the report, hence mistakes seldom occur.

### Dissemination of market reports

Except Sundays, market reports are broadcast twice daily from Johannesburg, Pretoria and Cape Town, and once daily from Bloemfontein.

The twice daily broadcasts are divided into the early morning and midday market reports. Depending on the day and the time of day, the broadcasts are sent out either in the form of a price report, or as a review of the market or a combination of both. The price report advises listeners on the quantities sold, and the lowest, highest and weighted average prices realised. The review gives a qualitative description of the volume of offerings, the market trend and a general indication of the quality of the offerings. The daily broadcast from Bloemfontein consists of a midday report only. The times of broadcast and the nature of the market report broadcast for each of the markets under review are as follows :-

#### Johannesburg and Pretoria

Reports on these two markets are broadcast in Afrikaans on Mondays, Wednesdays and Fridays, and in English on Tuesdays, Thursdays and Saturdays. The reports broadcast on the various days comprise:-

1. Morning report at 8 a.m. Mondays.
  - a. Repetition of the Saturday midday review of the Johannesburg market over the past week.
  - b. Report on the lowest, highest and weighted average prices realized for produce on the Johannesburg market during past week.
2. Midday report at 2 p.m. Mondays.

Price report for sales on the Johannesburg market up to midday and the complete price report of sales on the Pretoria market for the day.
3. Morning report at 8 p.m. Tuesdays to Saturdays.
  - a. Final price report for sales on the Johannesburg market during previous day.
  - b. Review of the 9 terminal auction markets for fresh produce.
4. Midday report at 2 p.m. Tuesdays to Fridays
  - a. Review of morning conditions on the Johannesburg market.

- b. Price report for sales on the Johannesburg market up to midday and the complete price report for sales on the Pretoria market for the day.
5. Midday report at 2 p.m. Saturdays.
    - a. Review of the Johannesburg market over the week.
    - b. Report on the lowest, highest and weighted average prices realised for produce on the Johannesburg market during the week.

In addition, a price report for markets on the East Rand is broadcast during the morning reports on Tuesdays, Wednesdays and Fridays, and a market bulletin for housewives is broadcast at 11 a.m. on Thursdays.

#### Cape Town

A market report is broadcast from Cape Town daily, except Sundays. The report is broadcast in English and in Afrikaans on alternate days and consists of :-

1. Morning report at 8 a.m. Mondays.

Repetition of the previous Saturday's midday review of the Cape Town market over the previous week and the lowest, highest and weighted average prices realised for produce during that week.
2. Morning report at 8 a.m. Tuesdays to Saturdays.
  1. Complete price report of sales on the Cape Town market during the previous day.
  2. Review of the 9 terminal auction markets for fresh produce.
  3. Midday report at 2 p.m. Mondays to Fridays.

Price report of sales on the Cape Town market up to midday.
  4. Midday report at 2 p.m. Saturdays.

Review of the Cape Town market over the previous week and the lowest, highest and weighted average prices realised for produce during the week.

In addition, a market bulletin for housewives is broadcast at 11 a.m. on Thursdays.

#### Bloemfontein

Market reports broadcast from Bloemfontein are limited to midday reports only. The reports are broadcast in English and in Afrikaans on alternate days, except Sundays, and consist of :-

1. Midday report at 2 p.m. Mondays to Fridays.  
Review of, and price report on the day's sales on the Bloemfontein market.
2. Midday report at 2 p.m. Saturdays.  
Review of the Bloemfontein market over the week and the lowest, highest and weighted average prices realised for produce during that week on the local market.

In addition, a market bulletin for housewives is broadcast on Thursdays at 11 a.m.

The value of a market report is dependent on the rapidity of its dissemination and the degree to which it is understood. The understanding of a market report depends on how thoroughly the grades are understood. As has been shown (Table 42) the bulk of the sub-tropical fruit and vegetables, other than potatoes, sold on the municipal auction markets is ungraded. A further complicating factor is the large variety of containers wherein produce is consigned to the markets, especially in the case of vegetables. Types of containers in which cabbages may arrive at the market include bags, pockets, sugar bags or crates as well as loose heads delivered by local growers. Tomatoes arrive in bushel boxes, single- or double-layer trays, paraffin boxes, or standard boxes of approximately  $16\frac{1}{2}$  lb. gross weight. This confusing variety of containers, varying from market to market, causes difficulties in presenting market reports which will afford comparisons between the prices realised for the same commodity on the various auction markets. Wherever possible, prices realised for containers common to all markets are included in the price report.

The difficulty, however, is not solved in this manner, as a container common to all the markets may not necessarily be the container most generally in use on a particular market. In order to present the fullest report, therefore, the Division of Economics and Markets reports the sales of produce in as many kinds of containers on each market as is practically possible.

In general, it can be accepted that the market reports broadcast are well understood by growers and other parties interested in the price-reporting of market sales because of the breadth of coverage presented /..

by the reports.

It can also be concluded from the foregoing discussion that the municipal auction markets each perform the function of a central market and are important factors in the price making process for vegetables and sub-tropical fruit marketed domestically. (1)

COMMODITIES SOLD ON THE MUNICIPAL AUCTION MARKETS

The commodities sold on the municipal auction markets cover a considerable range of agricultural produce and include fresh fruit, vegetables, flowers, game, butter, dried fodder and dried beans.

The principal kinds of products by groups of commodities, their value and the proportion each group formed of the total market turnover during 1947/48 is shown in Table 44. (2)

TABLE 44 VALUE AND PROPORTION VARIOUS GROUPS OF COMMODITIES FORMED OF THE GROSS TURNOVER ON THE MUNICIPAL AUCTION MARKETS OF JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Group	MUNICIPAL AUCTION MARKET			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Value			
	£	£	£	£
Vegetables	1,791,382.0	815,433.0	374,146.0	107,630.0
Deciduous fruit	326,859.3	225,152.0	98,871.2	36,653.3
Sub-tropical fruit	276,337.6	219,723.1	68,299.5	25,031.3
Citrus fruit	284,653.1	16,564.6	65,899.6	19,434.2
Poultry and eggs	189,408.7	29,422.6	40,876.1	4,120.1
Dried fodder	131,737.6	-	8,709.8	15,852.8
Dried beans	88,024.5	-	3,929.4	-
Other (3)	303,620.4	168,104.8	122,037.2	58,196.1
<b>Total turnover</b>	<b>3,392,023.2</b>	<b>1,474,400.1</b>	<b>782,768.8</b>	<b>266,917.8</b>
	Percentage of turnover			
Vegetables	52.8	55.3	47.8	40.3
Deciduous fruit	9.6	15.3	12.6	13.7
Sub-tropical fruit	8.1	14.9	8.7	9.4
Citrus fruit	8.4	1.1	8.4	7.3
Poultry and eggs	5.6	2.0	5.2	1.5
Dried fodder	3.9	-	1.1	5.9
Dried beans	2.3	-	0.5	-
Other	9.0	11.4	15.7	21.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1) In South Africa little research work has as yet been done on the movement in prices of fruit and vegetables. At present, however, a detailed investigation is being made by Mr. Z. D. v. d. Merwe, University of Pretoria, of the relationship between supplies and prices of the most important vegetables on the 9 municipal auction markets, under the direction of Dr. F. R. Tomlinson, Professor of Agricultural Economics, University of Pretoria.

2) See annexure 3(a) to 3(d) for kinds of products included in each group of commodities.

3) "Other" includes flowers, game, watermelons, sweet melons, squashes, marrows, cucumbers, soup greens and butter.

The principal group of commodities, in terms of value, sold on each of the four municipal auction markets was vegetables (Table 44). Sales of vegetables accounted for about 55 per cent of the turnover on the Cape Town municipal auction market during 1947/48, which was also the largest proportion in terms of value for any single group of commodities sold on any of the four auction markets. The proportionate value of vegetables sales in terms of the turnover on the other three auction markets was about 53 per cent for Johannesburg, about 48 per cent for Pretoria, and about 40 per cent for Bloemfontein.

As a group, deciduous fruit were second in importance in terms of value of commodities sold on each of the four auction markets during 1947/48 and ranged from 9.6 per cent of the sales on the Johannesburg auction market to 15.3 per cent of the sales on the Cape Town auction market. Sub-tropical fruit were third in importance as a group in terms of value of commodities sold on the Cape Town, Pretoria and Bloemfontein auction markets, and were exceeded only by 0.3 per cent by citrus fruit on the Johannesburg auction market.

The relatively low percentage that the sales of citrus fruit form of the total turnover on the Cape Town auction market is due to the fact that the Citrus Board, which controls the distribution of the bulk of the citrus fruit produced in the Union, has its own sales depot at Cape Town. At Johannesburg, Pretoria and Bloemfontein the Board distributes the citrus fruit on the auction market by arrangement with the municipal market authorities and the value of the citrus fruit so distributed is included in the annual turnover of the auction market. The small quantity of citrus fruit sold on the auction market at Cape Town is made up of supplies from a few isolated areas in the Cape Province over which the Citrus Board exercises no control.

The proportionate value of the combined sales of vegetables, deciduous fruit, citrus fruit and sub-tropical fruit represented in terms of the turnover of each auction market during 1947/48 was 78.9 per cent for Johannesburg, 86.6 per cent for Cape Town, 77.5 per cent for Pretoria and 70.7 per cent for Bloemfontein.



Number of kinds of Deciduous, Citrus and Sub-Tropical Fruit and Vegetables sold on each Auction Market.

The number of kinds of deciduous, citrus, sub-tropical fruit and vegetables sold on the four auction markets respectively during 1947/48 is shown in Table 45:

TABLE 45 NUMBER OF KINDS OF DECIDUOUS, CITRUS AND SUB-TROPICAL FRUIT AND VEGETABLES SOLD ON THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL MARKETS, 1947/48.

MUNICIPAL AUCTION MARKET				
Group	Johannesburg	Cape Town	Pretoria	Bloemfontein
Number				
<u>Fruit</u>				
Deciduous	20	16	14	14
Sub-tropical	8	9	9	10
Citrus	5	5	5	5
<b>Total fruit</b>	<b>33</b>	<b>30</b>	<b>28</b>	<b>29</b>
<b>Vegetables</b>	<b>25</b>	<b>35</b>	<b>27</b>	<b>27</b>

The greater number of kinds of vegetables sold on the Cape Town auction market is accounted for by the inclusion of soup greens and leafy vegetables which are mostly sold on that market, while in the other cities these are sold on the farmers' market and thus do not appear on the auction market.

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ANALYSIS OF OPERATIONS : MUNICIPAL  
MARKETS.

General

The income derived from operating the municipal markets was mainly obtained from the commission levied on the value of produce sold at auction, (1) rentals from shops, stalls and offices, and from the hiring out of tables to growers on the farmers' market, or, as at Cape Town, by an assessment on the estimated value of the produce brought to the farmers' market.

The expenses connected with operating the market includes salaries, wages and allowances paid to the employees, repairs and maintenance of the facilities, interest on sinking fund charges, postage, telephones, stationery and rates on buildings.

Income and Expenditure : Johannesburg municipal  
market

Income: Income derived from the auction market - the most important source of revenue - amounted to £85,320.03, or 32.9 per cent of the total income of which £83,544.05, or 81.2 per cent of the total, was obtained from the commission levied on the produce sold at auction by the market master. Rental income from facilities was £15,471.40, or 15.0 per cent of the total of which £8,587.20 or 8.3 per cent, represented rentals from table space let to growers on the farmers' market (Table 46).

The income derived from the auction market and rentals from facilities jointly represented 97.9 per cent of the total income from the market; the residual 2.1 per cent represented income from fines, interest on investments, surplus auctioneers' cash (classified as sundries), and public conveniences.

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- 1) At Cape Town, where the market agents are permitted to sell produce by private treaty during prescribed hours, the market master also levies a commission on the value of the produce sold by private treaty similar to that on produce sold by auction.

TABLE 46 OPERATING STATEMENT : JOHANNESBURG MUNICIPAL MARKET, 1947/48.

<u>INCOME</u>	<u>EXPENDITURE</u>
<u>Auction market</u>	
Commission .....	Salaries, wages, allowances .
£ 83,544.05	£72,237.55
Weighing fees...	Repairs and maintenance....
796.13	5,602.45
Poultry coop.fees	Interest on sinking-fund
543.00	charges .....
Storage fees ....	4,249.29
<u>436.85</u>	Postage, telephones, station-
<u>£ 85,320.03</u>	ery .....
	4,070.97
<u>General</u>	
Fines .....	Rates on buildings .....
698.18	3,317.71
Interest on investments	Audit fees .....
503.24	1,751.00
(1	Water and light .....
Sundries .....	1,491.26
<u>676.42</u>	Insurance .....
<u>£ 1,877.84</u>	832.73
	Contribution to capital
	outlay .....
	489.96
	Scavenging and cleaning ...
	226.50
	Sundries .....
	2,997.38
<u>Rentals from facilities</u>	
Farmers' market (table	
spaces) .....	
8,587.20	
Fruit shops, stalls	
1,608.00	
Other shops and	
offices .....	
<u>5,276.20</u>	
<u>£ 15,471.40</u>	
<u>Public conveniences</u>	
Fees .....	Salaries, wages, allowances
259.33	1,340.90
	Water and light .....
	144.12
	Insurance .....
	16.11
	Sundries .....
	131.69
	Nett surplus .....
	4,028.98
<u>£102,928.60</u>	<u>£102,928.60</u>

1) Surplus auctioneers' cash.

Expenditure: The major items of expenditure incurred in operating the Johannesburg municipal market was salaries, wages and allowances (Table 46). This item amounted to £73,578.45, or 71.5 per cent of the total income. The other items of expenditure and the proportion they represented of the total income were :-

Repairs and maintenance .....	5.4 per cent.
Interest on sinking fund charges...	4.1 per cent.
Postage, telephones and stationery.	3.9 per cent.
Rates on buildings .....	3.2 per cent.
Audit fees .....	1.7 per cent.
Sundries .....	2.9 per cent.

Wages, salaries, allowances and the items listed above together represented an expenditure of 92.7 per cent of the total income derived from operating the market.

Profits and losses: A nett surplus of £4,028.98 or 3.9 per cent of the total income, remained after all operating expenses had been met. This amount would have been greater had not a loss of £1,373.50 been incurred in maintaining the public conveniences on the market. The nett surplus, expressed as a percentage of auction sales, was 0.12 per cent. <sup>(1)</sup>

Income and expenditure : Cape Town municipal market

Income: The principal sources of income were the auction market, the farmers' market and portorage charges. ( Table 47). The auction market provided an income of £48,080.68, or 72.5 per cent of the total income , of which £46,181.75, or 69.6 per cent, was obtained from commissions levied on the auction sales. Income from the farmers' market amounted to £8,698.58, or 13.1 per cent of the total income. Portorage fees collected amounted to £5,948.93, or 9.0 per cent of the total. Rental income was £3,409, or 5.1 per cent of the total. Income from storage charges was 2.8 per cent of the total income, and was the highest for any of the markets covered by this study.

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1)  $\frac{4028.98}{3,392,023} \times 100 = 0.12$

TABLE 47 OPERATING STATEMENT : CAPE TOWN MUNICIPAL MARKET, 1947/48.

<u>INCOME</u>		<u>EXPENDITURE</u>	
<u>Auction market</u>			
Commission .....	£46,181.75	Salaries, wages, allowances .....	£41,590.00
Storage .....	1,889.23	Interest on sinking fund charges .....	4,695.00
Weighing fees ....	9.70	Repairs and maintenance	4,539.00
	<hr/>	Postage, telephones, stationery .....	3,600.00
	£48,080.68	Rates on buildings.	1,600.00
<u>General</u>			
Porterage .....	5,948.93	Water and light....	1,050.00
Agents licenses .	168.00	Scavenging & cleaning	545.00
	<hr/>	Contribution to capital outlay .....	99.00
	£ 6,116.93		
<u>Rentals</u>			
Shops and offices	3,409.00		
<u>Farmers' market</u>			
Commission levied on produce sold....	8,698.58	Nett surplus	8,587.19
	<hr/>		
	£66,305.19		£66,305.19
	<hr/>		

Expenditure: The total expenditure for operating the market amounted to £57,718, or 87.1 per cent of the total income. The major expense item was salaries, wages and allowances, which absorbed £41,590, or 62.7 per cent of the total income. The other important items of expenditure, and the proportion of income devoted to them were :-

Interest on sinking fund charges :	7.1 per cent.
Repairs and maintenance:	6.8 per cent.
Postage, telephones, stationery:	5.4 per cent.
Rates on buildings:	2.4 per cent.
Water and light:	1.6 per cent.

The combined expenditure on wages, salaries and allowances, and the items listed above, represented 86.0 per cent of the total income.

Profits and losses. A nett surplus of £8,587.19 or 12.9 per cent of the total income remained after all operating expenses had been paid. The nett surplus was 0.58 per cent of the auction sales.

Income and expenditure. Pretoria municipal market

Income: The main sources of income were the auction market and rentals from facilities. These two sources provided 98.7 per cent of the total income of which 71.4 per cent came from the auction market and 27.3 per cent from rentals ( Table 48).

The commission levied on the auction sales brought an income of £22,604.99 or 71.1 per cent of the total income. Rental income for fruit shops, stalls, shops and offices amounted to £5,950.82, or 18.7 per cent of the total. Table space, leased to growers, provided an income of £1,455.33 or 4.6 per cent of the total income.

TABLE 48 OPERATING STATEMENT : PRETORIA MUNICIPAL MARKET, 1947/48.

<u>INCOME</u>		<u>EXPENDITURE</u>	
<u>Auction market</u>			
Commission .....	£22,604.99	Wages, salaries, allowances.	£19,315.98
Storage .....	49.54	Scavenging & cleaning.....	3,658.08
Weighing fees ...	<u>44.33</u>	Repairs & maintenance ....	2,331.19
	£22,698.86	Interest on sinking fund	
<u>General</u>		charges .....	1,082.02
Sundries (2 .....	409.16	Postage, telephones,	
<u>Rentals</u>		stationery .....	826.75
Fruit shops & stalls	4,580.32	Water and light .....	300.02
Other shops &		Insurance .....	214.27
offices .....	1,370.50	Contribution to capital	
Farmers' market (table		outlay .....	143.28
space) .....	1,455.33	Audit fees .....	140.00
Stocking space...	<u>1,266.00</u>	Sundries .....	512.45
	<u>£8,672.15</u>	Nett surplus .....	3,256.13
	<u>£31,780.17</u>		
			<u>£31,780.17</u>

1)  $\frac{8587.19}{1,474,400.1} \times 100 = 0.58$

2) Fines and surplus wash.

Expenditure: Salaries, wages and allowances, scavenging, cleaning, repairs and maintenance, were the chief items of expenditure. The three items accounted for 79.6 per cent of the total income expended on operating the market. Expenditure on salaries, wages and allowances amounted to £19,315.98, or 60.8 per cent of the income; scavenging and cleaning absorbed £3,658.08 or 11.5 per cent of the income; and repairs and maintenance, £2,331.19 or 7.3 per cent of the income. Other items of expenditure and the proportion that they formed of the total income were :

Interest on sinking fund charges:	3.4 per cent.
Postage, telephones and stationery:	2.6 per cent.
Sundries:	1.6 per cent.

Profits and losses: A nett surplus of £3,256.13 was left after all operating expenses had been paid, and this represented 10.2 per cent of the total income, or 0.42 per cent of the auction sales. (1)

Income and Expenditure: Bloemfontein municipal market

Income - The auction market and rentals from facilities were the chief sources of income, and together provided 92.1 per cent of the total income derived from operating the market. The auction market provided an income of £13,275.41, or 63.7 per cent of the total income, of which £13,067.27, or 62.7 per cent was derived from commissions levied on auction sales. The total income from rentals was £5,925.02 or 28.4 per cent of the total income, of which £3,465.97 or 16.6 per cent, came from renting table space to growers ( Table 49).

1)  $\frac{3,256.13}{782,768.8} \times 100 = 0.42$

TABLE 49 OPERATING STATEMENT : BLOEMFONTEIN MUNICIPAL MARKET, 1947/48.

<u>INCOME</u>		<u>EXPENDITURE</u>	
<u>Auction market</u>			
Commissions .....	£ 13,067.27	Salaries, wages, allowances .....	£ 12,178.34
Storage .....	151.82	Interest on sinking fund charges .....	3,446.39
Weighing fees ....	<u>56.32</u>	Postage, telephones, stationery .....	427.99
	£13,275. 41	Contribution to capital outlay ...	254.40
<u>General</u>			
Agents licenses...	18.00	Repairs & maintenance	225.92
Fines .....	10.87	Water and light ...	210.00
(1)		Insurance .....	28.20
Sundries .....	<u>1,480.35</u>	Sundries .....	353.53
	£ 1,509.32		
<u>Public conveniences</u>			
Fees .....	131.38		
<u>Rentals</u>			
Farmers' market (table space) .....	3,465.97		
Fruit shops & stalls	765.00		
Other shops & offices	<u>1,694.05</u>		
	<u>£ 5,925.02</u>	Nett surplus .....	<u>3,717.16</u>
	<u>£ 20,841.03</u>		<u>£ 20,841.03</u>

1) Auctioneers cash and profit on bag account.

Expenditure - Operating expenses absorbed £17,123.87 or 82.2 per cent of the total income. The most important item of expenditure was salaries, wages and allowances, which amounted to £12,178.34, or 58.4 per cent of the total income. Interest on sinking fund charges came to £3,446.39, or 16.5 per cent of the total. These two items accounted for 74.9 per cent of income expended on operating the market. Other important items of expenditure and the proportion they were of the total income were -



Postage, telephones, stationery	2.1 per cent.
Contribution to capital outlay	1.2 per cent.
Repairs and maintenance	1.1 per cent.
Water and light	1.0 per cent.
Sundries	1.7 per cent.

Profits and losses - A nett surplus of £3,717.16 or 17.8 per cent of the total income, was left after all operating expenses had been paid. The nett surplus represented 1.4 per cent of the auction sales.

COMPARISON OF OPERATING STATEMENTS OF THE MUNICIPAL MARKETS.

Comparison of Income

The income for each municipal market, expressed per £1,000 of auction sales, is shown in Table 50.

TABLE 50 INCOME PER £1,000 OF AUCTION SALES: JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL MARKETS, 1947/48.

Source of income	MUNICIPAL MARKET			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Income per £1,000 of auction sales			
	£	£	£	£
<u>Auction market</u>				
Commission	24.64	31.32	28.88	48.96
Other fees (2)	0.53	1.29	0.12	6.77
<u>Sub-total</u>	<u>25.17</u>	<u>32.61</u>	<u>29.00</u>	<u>49.73</u>
<u>Farmers' market</u>				
Rent(table space)	2.53	-	1.86	12.98
Commission	-	5.90	-	-
<u>Sub-total</u>	<u>2.53</u>	<u>5.90</u>	<u>1.86</u>	<u>12.98</u>
<u>Rentals</u>				
Fruit shops, stalls	0.47	-	5.85	2.87
Other shops, offices	1.56	2.31	1.75	6.35
Stacking spaces	-	-	1.62	-
<u>Sub-total</u>	<u>2.03</u>	<u>2.31</u>	<u>9.22</u>	<u>9.22</u>
<u>General</u>				
Porterage	-	4.04	-	-
Sundries (3)	0.63	0.11	0.52	6.15
<u>Sub-total</u>	<u>0.63</u>	<u>4.15</u>	<u>0.52</u>	<u>6.15</u>
<b>GRAND TOTAL</b>	<b>30.34</b>	<b>44.97</b>	<b>40.60</b>	<b>78.08</b>

1)  $\frac{3717.16}{266917.8} \times 100 = 1.4$

2) Weighing, poultry coop and storage fees.

3) Fines, surplus auctioneers' cash, income from public conveniences, agents licences, interest on investment, commission on baskets.

### Analysis of Income

#### Income from sales on the auction market: Income from sales

on the auction market ( Table 50) varied for each market and was lowest in Johannesburg. (£25.17 per £1,000 of sales) and highest at Bloemfontein - £49.73 per £1,000 of sales. The difference in income from sales on the auction market for the various markets is chiefly due to the commission levied by the market master on the value of the commodities sold at auction. The commission levied by the market masters on the value of the produce sold at auction on each of the markets was :

Johannesburg. Except in the case of grain,  $2\frac{1}{2}$  per cent on the value sold, as shown on the market note. In the case of grain,  $2\frac{1}{2}$  per cent on the value sold, as shown on the market note, for the first 100 bags, or less, of any consignment, and 1 per cent on the value of the remainder of such consignment. By arrangement with the Citrus Board, the market master reduces the commission levied on the value of citrus sold by the Board on the market from  $2\frac{1}{2}$  to 2 per cent if the total value of the citrus sold during the season exceeds £200,000. A similar arrangement exists with the Deciduous Fruit Board if the value of deciduous fruit sold by the Board exceeds £120,000 during the season.

Cape Town. A charge of 3.125 per cent on the value of produce sold, as shown on the market note, except in the case of dried beans, dried peas, eggs, bulk supplies of pineapples, forage lucerne, mealies and cereals, on which a charge of 1.66 per cent on the value, as shown on the market note is levied.

Pretoria. A commission of 6d on every sale where the value, as shown on the market note, does not exceed 10/- , and 1/-, where the value as shown on the market note, exceeds 10/-, but does not exceed 20/-, where the value of the sale, as shown on the market note, exceeds £1, a commission of 5 per cent is levied on the first £1, and  $2\frac{1}{2}$  per cent on the amount in excess of £1 . The Citrus Board is charged a flat rate of  $2\frac{1}{2}$  per cent of the value of the citrus fruit sold, as shown on the market note, subject to a rebate of  $\frac{1}{2}$  per cent on the total proceeds of all sales of citrus fruit effected each season, provided the total sales exceeds £50,000 per season.

Bloemfontein. A commission of 5 per cent if the value shown on the market note is £10, or less, and if the value shown on the market note exceeds £10, an amount of 5 per cent is charged on the first £10 and  $2\frac{1}{2}$  per cent on the amount in excess of £10. In addition a booking fee of 6d is charged if the value shown on the market note does not exceed 40/- and 1/- if the value on the produce shown on the market note exceeds 40/-.

Farmers' market: The income derived from the farmers' market per £1,000 sales on the respective auction markets was £2.53 at Johannesburg; £5.90 at Cape Town; £1.86 at Pretoria and £12.98 at Bloemfontein.

As a source of income the farmers' market was relatively of greater importance at Bloemfontein and Cape Town than at Johannesburg and Pretoria.

General Income - Income from portorage charges were £4.04 per £1,000 of sales on the Cape Town market, which was also the only market that provided a portorage service administered by the market master to give an income. Income from sundry sources included fines, surplus auctioneers' cash, fees from public conveniences on the market, market agents' licenses, interest on investments, and commission on baskets. The amount of income derived from these sources was small, except in the case of Bloemfontein where the income from items included under sundries was £6.15 per £1,000 of turnover. The principal source of income under sundries for Bloemfontein was surplus auctioneers' cash which accounted for 89.4 per cent of the income grouped under sundries.

Rental Income - The rental income per £1,000 of sales at £2.03 was lowest for Johannesburg, and differed little from that of Cape Town at £2.31 per £1,000 of sales. Rental income at Pretoria and Bloemfontein were the same at £2.22 per £1,000 of sales.

The main source of rental income for the Johannesburg, Cape Town and Bloemfontein markets was rentals from shops, other than fruit shops, and offices, and from fruit shops and stalls for the Pretoria market.

Total Income - The total income per £1,000 of sales at £30.38 was lowest for Johannesburg, differed slightly between Cape Town and Pretoria, being £44.96 and £40.60 respectively, and highest for Bloemfontein, at £78.08.

#### Comparison of operating expenses

The operating expenses for each municipal market, expressed per £1,000 of auction sales, are shown in Table 51.

TABLE 51 OPERATING EXPENSES PER £1,000 OF AUCTION SALES : JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL MARKETS, 1947/48.

Item of Expenditure	MUNICIPAL		MARKET	
	Johannesburg	Cape Town	Pretoria	Bloemfontein
Operating expenses per £1,000 of auction sales				
	£	£	£	£
Salaries, wages, allowances .....	21.69	28.21	24.68	45.63
Repairs and maintenance .....	1.65	3.08	2.98	0.84
Interest on sinking fund .....	1.25	3.19	1.38	12.91
Postage, ,telephones, stationery .....	1.20	2.44	1.06	1.60
Rates on buildings.	0.98	1.09	-	-
Audit fees .....	0.52	-	0.18	-
Water and light ...	0.48	0.71	0.38	0.79
Insurance .....	0.25	-	0.27	0.01
Contribution to capital outlay.....	0.14	0.06	0.18	0.95
Scavenging and cleaning .....	0.07	0.37	4.67	-
Sundries .....	0.92	-	0.66	1.42
Sub-total .....	29.15	39.15	36.44	64.15
Nett surplus .....	1.19	5.82	4.16	13.93
TOTAL .....	30.34	44.97	40.60	78.08

#### Analysis of Expenditure

Wages and Salaries - The major item of expense on each municipal market was salaries, wages and allowances. The amount and proportion that this item constituted of the total operating expenses ( including nett surplus) for each of the markets were

Johannesburg: £ 21.69 or 71.5 per cent.

Cape Town : £ 28.21 or 62.7 per cent.

Pretoria : £ 24.68 or 60.8 per cent.

Bloemfontein: £ 45.63 or 58.4 per cent.

The percentage that salaries, wages and allowances constituted of the operating expenses ( excluding nett surplus ) were :

Johannesburg :	74.4 per cent.
Cape Town :	72.1 per cent.
Pretoria :	67.7 per cent.
Bloemfontein :	71.1 per cent.

Other important items of expense common to all markets were repairs and maintenance, interest on sinking fund, postage, telephones, stationery, water and light. Expenditure on repairs and maintenance, expressed as a percentage of the operating expense at per £1,000 of sales was highest for Pretoria, 7.3 per cent, and lowest for Bloemfontein 1.1 per cent. Expenditure on interest on sinking fund expressed as a percentage of the operating expense per £1,000 of turnover, was considerable for Bloemfontein, 16.5 per cent compared with 4.1 per cent for Johannesburg, 7.1 per cent for Cape Town, and 3.4 per cent for Pretoria.

Postage, telephones and stationery costs, expressed as a percentage of the operating expenses per £1,000 of sales, ranged from 2.0 per cent for Bloemfontein to 5.4 per cent for Cape Town. Water and light expenditure was relatively low on all markets and appears as a minor item of expense. Scavenging and cleaning on the Pretoria market accounted for 11.5 per cent of the operating expenses per £1,000 of sales compared with 0.8 per cent for Cape Town, 0.2 per cent for Johannesburg, and nil for Bloemfontein.

A notable feature of the operating expenses of the four markets is that the Johannesburg and Cape Town markets pay rates on buildings, whereas Pretoria and Bloemfontein markets are exempted. The Johannesburg market paid £3,317.7 in rates on buildings retaining a nett surplus of about £4,000 ( Table 46). Rates at Cape Town amounted to £1,600 and the nett surplus was about £8,600 ( Table 47). Considering the small nett surpluses of these markets, the rates on buildings appear as a heavy burden.

The total operating expenses per £1,000 of turnover were highest for the Bloemfontein market at £78.08 as against £30.34 for Johannesburg; £44.97 for Cape Town; and £40.60 for Pretoria.

When comparing the operating expenses per £1,000 of auction sales for the different markets, the municipal market with the largest auction sales had the lowest operating expense while that market with the lowest auction sales had the highest operating expenses, Table 52:

TABLE 52 OPERATING EXPENSES RELATED TO AUCTION SALES : JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL MARKETS, 1947/48.

Municipal market	Auction market sales	Operating expenses per £1,000 of auction sales
'000 omitted		
	£	£
Johannesburg	3,392.0	30.34
Cape Town	1,474.4	44.97
Pretoria	782.7	40.60
Bloemfontein	266.9	78.08

Wages, salaries and allowances, (Table 51) absorb by far the greatest proportion of the total operating expense. It is, therefore, of cardinal importance that the labour employed on the market should be organised at the highest level of efficiency in order to reduce costs of operation. A comparison of operating expenses with number of personnel employed show that the municipal markets with the highest operating expenses per £1,000 of auction sales proportionally employed the greatest number of personnel, Table 53.

TABLE 53 OPERATING EXPENSES RELATED TO THE NUMBER OF PERSONNEL EMPLOYED: JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL MARKETS, 1947/48.

Municipal market	Operating expenses per £1,000 of auction sales	Number of personnel employed per £10,000 of auction sales
	£	Number
Johannesburg	30.34	0.48
Pretoria	40.60	0.64
Cape Town	44.97	0.94
Bloemfontein	78.08	1.46

The problem of ensuring maximum efficiency in the employment of labour on an auction market handling/perishable products presents many difficulties. One of the major obstacles to be faced is the seasonal nature of the produce marketed. The variation in the volume of supplies arriving at the market makes the efficient employment of staff a delicate task and greatly affects the income derived from operating the market.

(1)

The seasonal variation in monthly turnover for each of the markets is shown in Table 54 and is graphically illustrated in Figure 22. The greatest rise and fall in the average monthly turnover occurred on the Johannesburg market where the turnover fluctuated from 15.7 per cent below to 26.3 per cent above the average, whilst that on the Cape Town market varied least and ranged from 7.5 per cent below to 13.6 per cent above the average.

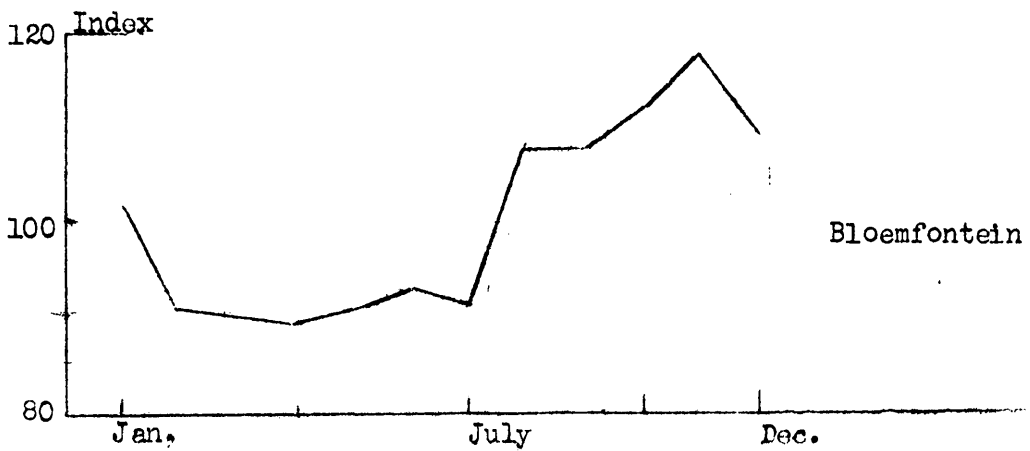
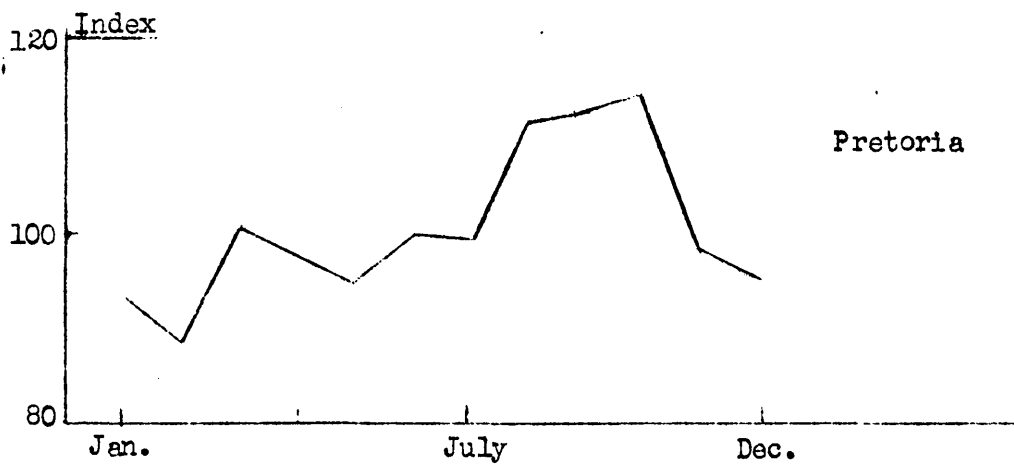
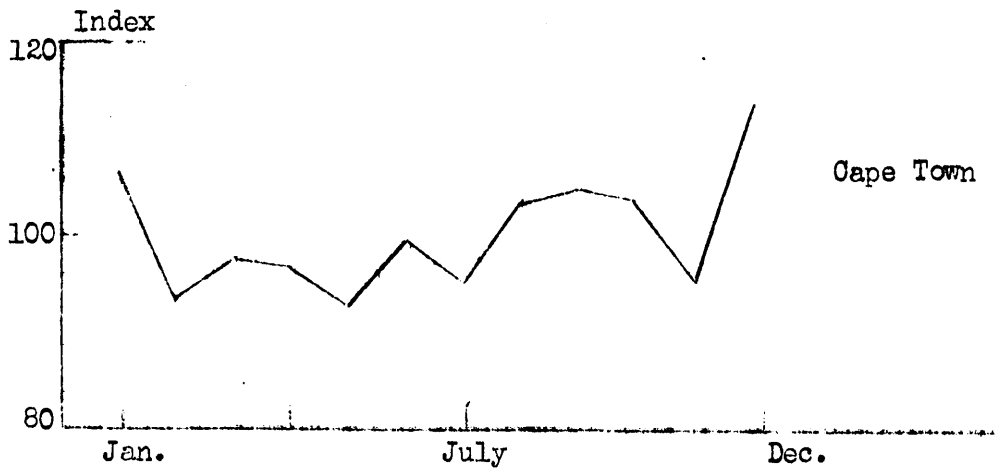
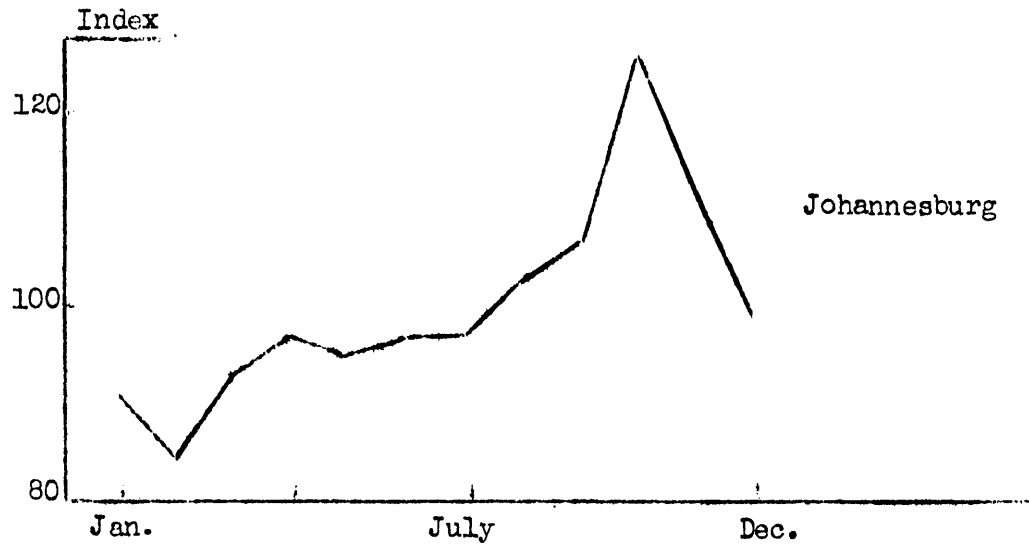
TABLE 54 INDEX OF SEASONAL VARIATION IN MONTHLY TURNOVER, JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION MARKETS, 1945/49.

Municipal auction markets				
	Johannesburg	Cape Town	Pretoria	Bloemfontein
January .....	91.6	106.2	92.8	102.1
February .....	84.3	93.2	88.1	90.9
March .....	92.8	97.4	100.1	90.0
April .....	97.5	96.3	97.5	89.4
May .....	94.3	92.5	94.6	90.1
June .....	96.4	99.6	99.9	93.0
July .....	97.5	95.0	98.7	91.3
August .....	102.5	103.2	110.4	1107.2
September .....	106.5	104.1	112.0	107.6
October .....	126.3	103.4	114.0	111.5
November .....	111.9	95.4	97.6	117.4
December .....	98.3	113.6	94.2	109.6

The average monthly turnover on the Pretoria market ranged from 11.9 per cent below to 14.0 per cent above the average, compared with Bloemfontein where the turnover fluctuated from 10.6 per cent below to 17.4 per cent above the average. During the months of August to October the turnover was highest on all four markets, while the month of lowest turnover was February for Johannesburg and Pretoria; May for Cape Town; and April for Bloemfontein.

1) Calculated by the simple averages method for the period 1945 to 1949. This period was chosen because monthly turnover data were not available for the Cape Town market prior to 1945.

Fig.22. Seasonal variation in monthly turnover :  
 Johannesburg, Cape Town, Pretoria and Bloemfontein  
 municipal auction market, 1945/49.





The number of times the actual monthly turnover was above, below, or the same as, the average monthly turnover during the period January 1945 to December 1949 is shown in Table 55.

TABLE 55 NUMBER OF TIMES THE ACTUAL MONTHLY TURNOVER WAS ABOVE, BELOW, OR THE SAME AS, THE AVERAGE MONTHLY TURNOVER ON THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION MARKETS, 1945/49.

Monthly turnover	Municipal auction market			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
Above average .....	23	28	31	28
Below average .....	34	31	27	30
Same as average .....	3	1	2	2

Except for Pretoria, the actual monthly turnover on the other three auction markets was below the average monthly turnover for a greater number of times than above the average.

The practical difficulty of obtaining experienced personnel, when required, to any great extent, precludes the use of casual labour on an auction market. A labour force recruited to fit in with the seasonal nature of supplies will, therefore not provide an effective solution of reducing labour costs. The alternative is to examine closely what work and organisational simplification techniques can be introduced on the market to increase the present efficiency levels. For example, starting earlier in the morning, fewer auctioneers would be employed to sell the same amount of produce.

The recommendation is hereby made that a committee consisting of market officials, representative of the terminal markets, should examine in detail the various items of expense incurred in operating the municipal markets, and, based on the experience gained on each market, devise ways and means to decrease costs to an irreducible minimum.

#### Comparison of income with operating expenses

When comparing income with operating expenses (excluding nett surplus) all the municipal markets reflected a profit on their operations,

Table 56. This nett profit varied from £1.19 at Johannesburg to £13.93 at Bloemfontein per £1,000 of auction sales.

TABLE 56 INCOME AND EXPENDITURE PER £1,000 OF AUCTION SALES: JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL MARKETS, 1947/48.

Per £1,000 of auction sales	Municipal market			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	£	£	£	£
	per £1,000 of auction sales			
Income .....	30.34	44.97	40.60	78.08
Operating expenses (excluding nett surplus)	29.15	39.15	36.44	64.15
Nett surplus	1.19	5.82	4.16	13.93

From Tables 50 and 56 it would appear that income derived from all sources, excluding the farmers' market, was insufficient to cover the costs of operating the Johannesburg and Cape Town municipal markets. These two markets would have shown on every £1,000 of auction sales a nett loss of £1.34 and £0.8 respectively, were it not for the income derived from the farmers' market. Excluding income from the farmers' market, the Pretoria and Bloemfontein municipal markets would have shown a nett surplus of £2.31 and £1.06, respectively, per £1,000 of auction sales.

When municipal markets provide a low income, or are run at a loss, the local authority concerned is slow to provide improvements, the nett result being that the development of a municipal market as an efficient marketing agency is slowed down.

The importance of the municipal markets in the distribution of perishable produce requires that their administration be investigated thoroughly by an impartial authority empowered to recommend such changes as will bring about the requisite high standard of efficiency.

COST OF MARKETING DATA FOR THE MUNICIPAL  
AUCTION MARKETS

The expenses incurred in utilising the facilities provided by municipal authorities for selling produce on their auction markets may consist of items such as auction sales commission, storage fees, weighing fees, poultry coop fees, booking fees, unsold commission, and auction sales tax.

Income derived from the auction sales tax levy goes to the Provincial Authority, while all the other charges connected with the auction market represent revenue to the municipal authorities.

Comparison of costs of marketing data

The amount each item of cost bore to the total expenses and the percentage that each item and the total expenses represented in terms of the sales on each auction market are shown in Table 57.

TABLE 57 COST OF SALES : JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION MARKETS, 1947/48.

Item of expense	MUNICIPAL AUCTION MARKET			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Total cost			
(1	£	£	£	£
Commission	78,750.0	46,181.8	20,979.3	9,525.9
Auction sales tax	17,813.0	—	3,554.3	—
Weighing fees	796.1	9.7	44.3	56.3
Storage fees	436.9	1,889.2	49.5	151.8
Poultry coop fees	543.0			
<b>TOTAL EXPENSES</b>	<b>£ 98,339.0</b>	<b>£ 48,080.7</b>	<b>£ 24,327.4</b>	<b>£ 9,734.0</b>
	Percent of auction sales.			
Commission	2.50	3.13	2.92	4.61
Auction sales tax	0.57	—	0.49	—
Weighing fees	0.03	x	x	0.03
Storage fees	0.01	0.13	0.01	0.07
Poultry coop fees	0.02	—	—	—
<b>Percent of sales</b>	<b>3.13</b>	<b>3.26</b>	<b>3.42</b>	<b>4.71</b>

1) Excludes commission on citrus fruits.

x Less than 1/100th of 1 per cent.

The percentage of cost of marketing in terms of sales on the Johannesburg, Cape Town and Pretoria auction markets did not differ greatly (Table 57), but differed considerably from that of Bloemfontein. The differences are mainly due to the higher commission and booking fees charged at Bloemfontein, as set out in the section dealing with the analysis of income of the markets in this study ( page 114).

The percentage that the various items of cost, as per Table 57, represented of the total selling costs for all kinds of produce (excluding citrus fruit) on each of the municipal auction markets during 1947/48 is shown in Table 58.

TABLE 58 PROPORTION THAT VARIOUS EXPENSE ITEMS REPRESENTED OF THE TOTAL COST FOR SELLING PRODUCE ( EXCEPT CITRUS FRUIT) ON THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION MARKETS, 1947/48.

Item	MUNICIPAL AUCTION MARKET			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Percentage			
(1) Commission	80.1	96.1	85.2	97.8
Auction sales tax	18.1	—	14.4	—
Weighing fees	0.8	x	0.2	0.6
Storage fees	0.4	3.9	0.2	1.6
Poultry coop fees	0.6	—	—	—
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1) Includes unsold commission and, in the case of Bloemfontein, booking fees.

x Less than 1/10th of 1 per cent.

The major item of expense to a seller on each of the auction markets is the commission levied on the value of the produce sold as shown on the market note. The Auction Sales Tax is an important expense item on the Johannesburg and Pretoria municipal auction markets but is not levied on sales held on the Cape Town and Bloemfontein municipal auction markets. Storage, as an expense item, was largest on the Cape Town auction market and was largely derived from potatoes which the market agents held

back in order to realise better prices.

MARKET MASTERS AGENCIES

General

A market master's agency was operated by each of the market masters primarily as a service to growers. The object of maintaining such an agency is to provide a grower with an alternative channel of selling his produce, should he so prefer, through the agency of the market master instead of a market agent, or to provide a grower desirous of consigning his produce to the auction market, but, ignorant of the names of local market agents, with the services of the market master's agency. Many growers use this agency because of their lack of confidence in the market agents who they believe indulge in alleged sharp practices.

Except in the case of Bloemfontein, the cost of operating these market masters' agencies exceeded the income derived, and appreciable losses were sustained in operating the market masters' agencies at Johannesburg, Cape Town and Pretoria.

ANALYSIS OF OPERATIONS OF THE MARKET MASTERS' AGENCIES

Income and Expenditure, Johannesburg Market Masters' Agency

Income - The total income for the year was £5052.44 which represented 46 per cent, of the total expenditure ( Table 59):-

TABLE 59 OPERATING STATEMENT : MARKET MASTERS' AGENCY, JOHANNESBURG, 1947/48.

<u>INCOME</u>	<u>EXPENDITURE</u>
Commission from agency...£2,912.33	Salaries, wages, allowances...£9,624.11
Commission from execution of orders ..... 1,852.19	Postage, telephones, stationery ..... 510.00
Sundries ..... 287.92	Audit fees ..... 230.00
Nett loss ..... 5,929.55	Rent ..... 180.00
	Advertising ..... 134.50
	Contribution to capital... outlay ..... 89.54
	Insurance ..... 74.69
	Reserve) Bad debts ..... 31.98
	Water and light ..... 24.
	Sundries ..... 83.17
<u>£10,981.99</u>	<u>£10,981.99</u>

The income consisted of commission earned by operating the agency and commission levied on the execution of buying orders received from local institutions. Commission earned by the agency amounted to £2,912.33, or 57.6 per cent of the income, the commission derived from the execution of orders being £1,852.19, or 36.6 per cent of the income.

Expenditure - The main item of expense was salaries, wages and allowances. This single item exceeded total income by £4,571.6, representing 87.6 per cent of all operating expenses. Postage, telephones and stationery, representing 4.6 per cent, and audit fees, representing 2.1 per cent, of all expenses were the major items.

Profits and losses - A nett loss of £5,929.55 was sustained over the year's trading. This high loss appears to be attributable mainly to the cost in salaries and wages which amounted to £138.48 per £1,000 of turnover, and was the highest for any of the four markets masters' agencies.

Income and Expenditure : Cape Town Market Masters' Agency

Income - The total income during 1947/48 was £658.57, which was equivalent to 51.7 per cent of the total expenditure (Table 60):-

TABLE 60 OPERATING STATEMENT : MARKET MASTERS' AGENCY, CAPE TOWN, 1947/48.

<u>INCOME</u>		<u>EXPENDITURE</u>	
Commission .....	£ 658.57	Salaries, wages, allowances ....	£1,098.00
Nett loss .....	614.43	Postage, telephones, stationery .....	125.00
		Water and light .....	50.00
	<u>£1,273.00</u>		<u>£1,273.00</u>

Expenditure - Salaries, wages and allowances were the principal expense items, exceeding income by about £440, and representing 86.2 per cent of all expenses. Postage, telephones and stationery expenditure accounted for 9.8 per cent of the expenses, and water and light for the remaining 4 per cent.

Profits and losses - A nett loss of £614.43 was sustained on the year's operations. The cost of wages, salaries and allowances was £98.9 per £1,000 of turnover and, although lower than that of the Johannesburg market masters' agency, appears to be the main cause for the loss sustained.

Income and Expenditure : Pretoria Market  
Masters' Agency

Income - The only source of income was commission earned on the handling of produce sold. This revenue amounted to £1,920.23, which was 48.9 per cent of the total operating expenses ( Table 61):-

TABLE 61 OPERATING STATEMENT : MARKET MASTERS' AGENCY, PRETORIA, 1947/48.

<u>INCOME</u>		<u>EXPENDITURE</u>	
Commission.....	£1,920.23	Salaries, wages, allowances...	£3,820.10
Nett loss .....	2,004.52	Postage, telephones, stationery .....	50.00
		Advertising .....	30.40
		Water and light .....	14.45
		Audit fees .....	10.00
	£3,924.75		£3,924.75

Expenditure - Expenditure on salaries, wages and allowances was approximately twice as much as the income earned, and represented 97.3 per cent of the total operating expenses.

Profits and losses - A deficit of £2,004.00 remained on the year's trading. Salaries/<sup>wages</sup> and allowances amounted to £99.2 per £1,000 of turnover, and, as in the case of the Johannesburg and Cape Town market masters' agencies, appear to be too high and the cause of the losses sustained in operating the agency.

Income and Expenditure : Bloemfontein Market  
Masters' Agency, 1947/48

Income - The commission earned in operating the agency was derived from the handling of produce consigned by individual growers and the Deciduous and Citrus Fruit Boards. Out of the total income of £2,672.27, approximately £740, or 27.7 per cent, represented commission earned on the handling of fruit distributed by the two control boards.

TABLE 62 OPERATING STATEMENT : MARKET MASTERS' AGENCY, BLOEMFONTEIN, 1947/48.

<u>INCOME</u>	<u>EXPENDITURE</u>
Commission .....	Salaries, wages and allowances. £1,536.75
£2,672.27	Postage, telephones, stationery ..... 70.00
	Advertising ..... 64.96
	Water and light ..... 24.10
	Nett surplus ..... 976.46
<u>£2,672.27</u>	<u>£2,672.27</u>

Expenditure - The main cost item was salaries, wages and allowances which absorbed £1,536.75, or 57.5 per cent of the income. The other items of expenditure amounted to approximately £160, or about 6 per cent of the income, leaving a surplus of 36.5 per cent of the income as nett profit on the year's trading.

Profits and losses - A nett surplus of £976.46 remained which was the only nett surplus shown on the trading results for the year for any of the four market master's agencies studied. Salaries, wages and allowances amounted to £30.74 per £1,000 of turnover which was also the lowest for the four market masters' agencies.

It is clear that if the market masters' agencies are to be operated without financial loss, either the expenses incurred in running the agencies must be reduced, or the commission charged must be increased, or the turnover of the agencies must be greatly expanded without a resultant disproportionate increase in operating costs.



It is doubtful whether the turnover of the agencies can be increased. They have been operating for many years, but without success in reducing their costs. It would seem that the maintenance of such an uneconomic alternative channel for sales on the auction market cannot be justified because the services provided by the market agents are just as reliable and are probably, more efficient. Moreover, the burden of the loss is borne by the market authorities and for this there can be no justification. Where, therefore, these agencies cannot be operated on a financially sound basis, they should be closed down.

#### MAIN DEFECTS FOUND IN THE MARKETS

The defects found in the Johannesburg, Cape Town, Pretoria and Bloemfontein municipal auction markets by this survey during 1947/48 were

1. Traffic congestion: Due to their location, the free flow of traffic to and from the markets is greatly impeded, causing traffic to move with difficulty and thus resulting in much waste of time.
2. Inadequate facilities to cope with the demand for parking space.
3. Lack of direct rail connection with the municipal markets at Pretoria and Bloemfontein, involving expensive re-handling.
4. The design of the facilities, especially at Pretoria and Bloemfontein, where there were no tailboard-high loading platforms, slowed down deliveries and loadings.
5. Facilities were no longer able to house comfortably the volume of produce passing through those markets.
6. Cold storage facility was not provided on any of the markets.
7. Lack of uniformity of market regulations.
8. Lack of supervision to ensure that the existing market regulations were properly enforced, e.g. buyers used market facilities for re-sale of their own bulk purchases.
9. The general standard of auctioneering on the auction markets was low and needed considerable improvement.
10. Produce arrived at the markets irregularly, causing difficulties in establishing the quantities of available supplies, and in arriving at a fair price for the produce.

TABLE 63 CONDENSED STATEMENT OF FINANCIAL OPERATIONS : JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL MARKETS, 1947/48.

Item	Municipal market			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	£	£	£	£
<u>Income</u>				
Auction market ... ..	85,320.03	48,080.68	22,698.86	13,275.41
Farmers' market... ..	8,587.20	8,698.58	1,455.33	3,465.97
Rentals ... ..	6,884.20	3,409.00	7,216.82	2,459.05
General ... ..	2,137.17	6,116.93	409.16	1,640.60
Market masters' agency..	5,052.44	658.57	1,920.23	2,672.27
TOTAL .....	107,981.04	66,963.76	33,700.40	23,513.30
<u>Expenditure</u>				
Municipal market ... ..	98,899.62	57,718.00	28,524.04	17,123.87
Market masters' agency..	10,981.99	1,273.00	3,924.75	1,695.81
TOTAL .....	109,881.61	58,991.00	32,448.79	18,819.68
Nett surplus ... ..	-	7,972.76	1,251.61	4,693.62
Nett loss ... ..	1,900.57	-	-	-

11. Lack of provision for buyers to inspect the offerings well in advance of the sales.
12. Lack of a service providing information on the quantities available.

Some of the defects noted above, such as unsuitable siting of the market, inadequacy of facilities, absence of direct rail connections, and absence of cold storage facilities cannot be summarily remedied. Such matters require careful planning and take years before improvements are put into effect. There is no reason, however, why the general administration of the markets cannot immediately be improved, especially in regard to uniformity of market regulations, conduct of sales, training of personnel, and the creation of inspection facilities for buyers. A summary of the financial operations of the four municipal markets is shown in Table 63.

#### S U M M A R Y

1. Excluding compulsory graded produce, relatively small proportions of the total volume of sub-tropical fruit and vegetables sold on the municipal markets were graded (Table 42).
2. Based on value, vegetables were the most important group of commodities sold on the four municipal auction markets. More than 50 per cent of the turnover of the Johannesburg and Cape Town auction markets about 48 per cent of the sales on the Pretoria auction market, and about 40 per cent of the sales on the Bloemfontein auction market, represented sales of vegetables (Table 44).
3. The most important sources of income to the municipal markets were commission levied on the auction sales, rental income, and income from the farmers' market (Tables 46 to 49).
4. The proportionate income from commissions on the value of the produce sold on the auction market in terms of the total income for each municipal market was 81.2 per cent for Johannesburg; 69.6 per cent for Cape Town; 71.4 per cent for Pretoria; 62.7 per cent for Bloemfontein.
5. Rental income, other than that from the farmers' market represented the following proportion of the total income for each

- municipal market; 6.7 per cent for Johannesburg; 5.1 per cent for Cape Town; 18.7 per cent for Pretoria; 11.8 per cent for Bloemfontein.
6. Income from the farmers' market as a proportion of the total income was 8.3 per cent for Johannesburg; 13.1 per cent for Cape Town; 4.6 per cent for Pretoria; 16.6 per cent for Bloemfontein.
  7. The major item of expenditure incurred in operating the municipal markets was salaries, wages and allowances. The proportion that this expense item absorbed<sup>of</sup> the total income of each market was 71.5 per cent for Johannesburg; 62.7 per cent for Cape Town; 60.8 per cent for Pretoria; 58.4 per cent for Bloemfontein.
  8. The income per £1,000<sup>of</sup> auction sales for each of the markets, but excluding the farmers' market, was £27.81 for Johannesburg; £39.07 for Cape Town; £38.84 for Pretoria; £35.10 for Bloemfontein ( Table 50).
  9. The variation in the total income per £1,000 of auction sales on the municipal markets is mainly accounted for by the difference in rental income, income from the farmers' market and commissions levied on produce sold at auction.
  10. The operating expenses ( including nett surplus) per £1,000 of auction sales varied at each municipal market, being £30.34 for Johannesburg; £44.97 for Cape Town; £40.60 for Pretoria; £78.08 for Bloemfontein ( Table 51).
  11. Operating expenses per £1,000 of auction sales decreased as sales on the auction markets increased ( Table 52).
  12. The municipal markets with the highest operating expenses employed the most personnel ( Table 53).
  13. August to October showed the highest turnover on all four markets, with February the lowest for Johannesburg and Pretoria;

May the lowest for Cape Town; April that for Bloemfontein ( Table 54).

14. Johannesburg and Cape Town recorded a nett loss, though Pretoria and Bloemfontein reflected a small profit on operating the auction market.
15. The cost of marketing was highest for sales on the Bloemfontein market and about the same on the other three markets ( Table 57).
16. Commission levied on the value of the produce sold was the major item of cost when selling produce on the auction market ( Table 58).
17. The Johannesburg, Cape Town and Pretoria market masters' agencies were operated at a loss while that at Bloemfontein showed a profit.

## CHAPTER 111

### MARKET AGENTS

#### General

As defined, a market agent, ( hereinafter simply referred to as an agent) is a commission merchant authorised to conduct business on the municipal auction market. Permission to operate has to be obtained from the authority in charge of the municipal market.

The conditions governing the local licensing of agents, as set out in the regulations of the municipal markets, were :-

Johannesburg - Each applicant must ask for permission to trade on a prescribed form, submit proof that he has complied in all respects with Section 4 of the Public Auctions and Transactions in Livestock and Produce Act ( Act No. 22, of 1925), and any amendment thereof, and abide by the following conditions :

1. Any agricultural produce entrusted to the licensee for sale, in his capacity as market agent, shall be sold on the market only.
2. The licensee must be a European of 21 years of age, or over.
3. Licenses expire on the 31st day of December and shall be renewed annually.
4. The annual fee payable in respect of such license shall be the sum of one pound.

Cape Town - Applications have to be submitted on a prescribed form. In the event of a license being authorised, the applicant must furnish a surety bond for such amount, as may be fixed by the Local Authority from time to time, before the license is issued. This bond is required to cover any possible deficiency with regard to office rental, market dues or monies due to consignors. Licenses are renewable annually on the 31st December and cost £5.

Pretoria - Market agents must annually obtain a certificate of registration from the market master at a fee of two shillings and sixpence and this has to be renewed before the 15th December in respect of the ensuing calendar year. They are also required to furnish satisfactory security to the local authority for the amount of £100 for due fulfilment of obligations to their clients.

The market master, if satisfied that an applicant is not a suitable person, may refuse to register him.

Bloemfontein - Applications must be submitted on a prescribed form to the Local Authority. A monthly fee of five shillings is payable. On being licensed, such license to be renewed annually on the 31st December. The issuing authority may revoke or decline to renew any license. Licenses are not transferable and agents are subject to direction by the market master. Satisfactory proof has to be furnished that the agent has fully complied with Section 4 of the Public Auction and Transactions in Livestock and Produce Act of 1925 ( Act No. 22, of 1925), and any amendments thereto.

The outstanding differences in the registration of agents are that those agents operating on the Cape Town and Pretoria markets are exempt, while those on the Bloemfontein and Johannesburg markets are required to furnish proof of compliance with the Public Auction and Transactions in Livestock Act. The Johannesburg local authority does not restrict the number of agents licensed to operate on the auction market, but at Cape Town and Bloemfontein the municipal authority reserves the right to limit the number. This restriction is not based on any schedule laid down but appears to be a rather arbitrary measure. An applicant for registration as a market agent at Pretoria can be refused if the market master is satisfied that the applicant is not a "suitable person". As to what constitutes a "suitable person" is not stated.

The form and manner of registering a market agent thus varies greatly for the individual markets, which is another illustration of the lack of uniformity in the existing market regulations. While it is difficult to lay down any hard and fast standards to which prospective agents must conform, as distinct from financial rating, the indications

are that the trade should be called upon to advise local authorities when considering applications for licenses. As agents are organised at present, the Institute of Market Agents of South Africa appears to be the most likely body to be of service in this matter.

#### Institute of Market Agents of South Africa

Registered as an incorporated body in 1945, this Institute is comprised of constituent member groups at all the terminal markets. This body has strict rules regarding the professional conduct of its members, and requires a high standard of integrity for both members and their employees. On the Johannesburg market about 50 per cent, at Cape Town, 96 per cent; at Pretoria, 98 per cent; and at Bloemfontein 100 per cent of the agents are members of the Institute. An organisation such as this can be of considerable help in improving and then maintaining the general standard of conduct of its members. It could likewise encourage members to tackle problems common to the trade, as a whole, thereby, possibly, obtaining more positive results than by individual effort.

#### Representativeness of the Sample

Johannesburg - Forty six agents were licensed to operate on the auction market, during 1947/48, but at the time the survey began four were no longer in business. Of the remaining 42, 21 were relatively insignificant in that they collectively handled about 12 per cent of the volume of trading done on the auction market during the year under review, The 21 studied are considered to be the most representative and collectively handled about 66 per cent of the value of produce sold on the auction market during that year.

Cape Town - Of the 14 agents operating on the market, the 11 surveyed for the purpose of this study handled about 76 per cent of the value of produce sold and included all the important agents conducting business on that market.

Pretoria - Of the seven agents operating on the market, five were surveyed for the purpose of this study. These 5 handled about 71 per cent of the value of produce sold and were the most important group of agents in business on the market.



Bloemfontein- Cf the six agents operating on the market, the five surveyed handled about 72 per cent of the value of produce sold, while that handled by the market masters' agency represented about 26 per cent of the turnover.

Period in business

Many of the agents surveyed, continued trading under the name of a previous owner. The name of the owner, or the style under which the owner of a well-established and reputable market agency trades, is a most valuable asset. Such a name becomes well known among growers, thus assuring patronage because of the confidence built up over many years of trading. The establishment of contacts among growers by a new firm is an arduous, costly and time-consuming task and, unless otherwise compelled, a new principal will generally continue to trade under the old name of the firm.

For the purpose of this study the " period in business" was calculated in terms of the number of years a particular agency had been in existence under its present name. The principals of most of the agencies were the founders and in many instances, where the agency had been in existence for many years, it had passed from father to son. In several instances the present principals of some agencies were previous employees of the firm who had taken over the business on retirement of the founder. The average number of years during which the agents studied had been in business is shown in Table 64:-

TABLE 64 NUMBER OF YEARS IN BUSINESS: 21 MARKET AGENTS IN JOHANNESBURG, 11 IN CAPE TOWN, 5 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Location of market agents	Number of agents Number	Average number of years in business Number of years
Johannesburg	21	26.5
Cape Town	11	38.8
Pretoria	5	13.6
Bloemfontein	5	28.2

Johannesburg - The 21 agents surveyed had been established from one to 60 years, an average of 26.5 years per firm. There were 16 agents who had been established for more than 13 years, and five who had been in existence for less than five years. The seven oldest firms had been in business for 39, 45, 46, 47, 53, 59 and 60 years, respectively.

Cape Town - The oldest market agency in existence was in Cape Town. The 11 firms surveyed for the purpose of this study had been in existence from 12 to 68 years, an average of 38.8 years per firm. The two firms, which have been in business for the smallest number of years have been established for 12 and 17 years, respectively. The three oldest firms have existed for 60, 67 and 68 years respectively.

Pretoria - The five agents surveyed, have been in business from four to 44 years, an average of 13.6 years. The youngest has been operating for four years, and the oldest for 44 years.

Bloemfontein - The period that the five agents surveyed have been in business ranged from three to 48 years, an average of 28.2 years. The youngest firm has been in business for three years, and the two oldest firms for 43 and 48 years, respectively.

#### Constitution of the concerns

The most common class of business organisation for agents in Johannesburg and Cape Town was a partnership and Limited or Private Company ( Table 65). Partnership organisations were most common in Pretoria and individual proprietorship that in Bloemfontein.

TABLE 65 CLASS OF BUSINESS ORGANISATION, 21 MARKET AGENTS IN JOHANNESBURG, 11 IN CAPE TOWN, 5 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Class of business	Johannesburg	Cape Town	Pretoria	Bloemfontein	Total	
					Number	Percentage
						Number
Individual .....	3	4	1	4	12	28.6
Partnership .....	9	5	4	1	19	45.2
Limited Company...	4	2	-	-	6	14.3
Private Company ..	3	-	-	-	3	7.1
Producer's cooperative .....	2	-	-	-	2	4.8
<b>Total</b>	<b>21</b>	<b>11</b>	<b>5</b>	<b>5</b>	<b>42</b>	<b>100.0</b>

One of the Producer's cooperatives in Johannesburg had a branch in Cape Town. Except for the two market agencies organised on the basis of a producer's co-operative in Johannesburg, and the branch of the one co-operative in Cape Town, no similar form of market agency existed at Pretoria or Bloemfontein.

#### Combination of Enterprises

A distinctive feature of these agents surveyed was their combination of other enterprises with that of a market agency, namely, commission merchant, broker, wholesaler, auctioneer, cartage contractor, general dealer and, in one instance retailer and hawker.

The number of market agents surveyed at each terminal market grouped according to their combination of enterprises, is shown in Table 66.

TABLE 66 MARKET AGENTS SURVEYED GROUPED ACCORDING TO COMBINATION OF ENTERPRISES: 21 IN JOHANNESBURG, 11 IN CAPE TOWN, 5 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Combination of Enterprises	Number of agents			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
1. Market agent .....	-	3	-	-
2. Market agent, commission merchant	9	8	1	2
3. Market agent, auctioneer .....	1	-	-	-
4. Market agent, wholesaler .....	2	-	-	-
5. Market agent, commission merchant, broker .....	4	-	1	-
6. Market agent, commission merchant wholesaler .....	3	-	-	2
7. Market agent, commission merchant, cartage contractor, general dealer ....	2	-	-	-
8. Market agent, commission merchant, auctioneer, broker .....	-	-	1	-
9. Market agent, commission merchant, auctioneer .....	-	-	2	-
10. Market agent, wholesaler, retailer	-	-	-	1
<b>Total</b>	<b>21</b>	<b>11</b>	<b>5</b>	<b>5</b>

The agents who were commission merchants executed country orders for fruit and vegetables, supplied farm requisites, sold eggs direct from their stores, and accepted contracts for supplying institutions with fresh produce on a commission basis.

The brokerage activities of market agents were confined to the handling of table and seed potatoes, and dried produce. Wholesaling was limited to fruit, vegetables and seed (including seed potatoes). Agents, who were also auctioneers, sold livestock and real estate.

#### Size of Business

In Table 67 the firms are grouped according to their turnover as market agents. The turnover of the 14 agents in Johannesburg varied from £15,000 to £700,000 and averaged £160,900, while that for agents in Cape Town ranged from £23,000 to £360,000 and averaged £124,500.

TABLE 67 MARKET AGENTS, GROUPED ACCORDING TO TURNOVER, 14 IN JOHANNESBURG, 9 IN CAPE TOWN, 5 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Sales per firm	(1 Johannesburg	(1 Cape Town	Pretoria	Bloemfontein
	Number of firms			
£15000-£49,999	4	2	-	5
£50,000-£90,000	3	3	1	-
£100,00-£149,999	2	2	4	-
£150,000-£220,000	3	1	-	-
£300,000 and over	2	1	-	-
<b>Total</b>	<b>14</b>	<b>9</b>	<b>5</b>	<b>5</b>

1) Firms which could supply data on their sales as market agents.

Sales in Pretoria varied from £50,000 to £145,000, averaging £110,180 per agent, as against £15,000 to £50,000, or an average of £32,300 for those in Bloemfontein.

#### Kind of Produce Handled

In general, agents handled a wide variety of agricultural produce. Out of the total surveyed at all four the terminal markets only one agent in Johannesburg specialised in handling all kinds of vegetables. The various groups of commodities handled, and the number of agents surveyed who handled these groups of commodities at each terminal market, are shown in Table 68.

TABLE 68 GROUPS OF COMMODITIES HANDLED BY 21 MARKET AGENTS IN JOHANNESBURG, 11 IN CAPE TOWN, 5 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Group of commodities	Johannesburg	Cape Town	Pretoria	Bloemfontein
1. Fruit, vegetables, eggs, poultry, dried produce .....	10	10	5	4
2. Fruit, vegetables, poultry, dried produce .....	-	-	-	1
3. Fruit, vegetables, eggs, poultry .....	1	1	-	-
4. Vegetables, eggs, poultry, dried produce .....	3	-	-	-
5. Fruit, vegetables, dried produce .....	2	-	-	-
6. Vegetables, eggs, poultry .....	1	-	-	-
7. Vegetables, poultry.	2	-	-	-
8. Poultry, dried produce .....	1	-	-	-
9. Vegetables .....	1	-	-	-
<b>Total</b>	<b>21</b>	<b>11</b>	<b>5</b>	<b>5</b>

An attempt was made to ascertain which particular products were handled in greatest quantity by individual market agents. Investigation of the records kept by the firms showed that their manner of bookkeeping did not provide information regarding the quantity, or value, of individual products handled. The agents were unwilling to estimate the volume, or value, of the principal individual products handled. Due to the seasonal nature of the produce handled and the constant variation in the prices realised for the commodities, they could give no definite figure.

#### RE-CONSIGNMENTS

During periods of over-supply to a particular market, when prices decline, agents tend, with permission of the consignor to consign produce received, to other markets where prices may be more favourable. The volume of such reconsignments would to a great extent reflect the degree of dis-

equilibrium between prices on the various markets. One would expect that where market reports are disseminated rapidly and accurately the inter-market movement of produce would be at a minimum, as consignors would quickly respond to a favourable price. Reconsignments by agents of products to other markets, however, were not extensive. In Johannesburg there were four agents who reconsigned produce, chiefly fruit and vegetables, valued at £8,600 to other markets. One agent in Pretoria reconsigned produce, principally potatoes and dried beans, to the value of about £1,000 to other markets during the year under review. None of the agents in Cape Town and Bloemfontein reconsigned produce to other markets during that period.

#### EXECUTION OF COUNTRY ORDERS

As has been shown in Table 68 the majority of agents combined one or more enterprises with their business as a market agent. Those agents who executed orders for fresh produce on a Commission basis supplied country wholesalers, and country and local retailers with various fruit and vegetables, as well as seed potatoes to farmers. The commission charged on fruit and vegetables was usually 10 per cent on the purchase price while that on seed potatoes, or ordinary potatoes, varied from  $2\frac{1}{2}$  to 5 per cent depending on the size of the order.

In Johannesburg, of the 18 agents, who were also commission merchants, ten were able to provide data on the value of country orders executed. They supplied fresh produce to the value of approximately £173,200 to country clients during the year under review.

Those agents who were also commission merchants, surveyed in Cape Town, Pretoria and Bloemfontein, were unable to supply any information concerning the value of the produce supplied to country clients. Discussions held with these agents gave the impression that the value of country orders executed were small.

#### CASH ADVANCES TO GROWERS

It is common practice among agents to make available cash loans to clients. A variety of reasons were advanced by growers for the purpose of obtaining a loan. The most common reasons advanced were to

1. Pay wages.
2. Effect capital improvements, such as fencing the farm, drilling boreholes, building dams,
3. Purchase farm implements.
4. Purchase seeds and fertilizers.
5. Purchase motor cars or lorries.
6. Secure ready cash for household and general farm expenditure.
7. Purchase land.

Agents did not charge any interest on advances made to growers. Repayment was usually effected by consigning produce to the agent who deducted either a portion or the total amount realised for the consignment from the debt until it was liquidated. In rare instances growers repaid loans in cash.

Critics of this practice have suggested that by advancing a loan the agent obtains a hold over the grower in that he is now compelled to consign his produce to the agent. This does not appear to be borne out in practice. Growers retained their freedom of action in disposing of their crops as they were not required to enter into contracts of any description on receipt of a loan. Many agents stated that they would welcome the cessation of this trade practice as it led to complications. In many instances a grower who obtained a loan transferred his business to another agent. It was also a difficult task to decide whether or not to accede to a request for a loan and what the limit of the amount advanced should be. A wrong decision could mean either the loss of a client or the in-currence of a bad debt.

Data on loans advanced to growers were obtained from 13 agents in Johannesburg, 6 in Cape Town, 3 in Pretoria and 4 in Bloemfontein, Table 68.



TABLE 69 CASH ADVANCES MADE TO GROWERS: 13 MARKET AGENTS IN JOHANNESBURG, 6 IN CAPE TOWN, 3 IN PRETORIA AND 4 IN BLOEMFONTEIN, 1947/48.

Location of market agents	Number	Total amount advanced	Average per agent
		£	£
Johannesburg	13	116,800	8,980
Cape Town	6	24,000	4,000
Pretoria	3	28,250	9,400
Bloemfontein	4	2,100	525

The amounts loaned by the 13 individual agents in Johannesburg ranged from £200 to £15,000, an average of £8,980; for the six in Cape Town, from £400 to £12,500, an average of £4,000; for the three in Pretoria, from £1,000 to £25,000, an average of £9,400 and for the four in Bloemfontein, from £100 to £1,000, an average of £525.

The total losses incurred on the advances made by agents in Johannesburg, Cape Town and Bloemfontein amounted to £250, £180 and £35 respectively. These losses were sustained by individual firms at those centres. A collective loss of £592 was suffered by three agents in Pretoria.

Only a few agents made it a practice not to advance loans to growers. Their attitude was that during a period of high prices a grower should be able to finance himself, and when the price level was low the risk was too great. Moreover, they felt that the capital absorbed by loans to growers earned no interest and was, therefore, an unnecessary expense item for the business, especially if the firm operated on an overdraft.

Due to the high price level during the past decade, the demand for loans during 1947/48 was not as high as during the pre-World War II period. The consensus of opinion among the agents, however, was that the demand for cash loans by growers is showing a tendency to increase to the level of that period.

### SUPPLY OF FARM REQUISITES

Apart from making cash loans, agents also aid growers in acquiring farm requisites. The form of aid in vogue is either to stock various farm requisites or to instruct a dealer in such requisites to supply the grower. In the latter instance, which is most common, the agent will either pay for the goods purchased by the grower or guarantee payment to the dealer. In most instances the agent remits payment to the dealer and the grower pays the agent. The time taken by the grower to pay the agent for his outlay will vary, depending on the arrangements made between them.

The items included under farm requisites are seeds, bags, boxes, fertiliser, wire, spraying material, farm implements and packing material.

The value of the farm requisites supplied by, or through, agents to growers is shown in Table 70.

TABLE 70 VALUE OF FARM REQUISITES SUPPLIED TO GROWERS BY 18 MARKET AGENTS IN JOHANNESBURG, 7 IN CAPE TOWN, 4 IN PRETORIA AND 2 IN BLOEMFONTEIN, 1947/48.

Location of market agents	Number	Total value of farm requisites supplied	Average per agent
		£	£
Johannesburg	18	212,283	11,793
Cape Town	7	1,550	220
Pretoria	4	55,750	7,964
Bloemfontein	2	800	400

The value of farm requisites supplied to growers by the 18 individual agents in Johannesburg varied from £100 to £41,000, an average of £11,793; for the seven in Cape Town, from £100 to £400, an average of £220; for the four in Pretoria, from £2,000 to £45,000, an average of £7,964 and for the two in Bloemfontein, was £300 and £500, respectively.

On the average, the value of farm requisites supplied by agents in Johannesburg and Pretoria greatly exceeded that for those in Cape Town and Bloemfontein. The precise reason for this rather wide difference is not at hand, but one may infer that keener competition for clients is probably the main reason.

Number of Personnel, including Principals,  
per firm

The number of personnel employed by the firms is shown in Table 71.

TABLE 71 NUMBER OF PERSONNEL, INCLUDING PRINCIPALS EMPLOYED BY 21 MARKET AGENTS IN JOHANNESBURG, 11 IN CAPE TOWN, 5 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Capacity in which employed	Total number of personnel			Bloemfontein
	Johannesburg	Cape Town	Pretoria	
Administrative and salesmen (1)	248	94	46	23
Labourers	325	100	80	37
<b>Total</b>	<b>573</b>	<b>194</b>	<b>126</b>	<b>60</b>
	Average per firm			
Administrative and salesmen	11.8	8.5	9.2	4.6
Labourers	15.5	9.0	16.0	7.4
<b>Total</b>	<b>27.3</b>	<b>17.5</b>	<b>25.2</b>	<b>12.0</b>

1) Includes principals.

The average number of personnel employed by agents was highest in Johannesburg - 27.3 per firm - compared with 25.2, 17.5 and 12.0 per firm, respectively, for those in Pretoria, Cape Town and Bloemfontein. The greater proportion of the personnel employed were labourers.

Staffs employed by agents can broadly be divided into the following categories :-

1. Clerical staff

2. Salesmen
3. Labourers

The clerical staff is mainly concerned with the keeping of accounts and records of the firm. The duties of the salesmen are twofold. During the auction sales on the market they represent the firm at each of the auction sale points where produce consigned to the firm is being sold. It is their duty, by canvassing for customers, or otherwise, to negotiate the best sale possible in the interests of the clients of the firm. After their duties on the auction market cease, they perform office and such other duties as the firm may require.

Except for five Europeans employed by firms in Johannesburg, all those employed as labourers, were non-Europeans.

### FINANCIAL RECORDS

#### General

The financial records of the firms were wholly inadequate for the purpose of analysing the cost of operating a market agency. The multiple activities of the firms were not reflected in a departmentalised form, and, consequently, it was not possible to establish the turnover, nor to allocate costs of operation against each enterprise. As has been shown in Table 65, all the agents, except three in Cape Town, combined their market agency business with one or more additional enterprises. The profit and loss accounts of some agents did differentiate between income derived from operating the market agency and that derived from other sources, but in no single instance were expenses allocated against each enterprise.

The problem of allocating costs was discussed with the principals of the firms in an attempt to establish an approximate operating statement for market agents. The difficulties which presented themselves could not be overcome, hence such an operating statement could not be presented. The major difficulties arose in attempting to allocate the various expense items against each enterprise. Once a week, or once a month, an agent, who is also an auctioneer may conduct a property sale that would provide an income of several hundred pounds. If he was a broker, incoming orders would be handled as part of office routine by clerks who wrote up the market agency books. Were the agent a wholesaler, or commission merchant, the general

office staff or salesmen, would similarly attend to the work as part of their duties. The agents were simply not in a position to indicate what proportion of their employees' time should be allocated to their various duties, nor what ratio of their other expense items should be debited against each of their enterprises. In addition, income from all sources, except that derived from the market agency, were in most instances lumped together and would have required a detailed analysis of each entry in the records of the firms to establish income from each source. Under the circumstances, this was not feasible.

From the view point of the agents, departmentalised accounting would involve additional outlay which, they felt, was not justified. Hence an analysis of their operating expenses as a market agent could not be presented.

Gross Income from Market Agency

The proportion that the average gross income from operating the market agency constituted of their total gross income, is shown for a representative number of agents at each centre in Table 72.

TABLE 72 TOTAL INCOME : 17 MARKET AGENTS IN JOHANNESBURG, 7 IN CAPE TOWN, 4 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Source of income	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Gross income			
	£	£	£	£
Market agency	122,517.0	54,729.1	27,827.1	9,769.7
Other (1)	122,934.5	35,987.6	29,537.8	15,068.5
<b>Total</b>	<b>252,451.5</b>	<b>90,716.7</b>	<b>57,364.9</b>	<b>24,838.2</b>
	Percentage of total gross income			
Market agency	51.3	60.3	48.5	39.3
Other	48.7	39.7	51.5	60.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1) Broker, commission merchant, wholesaler, auctioneer.

The market agency was the main source of income for the 17 agents in Johannesburg and seven in Cape Town, but provided the lesser proportion of income for the four in Pretoria and five <sup>in</sup> Bloemfontein. Approximately 51 and 60 per cent of the gross income for agents in Johannesburg and Cape Town, respectively, was derived from the market agency, as against 48 and 39 per cent, respectively, for those in Pretoria and Bloemfontein.

While the gross income from the market agency and that from other sources was proportionally nearly equal for agents in Johannesburg and Pretoria, income from the market agency was about 50 per cent greater than that from other sources for agents in Cape Town, but approximately 50 per cent less than that from other sources for agents in Bloemfontein.

Income from sources other than the market agency forms a most substantial part of the gross income for the agents studied, which is indicative of the multifarious services performed by agents in the distributing process.

#### ACCOUNT SALES

From the records of a representative number of agents at each centre it was possible to extract an analysis of their account sales for agricultural produce handled as market agents. The data extracted included gross amount realised for the produce, the various deductions made, and the nett amount paid to the consignors.

#### Representativeness of the Account Sales Analysed

The percentage of the total turnover constituted by the volume of produce handled by the agents on the auction market - their combined sales are set out in Table 72 - was 65.9 per cent for those in Johannesburg, 76.0 per cent for those in Cape Town and 25.5 and 72.6 per cent, respectively, for those in Pretoria and Bloemfontein. In Pretoria and Bloemfontein no distinction is made in the commission charged by the market master on various kinds of agricultural produce sold at auction. On the Johannesburg auction market, commission on grain, and that in Cape Town on dried agricultural produce, eggs, bulk pineapples, lucerne, mealies and cereals, are different from that charged on the other commodities. These commodities, however, form a small proportion of the market turnover (Table 44).

More than 90 per cent of the volume of produce handled by the agents would, therefore, represent fruit and vegetables. The analysis of the account sales of the agents would thus in effect portray the cost of marketing fruit and vegetables, excluding on-farm costs from the time it left the consignor until sold at auction at the terminal market concerned.

Analysis of Account Sales

The analysis of the combined account sales for agents studied at each terminal market is shown in Table 73.

The deductions represent all items of expense involved in marketing the produce after it leaves the farm until finally sold at auction. The items of cost comprise railage agents commission, market dues, levy and auction sales tax.

The levy shown refers to levy collected on apples and potatoes which is deducted before remitting to the consignor and as such is shown as an expense item.

TABLE 73 ANALYSIS OF ACCOUNT SALES : 14 MARKET AGENTS IN JOHANNESBURG, 9 IN CAPE TOWN, 2 IN PRETORIA, AND 6 IN BLOEMFONTEIN, 1947/48.

Item	Johannesburg	Cape Town	Pretoria	Bloemfontein
	£	£	£	£
Nett paid to consignor	1,865,491.6	906,302.2	178,242.7	150,562.2
Railage .....	159,366.3	97,759.6	10,638.8	20,134.6
Agents commission 1)	129,504.4	66,188.5	10,360.8	12,033.4
Market dues 2).....	57,665.6	37,292.6	6,134.2	8,381.7
Levy 3) .....	27,706.5	13,338.1	2,936.1	2,541.1
Auction sales tax ....	12,839.6	-	1,025.8	-
<b>Total</b>	<b>2,252,574.0</b>	<b>1,120,881.0</b>	<b>209,338.4</b>	<b>193,653.0</b>
Percentage of sales				
Nett paid to consignor .....	82.8	80.9	85.1	77.8
Railage .....	7.1	8.7	5.2	10.4
Agents commission....	5.7	5.9	4.9	6.2
Market dues .....	2.6	3.3	2.9	4.3
Levy .....	1.2	1.2	1.4	1.3
Auction sales tax ...	0.6	-	0.5	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

- 1) Includes insurance  
 2) Includes storage and weighing fees.  
 3) Potato and apple levy. The levy on apples is less than 1/10th of 1 per cent, of the sales.

Produce sold on the Pretoria auction market yielded the highest nett return to consignors, namely 85.1 per cent of sales, while that sold at Bloemfontein provided the lowest nett return - 77.8 per cent of sales. The nett return to consignors for produce sold on the Johannesburg and Cape Town markets was 82.8 and 80.9 percent, respectively.

Railage was the most important expense item. Railage on produce consigned to Bloemfontein, represented 10.4 per cent of sales, and was proportionately about twice as much as that on produce railed to Pretoria. Railage on produce consigned to Johannesburg and Cape Town respectively represented 7.1 and 8.7 per cent of sales.

Agents commission, expressed as a percentage of sales, was about the same at Johannesburg and Cape Town, namely 5.7 and 5.9 per cent, respectively; lowest at Pretoria, 4.9 per cent; and highest at Bloemfontein, 6.2 per cent.

Market dues expressed as a percentage of sales was about the same at Johannesburg and Pretoria, namely 2.6 and 2.9 per cent, respectively; higher at Cape Town, 3.3 per cent; and highest at Bloemfontein, 4.3 per cent.

The levy paid, expressed as a percentage of sales, was the same at Johannesburg and Cape Town, namely 1.2 per cent, and slightly more, namely 1.4 and 1.3 per cent, at Pretoria and Bloemfontein respectively.

#### S U M M A R Y

1. The form and conditions governing the issue of a local licence to market agents varied for the different centres.
2. The average period over which the agents studied had been in business was 26.5 years for those in Johannesburg, 38.8 years for those in Cape Town and 13.6 and 28.2 years for those in Pretoria and Bloemfontein respectively.
3. Excluding those at Bloemfontein, the majority of agents at the other centres were constituted either as partnerships or limited or private companies. The majority of agents at Bloemfontein were organised as individual proprietorships.
4. All the agents surveyed, except three in Cape Town, combined one or more other business activity with that of a market agent.



5. Based on volume of produce handled as market agents, the smallest agents were found at Bloemfontein ( Table 67).
6. The produce handled by the agents included all kinds of fresh fruit and vegetables, dried produce, poultry and eggs. Only one agent specialised to the extent of handling all kinds of vegetables only.
7. Reconsignment of produce to other markets by agents was limited to small amounts for agents in Johannesburg and Pretoria only.
8. Execution of country orders on a commission basis amounted to about £173,200 for agents in Johannesburg, while that for agents at other centres, although not determined, appear to be insignificant.
9. Most agents advanced cash loans to clients. The average amount advanced by firms in Johannesburg was £8,890; in Cape Town, £4,000; in Pretoria and Bloemfontein, £9,400 and £525, respectively.
10. The total losses sustained on these loans amounted to £250 and £180, for individual firms in Johannesburg and Cape Town, respectively, while three agents in Pretoria suffered a collective loss of £592.
11. The average value of farm requisites supplied to clients per firm was £11,793 in Johannesburg, £220 in Cape Town, £7,964 in Pretoria, and £400 in Bloemfontein.
12. The average number of personnel ( including principals) employed per firm was 27.3 in Johannesburg, 17.5 in Cape Town, 25.2 in Pretoria, and 12 in Bloemfontein.
13. Gross income from operating the market agency represented 51.3 per cent of the total gross income for agents in Johannesburg, 60.3 per cent for those in Cape Town, 48.5 per cent for those in Pretoria, and 39.3 per cent for those in Bloemfontein.

14. The average percentage which consignors received of the price realised at auction for fruit - other than deciduous and citrus - and vegetables consigned to Johannesburg was 82.8. The corresponding percentages at the other terminal markets were 80.9 for Cape Town, 85.1 for Pretoria, and 77.8 for Bloemfontein.

## CHAPTER IV

### THE WHOLESALERS

#### General

Information regarding the names and addresses of all known  
(1)  
wholesale fresh produce firms handling fresh fruit and vegetables and  
situated within the municipal boundary of each of the four cities, was  
obtained from the market agents in Johannesburg, Cape Town, Pretoria and  
Bloemfontein. The list of names and addresses was checked with the  
officer-in-charge of the respective local offices of the Division of  
Economics and Markets to ensure that all the wholesale fresh produce  
dealers were brought into the scope of this study. Each of the whole-  
salers was interviewed and the purpose of the study explained to him.

General information concerning the source of purchase,  
commodities handled, class of business organisation, principal outlets,  
and activities of the firms, were readily supplied by all of them.

An examination of their records showed that it was impossible  
to determine either the volume or the value of each commodity or group  
of commodities purchased from each source and sold to various outlets.  
The only relative information available was reflected in the final  
accounts which recorded the total value of all commodities purchased and  
sold.

One of the purposes of this study was to ascertain the relative  
importance of the various sources of supply and the relative importance  
of the various outlets to which they sell their produce. It was not  
possible to obtain this information from the records of the firms due to  
their incompleteness .

- 
- 1) While records were obtained from all known wholesale fresh produce  
firms ( Table 4) the number of firms analysed for the purpose of  
this study concern only those which handle either fresh fruit or  
vegetables or both, but exclude those firms which handle only such  
products as potatoes and onions but no other kind of fresh fruit or  
vegetable.

To determine the importance of each source of purchase and outlet it was necessary for the wholesalers to estimate either the proportionate quantity or value of all produce purchased from each source and sold to each outlet. The firms were willing to estimate the proportionate quantities rather than the value. The reason advanced was that the unit price of the commodity, not the total cost, determined the quantity they would buy for resale. Consequently they were more able to do this rather than estimate value purchased and sold.

Due to the inadequacy of the records of the firms it was also not possible to analyse cost of marketing data separately for fruit and for vegetables. The firms did not distinguish between these two groups of commodities in their accounting.

The financial records which were made available consisted of the Trading Account, the Profit and Loss Account and Balance Sheet for the financial year 1947/48.

There appears to be no reason why the estimates made by the principals of the firms studied, where factual data could not be provided, should not be accepted as reliable for the purpose of this study.

#### Representative nature of the wholesaler.

Johannesburg - A total of 23 fresh fruit and vegetable wholesale produce firms were located in Johannesburg. Sixteen of these firms handled both fresh fruit and vegetables while three specialised in fresh fruit, three in bananas and one in vegetables only.

Statements for the 1947/48 financial year were obtained from the principals of 15 out of the 16 fruit and vegetable wholesalers, the three fruit wholesalers, the three banana wholesalers and the vegetable wholesaler. The principals of 13 of the firms which handled vegetables and the principals of 19 of the firms which handled fruit provided estimates of the proportionate volume of the fruit and vegetables purchased from various sources and sold to various outlets. General information regarding the conduct of their business that could be utilised for the purpose of this study was obtained from 20 out of the 23 wholesalers.

Cape Town - Six wholesale fresh fruit and vegetable produce firms were found in Cape Town of whom five handled both fresh fruit and vegetables and one handled bananas only. Financial records for 1947/48 were obtained from four of the five fruit and vegetable firms and from the banana wholesaler. The principals of all five produce firms handling fruit and vegetables estimated the proportionate quantity of the fruit and vegetables which they purchased from various sources and sold to the various outlets. General information was supplied by all the wholesalers.

Pretoria - Of the fifteen wholesale fresh produce firms in Pretoria, 14 handled both fruit and vegetables, and one was a banana wholesaler. Seven of the most important fruit and vegetable wholesalers were able to provide acceptable financial records for their 1947/48 trading year whilst the financial records of the remaining seven firms, which were small concerns, were considered as unsuitable for the purpose of the study.

Principals of ten of the wholesale firms furnished estimates of the proportionate volume of vegetables purchased from various sources and sold to various outlets and principals of 11 of these firms did the same for fruit. General information was obtained from 12 of the wholesalers.

Bloemfontein - There were three wholesale fruit and vegetable produce merchants in Bloemfontein of whom two furnished financial records for 1947/48. The third wholesaler was the smallest of the three and combined his wholesaling of fresh fruit and vegetables with a wholesale and retail grocery store. His financial records were of no value as his accounting made no distinction between his wholesaling of fruit and vegetables and wholesaling and retailing of groceries. All three wholesalers estimated the proportionate volume of produce purchased from various sources and sold to various outlets, and provided general information about the conduct of their business.

#### Some characteristics of the Wholesalers

Specialisation : Except for a few firms in Johannesburg and one in Cape Town, the majority of wholesalers did not find it expedient to specialise. A retailer of fresh produce or those customers in the

catering trades who require a variety of both fruit and vegetables and become accustomed to deal with a firm prefer purchasing the bulk of their supplies at one source. The few wholesalers in Johannesburg who specialised in vegetables or fruit, other than bananas, did not restrict their handlings but carried as wide a range as possible of these commodities. The existence of separate specialised outlets for fruit and for vegetables in Johannesburg only may be attributed to the fact that Johannesburg, being the largest terminal market in the Union, is large enough to warrant the existence of specialist services. These specialised firms also cater for the needs of distant country clients who obtain their supplies of fruit and vegetables from Johannesburg.

Bananas are mostly marketed in a relatively green condition. Expert knowledge and special facilities, such as properly equipped ripening rooms, are required to ripen bananas successfully for commercial purposes. This commercial ripening lends itself to specialisation because bananas can be ripened more economically the greater the volume handled. Due to these factors and the preference of wholesale produce firms to handle bananas ready for sale, the larger centres, such as Johannesburg, Cape Town and Pretoria, have a demand for the services of specialist banana dealers.

Retailing : A particular feature of the fresh fruit and vegetable wholesalers surveyed is that all the wholesalers in each of the cities (1) sell a considerable proportion of produce direct to consumers. The retailers who patronise these wholesalers offer no objection to the retailing activities of their wholesale suppliers as these wholesalers, due to their location, are not in competition with their retail clients.

It would appear that the retailing of produce by wholesalers is partly related to the characteristics of their trade. The main reasons why wholesalers engage in retailing may be summarised as follows :-

- 
- 1) Wholesalers in New York, U.S.A., who sell produce at retail, confine their activities largely to supplying large chainstore or hotel systems: Cornell University Agricultural Experiment Station Bulletin, No. 494.

1. The unpredictability of the demand by their clients often lands the wholesaler with considerable quantities of unsold stock. The highly perishable nature of the commodities handled and lack of cold storage facilities, make it imperative that the supplies on hand must be sold without delay. In order to reduce spoilage losses, wholesalers sell these stocks at retail.
2. Wholesalers want to reduce their daily carry-over of stocks to the minimum. Large stocks on hand may cause serious losses, especially when supplies to the market become plentiful and prices move erratically. A large carry-over of stocks purchased at high prices will also place a wholesaler at a competitive disadvantage when market prices fall.
3. The bulk of the produce marketed is ungraded ( Table 42) which causes wholesalers unwittingly to buy produce unsuitable for their trade. Even where graded products are purchased, the human element of the grader enters the picture, and a consignment of first grade produce purchased may contain a proportion of commodities well below the standard laid down for that grade. Consequently, wholesalers often find themselves in the position of having purchased produce of which they had misjudged the quality, and which was unsuitable for their trade. In order to rid themselves of such produce, it is sold at retail, and very often at cost, in order to avoid losses.
4. Part of a consignment of produce purchased may contain overripe produce which can only be disposed of at retail.

No evidence was available as to what extent retailing by wholesalers could be related to the characteristics peculiar to their trade as set out above. It would appear to the writer that retailing by wholesalers is, to a great extent, a measure of their careless buying. The wholesalers do experience great difficulty in purchasing supplies suitable for their business due to the lack of standardisation and grading of the produce they buy, and the generally poor quality of the produce marketed. Although these are mitigating factors, the exercise of greater care by wholesalers,

when purchasing supplies, would to a great extent reduce that proportion of produce purchased which is unsuitable for their trade, and help to obviate the necessity of disposing these commodities at retail.

It can be argued that wholesalers, who conduct a certain proportion of their sales at retail, and thereby realise higher margins for a portion of their stocks, are in a better position to operate on lower margins as wholesalers, and thus reduce their cost of marketing at wholesale level. The extent to which this is true has yet to be proved. There is, no doubt, however, that retailing by wholesalers reduces their spoilage losses, and cuts losses which would otherwise be sustained on stocks which could not be disposed of through normal wholesale outlets.

#### Period in business

The period over which those wholesale firms surveyed in Johannesburg had been in business, ranged from two to 37 years, the average being 17.4 years. Wholesalers surveyed in Cape Town had been in business from two to 43 years, an average of 17 years. In Pretoria the wholesalers had been in the business from two to 27 years, an average of 9.7 years; those in Bloemfontein six to 35 years, with an average of 21.7 years.

The two wholesalers in Bloemfontein had on the average been longest in the business, but the oldest established firm was in Cape Town. This firm had been in business for 43 years.

#### Constitution of the concerns

The most common class of business organisation in Johannesburg, Cape Town and Bloemfontein was partnership. Individual ownership was most common in Pretoria. It would seem that the partnership form of business organisation in the wholesale fruit and vegetable trade is especially favoured where the organisation is large. The class of business organisation of all the wholesalers surveyed is shown in Table 74.



TABLE 74 CLASS OF BUSINESS ORGANISATION - 23 WHOLESALE FRUIT AND VEGETABLE PRODUCE FIRMS IN JOHANNESBURG, 6 IN CAPE TOWN, 12 IN PRETORIA AND 3 IN BLOEMFONTEIN, 1947/48.

Class of business	Number of wholesalers			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
Individual .....	4	-	11	1
Partnership .....	19	4	1	2
Private company ...	-	2	-	-
<b>Total</b>	<b>23</b>	<b>6</b>	<b>12</b>	<b>3</b>

The firms organised as partnerships or private companies from which financial records were <sup>taken</sup> had on the average a considerably larger annual turnover than individual ownerships. The number of wholesalers from whom financial records were taken, grouped according to their annual turnover, is shown in Table 75.

TABLE 75 FRUIT AND VEGETABLE WHOLESALE PRODUCE FIRMS GROUPED ACCORDING TO ANNUAL TURNOVER - 22 IN JOHANNESBURG, 5 IN CAPE TOWN, 7 IN PRETORIA AND 2 IN BLOEMFONTEIN, 1947/48.

Annual turnover	Number of wholesalers			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
Less than £3,000	1	-	-	-
£3,001 - £15,000	4	1	3	2
£15,001- £25,000	1	1	3	-
£25,001- £50,000	4	2	-	-
£50,001- £75,000	3	1	1	-
£75,001- £115,000	7	-	-	-
£200,001-£220,000	2	-	-	-
<b>Total</b>	<b>22</b>	<b>5</b>	<b>7</b>	<b>2</b>

Four of the 22 firms from whom financial records were obtained in Johannesburg, were organised on an individual ownership basis. The annual turnover for these four firms ranged from about £2,500 to £15,000 an average of about £6,800 per firm. The turnover of the 18 firms organised on a part-

nership basis ranged from about £8,000 to about £220,000, an average of about £80,000.

All the firms surveyed in Cape Town were organised on a partnership or private company basis. The annual turnover of the five firms which furnished financial records ranged from £10,000 to £72,000, an average of about £32,700.

In Pretoria six of the seven firms from whom financial records were obtained were organised as individual ownerships and one firm was a partnership. The annual turnover for the individual firms ranged from about £8,000 to about £23,000, an average of about £18,800, while the turnover of the partnership firm was about £50,000.

Financial records were obtained from two firms in Bloemfontein. One was individually owned and the other a partnership. The turnover of the two firms was about the same.

It would thus appear that the size of business was one of the factors associated with the formation of partnerships. Other factors associated with the formation of partnerships were :-

1. Capital requirements are more easily met. A wholesaler must be able to grant credit to his clients. Cash resources are also required to pay for purchases. The fresh produce wholesaler deals in highly perishable commodities, and experiences difficulty in obtaining loans, as the commodity is not an acceptable security. Formation of partnerships to secure financial stability is a method whereby the capital requirements for the business can be overcome.
2. Purchases are more profitable. A high degree of specialised knowledge is required for successful commercial purchase of fruit and vegetables. Wholesalers, generally, are of the opinion that a buyer who has a personal interest in the business is more strongly motivated when purchasing supplies, to proceed with greater caution than a salaried buyer, because he would ensure the maximum benefits for his firm.

3. Partnerships facilitate purchases. The purchases of supplies are not made at a single point. The farmers' market starts with its sales in the early hours of the morning before the municipal auction market. The auction sales on the municipal markets are simultaneously carried on at several points on the auction sales floor during the sales' hours. Wholesalers require early deliveries to enable them to distribute to their clients. Where there are partners in a firm, each partner specialises in buying certain groups of commodities. By dividing the purchasing duties among themselves, the partners speedily obtain the requirements of the firm, thus at the same time, ensuring that the firm is represented at the many sales points on the market, and so <sup>possibly</sup> prevent competitors from buying the same product more cheaply.

Number of partners and personnel per firm

The 19 wholesale firms in Johannesburg organised on a partnership basis were constituted by 75 principals, an average of about 4 partners. The number of partners ranged from two to eight. Seven of these firms employed no assistants, while 12 firms employed a total of 26, or an average of 2.2, assistants. The average number of assistants employed by the 19 firms was 1.4. The 19 firms employed a total of 169 labourers, an average of 8.9, while the 7 firms, who employed no assistants, employed 35 labourers, or an average of five. The four individual proprietorship firms employed five assistants and six labourers, an average of 1.3 assistants and 1.5 labourers. The number of assistants employed per firm by the partnership firms ranged from one to five, and the number of labourers from four to 28. Individual ownership firms employed from one to three assistants, and one to two labourers per firm.

There were 18 principals organised into six partnership associations in Cape Town. The number of partners per firm ranged from two to four and the average was three per firm. The six firms employed 21 assistants and 46 labourers, an average of 3.5 assistants and 7.6

labourers. The firms employed from one to seven assistants and one to 17 labourers per firm.

In Pretoria, the partnership firm had two partners and employed four assistants and four labourers. The 11 individual ownership firms employed a total of 21 assistants and 43 labourers, an average of 1.9 assistants and 3.9 labourers. The number of assistants employed per firm ranged from one to four and the labourers from one to 14.

The two firms organised on a partnership basis in Bloemfontein each had two partners. They employed a total of three assistants and five labourers. The individual ownership firm employed one assistant and three labourers.

A summary of the average number of principals, assistants and labourers of the wholesalers surveyed is shown in Table 76.

TABLE 76 AVERAGE NUMBER OF PRINCIPALS, ASSISTANTS AND LABOURERS - 23 WHOLESALE FRESH FRUIT AND VEGETABLE FIRMS IN JOHANNESBURG, 6 IN CAPE TOWN, 12 IN PRETORIA AND 3 IN BLOEMFONTEIN, 1947/48.

Kind of firm	Average number per firm			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
<u>Partnerships</u>				
Principals .....	4.0	3.0	2.0	2.0
Assistants .....	1.4	3.5	4.0	1.5
Labourers .....	8.9	7.6	4.0	2.5
<u>Individual</u>				
Principals .....	1.0	-	1.0	1.0
Assistants .....	1.3	-	1.9	1.0
Labourers .....	1.5	-	3.9	1.5

SOURCE OF PURCHASE

General

Wholesalers purchased their supplies from several sources. Table grapes, pears, plums, white-fleshed peaches and nectarines were obtained at fixed prices from the Deciduous Fruit Board and oranges, <sup>pomelos</sup> and lemons at

fixed prices from the Citrus Board. The sub-tropical fruit, vegetables, and those deciduous fruit which were not distributed by the Deciduous Fruit Board, were purchased from such sources as the auction market, out-of-hand from market agents, directly from the premises of market agents, farmers' markets, and, to a small extent, direct from growers, or through brokers. Potatoes and onions were the principal commodities purchased by wholesalers through brokers. All produce handled by the firms were outright purchases.

The source of purchase and proportionate quantities of all vegetables and fresh fruit other than those distributed by the Deciduous Fruit Board and the Citrus Board purchased from each source is tabularly shown below. Purchases from market agents refer to produce purchased directly from a market agent who sold produce received on consignment at his store, instead of on the municipal auction market.

#### Johannesburg

Wholesalers in Johannesburg procured their fruit from four sources and their vegetables from five. About half their purchases of fruit were made at the auction sales and about 39 per cent from market agents. Apples, papaws and pineapples were the principal fruit sold at their premises by market agents. Direct purchases from rural growers represented about 8 per cent of their supplies, and consisted mainly of apples, papaws, pineapples and avocados ( Table 77 ).

(1)  
 TABLE 77 ESTIMATED PROPORTION BY VOLUME OF FRESH FRUIT AND VEGETABLES PURCHASED FROM VARIOUS SOURCES - WHOLESALE FRESH PRODUCE FIRMS IN JOHANNESBURG, 1947/48.

Source of purchase	Fruit ( 19 wholesalers )	Vegetables ( 13 wholesalers )
Percentage of purchases by volume		
Auction market .....	50.4	71.7
Farmers' market .....	-	8.8
Market agents .....	39.1	8.3
Other wholesalers .....	-	10.8
Broker .....	-	0.4
Rural grower .....	7.0	-
Imported .....	2.6	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

1) Percentage averages calculated on basis of estimates made by the wholesalers, refer page 156.

Nearly 72 per cent of the vegetables were purchased at auction, about nine per cent from the farmers' market, about eight per cent from market agents and about 11 per cent from other wholesalers. The farmers' market was the most important source of supply for soup greens and, to a lesser extent of carrots, beetroot, radishes, spinach, lettuce and parsnips. Purchases from market agents were mainly potatoes and onions; brokers mainly supplied potatoes.

#### Cape Town

The regulations of the municipal market permit market agents to sell all kinds of produce, except bananas, watermelons and poultry, out-of-hand on the auction sales floor during prescribed hours. More produce is sold in this manner than by auction, as the offerings can be inspected more leisurely and the buyers are better able to bargain with the agents than during auction sales. Out-of-hand sales accounted for 63.6 per cent of the turnover on the Cape Town market.

Wholesalers acquired their fruit from four sources and vegetables from three. ( Table 78). About 71 per cent of the fruit was purchased out-of-hand, 25 per cent at auction, 2.6 per cent from the farmers' market and 1.4 per cent from other wholesalers.

(1)  
 TABLE 78 ESTIMATED PROPORTION OF FRESH FRUIT AND VEGETABLES PURCHASED FROM VARIOUS SOURCES BY VOLUME - WHOLESALE FRESH PRODUCE FIRMS IN CAPE TOWN, 1947/48.

Source of purchase	Fruit ( 5 wholesalers )	Vegetables
Percentage of purchases by volume		
Auction market ... ..	25.2	38.8
Out-of-hand on municipal market ... ..	70.8	36.0
Farmers' market .. ...	2.6	25.2
Other wholesalers. ...	1.4	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

1) Percentage averages calculated on basis of estimates made by the wholesalers, refer page 156.

Fruit obtained from the farmers' market consisted chiefly of apples, apricots and guavas, while bananas were the principal fruit obtained from other wholesalers.

Nearly equal proportions of vegetables were purchased by auction and out-of-hand - 38.8 and 36 per cent respectively. The farmers' market provided about one-fourth of the vegetables - principally soup greens, beetroot, carrots, cabbages, cauliflowers and, to a lesser degree potatoes, onions, tomatoes, radishes, spinach and parsnips.

### Pretoria

The Pretoria wholesalers secured their supplies of fruit from two sources and vegetables from four. ( Table 79). The auction sales provided 96.5 per cent of their fruit supplies, and growers in the country 3.5 per cent. The fruit purchased from rural areas were mostly sub-tropical varieties from growers in the Lowveld and apples from the Cape Province.

(1)  
 TABLE 79 ESTIMATED PROPORTION BY VOLUME OF FRESH FRUIT AND VEGETABLES  
 PURCHASED FROM VARIOUS SOURCES - WHOLESALE FRESH PRODUCE FIRMS  
 IN PRETORIA, 1947/48.

Source of purchase	Fruit (11 wholesalers )	Vegetables ( 10 wholesalers )
Percentage of purchases by volume		
Auction market.....	96.5	69.3
Farmers' market .....	-	23.2
Other wholesalers.....	-	2.5
Produce own supplies..	-	5.0
Rural grower .....	3.5	-
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

1) Percentage averages calculated on basis of estimates made by the wholesalers, refer page 156.

The auction and farmers' markets were the principal sources from which vegetables were purchased. Supplies from these two sources, respectively represented 69.3 and 23.2 per cent of wholesalers' purchases. Soup greens, beetroot, carrots, parsnips, lettuce and potatoes were the most important commodities purchased on the farmers' market. Several of the wholesalers owned farms near the city. Vegetables grown on these farms represented about 5 per cent of the volume of vegetables handled by the 10 wholesalers falling under this survey.

Bloemfontein

Wholesalers purchased both their fruit and vegetables from three sources ( Table 80). The auction sales were the most important source of both fruit and vegetables. Supplies from this source accounted for 95 per cent of the fruit and 90 per cent of the vegetables purchased.

(1)  
 TABLE 80 ESTIMATED PROPORTION BY VOLUME OF FRESH FRUIT AND VEGETABLES  
 PURCHASED FROM VARIOUS SOURCES - WHOLESALE FRESH PRODUCE FIRMS  
 IN BLOEMFONTEIN, 1947/48.

Source of purchase	Fruit ( 3 wholesalers)	Vegetables
Percentage of purchases by volume		
Auction market .....	95.0	89.7
Rural grower .....	1.0	7.0
Broker .....	-	3.3
Imported .....	4.0	-
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

1) Percentage averages calculated on basis of estimates made by the wholesalers, refer page 156.

Bananas, imported from Lourenco Marques, and apples obtained directly from growers, respectively, represented four and one per cent of wholesalers' total fruit purchases.

Growers near Bloemfontein supplied about 7 per cent of the vegetables handled by these firms. The principal kinds of vegetables supplied by the local growers were : carrots, beetroot, onions, tomatoes, and soup greens. During periods, when vegetables were in short supply



locally, the firms obtained supplies from a market agent in Johannesburg on a brokerage basis. Supplies obtained in this manner represented about three per cent of the volume of vegetables purchased by the wholesaler.

Summary of Principal Sources of Purchase

Ranked in order of importance, the sources of purchase from which wholesalers obtained their fruit and vegetables are shown in Table 81.

TABLE 81 SOURCES OF FRESH FRUIT AND VEGETABLE PURCHASES RANKED IN ORDER OF IMPORTANCE - WHOLESALE FRESH FRUIT AND VEGETABLE FIRMS IN JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Source of purchase	Order of importance			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
<b>FRUIT</b>				
Auction market .....	1	2	1	1
Market agent (1) .....	2	-	-	-
Rural grower .....	3	-	2	3
Imported .....	4	-	-	2
Out of hand (2) .....	-	1	-	-
Farmers' market .....	-	3	-	-
Other wholesalers ....	-	4	-	-
<b>VEGETABLES</b>				
Auction .....	1	1	1	1
Farmers' market .....	3	3	2	-
Market agents (1) .....	4	-	-	-
Other wholesalers .....	2	-	4	-
Broker .....	5	-	-	3
Out-of-hand (2) .....	-	2	-	-
Own supplies .....	-	-	3	-
Rural grower .....	-	-	-	2

- 1) Sold produce received on consignment at their premises instead of on the auction market.
- 2) From market agents on the auction market.

The most important source from which wholesalers in Johannesburg Pretoria and Bloemfontein purchased their fruit was the auction market, while Cape Town wholesalers purchased most of their fruit out-of-hand. Wholesalers in all four cities obtained the greater proportion of their vegetable supplies from the auction market.

The important role of the municipal market as a source of purchase for both fruit and vegetables in each city is demonstrated in Table 81. The auction market and farmers' market in each city are concentrated at one point, together constituting the municipal market. The greater proportion of both fruit and vegetables purchased by the wholesalers were obtained from these two sources.

#### Frequency of Purchase

The frequency of purchase by wholesalers is dependent on several factors, the most important being :-

1. Demand from their clients.
2. Availability of supplies.
3. Storage facilities.
4. Kind of produce handled.
5. Price.
6. Seasonal supplies.
7. Time of year.
8. Availability of cash or credit facilities.

Most wholesalers purchase supplies daily though it may not be the same kind of produce. 'Hardware', such as potatoes, onions and apples, which can be stored for a period, may be purchased in large quantities, depending on the storage facilities at the disposal of the wholesaler, the available supplies and whether the price is sufficiently favourable to warrant the risk of building up stocks when future <sup>supplies</sup> may make such purchases too venturesome.

The more highly perishable commodities, such as lettuce, green beans, green peas, peaches, plums and grapes, are usually purchased daily.

The lack of proper storage facilities with the attendant risk of heavy spoilage losses is too great to justify carrying large stocks on hand of these commodities.

#### WHOLESALE OUTLETS

##### General

The outlets of firms surveyed were chiefly those within the

municipal boundaries of the cities concerned but included outlets in adjacent municipalities, towns within the four provinces of the Union, and foreign territories adjacent to the Union. The most common kinds of outlets were retail stores, hawkers, the catering trade, contracts and direct sales to consumers.

The relative importance of the various outlets were determined by the estimates made by the wholesalers of the proportionate volume of all fruit and vegetables sold to each kind of outlet in terms of their total volume of sales.

Johannesburg

Wholesalers' primary outlets for fruit were retail stores and hawkers and for vegetables retail stores and consumers ( Table 82). Approximately 70 per cent of their fruit, and about 66 per cent of their vegetables, were sold to retail stores in Johannesburg, in towns all over the Union, and in the neighbouring territories of Rhodesia and Mozambique.

(1)  
 TABLE 82 ESTIMATED PROPORTION BY VOLUME OF FRESH FRUIT AND VEGETABLES SOLD TO VARIOUS OUTLETS BY FRESH PRODUCE WHOLESALE FIRMS IN JOHANNESBURG, 1947/48.

Outlets	Fruit ( 19 wholesalers)	Vegetables ( 13 wholesalers)
Percentage of sales by volume		
Retail stores .....	69.6	65.6
Hawkers .....	11.0	5.3
Direct to consumers ...	10.4	15.5
Other wholesalers .....	6.8	10.4
Ship stores .....	1.1	1.6
Municipal markets .(3..	0.6	0.8
Catering trade .... (2.	0.5	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

- 1) Percentage averages calculated on basis of estimates made by the firms, refer page 156.
- 2) Hotels, boardinghouses, restaurants.
- 3) Municipal markets other than Johannesburg.

About 11 per cent of the fruit and five per cent of the vegetables were sold to hawkers, while consumer sales amounted to about 10 per cent for fruit and about 16 per cent for vegetables. Sales among local wholesalers, and to those in cities outside Johannesburg, were about seven per cent for fruit, and about 11 per cent for vegetables.

Fifteen of the wholesalers supplied retail stores and wholesale firms outside Johannesburg with fruit and vegetables to the value of approximately £234,000, of which about 95 per cent represented sales to retail stores.

Nine of the wholesalers found outlets for produce which they had purchased for speculative purposes, or which they were unable to dispose of through their normal outlets by consigning the produce to municipal auction markets. These markets were those on the Reef and in various towns within the Union. The municipal/<sup>auction</sup>markets which most commonly received consignments were Klerksdorp, Pretoria and Potchefstroom, in the Transvaal; Ladysmith and Durban in Natal; Bloemfontein and Kroonstad in the Orange Free State; and Kimberley in the Cape Province. The value of produce sold on the various municipal/<sup>auction</sup>markets by the nine wholesalers was about £16,000. Only one wholesaler used the Johannesburg municipal/<sup>auction</sup>market as an outlet for produce which he was unable to sell through other channels.

#### Cape Town

The leading outlets for fruit and vegetables to wholesalers were retail stores, consumers, the catering trade, hospitals, military institutions and work colonies (Table 83). Of the volume of fruit handled, 45 per cent was sold to retailers, 32 per cent to consumers, 13.6 per cent to the catering trade, and 8 per cent went to various institutional contracts.

The proportion that their sale of vegetables bore to different outlets varied little. About 27 per cent of the vegetables was sold to retail stores, about 26 per cent direct to consumers, about 25 per cent to the catering trade, and a relatively insignificant proportion went to ship's stores.

(1)  
 TABLE 83 ESTIMATED PROPORTION BY VOLUME OF FRUIT AND VEGETABLES SOLD TO  
 VARIOUS OUTLETS BY FRESH PRODUCE WHOLESALE FIRMS IN CAPE TOWN,  
 1947/48.

Outlets	Fruit ( 5 wholesalers)	Vegetables
Percent of sales by volume		
Retail stores .....	45.0	26.6
Direct to consumers .....	32.0	26.0
(2)		
Catering trade .....	13.6	25.0
(3)		
Contracts .....	8.0	22.0
Hawkers .....	1.0	-
Ship's stores .....	0.4	0.4
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

- 1) Percentage averages calculated on basis of estimates made by the firms refer page 156.
- 2) Hotels, boarding houses, restaurants.
- 3) Hospitals, military institutions, work colonies.

The relatively high proportion of fruit and vegetables sold to consumers by wholesalers in Cape Town is due to local advantages. Some of the wholesalers have their stores on the Parade where a number of retail outlets for fresh fruit and vegetables is concentrated. Together these stores form a minor retail market and have by custom become a retail shopping centre for these commodities.

Although Cape Town is a major seaport of the Union, wholesalers supplied only small quantities of fruit and vegetables as ship's stores. This function is principally performed by ship's chandlers in the City, who supply a variety of commodities, including fruit and vegetables, under contract to the Maritime companies.

Three of the wholesalers supplied retail stores in Ceres, Montagu, Paarl, Wellington and Somerset West with fruit and vegetables to the value of about £1,400. They were the only outlets outside Cape Town which received their supplies from wholesalers.

Pretoria

Wholesalers sold about 48 per cent of the fruit they handled to retail stores, about 22 per cent direct to consumers, about 23 per cent to hawkers, and about 5 per cent to the catering trade. Sales amongst each other and on contract were relatively unimportant. The proportionate quantity of vegetables sold to these outlets were : Direct to consumers, 44 per cent; retail stores, about 28 per cent; hawkers, about 19 per cent; catering trade, about 5 per cent; other wholesalers, about three per cent and about two per cent on contract. (Table 84).

(1)  
 TABLE 84 ESTIMATED PROPORTION BY VOLUME OF FRUIT AND VEGETABLES SOLD TO VARIOUS OUTLETS BY FRESH PRODUCE WHOLESALE FIRMS IN PRETORIA, 1947/48.

Outlets	Fruit (10 wholesalers )	Vegetables ( 11 wholesalers)
Percentage of sales by volume		
Retail stores .....	48.3	27.9
Direct to consumers ..	21.9	44.0
Hawkers .....	22.6	18.7
Catering trade (2....	4.6	5.3
Other wholesalers ....	1.2	2.6
Contracts ....(3 .....	1.4	1.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

- 1) Percentage averages as calculated on basis of the estimates made by the firms, refer page 156.
- 2) Hotels, boarding houses, restaurants.
- 3) Hospitals, hotels.

Nine of the wholesalers supplied retail stores outside Pretoria with fruit and vegetables to the value of about £26,000. These retail stores were situated in various towns within the Transvaal, and included Brits, Warmbaths, Middelburg, Pietersburg, Witbank and Komatipoort.

As in the case of Cape Town the high proportion of fruit and vegetables sold directly to consumers by wholesalers in Pretoria is due to their location.

The municipal authorities in Pretoria rent out 52 stalls on the Pretoria municipal market for the purpose that these stalls should be used by the public as a retail market for fresh fruit and vegetables.

The stalls are occupied by retailers and all the wholesalers who operate in Pretoria. Many consumers patronise these stalls because they are known as a retail source of purchase for fruit and vegetables and are presumed to sell these commodities at low prices.

### Bloemfontein

Wholesalers here had the least number of outlets as compared with Johannesburg, Pretoria and Cape Town.

Retail stores were their most important outlet for both fruit and vegetables. Of the total volume of fruit handled, 55 per cent was sold to retail stores; about 23 per cent to the catering trade; and about 22 per cent to consumers. The proportion of sales of vegetables to the various outlets was about 48 per cent to retail stores; about 27 per cent to the catering trade; and 25 per cent to consumers (Table 85).

(1)  
 TABLE 85 ESTIMATED PROPORTION BY VOLUME OF FRUIT AND VEGETABLES SOLD TO VARIOUS OUTLETS BY FRESH PRODUCE WHOLESALE FIRMS IN BLOEMFONTEIN 1947/48.

Outlets	Fruit ( 3 wholesalers )	Vegetables
	Percentage of sales by volume	
Retail stores .....	55.0	48.3
Catering trade (2.....	23.3	26.7
Direct to consumers .....	21.7	25.0
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

1) Percentage averages calculated on basis of estimates made by the firms, refer page 156.

2) Hotels, boarding houses, restaurants.

Two of the wholesalers sold fresh produce to the value of approximately £10,000 to retail stores in the Cape Province, Basutoland and Orange Free State. This amount excludes sales to retail stores in the City itself.

As in Cape Town and Pretoria, wholesalers in Bloemfontein are

also favourably situated for consumer patronage. By virtue of the facilities offered to consumers, the local municipal market, attracts a considerable number of housewives to the market, who also purchase supplies from the wholesalers of whom two have stores on the market premises and one is located across the road from the market.

Summary of Principal Outlets

Ranked in order of importance, the principal outlets for wholesalers in each of the cities are shown in Table 86. The chief outlet for fruit in each of the cities was retail stores. They were also the main outlet for vegetables in Johannesburg, Cape Town and Bloemfontein, while, in Pretoria, consumers were the primary outlet for vegetables.

TABLE 86 PRINCIPAL OUTLETS, RANKED IN ORDER OF IMPORTANCE, FOR FRESH PRODUCE WHOLESALERS IN JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

ORDER OF IMPORTANCE			
CITY	1	2	3
Outlets for fruit			
Johannesburg	Retail stores	Hawkers	Consumers
Cape Town	Retail stores	Consumers	Catering trade
Pretoria	Retail stores	Hawkers	Consumers
Bloemfontein	Retail stores	Catering trade	Consumers
Outlets for vegetables			
Johannesburg	Retail stores	Consumers	Other wholesale
Cape Town	Retail stores	Consumers	Catering trade
Pretoria	Consumers	Retail stores	Hawkers
Bloemfontein	Retail stores	Catering trade	Consumers

USE MADE OF MUNICIPAL MARKETS

No evidence was obtainable to indicate that wholesalers utilised their respective municipal auction markets for speculative purposes. Of all the wholesalers canvassed only one, in Johannesburg stated that, on a few occasions he had sold such produce on the local auction market as he was unable to sell at his own store.



In each of the four cities there are wholesalers who use the auction market as a distributing point. On finalising a purchase, they apportion the requirements of clients present on the market directly to them. This form of distribution has the advantage to the wholesalers of reducing cartage costs and rental charges in that they require smaller premises at lower rentals than would be the case if they had first to cart all their purchases to their stores before distributing them. Due to this practice another advantage is that retailers come to the market in person. Knowing what the wholesaler paid, they can bargain with the wholesalers if the margin he adds is considered excessive. This may tend to reduce the retail price to consumers. The presence of retailers on the market may induce them to buy on their own account and thereby, possibly, increase competition at the auction sales. An advantage to the retailers is that they can inspect the offerings and purchase only those grades and sizes considered suitable for their particular business, whereas if they relied on the wholesaler they would not always be accommodated.

The disadvantages attached to this form of distribution are, firstly that a client of a wholesaler, upon seeing a particular offering which he wants may instruct his wholesaler to buy in the expectation that he would obtain it cheaper than were he personally to bid at the sale. This would reduce the number of bidders at the auction, which again, may make for the realisation of low prices. Secondly, by utilising the market as a point of distribution wholesalers introduce a speculative element into their buying. They may be tempted to purchase larger supplies than they can readily dispose of to their regular clients. In so doing, they are speculating on the possibility that other buyers, such as retailers and hawkers, who are not their regular clients, may arrive late at the market and miss a sale, or are unable to purchase their requirements at other auction sale points on the market where similar commodities are sold.

These buyers are then compelled to purchase their requirements of a particular commodity from a wholesaler who has supplies available. The disadvantages of buyers selling out-of-hand on the auction sales floor, as set out in the section of this study devoted to municipal markets in which the conduct of sales on the <sup>auction</sup> markets is discussed, also equally apply to these wholesalers who distribute directly from the sales floor of the municipal

auCTION markets.

This form of distribution is analagous to the practice of wholesalers in New York City, who after purchasing supplies at the auction sales held at the railroad pierheads, sell to Jobbers waiting outside the piers or transfer supplies to Jobbers trucks waiting in West Street en route to their stores which are in Washington Street.

It would appear that the disadvantages of buyers selling from off the auction sales floor outweigh the advantages attached thereto from the point of view of all parties concerned. The creation of additional parking space at the market, where the transport of the wholesalers and their clients could be parked for the purpose of transferring supplies, will, without serious inconvenience or appreciable extra costs to buyers, put a stop to this practice, if the municipal authorities enforce the prohibition of sales by buyers on the sales floor of the auction market.

#### FINANCING OF PRODUCERS

The only wholesalers who advanced money to growers were located in Johannesburg. Three wholesalers advanced about £10,000 to growers who used the loans for such purposes as the purchasing of seed and farm equipment, payment of farm labour, redemption of mortgages, or for some form of capital expenditure. No conditions were attached to the loans nor was any interest charged. All loans were repaid.

#### SUPPLY OF REQUISITES TO GROWERS

None of the firms coming into this survey stocked or procured farm requisites for, or on behalf of, growers.

#### CREDIT SALES

The majority of wholesalers granted credit to clients. The period of credit varied from a week to a month, while some clients were permitted to run current accounts. In most instances credit was allowed on a monthly basis. Sixteen wholesalers in Johannesburg extended credit on a monthly basis; six wholesalers allowed clients to run current accounts; one wholesaler conducted his business on a cash basis. Five wholesalers in Cape Town extended credit on a monthly basis; one sold for cash only. All 12 wholesale businesses surveyed in Pretoria granted credit facilities to clients. Ten extended credit on a monthly, and two on a weekly basis. One

of the three wholesalers in Bloemfontein allowed credit on a weekly and two on a monthly basis.

Although the nominal period of credit varied from a week to a month full payment of accounts by debtors was rarely made on due date, but drawn out to 14 days, or more, for weekly accounts, and up to 60 days or more for monthly accounts.

Data on credit sales were obtained from 19 wholesalers in Johannesburg, five in Cape Town; six in Pretoria and two in Bloemfontein. The proportion of their credit sales to turnover is shown in Table 87.

TABLE 87 PROPORTION OF CREDIT SALES TO TURNOVER - 19 WHOLESALE FRESH FRUIT AND VEGETABLE FIRMS IN JOHANNESBURG, 5 IN CAPE TOWN, 6 IN PRETORIA AND 2 IN BLOEMFONTEIN, 1947/48.

City	Credit sales
	Percentage of monthly turnover
Johannesburg	55.6
Cape Town	67.7
Pretoria	54.6
Bloemfontein	32.4

The high proportion that credit sales were to turnover for wholesalers in Johannesburg and Pretoria is partly related to the relatively greater proportion of country orders executed by these firms compared with wholesalers in Cape Town and Bloemfontein. Wholesalers dislike the office work involved in sending produce on a cash on delivery basis to country clients and these are reluctant to pay the extra collecting charges levied on such deliveries. The extension of credit to such clients is more satisfactory to both parties under the circumstances, hence trade with country clients is almost exclusively conducted on a credit basis. Another factor affecting the volume of credit extended by wholesale produce firms in Johannesburg and Pretoria is their keen competition for clients whom they try to attract by offering credit facilities.

## CAPITAL EMPLOYED BY THE WHOLESALE FIRMS

### General

Capital employed by the firms to operate their business was determined on the following basis :

1. Value of the fixtures and fittings.
2. Value of the stock.
3. Value of the vehicles owned and operated by the firm for the conduct of their business.
4. Cash on hand and in the bank. Undistributed profits which appeared as cash in hand, or in the bank, were not included as capital employed by the firm. Where the cash in hand, or in the bank, appeared unduly large an adjustment based on the ratio of cash and credit sales to turnover, was made and the cash in hand, or in the bank, accordingly adjusted to an amount considered as actual cash employed in operating the business.
5. The amount by which "sundry debtors" exceeded sundry creditors was regarded as capital employed in the business. Where sundry creditors exceeded sundry debtors they were ignored for the purpose of establishing the capital employed by the firm.
6. Deposits with the market master, Customs and Railways, were regarded as capital employed by the firm.

The capital employed by the wholesale fruit and vegetable firms in Johannesburg ranged from £204 to £16,578, and averaged £6,000, while that of the fruit wholesalers ranged from £2,335 to £15,300 and averaged £9,964.

The capital employed by the fruit and vegetable wholesale firms surveyed in Cape Town ranged from £784 to £2,865 averaging £1,765. The lowest amount of capital employed by the firms surveyed in Pretoria was £100 and the highest £2,556 or an average of £912, while capital employed by the firms in Bloemfontein ranged from £486 to £1,010 an average of £748. In all instances a wide range of capital was employed by the firms concerned.

### ANALYSIS OF OPERATIONS

#### Fifteen Fruit and Vegetable Wholesalers in Johannesburg

##### General

The sales per firm ranged from £2,581 to £218,475, and averaged

£68,585. Approximately 91.8 per cent of this amount was paid for the fruit and vegetables handled, and about 8.2 per cent was left to pay operating expenses and remuneration of the principals ( Table 88),

TABLE 88 STATEMENT OF OPERATIONS : FIFTEEN FRUIT AND VEGETABLE WHOLESALE PRODUCE FIRMS IN JOHANNESBURG, 1947/48.

ITEM	TOTAL 15 FIRMS	PERCENTAGE OF SALES
	£	
Gross purchases .....	944,609.80	91.8
Operating expenses .....	50,776.17	4.9
Nett profit (1 .....	33,396.22	3.3
<hr/>		
Total sales	£1,028,782.19	100.0

1) Includes interest on capital employed and salaries to principals.

Operating expenses absorbed 4.9 per cent of the gross profit on sales, leaving 3.3 per cent for interest on capital employed and salaries to principals.

Gross value of the purchases for the firms represented the amount paid for the commodities purchased, but excluded such items as railage, cartage, boxes, crates, storage or wrapping materials, which were listed in the profit and loss accounts as operating expenses by those firms. These items mostly totalled small amounts, except for storage which, in the case of two firms handling considerable quantities of apples, amounted to 13.9 and 18.6 per cent respectively , of their gross profit.

Operating Expenses

The average total operating expenses of the 15 firms was £5,611.46 or £81.82 per £1,000 of sales ( Table 89):-

TABLE 89 OPERATING EXPENSES : FIFTEEN WHOLESALE FRUIT AND VEGETABLE FIRMS  
IN JOHANNESBURG, 1947/48.

Item	Average per firm	Percentage of opera- ting ex- penses	Cost per £1,000 of sales
	£	Percentage	£
Wages & salaries (Excluding owners)..	1,635.66	29.15	23.85
Rent .....	531.63	9.47	7.75
Transport & railage.	226.94	4.04	3.81
Storage .....	192.05	3.42	2.80
Stationery, printing, postage, telephone...	154.34	2.75	2.25
Depreciation ,,,....	134.52	2.40	1.96
Packing material ...	112.55	2.01	1.64
Miscellaneous expenses	82.94	1.48	1.21
Donations, bonusses, gifts .....	69.26	1.23	1.01
Bad debts .....	65.74	1.17	0.96
Bank charges and interest .....	55.56	0.99	0.81
Insurance .....	53.34	0.95	0.78
Accounting fees ....	27.49	0.49	0.40
Travelling expenses.	22.47	0.40	0.33
Licences .....	20.54	0.37	0.30
<b>Total</b> (1	<b>3,385.05</b>	<b>60.32</b>	<b>49.36</b>
Interest on capital	299.98	5.34	4.37
<b>Nett profit</b> (2	<b>1,926.43</b>	<b>34.34</b>	<b>28.09</b>
<b>Total operating expenses</b> .....	<b>£5,611.46</b>	<b>100.0</b>	<b>81.82</b>

1) Calculated at the rate of 5 per cent on capital employed.

2) Includes salaries to principals.

salaries of

The nett profit, inclusive of/principals, was the largest single item of the operating expenses of the 15 firms analysed, It was not possible to establish an average salary for principals, as they contented themselves with a monthly withdrawal from the business and divided profits at the end of the book year. The salaries of the principals were directly related to the profitability of the year's trading.

The average nett profit and amount left for salaries to principals amounted to £1,926.43 and represented 34.34 per cent of expenses. Wages and salaries to employees represented 29.15 per cent of the operating expenses. These two major expense items accounted for about 63.5 per cent of the total expenses of the firms investigated.

Other important items of expenditure were rent, transport and railage, storage, stationery, printing, postage and telephones, depreciation, and packing material. Rent absorbed about 9.5 per cent of the total expenses; railage and transport, about 4 per cent; storage, 3.4 per cent; stationery, printing, postage and telephones about 2.8 per cent; depreciation, 2.4 per cent and packing material, about 2.0 per cent. The principal eight items of expense enumerated accounted for about 87.6 per cent of total expenses.

#### Variations in Operating Expenses

The operating expenses of the 15 firms varied widely and irregularly ( Table 90). One firm operated at a loss, six below, and eight above <sup>the average</sup> operating expenses for all firms. The lowest operating expenses, excluding the firm which operated,

at a loss, was £36.08 and the highest £256.3 per £1,000 of turnover.

The three firms with the highest operating costs were organised on an individual ownership basis and had the lowest turnover of all the firms studied. That with the highest operating expense had the lowest turnover. The firm with the highest turnover had a total operating expense of £36.08 per £1,000 of turnover compared with the average of £81.82 for the 15 firms and was organised on a partnership basis.

Little relationship was found in relating operating expenses to turnover. This would seem to indicate that, despite differences in methods of conducting the business and of handling the products, there were wide variations in the efficiency of employment of the various cost items. Salaries and wages varied from £9.69 to £63.08 per £1,000 of turnover. It seems doubtful whether these firms used their labour with equal efficiency. Rentals varied from £2.29 to £58.11 per £1,000 turnover.

This would seem to indicate that some firms rented premises at a cost not justified by the volume of business conducted. Transport and railage varied from £0.38 to £6.61 per £1,000 of turnover, and similar wide variations occurred for the other important cost items.

TABLE 90 VARIATION IN OPERATING EXPENSES PER £1,000 OF SALES: 15 FRUIT AND VEGETABLE WHOLESALE FIRMS IN JOHANNESBURG, 1947/48.

Item	Average 15 firms	Firm number														
		J12	J24	J14	J3	J1	J11	J2	J8	J23	J20	J5	J6	J18	J13	J22
Expenses per £1,000 of sales in £'s																
Wages and salaries (excluding owner's).....	23.85	27.79	9.69	23.51	22.77	24.18	36.28	25.63	26.21	30.78	28.56	18.50	43.23	34.86	63.08	44.74
Rent .....	7.75	14.38	2.29	5.39	17.28	5.9	7.19	3.39	9.52	8.4	15.91	5.12	19.83	30.53	19.59	58.11
Transport and railage .....	3.31	5.65	0.38	3.47	2.25	4.72	6.94	3.19	5.97	5.37	4.97	-	3.71	-	-	6.61
Storage .....	2.8	-	-	1.53	-	14.75	-	0.35	0.46	8.78	17.50	-	-	-	-	-
Stationery, printing, postage, telephone .....	2.25	4.08	0.52	1.11	4.26	1.31	2.44	4.83	2.53	3.06	2.28	0.76	3.11	5.42	3.00	4.77
Depreciation .....	1.96	2.80	0.93	-	2.68	0.72	2.61	0.83	6.43	-	2.14	-	12.15	-	-	-
Packing material .....	1.64	-	0.16	1.20	-	-	3.37	1.13	5.09	9.19	1.49	-	0.28	5.97	-	9.30
Miscellaneous expenses .....	1.21	2.64	-	1.94	0.36	1.37	1.54	4.11	0.33	0.28	1.16	-	1.42	8.01	1.78	3.52
Donations, bonuses, gifts ...	1.01	-	2.0	-	-	-	0.57	0.62	-	-	1.38	-	6.05	2.92	16.36	-
Bad debts .....	0.96	-	-	-	-	0.46	-	1.65	-	-	-	-	-	-	55.77	-
Bank charges and interest ...	0.81	0.76	0.20	1.11	0.85	2.62	0.34	1.08	1.48	0.50	0.76	-	0.42	1.54	-	-
Insurance .....	0.78	1.48	0.28	0.66	0.31	0.56	0.66	1.56	1.21	0.63	1.04	0.33	2.51	1.11	-	-
Accounting fees .....	0.40	-	-	-	-	1.51	0.87	0.07	-	-	1.80	0.51	-	4.21	-	-
Travelling expenses .....	0.33	-	-	0.25	-	-	-	1.03	-	-	-	1.78	-	-	2.60	-
Licenses .....	0.30	-	0.06	0.11	0.41	0.40	0.34	-	0.69	0.69	0.43	0.18	1.30	0.94	0.30	1.55
Total .....	49.36	59.58	16.51	40.28	51.17	58.50	63.15	49.47	59.82	67.68	79.42	27.18	94.01	95.51	162.48	128.60
Interest on capital .....	4.37	5.40	3.79	1.49	3.08	6.56	4.21	4.11	2.33	5.32	3.34	4.10	18.42	2.71	1.07	3.95
Nett profit (1) .....	28.09	-	15.78	31.42	21.30	13.92	12.53	28.23	22.23	51.29	42.40	95.80	39.38	81.44	76.53	120.75
Nett loss .....	-	33.13	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total operating expenses .....	81.82	31.95	36.08	73.19	75.55	78.98	79.89	81.91	84.48	124.29	125.16	127.08	151.81	179.66	240.08	253.30

(1) Includes salaries to principals



Variation in Operating Expenses as a Percentage of Gross Profit

There were also wide variations in operating expenses expressed as a percentage of gross profit ( Table 91); wages and salaries paid to employees and nett profit averaged 65.5 per cent of the gross profit for the 15 firms. Wages and salaries varied from 14.6 to 105.1 per cent, while nett profit varied from 15.7 to 75.4 per cent of the gross profit. Similar wide variations in the percentage of the gross profit represented by the itemised expenses existed for all the other important items of cost.

Three Fruit Wholesalers in Johannesburg

General

The sales of each firm during the period under review ranged from £48,200 to £95,600, averaging £76,580 per firm. Approximately 90.4 per cent of this amount was paid for the fruit handled, leaving about 9.6 per cent to cover operating expenses and salaries to principals.

Table 92 :-

TABLE 92 STATEMENT OF OPERATIONS ; THREE FRUIT WHOLESALERS IN JOHANNESBURG  
1947/48.

Item	Total £	Percentage of sales
Gross purchases .....	207,760.60	90.4
Operating expenses..... (1)	13,941.85	6.1
Nett profit .....	8,037.34	3.5
<b>Total</b>	<b>£229,739.79</b>	<b>100.0</b>

1) Includes salaries to principals and interest on capital.

Operating expenses represented 6.1 per cent , and nett profit 3.5 per cent of sales. This was higher than those on handling both fruit and vegetables. ( Table 88), but the cost of fruit, as a percentage of sales, was lower.

EXPRESSED

TABLE 9L VARIATIONS IN OPERATING EXPENSES EXPERIENCED AS A PERCENTAGE OF GROSS PROFIT: 15 WHOLESALE FRUIT AND VEGETABLE FIRMS IN JOHANNESBURG, 1947/48.

Item	Average 15 firms	Firm number														
		J5	J24	J22	J18	J23	J14	J2	J6	J20	J3	J13	J8	J1	J11	J12
Percentage of Gross Profit																
Wages and salaries (excluding owners).....	29.1	14.6	26.9	17.7	19.4	24.7	32.1	31.3	28.5	22.8	30.1	26.3	31.0	30.6	45.4	105.1
Rent .....	9.5	4.0	6.3	22.9	17.0	6.8	7.4	4.1	13.1	12.7	22.9	8.2	11.3	7.5	9.0	54.4
Transport and railage .....	4.0	-	1.0	2.6	-	4.3	4.7	3.9	2.4	4.0	3.0	-	7.1	6.0	6.7	21.4
Storage .....	3.4	-	-	-	-	7.1	2.1	0.4	-	14.0	-	-	0.8	18.7	-	-
Stationery, printing, postage, telephone.....	2.8	0.6	1.4	1.9	3.0	2.5	1.5	5.9	2.0	1.8	5.6	1.3	3.0	1.7	3.1	15.4
Depreciation .....	2.4	-	2.6	-	-	-	-	1.0	8.0	1.7	3.6	-	7.6	0.9	3.3	10.6
Packing material .....	2.0	-	0.5	3.7	3.9	7.4	1.7	1.4	0.2	1.2	-	-	6.0	-	4.2	-
Miscellaneous expenses .....	1.5	-	-	1.4	4.5	0.2	2.6	5.0	0.9	0.9	0.5	0.7	0.4	1.7	1.9	9.9
Donations, bonuses, gifts..	1.2	-	5.5	-	1.6	-	-	0.8	4.0	1.1	-	6.8	-	-	0.7	-
Bad debts .....	1.2	-	-	-	-	-	-	2.0	-	-	-	23.2	-	0.6	-	-
Bank charges and interest ..	1.0	-	0.6	-	0.9	0.4	1.5	1.3	0.3	0.6	1.1	-	1.8	3.3	0.4	2.9
Insurance .....	0.9	0.3	0.8	-	0.6	0.5	0.9	1.9	1.0	0.8	0.4	-	1.4	0.7	0.8	5.6
Accounting fees .....	0.5	0.4	-	-	2.4	-	-	0.1	-	1.4	-	-	-	1.9	1.1	-
Travelling expenses .....	0.4	1.4	-	-	-	-	0.3	1.3	-	-	-	1.1	-	-	-	-
Licenses .....	0.4	0.1	0.2	0.6	0.5	0.6	0.2	-	0.9	0.4	0.5	0.1	0.8	0.5	0.4	-
Total .....	60.3	21.4	45.8	50.8	53.2	54.5	55.0	60.4	61.9	63.4	67.7	67.7	70.9	74.1	79.0	225.3
Interest on capital .....	5.3	3.2	10.5	1.6	1.5	4.3	2.0	5.0	12.1	2.7	4.1	0.4	2.8	8.3	5.3	20.3
Nett profit (1).....	34.4	75.4	43.7	47.6	45.3	41.2	43.0	34.6	26.0	33.9	28.2	31.9	26.3	17.6	15.7	-
Nett loss .....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	145.6
	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

(1) Includes salaries to principals

The gross value of the fruit purchased did not include such items as storage, transport, railage and packing materials. These were listed by the firms in their profit and loss accounts and were regarded as operating expenses.

Operating Expenses

The average operating expenditure of the three firms was £7,326.39 or £95.66 per £1,000 of turnover ( Table 93). This was higher than for firms handling both fruit and vegetables. ( Table 89).

Nett profit ( inclusive of salaries to principals) was the major expense item, and averaged £2,180.89 per firm, or £28.47 per £1,000 of turnover. The average nett profit (inclusive of salaries to principals) was about £254 more for fruit wholesalers than for fruit and vegetable wholesalers. Expressed per £1,000 of sales, however, the nett profit was about the same.

TABLE 93 OPERATING EXPENSES : THREE WHOLESALE FRUIT FIRMS IN JOHANNESBURG 1947/48.

Item	Average per firm	Percentage of operating expenses	Cost per £1,000 of sales
	£		£
Wages and salaries (owners excluded) .....	1,936.85	26.4	25.29
Storage .....	1,279.71	17.5	16.71
Transport and railage ...	432.40	5.9	5.65
Rent .....	197.15	2.7	2.57
Bad debts .....	144.46	2.0	1.89
Bank charges and interest	111.28	1.5	1.45
Accounting fees .....	107.67	1.5	1.41
Depreciation .....	106.50	1.4	1.39
Stationery, printing, postage, telephone .....	100.72	1.4	1.32
Miscellaneous expenses ..	76.61	1.0	1.00
Insurance .....	52.59	0.7	0.68
Packing material .....	30.66	0.4	0.40
Donations, bonuses, gifts	27.81	0.4	0.36
Travelling expenses .....	22.75	0.3	0.30
Licenses .....	20.12	0.3	0.26
<b>Total</b>	<b>4,647.28</b>	<b>63.4</b>	<b>60.68</b>
(1)			
Interest on capital.....	498.22	6.8	6.51
Nett profit (2) .....	2,180.89	29.8	28.47
<b>Total operating expenses</b>	<b>£7,326.39</b>	<b>100.0</b>	<b>95.66</b>

1) Calculated at the rate of 5 per cent on capital employed.

2) Includes salaries to principals.

### Variations in Operating Expenses

Operating expenses of fruit wholesalers varied less widely than those of the fruit and vegetable firms. This interpretation may, however, be the result of the smallness of the sample.

Wages and salaries varied from £11.81 to £39.71, and nett profit (which included salaries to principals) from £18.27 to £43.16 per £1,000. (Table 94). The firm with the highest operating expenses had the lowest nett profit. This dealer handled a large volume of apples which was cold stored for part of the year. The cost involved in cold storing was the principal reason why his operating expenses greatly exceeded those of the other two firms.

Bad debts were an important cost item for one of the firms, amounting to £8.17 per £1,000 turnover. Other important items of expense were rent, transport, railage, stationery, postage, telephone, depreciation, bank charges and interest.

The operating expenses of two of the firms were below, and that of one, above the average for the three firms.

TABLE 94 VARIATIONS IN OPERATING EXPENSES PER £1,000 OF TURNOVER: THREE FRUIT WHOLESALERS IN JOHANNESBURG, 1947/48.

Item	Average 3 firms	Firm number		
		J15	J 16	J 21
	£	Expenses per £1,000 of turnover		
		£	£	£
Wages and salaries (excluding owners) .....	25.29	11.81	16.81	39.71
Storage .....	16.71	-	-	40.15
Transport and railage ..	5.65	4.66	5.73	6.06
Rent .....	2.57	2.12	2.38	2.98
Bad debts .....	1.89	8.17	-	0.42
Bank charges and interest	1.45	1.26	0.65	2.27
Accounting fees .....	1.41	4.01	-	1.36
Depreciation .....	1.39	-	2.20	1.36
Stationery, printing, postage, telephone ....	1.32	1.00	1.63	1.19
Miscellaneous expenses..	1.00	-	0.02	2.39
Insurance .....	0.68	0.33	0.66	0.89
Packing material .....	0.40	1.91	-	-
Donations, bonuses, gifts	0.36	1.00	-	0.37
Travelling expenses ....	0.30	-	-	0.71
Licenses .....	0.26	0.51	-	0.37
<b>Total</b>	<b>60.68</b>	<b>36.78</b>	<b>30.08</b>	<b>100.23</b>
Interest on capital	6.51	2.43	8.88	6.43
<b>Nett profit (1)</b>	<b>28.47</b>	<b>43.16</b>	<b>31.60</b>	<b>18.27</b>
<b>Total operating expenses</b>	<b>95.66</b>	<b>82.37</b>	<b>70.56</b>	<b>124.93</b>

1) Includes salaries to owners.

Variation in Operating Expenses as a Percentage of Gross profit

Wages and salaries varied from 14.3 to 31.8 per cent and averaged 26.4 per cent of the gross profit. Nett profit varied more widely than wages and salaries, ranging from 14.7 to 52.5 per cent, averaging 29.8 per cent of the gross profit. These two items averaged 56.2 per cent of the gross profit of the firms ( Table 95).

Storage charges absorbed 17.5 per cent of the average gross profit of the firms; transport and railage, 5.9 per cent; rent, 2.7 per cent; bad debts, 2.0 per cent; bank charges and interest, 1.5 per cent; accounting fees, 1.5 per cent; depreciation, 1.4 per cent; and stationery, printing and postage 1.4 per cent. These items jointly accounted for 33.9 per cent of the gross profit, while interest on capital and other minor expenses represented 9.9 per cent of such profit.

TABLE 95 VARIATIONS IN OPERATING EXPENSES EXPRESSED AS A PERCENTAGE OF GROSS PROFIT: THREE FRUIT WHOLESALERS IN JOHANNESBURG, 1947/48.

Item	Average 3 firms	Firm number		
		J 15	J 16	J 21
Percentage of gross profit				
Wages & salaries (Owner's excluded ) .....	26.4	14.3	23.8	31.8
Storage .....	17.5	-	-	32.1
Transport and railage...	5.9	5.7	8.1	4.8
Rent .....	2.7	2.6	3.4	2.4
Bad debts .....	2.0	9.9	-	0.3
Bank charges and interest	1.5	1.5	0.9	1.8
Accounting fees .....	1.5	4.9	-	1.1
Depreciation .....	1.4	-	3.1	1.1
Stationery, printing, postage, telephone .....	1.4	1.2	2.3	1.0
Miscellaneous expenses .	1.0	-	0.1	1.9
Insurance .....	0.7	0.4	0.9	0.7
Packing material .....	0.4	2.3	-	-
Donations, bonuses, gifts	0.4	1.2	-	0.3
Travelling expenses ....	0.3	-	-	0.6
Licenses .....	0.3	0.6	-	0.3
<b>Total</b>	<b>63.4</b>	<b>44.6</b>	<b>42.6</b>	<b>80.2</b>
Interest on capital ....	6.8	2.9	12.6	5.1
Nett profit (1) .....	29.8	52.5	44.8	14.7
	100.0	100.0	100.0	100.0

1) Includes salaries to owners.

Four Fruit and Vegetable Wholesalers in Cape Town

General

The sales per firm varied from £10,714 to £71,487, averaging £40,942. About 87.1 per cent of this was paid for the fruit and vegetables handled, which left 12.9 per cent to pay for expenses and recompense to principals. ( Table 96).

TABLE 96 STATEMENT OF OPERATIONS: FOUR FRUIT AND VEGETABLE WHOLESALE FIRMS IN CAPE TOWN, 1947/48.

Item	Total 4 firms	Percentage of sales
	£	Percent
Purchases .....	142,684.69	87.1
Operating expenses .....	17,419.07	10.7
(1)		
Nett profit .....	3,662.98	2.2
<b>Total</b>	<b>£163,766.74</b>	<b>100.0</b>

1) Includes salaries to owners and interest on capital.

Operating expenses accounted for 10.7 per cent of the gross margin on sales, which left 2.2 per cent for payment of salaries to principals, interest on capital and nett profit. The gross purchases refer only to the amount paid for the produce and do not contain any item of expense connected with the buying of the produce.

Operating Expenses

The average operating expenses of the four firms were £5,270.51, or £128.73 per £1,000 turnover ( Table 97).

**TABLE 97 OPERATING EXPENSES : FOUR WHOLESALE FRUIT AND VEGETABLE FIRMS  
IN CAPE TOWN, 1947/48.**

Item	Average per firm	Percentage of opera- ting ex- penses	Cost per £1,000 of sales
	£	Percentage	£
Wages and salaries (excluding owners) ...	2633.56	49.97	64.32
Transport and railage.	473.84	8.99	11.57
Rent .....	277.52	5.27	6.78
Depreciation .....	249.05	4.73	6.08
Miscellaneous expenses	246.75	4.68	6.03
Packing material .....	160.46	3.04	3.92
Stationery, printing, postage, telephone ....	96.92	1.84	2.37
Insurance .....	87.70	1.66	2.14
Licenses .....	36.87	0.70	0.90
Accounting fees .....	36.35	0.69	0.89
Bank charges and interest	33.94	0.64	0.83
Bad debts .....	16.74	0.32	0.41
Donations, bonusses, gifts	5.06	0.10	0.12
<b>Total</b> (1)	<b>4354.76</b>	<b>82.63</b>	<b>106.36</b>
Interest on capital	88.24	1.67	2.16
<b>Nett profit</b> (2)	<b>827.51</b>	<b>15.70</b>	<b>20.21</b>
<b>Total operating expenses</b>	<b>5,270.51</b>	<b>100.0</b>	<b>128.73</b>

1) Calculated at the rate of 5 per cent on capital employed.

2) Includes salaries to owners.

Of the various items of expenditure, wages, salaries and nett profit ( including salaries to principals) were the most important. These represented 49.97 and 15.7 per cent, respectively, or jointly 65.67 per cent of the expenses. The most important minor expense items and the proportion they bore to total expenses were : Transport and railage, 8.99 per cent; rent, 5.27 per cent; depreciation, 4.73 per cent; miscellaneous expenses, 4.68 per cent; and packing material, 3.04 per cent.

Variation in Operating Expenses

The operating expenses per £1,000 of turnover for each of the firms are shown in Table 98.

TABLE 98 VARIATION IN OPERATING EXPENSES PER £1,000 OF TURNOVER: FOUR WHOLESALE FRUIT AND VEGETABLE FIRMS IN CAPE TOWN, 1947/48.

Item	Average	Firm number			
	4 firms	0 4	02	0 1	0 5
Operating expenses per £1,000 turnover					
	£	£	£	£	£
Wages, salaries (excluding salaries to owners) .....	64.32	50.36	77.19	69.00	23.33
Transport and railage ...	11.57	23.17	7.90	2.83	14.81
Rent .....	6.78	6.48	6.71	7.37	6.54
Depreciation .....	6.08	13.62	4.92	-	1.33
Miscellaneous expenses ..	6.03	0.53	11.82	1.76	5.15
Packing material .....	3.92	-	-	18.18	-
Stationery, postage, printing, telephone .....	2.37	2.63	2.59	0.53	5.64
Insurance .....	2.14	3.74	1.65	1.31	1.26
Licenses .....	0.90	0.52	1.54	0.11	0.89
Accounting fees .....	0.89	0.68	0.74	-	5.68
Bank charges and interest	0.83	1.54	0.49	0.36	1.60
Bad debts .....	0.41	0.93	0.34	-	-
Donations, bonuses and gifts .....	0.12	-	-	0.57	-
<b>Total</b>	<b>106.36</b>	<b>104.20</b>	<b>115.89</b>	<b>102.07</b>	<b>66.23</b>
Interest on capital	2.16	2.68	2.00	1.11	4.34
Nett profit	20.21	-	8.25	75.13	114.95
Nett loss	-	25.16	-	-	-
<b>Total operating expenses</b>	<b>128.73</b>	<b>81.72</b>	<b>126.14</b>	<b>178.31</b>	<b>185.52</b>

The operating expenses of the firms varied from £81.72 to £185.52, averaging £128.73 per £1,000 turnover. The firm with the lowest expenses suffered a loss of £25.16 per £1,000 of turnover. Salaries and wages varied from £23.33 to £77.19; transport and railage, from £2.83 to £23.17; miscellaneous expenses, from £0.53 to £11.82. Similar wide variations seem to indicate that the various items of cost were not employed with equal efficiency by the firms concerned. Nett profit (including salaries to principals) varied most, namely £8.25 to £114.95. This is attributable to the fact that firm numbers 04 and 02 were principally wholesalers, while firms 01 and 05 sold a very large proportion of the produce handled at retail.

Variation in Operating Expenses as a Percentage of Gross Profit

The percentage of gross profit constituted by wages and salaries (excluding owners') varied from 12.58 to 61.63 per cent. Nett profit



(including owner's salaries) showed a similar wide variation, namely from 6.54 to 61.96 per cent of the gross profit ( Table 99).

TABLE 99 VARIATION IN OPERATING EXPENSES EXPRESSED AS A PERCENTAGE OF GROSS PROFIT : FOUR WHOLESALE FRUIT AND VEGETABLE FIRMS IN CAPE TOWN, 1947/48.

Item	Average 4 firms	Firm number			
		C 4	C 2	C 1	C 5
Percentage of gross profit					
Wages and salaries (excluding owners')	49.97	61.63	61.19	38.70	12.58
Transport and railage	8.99	28.35	6.26	1.59	7.98
Rent .....	5.27	7.94	5.32	4.13	3.53
Depreciation .....	4.73	16.66	3.90	-	0.72
Miscellaneous expense	4.68	0.65	9.37	0.99	2.77
Packing material .....	3.04	-	-	10.19	-
Stationery, postage, printing, telephone...	1.84	3.22	2.05	0.33	3.04
Insurance .....	1.66	4.58	1.31	0.73	0.68
Licenses .....	0.70	0.63	1.22	0.06	0.48
Accounting fees .....	0.69	0.84	0.59	-	3.06
Bank charges & interest	0.64	1.88	0.39	0.20	0.86
Bad debts .....	0.32	1.14	0.27	-	-
Donations, bonusses, gifts	0.10	-	-	0.32	-
<b>Total</b>	<b>82.63</b>	<b>127.51</b>	<b>91.87</b>	<b>57.24</b>	<b>35.70</b>
Interest on capital	1.67	3.28	1.59	0.62	2.34
Nett profit	15.70	-	6.54	42.14	61.96
Nett loss	-	30.79	-	-	-
<b>Total operating expenses</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

Firm number C4 had three motor vehicles which, while delivering orders, also hawked produce among the firm's clients. This operation did not meet with success as the income from the increased volume of sales resultant from hawking did not offset the high transport and depreciation costs sustained on the vehicles. These costs were responsible for the losses incurred by the particular firm.

The percentage of gross profit constituted by nett profit was lowest for the firm with the largest turnover, and greatest for the firm with the lowest turnover. The firm which retained the greater proportion of its gross profit as nett profit spent the lowest amount on salaries and wages, while the firm which showed the lowest percentage of nett profit on gross profit spent the greater amount on wages and salaries.

Seven Fruit and Vegetable Wholesalers in Pretoria
General

The sales per firm varied from £9,000 to £53,400 averaging £20,580 per firm. ( Table 100). About 91.8 per cent of this was paid for the produce handled, leaving 8.2 per cent to pay for operating expenses and remuneration to principals.

TABLE 100 STATEMENT OF OPERATIONS OF SEVEN FRUIT AND VEGETABLE WHOLESALE FIRMS IN PRETORIA, 1947/48.

Item	Total 7 firms	Percentage of sales
	£	Percentage
Purchases .....	132,247.38	91.8
Operating expenses .....	7,335.26	5.1
(1)		
Nett profit .....	4,492.98	3.1
Total	£ 144,075.62	100.0

1) Includes salaries to owner's and interest on capital.

Operating expenses amounted to 5.1 per cent of the gross profit on sales, leaving 3.1 per cent to pay for salaries to principals, interest on capital, and nett profit. The purchases represent the nett amount paid for the produce handled and exclude any item of expense connected with its purchase.

Operating Expenses

The average operating expense of the firms was £1,689.74, or £82.10 per £1,000 of turnover ( Table 101 ) :-

TABLE 101 OPERATING EXPENSES : SEVEN WHOLESALE FRUIT AND VEGETABLE FIRMS IN PRETORIA, 1947/48.

Item	Average 7 firms	Percentage of opera- ting expen- ses	Cost per £1,000 of sales
	£	Percentage	£
Wages and salaries (owner# excluded) .....	631.55	37.38	30.68
Rent .....	141.00	8.34	6.85
Transport & railage .....	125.31	7.41	6.09
Stationery, printing, postage, telephone .....	49.26	2.91	2.39
Miscellaneous expenses ...	34.05	2.01	1.66
Depreciation .....	22.28	1.32	1.08
Bank charges and interest.	11.81	0.70	0.57
Licenses .....	9.55	0.56	0.46
Travelling expenses .....	8.57	0.51	0.42
Insurance .....	5.52	0.33	0.27
Packing material .....	4.35	0.26	0.21
Accounting fees .....	3.84	0.23	0.19
Donations, bonusses, gifts.	0.80	0.05	0.04
<b>TOTAL</b>	<b>1047.89</b>	<b>62.01</b>	<b>50.91</b>
Interest on capital (1)	455.59	2.70	2.21
Nett profit (2)	596.26	35.29	28.98
<b>Total operating expenses</b>	<b>1689.74</b>	<b>100.0</b>	<b>82.10</b>

- 1) Calculated at the rate of 5 per cent on capital employed.
- 2) Includes salaries to owners.

Wages, salaries and nett profit were the largest items of cost charges. These respectively represented 37.38 and 35.29 per cent of the gross profit. The principal minor items of expense were rent, transport, railage, stationery, printing, postage and telephone.

Variation in Operating Expenses

Operating expenses for each of the firms studied are shown in Table 102 :-

TABLE 102 VARIATION IN OPERATING EXPENSES PER £1,000 OF TURNOVER, SEVEN WHOLESALE FRUIT AND VEGETABLE FIRMS IN PRETORIA, 1947/48.

Item	Average 7 firms	Firm number						
		P5	P7	P1	P6	P8	P10	P9
Operating expenses per £1,000 turnover								
	£	£	£	£	£	£	£	£
Wages & salaries (principals ex- cluded) .....	30.68	25.81	25.35	28.76	14.46	41.66	47.60	45.24
Rent .....	6.85	6.07	10.89	4.27	6.77	14.67	6.26	7.55
Transport and railage .....	6.09	4.85	-	12.21	5.84	-	5.90	8.18
Stationery, printing, postage & telephone	2.39	1.62	-	2.70	2.98	1.66	1.96	6.63
Miscellaneous ex- penses .....	1.66	-	-	4.30	-	1.39	0.42	7.69
Depreciation .....	1.08	-	-	-	5.73	-	3.85	-
Bank charges and interest .....	0.57	0.96	-	-	-	-	1.24	0.74
Licenses .....	0.46	0.40	-	-	1.71	-	0.24	1.00
Travelling ex- penses .....	0.42	-	-	-	-	6.67	-	-
Insurance .....	0.27	0.23	-	-	1.19	-	0.45	-
Packing material..	0.21	0.47	-	-	-	-	0.30	-
Accounting fees...	0.19	-	-	-	0.39	-	1.23	-
Donations, bonuses gifts .....	0.04	0.10	-	-	-	-	-	-
<b>Total .....</b>	<b>50.91</b>	<b>40.51</b>	<b>36.24</b>	<b>52.24</b>	<b>39.07</b>	<b>69.05</b>	<b>69.45</b>	<b>77.03</b>
Interest on capital .....	2.21	2.39	1.12	2.73	2.05	0.56	2.06	2.75
Nett profit .....	28.98	14.16	31.69	26.77	47.82	29.83	41.04	50.70
<b>TOTAL</b>	<b>82.10</b>	<b>57.06</b>	<b>69.05</b>	<b>81.74</b>	<b>88.94</b>	<b>99.44</b>	<b>112.55</b>	<b>130.48</b>

Wages, salaries and nett profit (including salaries to owners) were the main items which caused the wide variations in operating expenses. As items of cost, wages and salaries varied from £14.46 to £47.60, and nett profit from £14.16 to £50.70. Among the items of minor expense, depreciation, bank charges and interest, licenses, travelling expenses, insurance, packing material, accounting fees, donations and gifts were individually of little account.

Wages and salaries, nett profit, rent, railage and transport were the four chief items of expense involved in operating the firms. The total operating expenses of three of the firms were below, and four were above the average for the seven firms.

Variation in Operating Expenses as a Percentage  
of Gross Profit

The percentage that wages and salaries constituted of gross profit varied widely ( Table 103). It ranged from 16.25 to 45.23 per cent, averaging 37.38 per cent of the gross profit for the seven firms.

TABLE 103 VARIATION IN OPERATING EXPENSES AS A PERCENTAGE OF GROSS PROFIT: SEVEN WHOLESALE FRUIT AND VEGETABLE FIRMS IN PRETORIA, 1947/48.

Item	Average 7 firms	Firm number						
		P5	P7	P1	P6	P8	P10	P9
Percentage of gross profit								
Wages and salaries (excluding owners)	37.38	45.23	36.71	35.19	16.25	44.92	42.29	34.67
Rent .....	8.34	10.63	15.77	5.22	7.62	14.75	5.57	6.79
Transport and railage .....	7.41	8.50	-	14.94	6.57	-	5.24	6.27
Stationery, printing postage, telephone	2.91	2.84	-	3.30	3.35	1.67	1.74	5.08
Miscellaneous expenses .....	2.01	-	-	5.26	-	1.40	0.38	5.89
Depreciation ....	1.32	-	-	-	6.44	-	3.42	-
Bank charges and interest .....	0.70	1.69	-	-	-	-	1.10	0.57
Licenses .....	0.56	0.70	-	-	1.92	-	0.21	0.77
Travelling expenses .....	0.51	-	-	-	-	6.70	-	-
Insurance .....	0.33	0.40	-	-	1.34	-	0.40	-
Packing material.	0.26	0.83	-	-	-	-	0.27	-
Accounting fees..	0.23	-	-	-	0.44	-	1.09	-
Donations, bonusses, gifts .....	0.05	0.18	-	-	-	-	-	-
<b>TOTAL</b>	<b>62.01</b>	<b>71.00</b>	<b>52.48</b>	<b>63.91</b>	<b>43.93</b>	<b>69.44</b>	<b>61.71</b>	<b>59.04</b>
Interest on capital ...	2.70	4.20	1.62	3.35	2.30	0.56	1.83	2.11
<b>Nett profit</b>	<b>35.29</b>	<b>24.80</b>	<b>45.90</b>	<b>32.74</b>	<b>53.77</b>	<b>50.00</b>	<b>36.46</b>	<b>38.85</b>
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Nett profit showed a similar wide variation, varying from 24.80 to 53.77 per cent, averaging 35.29 per cent of the gross profit for the seven firms. Jointly these items absorbed the greater proportion of the gross profit. Rent varied from 5.22 to 15.77 per cent and railage and transport from 5.24 to 14.94 per cent of the gross profit. Other items of expense, to a lesser degree, varied similarly.

Two Fruit and Vegetable Wholesale Firms in  
Bloemfontein

General

The turnover of the two firms was about £14,800 and £11,500, respectively, and averaged about £13,200. About 79.5 per cent of this was paid for the produce handled, leaving 20.5 per cent to pay for operating expenses and remuneration to owners ( Table 104).

TABLE 104 STATEMENT OF OPERATIONS : TWO WHOLESALE FRESH FRUIT AND VEGETABLE FIRMS IN BLOEMFONTEIN, 1947/48.

Item	Total 2 firms	Percentage of sales
	£	Percentage
Purchases .....	20,947.47	79.5
Operating expenses .....	1,691.15	6.4
(1)		
Nett profit .....	3,697.84	14.1
<b>TOTAL</b>	<b>26,336.46</b>	<b>100.0</b>

1) Includes salaries to owners and interest on capital.

Operating expenses amounted to 6.4 per cent of sales, leaving 14.1 per cent of the gross margin for salaries to owners, interest on capital and nett profit.

Purchases represent the amount paid for the produce handled, excluding any costs connected with such buying.

Operating Expenses

The average operating expenses of the two firms were £2,694.49, or £204.62 per £1,000 of turnover (Table 105):-

TABLE 105 OPERATING EXPENSES : TWO WHOLESALE FRESH FRUIT AND VEGETABLE FIRMS IN BLOEMFONTEIN, 1947/48.

Item	Average per firm	Percentage of operating expenses	Cost per £1,000 sales
	£	Percentage	£
Wages & salaries (excluding owners)	483.86	17.96	36.74
Rent .....	156.00	5.79	11.85
Stationery, printing, postage, telephone..	75.59	2.80	5.74
Miscellaneous ex- penses .....	40.42	1.50	3.07
Transport and railage .....	37.88	1.41	2.88
Depreciation .....	28.26	1.05	2.14
Bank charges and interest .....	12.38	0.46	0.94
Insurance .....	8.68	0.32	0.66
Licenses .....	2.50	0.09	0.19
<b>TOTAL</b>	<b>845.57</b>	<b>31.38</b>	<b>64.21</b>
Interest on capital (1,.....)	37.41	1.39	2.84
Nett profit (2.	1,811.51	67.23	137.57
<b>Total operating expenses</b>	<b>£2,694.49</b>	<b>100.0</b>	<b>204.62</b>

- 1) Calculated at the rate of 5 per cent on capital employed.
- 2) Includes salaries to owners.

The major operating expense for wholesalers in Bloemfontein was nett profit. This item absorbed about 67 per cent of the gross profit; wages and salaries accounted for about 18 per cent; rent for about six per cent; and stationery, printing, postage and telephone for about three per cent of the gross profit. Together, the four principal cost items represented 93.8 per cent of expenses.

#### Variation in Operating Expenses

Operating expenses per £1,000 of turnover for each of the firms are shown in Table 106:-

TABLE 106 VARIATION IN OPERATING EXPENSES PER £1,000 TURNOVER: TWO WHOLESALE FRUIT AND VEGETABLE FIRMS IN BLOEMFONTEIN, 1947/48.

Item	Average 2 firms	Firm number	
		B3	B1
Operating expenses per £1,000 turnover *			
	£	£	£
Wages and salaries (excluding owners) .....	36.74	27.82	43.71
Rent .....	11.85	7.27	15.42
Stationery, printing, postage, telephones....	5.74	5.58	5.86
Miscellaneous expenses	3.07	2.61	3.43
Transport and railage	2.88	6.24	0.25
Depreciation .....	2.14	3.54	1.06
Bank charges and interest	0.94	1.44	0.55
Insurance .....	0.66	0.56	0.73
Licenses .....	0.19	0.17	0.20
<b>TOTAL</b>	<b>64.21</b>	<b>55.23</b>	<b>71.21</b>
Interest on capital	2.84	2.10	3.42
Nett profit (1)	137.57	40.99	213.00
<b>TOTAL</b>	<b>204.62</b>	<b>98.32</b>	<b>287.63</b>

1) Includes salaries to owners.

Retailing accounted for about 60 per cent of the sales of Firm B1, while that of Firm B3 amounted to approximately 5 per cent of its turnover. The higher margins on retail sales accounted for nett profit being the main cause for the difference in operating expenses between the two firms.

Variation in Operating Expenses as a Percentage of the Gross Profit

The various items of expense, excluding nett profit, expressed as a percentage of the gross profit, was considerably lower for Firm B1 than B3 due to the greater profit margin of the former. Table 107-



**TABLE 107 VARIATION IN OPERATING EXPENSES EXPRESSED AS A PERCENTAGE OF GROSS PROFIT : TWO WHOLESALE FRUIT AND VEGETABLE FIRMS IN BLOEMFONTEIN, 1947/48.**

Item	Average	Firm number	
	2 firms	B3	B1
		Percentage	
Wages and salaries (excluding owners) .....	17.96	28.29	15.20
Rent .....	5.79	7.40	5.36
Stationery, printing, postage, telephone.....	2.80	5.68	2.04
Miscellaneous expenses..	1.50	2.66	1.19
Transport & railage.....	1.41	6.34	0.09
Depreciation .....	1.05	3.60	0.37
Bank charges & interest.	0.46	1.46	0.19
<b>Insurance</b> .....	<b>0.52</b>	0.57	0.25
Licenses .....	0.09	0.17	0.07
<b>Total</b>	<b>31.38</b>	<b>56.17</b>	<b>24.76</b>
Interest on capital	1.39	2.14	1.19
Nett profit (1)	67.23	41.69	74.05
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1) Includes salaries to owners.

Nearly three-fourths of the gross profit of Firm B1 was retained as remuneration to owners and nett profit as compared with about 42 per cent for Firm B3. Wages and salaries, expressed as a percentage of gross profit for B3, were nearly double those of Firm B1. Similar and even greater variations existed for the other items of expense.

COMPARISON OF THE WHOLESALERS  
SURVEYED AT THE TERMINAL MARKETS

Statement of Operations

In a comparative sense, (Table 108) shows the percentage constituted by average purchases, operating expenses and nett profit in terms of sales among wholesale fruit and vegetable firms surveyed at each terminal market :-

TABLE 108 COMPARISON BETWEEN PERCENTAGE CONSTITUTED BY AVERAGE PURCHASES, OPERATING EXPENSES AND NETT PROFIT IN TERMS OF SALES : 15 FRUIT AND VEGETABLE WHOLESALERS FIRMS IN JOHANNESBURG, FOUR IN CAPE TOWN, SEVEN IN PRETORIA, AND TWO IN BLOEMFONTEIN, 1947/48.

Wholesalers				
Item	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Percentage of sales			
Purchases	91.8	87.1	91.8	79.5
Operating expenses (1)	4.9	10.7	5.1	6.4
Nett profit	3.3	2.2	3.1	14.1
Total	100.0	100.0	100.0	100.0

1) Includes salaries to owners.

Expressed as a percentage of sales, purchases varied from 79.5 per cent for dealers in Bloemfontein to 91.8 per cent for those in Johannesburg and Pretoria. Operating expenses, expressed as a percentage of sales, were lowest for dealers in Johannesburg, and highest for those in Cape Town, while Bloemfontein dealers showed the greatest nett profit on sales. Johannesburg and Pretoria dealers varied little in so far as their financial operations were concerned, while Bloemfontein dealers varied markedly in all respects from firms at the other centres.

#### Operating Expenses

Average operating expenses per firm and per £1,000 of turnover for the firms surveyed at each terminal market are shown in Table 109:-

TABLE 109 AVERAGE OPERATING EXPENSES PER FIRM AND PER £1,000 TURNOVER: 15 WHOLESALERS FRUIT AND VEGETABLE FIRMS IN JOHANNESBURG, FOUR IN CAPE TOWN, SEVEN IN PRETORIA, TWO IN BLOEMFONTEIN, 1947/48.

Item	Johannesburg	Cape Town	Pretoria	Bloemfontein
	£	£	£	£
Average operating expenses per firm	5,611.46	5,270.51	1,689.74	2,694.49
Average operating expenses £1,000 turnover .....	81.82	128.73	82.10	204.62

Although there is a marked difference in the average operating expense per firm, operating expenses per £1,000 of turnover was about the same for firms in Johannesburg and Pretoria. The difference in operating expenses per firm is due to several factors. Johannesburg firms were largely partnerships ( Table 74), had larger annual turnovers ( Table 75), employed more staff ( Table 76), and averaged a slightly greater nett profit ( Table 88), individually than those in Pretoria, which were mostly individual proprietorships ( Table 74), had relatively smaller annual turnovers ( Table 75), employed less staff ( Table 76), and averaged a smaller nett profit ( Table 100).

While the average operating expenses per firm in Cape Town was about 6 per cent less than for firms in Johannesburg, the operating expenses per £1,000 turnover was about 57 per cent greater.

Firms in Cape Town employed more assistants ( Table 75) thereby expending more on wages and salaries than firms in Johannesburg. This greatly affected their operating expenses per £1,000 turnover, as their average sales was much lower than that of the Johannesburg firms. Wages and salaries were, therefore, mainly accountable for the difference in operating expenses per £1,000 turnover between dealers in the two cities.

On an average dealers in Elofffontein had the highest operating expenses per £1,000 of turnover, which amounted to £204.62. Of this amount £137.57 represented nett profit which was the principal reason why their operating expenses was highest.

#### Variation in Operating Expenses

The variation in the average operating expenses of the firms studied at each terminal market is shown in Table 110.

TABLE 110 VARIATION IN AVERAGE OPERATING EXPENSES PER £1,000 OF TURNOVER:  
 15 FRUIT AND VEGETABLE WHOLESALERS IN JOHANNESBURG, FOUR IN  
 CAPE TOWN, SEVEN IN PRETORIA, TWO IN BLOEMFONTEIN, 1947/48.

Item	Johannesburg	Cape Town	Pretoria	Bloemfontein
	£	£	£	£
Wages and salaries (excluding owners) .....	23.85	64.32	30.68	36.74
Rent .....	7.75	6.78	6.85	11.85
Transport and railage...	3.31	11.57	6.09	2.88
Storage .....	2.80	-	-	-
Stationery, printing, postage, telephone .....	2.25	2.37	2.39	5.74
Depreciation .....	1.96	6.08	1.08	2.14
Packing material .....	1.64	3.92	0.21	-
Miscellaneous expenses .	1.21	6.03	1.66	3.07
Donations, bonuses, gifts	1.01	0.12	0.04	-
Bad debts .....	0.96	0.41	-	-
Bank charges and interest	0.81	0.83	0.57	0.94
Insurance .....	0.78	2.14	0.27	0.66
Accounting fees .....	0.40	0.89	0.19	-
Travelling expenses ....	0.33	-	0.42	-
Licenses .....	0.30	0.90	0.46	0.19
<b>Total</b>	<b>49.36</b>	<b>106.36</b>	<b>50.91</b>	<b>64.21</b>
Interest on capital	4.37	2.16	2.21	2.84
Nett profit (1)	28.09	20.21	28.98	137.57
<b>Total operating expenses</b>	<b>81.82</b>	<b>128.73</b>	<b>82.10</b>	<b>204.62</b>

1) Includes salaries to owners.

Wages and salaries were the most important expense item for all firms surveyed. Other important items of cost, common to the firms, were rent, transport and railage, stationery, printing, postage, telephone, depreciation and miscellaneous expenses. Storage, bad debts, donations, gifts, insurances, accounting fees, travelling expenses and licenses were minor items of expense. All these items varied irregularly among the firms. Interest on capital, although shown as a cost item was not regarded as such by the firms. Nett profit was about the same for firms in Johannesburg and Pretoria, less for dealers in Cape Town, but nearly five times more for firms in Bloemfontein than for those in Johannesburg and Pretoria, and nearly seven times more than for those in Cape Town.

#### RELATIONSHIPS FOR 28 WHOLESALERS

##### Sales and gross margin

For 28 wholesalers surveyed (15 in Johannesburg, 4 in Cape Town,

7 in Pretoria and 2 in Bloemfontein) the gross margin (difference between sales and cost of sales ) decreased as the average sales increased.

Table 111 :-

TABLE 111 RELATION BETWEEN VOLUME OF SALES AND GROSS MARGIN, 28 WHOLESALE FRESH FRUIT AND VEGETABLE FIRMS, JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Sales per firm	Number of firms	Average sales per firm	Average gross margin per firm	Gross margin	
				Per £1,000 of sales	As a per cent of sales
		£	£	£	Percentage
£20,000 and less	11	11,548	1,774	153.6	15.4
£20,001 - £50,000	6	36,803	4,175	113.4	11.3
£50,001 - £100,000	8	72,284	6,484	89.7	8.9
More than £100,000	3	145,615	8,679	59.6	5.9
Total or average	28	48,677	4,374	89.9	9.0

The average gross margin increased from £1,774 per firm for the group with the lowest average sales to £8,679, or nearly five times as much per firm, for the group with the highest average sales.

The average gross margin per £1,000 of sales was £115.6 for firms with annual sales of less than £20,000, as against £59.6 per £1,000 of sales for firms with annual sales in excess of £100,000. The firms with the lowest sales, therefore, operated on a gross margin nearly two and one-half times greater than firms with the largest turnover. If gross margins were used as a measure of efficiency, the large firms operated more efficiently.

#### Sales and nett profit

An increase in average sales per firm was accompanied by an increase in the average nett profit per firm, Table 112. Except for a slight deviation in the case of the third group, nett profit expressed as a percentage of sales declined from 7.7 per cent for the group of firms with average sales of less than £20,000 to 2.4 per cent in the case of the group of firms with average sales of more than £100,000 .

(1)  
 TABLE 112 RELATION BETWEEN SALES AND NETT PROFIT , 28 WHOLESALE FRESH  
 FRUIT AND VEGETABLE FIRMS, JOHANNESBURG, CAPE TOWN, PRETORIA  
 AND BLOEMFONTEIN, 1947/48.

Sales per firm	Number of firms	Average sales per firm	Average nett profit per firm	Nett profit	
				Per £1,000 of sales	As a per cent of sales
		£	£	£	Percentage
£20,000 and less	11	11,548	891	77.1	7.7
£20,001 - £50,000	6	36,803	1,013	27.5	2.8
£50,001 - £100,000	8	72,284	2,136	29.5	3.0
More than £100,000	3	145,615	3,515	24.1	2.4
<b>Total or average</b>	<b>28</b>	<b>48,677</b>	<b>1,554</b>	<b>31.9</b>	<b>3.2</b>

1) Includes salaries to owners.

The average nett profit as a percentage of sales was, therefore, than more/three times as great for firms with the lowest average sales than for firms with the highest average sales. If, as in the case of gross margins, nett profit can be taken, as a measure of efficiency, the largest firms operated more efficiently.

#### Sales related to Wages and Salaries

Salaries and wages, (excluding salaries to owners) showed little relation to sales, Table 113. As a percentage of sales, salaries and wages were highest for firms with average sales between £20,001 to £50,000 (second group) and lowest for firms with average sales of more than £100,000.

TABLE 113 RELATION BETWEEN SALES AND SALARIES AND WAGES, 28 WHOLESALE FRESH FRUIT AND VEGETABLE FIRMS, JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Sales per firm	Number of firms	Average sales per firm	Average wages & salaries per firm	Wages and salaries	
				Per £1,000 of sales	As a per cent of sales
		£	£	£	Percentage
£20,000 and less	11	11,548	436	37.7	3.8
£20,001 - £50,000	6	36,803	1,491	40.5	4.1
£50,001 - £100,000	8	72,284	2,368	32.8	3.3
More than £100,000	3	145,615	2,592	17.8	1.8
<b>Total or average</b>	<b>28</b>	<b>48,677</b>	<b>1,445</b>	<b>29.7</b>	<b>2.9</b>

The irregular relationship between sales, and salaries and wages may be accounted for by such factors as size of business, form of organisation of the firms ( e.g. partnerships or individual proprietorship), variation in the efficiency of labour employed and variation in the level of wages and salaries paid to employees at the different centres.

#### SUMMARY

1. Twenty three wholesale firms in Johannesburg, six in Cape Town, fourteen in Pretoria and three in Bloemfontein, handled fresh fruit and vegetables.
2. The majority of wholesalers did not find it expedient to specialise in any particular group of commodities.
3. Wholesalers retailed a large proportion of the produce handled.
4. The average period over which the firms were in business were 17.4 years for those in Johannesburg; 17 years for those in Cape Town; 9.7 years for those in Pretoria; 21.7<sup>years</sup> for those in Bloemfontein.
5. The majority of firms in Johannesburg, Cape Town and Bloemfontein were organised as partnerships. Those in Pretoria were largely individual concerns.

6. Turnover varied from less than £3,000 to £220,000 for firms in Johannesburg, £3,000 to £75,000 for those in Cape Town and Pretoria; and £3,000 to £15,000 for those in Bloemfontein.
7. Including principals, partnership firms in Johannesburg and Cape Town on the average employed 14 persons; those in Pretoria 10; those in Bloemfontein 6. Individual proprietorship firms in Johannesburg and Bloemfontein on the average employed 4 persons, including principals. Those in Pretoria employed 7.
8. The principal source of purchase of both fruit and vegetables for firms in Johannesburg, Pretoria and Bloemfontein was the auction market, while firms in Cape Town obtained the greater proportion of their fruit from out-of-hand sales by agents on the market, and their vegetables at the auction market.
9. The most important outlet for fruit was retail stores, while that for vegetables in Johannesburg, Cape Town and Bloemfontein was retail stores, and consumers in Pretoria.
10. A number of wholesalers used the municipal auction market as a distributing point.
11. The only wholesalers who advanced money to growers were three in Johannesburg. A total amount of about £10,000 was advanced, and this was repaid in full.
12. None of the firms supplied any farm requisites to growers.
13. Most wholesalers granted credit to their clients. Terms ranged from current to weekly and monthly accounts.
14. Credit sales represented a considerable proportion of the turnover of the firms, varying from 32 per cent of turnover ( for those in Bloemfontein) to 68 per cent ( for those in Cape Town ).
15. The capital employed by the firms varied widely.



16. The average operating expenses and nett profit taken as a joint percentage of sales was the same for the firms studied in Johannesburg and Pretoria, 8.2 per cent, while that for the firms in Cape Town and Bloemfontein was 12.9 and 20.5 per cent, respectively.
17. The various items comprising the operating expenses of the firms per £1,000 of turnover varied widely among the firms.
18. The average operating expenses per £1,000 of turnover for the firms studied in Johannesburg and Pretoria were about the same - £81.82 and £82.10, respectively - while those for the firms in Cape Town and Bloemfontein averaged £128.73 and £204.62, respectively.
19. The gross margin as a percentage of sales, decreased as sales increased.
20. An increase in average sales per firm was accompanied by an increase in the average nett profit per firm, but nett profit as a percentage of sales tended to decrease as sales increased.
21. Salaries and wages as a percentage of sales varied irregularly.

C H A P T E R V

FARMERS SHARE OF WHOLESALE PRICE FOR FRUIT AND VEGETABLES  
BY MARKETING FUNCTIONS

The farmers' of the wholesale price for fruit and vegetables by marketing functions at each of the terminal auction markets, as deduced from Tables 73, 88, 96, 100 and 104 is shown in Table 114.

TABLE 114 FARMERS' SHARE OF WHOLESALE PRICE FOR FRUIT AND VEGETABLES BY MARKETING FUNCTIONS AT THE TERMINAL MARKETS OF JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Marketing function	Terminal market			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Percentage of wholesale price			
Wholesale distribution .....	8.2	12.9	8.2	20.5
Transport (rillage)	6.5	7.6	4.8	8.3
Market agents ....	5.2	5.1	4.5	4.9
Auction market ...	2.4	2.9	2.7	3.4
Levies and sales tax (1 .....	1.6	1.0	1.7	1.0
Return to grower..	76.1	70.5	78.1	61.9
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

1) Produce sold on the Cape Town and Bloemfontein auction markets is not subject to auction sales tax.

Returns to growers represented approximately 76 and 78 per cent of the wholesale price for fruit and vegetables marketed at Johannesburg and Pretoria, respectively, compared with about 71 and 62 per cent for produce marketed at Cape Town and Bloemfontein, respectively.

The cost of wholesale distribution, expressed as a percentage of the wholesale price, was the major expense item at the terminal market, followed by transport, market agents, auction market, and levies and sales tax.

Wholesale distribution costs were highest in Bloemfontein and Cape Town at 20.5 and 12.9 per cent respectively while those in Johannesburg and Pretoria were the same, namely, 8.2 per cent. The higher wholesale cost of distribution in Bloemfontein and Cape Town is probably due to the greater nett profit, for these wholesalers sell a greater proportion of their produce at retail and to the catering trade than do those wholesalers at the other two centres.

## CHAPTER VI

### 1. Retail Stores

General. The widest distribution of fresh produce takes place through the medium of retail outlets. These are the last of the marketing agencies along which fresh produce is funnelled from producer to the consumer. Any study of the various marketing agencies concerned with the distribution of perishable produce, which ignores the retail outlets, would be incomplete.

During the initial stage of the survey it became clear that data on the financial operations of retail fresh produce stores were unobtainable for an analysis. This was due to the paucity of the records maintained by the dealers. As will be shown, the number of retail specialist outlets for fresh produce were few, while the majority of the retailers combined their selling of fresh produce with several other commodities such as confectionery, tobacco, aerated water, prepared foodstuffs and refreshments. Investigation showed that the books of the dealers did not reflect their accounts on a departmental basis. Consequently, it was not possible to analyse the financial aspect of their fresh produce transactions.

The Union Income Tax Act does not require retail establishments to record the exact nature of cash sales. It was, therefore, not possible to relate from their books the ratio of sales of fresh produce to total turnover.

Due to the absence, or inadequacy, of detail in their records, it was also not possible to ascertain the volume or value of fresh produce purchased.

In order to establish the relative importance of the sources of purchase, it became necessary for the dealer to estimate in terms of volume or value the quantities of produce obtained from each source.

While it was found that the retailers in general were vague about the value of the commodities purchased from each source, they were willing to estimate the proportionate quantity of produce acquired from various sources, such as the wholesaler, auction market or market agent. This was because of the variation in frequency and form (i.e. cash or

credit ) of purchase. Hence, to obtain greater accuracy regarding sources of supply, dealers were asked to estimate the volume of all produce purchased from each source.

As it was also necessary to obtain information regarding sales, they were asked to estimate their turnover for fruit and vegetables either on a weekly or monthly basis. All the retailers were willing and readily gave estimates of their weekly, rather than monthly, turnover. Due to the lack of data on their financial operations ( for reasons outlined above), this chapter will perforce deal with those aspects of retailing fresh produce which lend themselves to description. Such details should contribute towards a better understanding of the functions, activities and problems of the retailer as an agent in the distribution process.

#### Representative Nature of the Retailers

The retail outlets surveyed for the purpose of this study were selected at random in the following manner. Stores were spotted as the writer drove along the streets in the central business area and suburbs of each city. They were easily recognisable either by their shop signs or window displays, and stores on either side of the street were visited without following a definite pattern. At each outlet the owner was interviewed. If the owner was absent and an insufficient number of records had been obtained for that area, a return visit was paid to that shop during the hours when the owner was present.

The number of retail stores licensed to sell fresh produce in each city was obtained from the Chief Licensing Officer administering the issue of licenses in the city. The number of outlets licensed to sell fresh produce expressed per 1000 of the population in each city is shown in Table 115.

TABLE 115 NUMBER OF RETAIL STORES LICENSED TO SELL FRESH PRODUCE PER 1,000 OF POPULATION ( ALL RACES ) IN THE MUNICIPAL AREAS OF JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Centre	Population (all races )	Retail Stores Licensed to Sell Fresh Produce	
		Number	Per 1,000 population
	'000	Number	
Cape Town .....	401.7	1388	3.4
Bloemfontein....	70.3	199	2.8
Pretoria .....	179.1	355	1.9
Johannesburg ...	633.4	880	1.4

There is apparently no relationship between the size of the population and the number of retail outlets for fresh produce per 1,000 of population.

The proportion that the number of retail outlets surveyed formed of the total number of outlets in each city is shown in Table 116.

TABLE 116 PROPORTION THAT RETAIL OUTLETS SURVEYED IN JOHANNESBURG, CAPE TOWN PRETORIA AND BLOEMFONTEIN FORMED OF THE TOTAL LICENSED RETAIL OUTLETS FOR FRESH PRODUCE IN EACH CITY, 1947/48.

City	Total number of licensed fresh produce dealers	Number visited	Proportion visited
		Number	Percentage
Johannesburg .....	880	99	11.3
Cape Town .....	1,388	112	8.1
Pretoria .....	355	80	22.5
Bloemfontein .....	199	42	21.1
Total ( all cities)	2,822	333	11.8

A retailer of fresh produce could be licensed either as a fresh produce dealer or general dealer. The Chief Licencing Officers were unable to state the number of licensed fresh produce outlets which were licensed as general dealers only. In the majority of instances, general dealers

confine their sales of vegetables to potatoes and onions; only in a few cases do they stock fruit. It can be accepted that a considerable proportion of licensed fresh produce dealers traded as general dealers only, and as such were not the principal retail outlets for fresh fruit and vegetables. The proportion that the retail outlets surveyed formed of the principal outlets for fresh produce in each city would, therefore, be larger than indicated in Table 115 which, for the purpose of the study, can thus be regarded as representative.

#### Combination of Retail Enterprises

A distinctive feature of the outlets surveyed was the combination of other enterprises with that of retailing fresh produce.

Out of the 333 surveyed, 258 or about 77 per cent of the dealers combined selling of fresh produce with one or more additional business activities. This was indicated by the kind of license which the retailers had for conducting other kinds of business. The number of outlets visited, is shown grouped by kind of license in Table 117.

TABLE 117 RETAIL OUTLETS SURVEYED IN JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN GROUPED BY KIND OF LICENSE, 1947/48.

Kind of license	CENTRE				Total
	Johannesburg	Cape Town	Pretoria	Bloemfontein	
	Number of Outlets				
Fresh produce and general dealer.....	28	38	9	13	88
Fresh produce .....	27	16	31	1	75
Fresh produce, general dealer & tea room ..	17	31	9	-	57
Fresh produce, general dealer & restaurant.	5	5	10	23	43
Fresh produce and restaurant .....	2	-	14	2	18
Fresh produce, general dealer, restaurant and tea room .....	10	7	1	-	18
General dealer (l.....	-	8	-	1	9
Fresh produce, general dealer & mineral water	7	-	-	-	7
General dealer and tea room .....	-	4	-	-	4
General dealer, tea room and restaurant .....	1	-	-	-	1
<b>TOTAL</b>	<b>99</b>	<b>112</b>	<b>80</b>	<b>42</b>	<b>333</b>

- 1) A general dealers license permits the selling of fresh produce but such licenses have a greater restriction on their hours of trading than a fresh produce dealer's license.

The frequency of occurrence of specialised outlets for fresh produce, i.e. licensed fresh produce dealers only, was greater in the larger cities of Johannesburg, Cape Town and Pretoria as compared with Bloemfontein. This is probably due to the larger city having a greater demand for specialised services than a smaller city.

The most important numerical group of dealers studied were those who held both fresh produce and general dealer's licenses. As such they numbered 88, representing 26.4 per cent of the stores surveyed. Other important groups by kind of license and the percentage they represented of all outlets surveyed were :

Fresh produce dealers only, 22.5 per cent

Fresh produce, general dealer and tearoom 17.1 per cent

Fresh produce, general dealer and restaurant, 12.9 per cent

The most common combination of licenses were those of fresh produce and general dealer with one or more additional licenses. All told, 216, or 64.9 per cent, of the stores fell into this category.

#### Stocks Carried

The retail stores were asked whether they stocked fruit and vegetables throughout the period under review. The answers received were grouped as follows :

1. Those who stocked fruit only.
2. Those who stocked vegetables only.
3. Those who stocked both fruit and vegetables.
4. Those who stocked fruit and tomatoes only.
5. Those who stocked fruit and certain vegetables, namely potatoes, onions and tomatoes only.
6. Those who stocked vegetables and a restricted variety of fruit such as grapes, apples, oranges and bananas.

A summary of the answers received regarding the various groups of fruit and vegetables stocked is shown in Table 118.



TABLE 118 RETAIL OUTLETS ARRANGED ACCORDING TO GROUPS OF FRUIT AND VEGETABLES STOCKED BY 99 RETAIL OUTLETS IN JOHANNESBURG, 107 IN CAPE TOWN, 79 IN PRETORIA, AND 42 IN BLOEMFONTEIN, 1947/48.

CENTRE					
Group	Johannesburg	Cape Town	Pretoria	Bloemfontein	Total four cities
<u>Number of Retail Outlets</u>					
Fruit and vegetables .....	57	82	47	34	220
Fruit and tomatoes only ...	31	3	13	2	49
Fruit and certain vegetables only (1	9	11	13	-	33
Fruit only .....	1	7	3	6	17
Vegetables and certain fruit only (2 ....	1	2	3	-	6
Vegetables only ..	-	2	-	-	2
<b>TOTAL</b>	<b>99</b>	<b>107</b>	<b>79</b>	<b>42</b>	<b>327</b>
<u>Percentage</u>					
Fruit and vegetables .....	57.6	76.6	59.6	80.9	67.3
Fruit and tomatoes .....	31.3	2.8	16.4	4.8	15.0
Fruit and certain vegetables only..	9.1	10.3	16.4	-	10.1
Fruit only .....	1.0	6.5	3.8	14.3	5.2
Vegetables and certain fruit only	1.0	1.9	3.8	-	1.8
Vegetables only .	-	1.9	-	-	0.6
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1) Potatoes, onions, tomatoes.

2) Grapes, apples, oranges, bananas

In all centres, the most important group was that which stocked both fruit and vegetables. In Johannesburg and Cape Town about 58 and 77 per cent respectively fell into this group, while about 60 and 81 per cent were in this group in Pretoria and Bloemfontein respectively. Dealers who

stocked fruit and tomatoes only were second in importance and averaged 15 per cent of the outlets surveyed in the four cities. Such outlets preponderated in Johannesburg and Pretoria where they respectively represented about 31 and 16 per cent of the stores studied as compared with about three and five per cent in Cape Town and Bloemfontein respectively. Those who sold vegetables, or vegetables and certain fruit only, were relatively few in number and unimportant as a group.

Of particular interest were those outlets which stocked all kinds of fruit but limited the sale of vegetables to that of tomatoes. The reasons advanced for not carrying a variety of vegetables were :-

1. Competition from nearby green grocers.
2. Lack of space.
3. Vegetables litter the shop.
4. The area in which the shop is located is unsuitable for the vegetable trade.
5. Too many hawkers operate in the locality.

Those outlets which stocked all kinds of fruit, but restricted their handling of vegetables to potatoes, onions and tomatoes advanced essentially the same reasons for so limiting their vegetable stocks.

Dealers who stocked fruit only represented about five per cent of all the outlets surveyed, and of those the greater proportion were in Bloemfontein. These dealers were principally located in the business sections of the city and catered largely for the passing housewife-trade or casual customers who purchased fruit as an addition to their midday meal.

Outlets which primarily stocked vegetables and certain fruit only were few in number and represented 1.8 per cent of those visited. These shops were mostly located in the outlying suburbs and chose to concentrate largely on vegetables since they considered these to be a more profitable line than fruit.

#### SOURCE OF PURCHASE

##### Fruit

The most important source of purchase for retailers in Johannesburg and Pretoria was the wholesalers. About 65 and 60 per cent

of their supplies were respectively obtained from this source.

Table 119.

TABLE 119 ESTIMATED PROPORTION OF FRUIT PURCHASED FROM VARIOUS SOURCES BY 99 RETAIL OUTLETS IN JOHANNESBURG, 96 IN CAPE TOWN, 79 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48.

Source	Location of Retailers			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Percentage of purchases by Volume			
Wholesaler.....	64.5	22.8	60.4	14.3
Auction market...	31.8	24.3	32.3	73.8
Agent at store... (1)	1.8	-	-	-
Buyer at market (2)	1.0	0.5	5.1	11.9
Private treaty	-	45.1	-	-
Farmers' market	-	4.6	0.6	-
Grower in country	-	1.7	1.3	-
Own production (3)	-	1.0	0.3	-
Market operator	0.9	-	-	-
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

- 1) Persons who execute buying orders on behalf of retailers on a commission or fixed charge basis.
- 2) Agents operating on the Cape Town auction market are permitted to sell produce by private treaty during prescribed hours.
- 3) Persons who buy and sell on their own account. They utilise the market facilities as their business premises.

The main source of purchase for retailers in Cape Town was by private treaty from agents operating on the auction market, while those in Bloemfontein obtained the bulk of their supplies at the auction sales. Cape Town retailers procured about 45 per cent of the fruit in this manner, while those at Bloemfontein obtained about 74 per cent of their handlings at the auction sales.

The greater patronage of wholesalers in Johannesburg and Pretoria is probably due, in part, to the larger number of wholesalers operating in those cities, their ready extension of credit to clients in order to attract business, and such other factors as the reluctance of retailers to spend many hours in an effort to obtain supplies at auction, and the system whereby deciduous and citrus fruit are distributed. Buyers are required to queue for their allocation of citrus and deciduous supplies. This may involve a tedious wait. Rather than do this they prefer to obtain their quota through the wholesaler.

The auction market was the second most important source of purchase for retailers at Johannesburg, Cape Town and Pretoria, and wholesalers for those in Bloemfontein. Retailers in Johannesburg and Pretoria obtained 32 per cent of their supplies at the auction market compared with about 24 per cent for those in Cape Town. Retailers in Bloemfontein purchased about 14 per cent of their supplies from wholesalers.

Other important sources of purchase were the buyer at market for retailers in Bloemfontein and Pretoria, and the farmers' market for those in Cape Town.

The sources of purchase, ranked in order of importance, are shown in Table 120.

TABLE 120 SOURCE OF FRUIT PURCHASES, RANKED IN ORDER OF IMPORTANCE, FOR 99 RETAIL OUTLETS IN JOHANNESBURG, 96 IN CAPE TOWN, 79 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48.

City	Order of Importance		
	1	2	3
	Source		
Johannesburg	Wholesaler	Auction market	Agent at store
Cape Town	Private treaty	Auction market	Wholesaler
Pretoria	Wholesaler	Auction market	Buyer at market
Bloemfontein	Auction market	Wholesaler	Buyer at market

Collectively the wholesaler and auction market were the most important sources of supply for fruit to retailers in Johannesburg, Pretoria and Bloemfontein. These two sources supplied about 96 per cent of the fruit purchased by retailers in Johannesburg and about 93 and 88 per cent for those in Pretoria and Bloemfontein respectively. Retailers at Cape Town obtained about 92 per cent of their supplies by private treaty and from auction sales and wholesalers.

### Vegetables

The most important source of purchase for retailers in Johannesburg and Pretoria was wholesalers; the farmers' market for those in Cape Town; and the auction market for those in Bloemfontein, Table 121.

TABLE 121 ESTIMATED PROPORTION BY VOLUME OF VEGETABLES PURCHASED FROM VARIOUS SOURCES BY 99 RETAIL OUTLETS IN JOHANNESBURG, 100 IN CAPE TOWN, 76 IN PRETORIA, AND 36 IN BLOEMFONTEIN, 1947/48.

Location of Retailers				
Source	Johannesburg	Cape Town	Pretoria	Bloemfontein
Percentage of purchases by Volume				
Wholesaler .....	53.5	12.1	49.2	6.2
Auction market ...	23.5	20.8	25.8	74.6
Farmers' market ..	9.5	36.9	11.1	-
Own production ...	7.0	1.3	8.0	-
Grower in country.	4.7	7.8	1.9	6.0
Agent at store... <sup>(1)</sup>	1.0	-	-	-
Buyer at market... <sup>(2)</sup>	-	2.7	4.0	13.2
Market operator... <sup>(3)</sup>	0.8	-	-	-
Private treaty... <sup>(4)</sup>	-	18.4	-	-
<b>TOTAL</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

- 1) Market agent who sold produce at his premises.
- 2) Persons who execute buying orders on behalf of retailers on a commission or fixed charge basis.
- 3) Persons who buy and sell on their own account. They utilise the market facilities as their business premises.
- 4) Agents operating on the Cape Town auction market are permitted to sell by private treaty during prescribed hours.

Retailers in Johannesburg obtained about 54 per cent of their vegetables from wholesalers; about 24 per cent from the auction market; about 10 per cent from the farmers' market; 7 per cent from their own farms; and about 5 per cent directly from growers in the country. Those in Cape Town procured about 37 per cent from the farmers' market; about 21 per cent from the auction market; about 18 per cent by private treaty; about 12 per cent from wholesalers; and about 8 per cent directly from growers in the country.

Pretoria retailers purchased about 49 per cent of their vegetable supplies from wholesalers; about 26 per cent at the auction market, about 11 per cent at the farmers' market, and obtained about 8 per cent from their own farms. The auction market supplied about 75 per cent of the vegetables purchased by the retailers in Bloemfontein; about 13 per cent was obtained through the agency of a buyer. Wholesalers and direct purchases from growers in the country collectively supplied about 12 per cent of their purchases.

The source of purchase, ranked in order of importance, are shown in Table 122.

TABLE 122 SOURCES OF VEGETABLE PURCHASES, RANKED IN ORDER OF IMPORTANCE, FOR 98 RETAIL OUTLETS IN JOHANNESBURG, 100 IN CAPE TOWN, 76 IN PRETORIA AND 36 IN BLOEMFONTEIN, 1947/48.

City	Order of Importance		
	1	2	3
	Source		
Johannesburg .....	Wholesaler	Auction market	Farmers' market
Cape Town .....	Farmers' market	Auction market	Private treaty
Pretoria .....	Wholesaler	Auction market	Farmers' market
Bloemfontein .....	Auction market	Buyer at market	Wholesaler

The three most important sources of supply for vegetables jointly furnished 86.6, 76.1, 86.1 and 94 per cent of the vegetables purchased by the retail outlets in Johannesburg, Cape Town, Pretoria and Bloemfontein respectively.

FREQUENCY OF PURCHASE

Proportionately more dealers in Cape Town, Pretoria and Bloemfontein purchased supplies daily than those in Johannesburg. About 60 per cent of those in Bloemfontein, 57 per cent in Pretoria, and 44 per cent in Cape Town purchased fruit and vegetable supplies daily as against 33 per cent in Johannesburg, Table 123 :-

TABLE 123 FREQUENCY OF PURCHASE BY 99 RETAIL OUTLETS IN JOHANNESBURG, 107 IN CAPE TOWN, 79 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48.

Frequency of purchase	CENTRE			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Number of Dealers			
Daily .....	33	47	45	25
Regular days ....	49	36	12	8
As required .....	17	24	22	9
<b>TOTAL</b>	<b>99</b>	<b>107</b>	<b>79</b>	<b>42</b>
	Percentage of total			
Daily .....	33.3	43.9	57.0	59.5
Regular days ....	49.5	33.7	15.2	19.1
As required .....	17.2	22.4	27.8	21.4
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

In Johannesburg about 50 per cent and in Cape Town about 34 per cent of the dealers purchased supplies on regular days, as compared with about 15 and 19 per cent of those in Pretoria and Bloemfontein respectively.

The largest group of dealers, about 28 per cent, who purchased supplies as required, was in Pretoria, as compared with approximately one-fifth in Cape Town and Bloemfontein, and about 17 per cent of those dealers in Johannesburg.

More than 70 per cent of the dealers in all centres either purchase supplies daily or on regular days. The number of dealers who regularly purchase supplies on particular days of the week is shown in

Table 124 :-

**TABLE 124** NUMBER OF RETAILERS WHO REGULARLY PURCHASE FRUIT AND VEGETABLES ON PARTICULAR DAYS OF THE WEEK AS REPRESENTED BY 49 RETAILERS IN JOHANNESBURG, 36 IN CAPE TOWN, 12 IN PRETORIA AND 8 IN BLOEMFONTEIN, 1947/48.

Days of purchase	CENTRE			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Number Purchasing			
Monday .....	17	7	6	3
Tuesday .....	33	30	8	7
Wednesday .....	4	4	2	-
Thursday .....	14	27	5	4
Friday .....	36	8	8	7
Saturday .....	9	14	4	2
	Percentage of total			
Monday .....	34.6	19.4	50.0	37.5
Tuesday .....	67.3	83.3	66.6	87.5
Wednesday .....	8.2	11.1	16.6	-
Thursday .....	28.6	75.0	41.7	50.0
Friday .....	73.5	22.2	66.6	87.5
Saturday .....	18.4	38.9	33.3	25.0

The days on which most of the retailers, who customarily purchase supplies on regular days, obtained their requirements in Johannesburg, Pretoria and Bloemfontein were Tuesdays and Fridays, and Tuesdays and Thursdays for those in Cape Town. Wednesday was the least important day, especially in Bloemfontein, where all those who procure supplies on regular days abstain from purchasing on that day.

Those who purchased supplies as required on the average obtained supplies twice a week in Johannesburg and Cape Town and three times a week in Pretoria and Bloemfontein.



AVERAGE TIME RETAILERS WERE AWAY FROM THE  
BUSINESS PURCHASING SUPPLIES

Each of the dealers studied was asked at what time he usually departed from and returned to his premises on his buying days. Care was taken <sup>to ensure</sup> that the time taken included only that spent on purchasing supplies, and travelling to and returning from the various sources of purchase.

The average time taken by the retailers is shown in Table 125.

TABLE 125 AVERAGE TIME TAKEN BY 48 RETAILERS IN JOHANNESBURG, 82 IN CAPE TOWN, 51 IN PRETORIA AND 31 IN BLOEMFONTEIN TO PURCHASE THEIR SUPPLIES, 1947/48.

City	Average time taken
	Hours.
Johannesburg	4.3
Cape Town	4.6
Pretoria	2.4
Bloemfontein	3.0

Dealers in Johannesburg and Cape Town spent the longest time, 4.3 and 4.6 hours, respectively, buying their requirements, while those in Pretoria and Bloemfontein spent the shortest time, 2.4 and 3.0 hours, respectively.

Due to the size of the cities retailers in Johannesburg and Cape Town are on the average situated a greater distance from the municipal market and have to travel along more congested streets than those in Pretoria and Bloemfontein. This would partly account for the greater time spent in making purchases by dealers in those cities. The Johannesburg and Cape Town auction markets are also bigger and the time taken to effect a purchase at auction would take longer than at the smaller auction markets of Pretoria and Bloemfontein where there are fewer sales points for the produce.

DELIVERY OF PURCHASES

The number of retailers who collected their own purchases and those who had their purchases delivered, is shown in Table 126 :-

TABLE 126 NUMBER OF RETAILERS WHO COLLECTED THEIR OWN PURCHASES AND THOSE WHO HAD THEIRS DELIVERED AS REPRESENTED BY 99 RETAILERS IN JOHANNESBURG, 107 IN CAPE TOWN, 79 IN PRETORIA, AND 42 IN BLOEMFONTEIN, 1947/48.

Location of retailers	Number of retailers who		Percentage of retailers who	
	took personal delivery	had purchases delivered	took personal delivery	had purchases delivered
	Number of retailers		Percentage of retailers	
Johannesburg	44	55	44.4	55.6
Cape Town	40	67	37.4	62.6
Pretoria	47	32	59.4	40.6
Bloemfontein	21	21	50.0	50.0

About 70 and 63 per cent of the retailers in Johannesburg and Cape Town respectively had their purchases delivered, while about 59 per cent of those in Pretoria, and 50 per cent of those in Bloemfontein, took personal delivery.

#### CONVEYANCES USED FOR COLLECTING PURCHASES

The kind of vehicle used and the number of dealers who used these vehicles to collect their purchases are shown in Table 127.

TABLE 127 KIND OF VEHICLE USED TO COLLECT PURCHASES OF 44 RETAILERS IN JOHANNESBURG, 40 IN CAPE TOWN, 47 IN PRETORIA AND 21 IN BLOEMFONTEIN, 1947/48.

Kind of vehicles	C E N T R E			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Number of Retailers			
Personal car .... (1)	12	12	12	11
Truck or waggon	30	28	19	5
Other .....	2	-	16	5
<b>TOTAL</b>	<b>44</b>	<b>40</b>	<b>47</b>	<b>21</b>
	Percentage of total			
Personal car ...	27.3	30.0	25.5	52.4
Truck or waggon.	68.2	70.0	40.4	23.8
Other .....	4.5	-	34.1	23.8
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1) Hand- or push-cart.

Most of the dealers in Johannesburg, Cape Town and Pretoria used either a truck or waggon; most of those in Bloemfontein used their personal car.

#### AGENCIES WHICH DELIVERED PURCHASES

The various kinds of agencies which delivered the purchases of those retailers who did not take personal delivery are shown in Table 128.

TABLE 128 AGENCY DELIVERY OF PURCHASES TO 55 RETAILERS IN JOHANNESBURG, 67 IN CAPE TOWN, 32 IN PRETORIA AND 21 IN BLOEMFONTEIN, 1947/48,

C E N T R E				
Agency	Johannesburg	Cape Town	Pretoria	Bloemfontein
Number of Retailers				
Seller .....	32	27	28	4
Delivery service (1)	19	40	-	14
Other .....	4	-	4	8
<b>TOTAL</b>	<b>55</b>	<b>67</b>	<b>32</b>	<b>21</b>
Percentage of total				
Seller .....	58.2	40.3	87.5	19.9
Delivery service (1)	34.5	59.7	-	66.7
Other .....	7.3	-	12.5	14.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

1) Friend of retailer.

Sellers who delivered purchases were principally wholesalers, while those effected by a delivery service were largely for purchases made at the auction market, or from an agent on his own premises.

Deliveries by agencies classified as "Other" were friends of the retailer who were in the same kind of business and had a store nearby, or passed by the store en route to their own shops.

PAYMENT FOR DELIVERIES

Although a considerable proportion of the retailers had their purchases delivered ( Table 126) they did not pay for the service in all instances. Wholesalers delivered free of charge, but delivery services charged according to the size of the container delivered. When a friend delivered the purchases, the cost of delivery was shared.

Those retailers who had their purchases delivered and the number who paid for this service are shown in Table 129 :-

TABLE 129 DELIVERY OF PURCHASES BASED ON PAYMENT FOR SERVICE TO 55 RETAILERS IN JOHANNESBURG, 67 IN CAPE TOWN, 32 IN PRETORIA AND 21 IN BLOEMFONTEIN, 1947/48.

City	Number of retailers who			Percentage of re- tailers who	
	had purchases delivered	had purchases delivered free	paid for delivery	had purchases delivered free	Paid for delivery
	Number			Percentage	
Johannesburg	55	32	23	58.1	41.9
Cape Town	67	24	43	35.9	64.1
Pretoria	32	29	3	90.6	9.4
Bloemfontein	21	5	16	23.9	76.1

About 76 and 64 per cent of those retailers in Bloemfontein and Cape Town respectively who had their purchases delivered, paid for the service, while about 91 and 58 per cent of those in Pretoria and Johannesburg respectively, had theirs delivered free. Payment for deliveries depended on the source of purchase.

#### DELIVERIES TO CUSTOMERS

A substantial proportion of the retailers surveyed provided free house delivery service to clients: Table 130 :-

TABLE 130 NUMBER AND PROPORTION OF RETAIL OUTLETS WHICH PROVIDED A FREE DELIVERY SERVICE TO CLIENTS - 99 RETAIL OUTLETS IN JOHANNESBURG, 107 IN CAPE TOWN, 79 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48.

City	Retailers surveyed	Retailers who provided a delivery service	Proportion of total surveyed
	Number	Number	Percentage
Johannesburg	99	50	50.5
Cape Town	107	41	38.3
Pretoria	79	33	41.7
Bloemfontein	42	23	54.7

About half of the outlets in Johannesburg and about 55 per cent of those in Bloemfontein, provided a free delivery service to clients, as against 38 per cent of those in Cape Town and 42 per cent in Pretoria,

Deliveries to customers at all centres take place mostly by bicycle and in a few instances by truck.

#### FORM OF PURCHASE

Purchases by retailers were either for cash, credit, or partly for cash and partly on credit. Purchases made on the auction market, or on the farmers' market, were for cash, while those made from wholesalers or agents were mostly on credit. The form of purchase for the outlets studied is shown in Table 131 :-

TABLE 131 FORM OF PURCHASE OF 99 RETAILERS IN JOHANNESBURG, 107 IN CAPE TOWN, 79 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48.

Form of purchase	CENTRE			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Number of Retailers			
Cash only	67	74	53	55
Credit only	5	5	8	5
Cash and credit	27	28	18	2
<b>TOTAL</b>	<b>99</b>	<b>107</b>	<b>79</b>	<b>42</b>
	Percentage of total			
Cash only	67.6	69.1	67.1	83.3
Credit only	5.1	4.7	10.1	11.9
Cash and credit	27.3	26.2	22.8	4.8
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The majority of retailers at each centre purchased its supplies for cash. Of those studied, 83 per cent in Bloemfontein, 69 per cent in Cape Town, 68 per cent in Johannesburg, and 67 per cent in Pretoria, obtained their supplies in this manner.

The system of purchases, partly on credit and partly for cash, was more extensive in Johannesburg, Cape Town and Pretoria than in Bloemfontein, while those who procured supplies on credit only were proportionately greater in Bloemfontein and Pretoria than in Johannesburg and Cape Town.

CREDIT FACILITIES

The nominal period of credit granted to retailers varied from one day to a month. Those who availed themselves of daily credit were dealers who ran short of ready cash when buying and were helped out by the sellers until the following day. In general, the period of credit granted depended on the buyer's financial rating with the seller and the financial resources of the seller.

The period of credit granted to retailers is shown in Table 132:-

TABLE 132 PERIOD OF CREDIT GRANTED TO 32 RETAILERS IN JOHANNESBURG, 33 IN CAPE TOWN, 25 IN PRETORIA AND 7 IN BLOEMFONTEIN, 1947/48.

Period	C E N T R E			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Number of Retailers			
Following day .....	2	-	1	-
Weekly .....	9	1	11	5
Fortnightly .....	3	-	1	-
Monthly .....	18	32	12	2
<b>TOTAL</b>	<b>32</b>	<b>33</b>	<b>25</b>	<b>7</b>
	Percentage of total			
Following day .....	6.3	-	4.0	-
Weekly .....	28.1	3.1	44.0	71.4
Fortnightly .....	9.4	-	4.0	-
Monthly .....	56.2	96.9	48.0	28.6
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The most common terms were weekly and monthly. Twice as many dealers in Johannesburg received monthly than weekly terms, while in Pretoria the number who received weekly and those who received monthly terms

were about the same, namely 44 and 48 per cent respectively. About 97 per cent of the retailers in Cape Town, obtained monthly terms whereas in Bloemfontein about 71 per cent were granted weekly credit.

CREDIT SALES

In all centres there were retailers who granted credit to customers for varying periods. The proportion of retailers who extended credit to clients is shown in Table 133 :-

TABLE 133 PROPORTION OF RETAILERS WHO EXTENDED CREDIT TO CUSTOMERS, 99 RETAILERS IN JOHANNESBURG, 107 IN CAPE TOWN, 79 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48.

Centre	Retailers surveyed	Retailers who extended credit	Proportion of total
	Number	Number	Percentage
Johannesburg	99	40	40.4
Cape Town	107	60	56.1
Pretoria	79	40	50.6
Bloemfontein	42	22	52.3

Except in Johannesburg, about half of those at each of the other centres granted credit to clients.

The terms of credit granted were <sup>as</sup> shown in Table 134.

TABLE 134 TERMS OF CREDIT GRANTED TO CLIENTS BY 40 RETAILERS IN JOHANNESBURG, 60 IN CAPE TOWN, 40 IN PRETORIA AND 22 IN BLOEMFONTEIN, 1947/48.

Period granted	CENTRE			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Number of Retailers			
Weekly .....	4	7	2	2
Monthly .....	36	53	38	20
<b>TOTAL</b>	40	60	40	22
	Percentage of total			
Weekly .....	10.0	11.7	5.0	9.1
Monthly .....	90.0	88.3	95.0	90.9
<b>TOTAL</b>	100.0	100.0	100.0	100.0

The greater majority of retailers at each of the centres granted credit on a monthly basis.



FIXATION OF SELLING PRICE

The dealers were asked how they determined the selling price for those commodities not subject to price fixation. Few established the selling price on a percentage of cost basis. The general practice was to add on a fixed monetary amount to the cost of the commodity per container and on that basis to determine the selling price per unit or per pound. In Johannesburg, Cape Town and Pretoria a fairly widespread custom was found to be prevalent among retailers. They inquired from the wholesaler the price at which the commodity should be sold.

The extent to which retailers used the money or percentage margin to determine the selling price is shown in Table 135 :-

TABLE 135 MARGIN USED TO FIX GROSS PROFIT BY 99 RETAILERS IN JOHANNESBURG, 107 IN CAPE TOWN, 79 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48.

Centre	Margin used		Proportion of retailers	
	Money	Percentage	Money	Percentage
		Number		Percentage
Johannesburg ....	93	6	93.9	6.1
Cape Town .....	98	9	91.6	8.4
Pretoria .....	69	10	87.3	12.7
Bloemfontein ....	39	3	92.8	7.2

At all centres the overwhelming majority of retailers used a money margin as a means of fixing their selling price. There appeared to be no fixed amount that retailers had in common when deciding on the amount of money they should endeavour to make per container of a commodity sold. Those who used a percentage margin varied in their statements as to what this percentage was. In general, statements as to the percentage margin, added to cost, varied from 25 to 100 per cent, but there was no means of checking on the accuracy of these statements.

AVERAGE WEEKLY TURNOVER

The average weekly turnover for fruit and vegetables per outlet varied widely. The majority of outlets had a turnover varying between £10,

and less, and £50 per week, Table 136 :-

TABLE 136 NUMBER OF RETAILERS GROUPED ACCORDING TO AVERAGE WEEKLY TURN-OVER FOR FRUIT AND VEGETABLES, 85 RETAILERS IN JOHANNESBURG, 101 IN CAPE TOWN, 78 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48

Weekly turnover	C E N T R E			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Number of Retailers			
£10, and less .....	32	11	12	6
£10 - £25 .....	17	26	27	17
£25 - £50 .....	11	25	15	11
£50 - £75 .....	5	14	13	6
£75 - £100 .....	8	7	6	1
£100 - £150 .....	5	6	4	-
£150 - £200 .....	1	6	1	-
Over £200 .....	6	6	-	1
<b>TOTAL</b>	<b>85</b>	<b>101</b>	<b>78</b>	<b>42</b>
	Percentage of total			
£10, and less .....	37.6	18.9	15.4	14.3
£10 - £25 .....	20.0	25.8	34.6	40.4
£25 - £50 .....	12.9	24.8	19.3	26.2
£50 - £75 .....	5.9	13.9	16.7	14.3
£75 - £100 .....	9.4	6.9	7.7	2.4
£100 - £150 .....	5.9	5.9	5.1	-
£150 - £200 .....	1.2	5.9	1.2	-
Over £200 .....	7.1	5.9	-	2.4
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The largest group of outlets in Johannesburg had a turnover of £10, and less, per week, while in Cape Town the £10 - £25 and £25-£50 groups were about the same and were the largest for that city. In Pretoria and Bloemfontein the greater proportion of outlets had a turnover of between £10 to £25 per week.

In Johannesburg approximately 14 per cent of the outlets had a weekly turnover exceeding £100, compared to 18 per cent in Cape Town, 6 per cent in Pretoria, and 2 per cent in Bloemfontein.

SPOILAGE LOSSES

In order to obtain some indication of which fruit and vegetables produced the most waste, dealers were asked to name, in order of importance, those commodities which were productive of the heaviest losses. The result is shown in Table 137 :-

TABLE 137 KIND OF FRUIT, RANKED IN ORDER OF IMPORTANCE, WHICH CAUSED GREATEST SPOILAGE LOSSES TO 99 RETAILERS IN JOHANNESBURG, 107 IN CAPE TOWN, 79 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48.

Order of importance	Kind of Fruit			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
1	Papaws	Peaches	Mangoes	Papaws
2	Avocado pears	Grapes	Bananas	Avocado pears
3	Bananas	Bananas	Papaws	Bananas
4	Apples	Pears	Grapes	Apples
5	Guavas	Papaws	Peaches	Pineapples

In Johannesburg, Pretoria and Bloemfontein the sub-tropical fruit, and the deciduous fruit in Cape Town, appear to cause the heaviest losses. During the year of review, supplies of deciduous fruit were not plentiful. Cape Town is situated considerably nearer to the principal production areas for these fruit than any of the other three centres and retailers there were able to obtain larger supplies than those of the other more inland centres were able to do. This may explain why spoilage losses on deciduous fruit appear more significant in Cape Town.

The ranking of vegetables according to spoilage losses is shown in Table 138.

TABLE 138 KIND OF VEGETABLE, RANKED IN ORDER OF IMPORTANCE WHICH CAUSED GREATEST SPOILAGE LOSSES TO 99 RETAILERS IN JOHANNESBURG, 107 IN CAPE TOWN, 78 IN PRETORIA AND 42 IN BLOEMFONTEIN, 1947/48.

Order of importance	Kind of Vegetable			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
1	Tomatoes	Tomatoes	Tomatoes	Tomatoes
2	Lettuce	Cabbage	Green beans	Cabbage
3	Cabbage	Carrots	Green peas	Green beans
4	Green beans	Green beans	Cabbage	Lettuce
5	Green peas	Lettuce	Lettuce	Carrots

There was a greater agreement among retailers at all four centres as to the kind of vegetable which caused the greatest spoilage losses as compared with fruit. At all centres tomatoes were ranked as the vegetable which caused the heaviest losses. Except for green peas at Johannesburg and Pretoria, and carrots at Cape Town and Bloemfontein, the kinds of vegetables which caused the heaviest spoilage losses to retailers were similar in all four of the cities, though the order of importance varied.

#### CAUSES OF SPOILAGE LOSSES

The principal reasons advanced by retailers why these spoilage losses occurred were :-

1. Overbuying and irregular sales : It is not possible for a retailer to gauge accurately what sales he may expect a day hence. He has to rely on his ability and past experience to guide him as to the stocks which he should keep on hand. Purchases which remain unsold involve losses as fruit and vegetables are highly perishable.
2. Poor quality : The poor quality of the fruit and vegetables available was regarded by all the retailers as an important contributory cause to spoilage losses sustained.
3. Weather conditions : During summer the heat caused fruit and vegetables to spoil very rapidly for none of the retailers.

had refrigerator facilities to protect his stocks.

4. Poor packing of the produce : Complaints regarding the packing of containers by producers were widespread. Retailers allege that containers are improperly packed and are of poor quality, causing visible and invisible damage to the commodities during transit, which hastens their deterioration.
  
5. Handling by customers : Most retailers were careful not to allow customers to handle the produce. A certain amount of spoilage was unavoidable, however, due to squeezing of the commodities by customers.

PERIOD IN BUSINESS

The number of years during which retailers had been in business (as at the 30th June, 1948) was ascertained and grouped as shown in Table 139. In each city over 50 per cent of the retailers had been in business for 5 years or less.

TABLE 139 NUMBER OF RETAILERS, GROUPED ACCORDING TO YEARS IN BUSINESS, 88 RETAILERS IN JOHANNESBURG, 82 IN CAPE TOWN, 21 IN PRETORIA AND 39 IN BLOEMFONTEIN, 1947/48.

Years in business	CENTRE			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
Number	Number of Retailers			
1	16	3	1	6
2	14	13	8	9
3	7	20	6	5
3-5	15	7	2	1
5-10	13	11	2	6
10-15	10	12	2	5
Over 15	13	16	-	7
<b>TOTAL</b>	<b>88</b>	<b>82</b>	<b>21</b>	<b>39</b>
	Percentage of Retailers			
1	18.2	3.7	4.8	15.4
2	15.9	15.8	38.1	23.1
3	7.9	24.4	28.6	12.8
3-5	17.0	8.6	9.5	2.6
5-10	14.8	13.4	9.5	15.4
10-15	11.4	14.6	9.5	12.8
Over 15	14.8	19.5	-	17.9
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

About 59 and 52 per cent in Johannesburg and Cape Town respectively, and 81 and 54 per cent in Pretoria and Bloemfontein respectively, fell into this group.

Those who had been in business for one year were proportionately highest in Johannesburg and Bloemfontein - 18 and 15 per cent, respectively - while those who had been in business for two years, were relatively higher in Pretoria and Bloemfontein, namely 38 and 23 per cent respectively. Approximately one fourth of the dealers in Cape Town and Pretoria had been in business for three years as compared with eight per cent in Johannesburg and 13 per cent in Bloemfontein.

A fair proportion, - 15, 20 and 18 per cent respectively - of those in Johannesburg, Cape Town and Bloemfontein had been in business for 15 years, or more, whereas no retailer in Pretoria had been in business for that length of time.

#### S U M M A R Y.

1. The number of retail outlets for fresh produce per 1,000 of population was 3.4 for Cape Town, 2.8 for Bloemfontein, 1.9 for Pretoria, and 1.4 for Johannesburg.
2. About 77 per cent of the retailers combined one or more additional retail enterprises with that of selling "fresh" produce.
3. Approximately 67 per cent of the outlets stocked both fruit and vegetables, while 15 per cent handled fruit and tomatoes, and 10 per cent fruit and certain vegetables only. Specialised outlets for fruit and for vegetables were few, 5.2 and 0.8 per cent respectively.
4. The most important sources of purchase for fruit were wholesalers and the auction market; that for vegetables, the auction market, wholesalers and the farmers' market.
5. The majority of retailers in Cape Town, Pretoria and Bloemfontein, purchased supplies daily, as compared with regular days for those in Johannesburg.

6. The average time taken to purchase supplies was 4.3 and 4.6 hours for retailers in Johannesburg and Cape Town, respectively and 2.4 and 3.0 hours for those in Pretoria and Bloemfontein respectively.
7. In Johannesburg and Cape Town the majority had their purchases delivered, while most in Pretoria, and 50 per cent in Bloemfontein, took personal delivery.
8. Most of the dealers in Johannesburg, Cape Town and Pretoria used either a truck or waggon, while most of those in Bloemfontein used a personal car to collect their purchases.
9. About 76 and 64 per cent of those retailers in Bloemfontein and Cape Town respectively who had their purchases delivered, paid for the service, while about 91 and 58 per cent of those in Pretoria and Johannesburg respectively accepted delivery free of charge.
10. A large proportion of the retailers provided a house delivery service to clients.
11. The majority of retailers purchased their supplies on a cash basis.
12. The terms of credit granted to dealers were either weekly or monthly.
13. Except in Johannesburg, about half the outlets granted credit to clients on a weekly, or monthly basis.
14. Most retailers used a money margin to fix their selling price.
15. The majority of outlets had a turnover varying between £10 and less, to £50 per week.
16. In each city more than 50 per cent of the dealers had been in business for five years or less.

## 2. THE HAWKERS

General: Another form of distributing fresh fruit and vegetables at retail is by hawking. There are two types of hawkers who are distinguished from each other by the means of transportation utilised. They are the pushcart operator, who uses a light two-wheeled handcart which he pushes along, and the huckster, who uses either an animal drawn cart or light waggon, or a motor vehicle. In this study no distinction is made between pushcart operators and waggon or motor hucksters as retail distributors of fresh fruit and vegetables, since both have relatively low overheads and are low-cost outlets for many fresh fruit and vegetables.

The survey showed that there was a complete absence of financial records among hawkers. In consequence, no information can be provided concerning their costs of operation. As in the case of the retail stores this will, therefore, be limited to a general outline of the activities of hawkers as distributors of fresh produce.

### REPRESENTATIVENESS OF THE HAWKERS SURVEYED

The Chief Licensing Officer in each city supplied the number of hawker licenses issued during the year under review. The licenses issued, however, were not indicative of the number of hawkers who operated on their own account. Legally, an assistant to a hawker, who acts as a door-to-door salesman, must also be licensed as a hawker. The Chief Officer was unable to indicate the number of licenses issued to assistants and to hawkers operating on their own account. It was, therefore, necessary for the purpose of this study, to estimate the number of hawkers who operated on their own account in each city. This was done in the following manner. Based on the number of licenses issued, ten per cent of the hawkers who operated on their own account, were interviewed at the outset and the average number of licensed assistants employed by them determined. With this information, the number who operated on their own account was approximated. The estimated number of hawkers who operated on their own account and the proportion which those surveyed formed <sup>of</sup> these hawkers are shown in Table 140.



TABLE 140 PROPORTION WHICH HAWKERS SURVEYED FORMED OF THE ESTIMATED NUMBER OF HAWKERS WHO OPERATED ON THEIR OWN ACCOUNT IN JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Item	C I T Y			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
				Number
Licenses issued.....	226	957	92	27
Licensed assistants	145	536	32	14
Hawkers operating on own account .....	81	421	60	13 <sup>(1)</sup>
Hawkers surveyed ...	14	63	46	5
Percentage of those operating on own account	17.3	14.9	76.7	38.5

- 1) The number of hawkers who operate within the city are between 7 and 8. The other hawkers ply their trade in settlements outside the urban area.

There were approximately 421 hawkers in Cape Town, which was by far the largest number operating in any of the four cities. The greater proportion of these hawkers are pushcart operators whose activities are mainly seasonal. They usually hawk a limited number of kinds of fruit and at a time during the peak season of supply, except for tomatoes, are relatively unimportant as vendors of vegetables. Pushcart operators are a distinctive feature in the distribution of fresh fruit, and to a lesser extent of vegetables, in Cape Town where, it is estimated, more than 200 of these hawkers are in operation.

The large number of pushcart operators in Cape Town compared with that in the other cities surveyed is mainly due to the location of the city itself. In the immediate peri-urban areas many deciduous fruit are produced on a large scale. These fruit were principally marketed in Cape Town and largely distributed by hawkers before the development of improved transport facilities made it possible to transport the better grades of fruit to the large inland markets and refrigerated shipping opened up the export trade. These hawkers, chiefly pushcart operators, have re-

mained in the trade, however, and their smaller handlings of deciduous fruit have been compensated for by their greater handlings of sub-tropical and citrus fruit arriving from other provinces.

#### KIND OF TRANSPORT USED

The means of transport utilised by hawkers were pushcarts, light waggons, carts and trucks. Hawkers in Johannesburg and Cape Town used pushcarts, waggons, carts and trucks, while waggons and trucks only were used by hawkers in Pretoria and Bloemfontein.

About 50 per cent of the hawkers in Johannesburg used trucks, about 29 per cent used waggons, and about 21 per cent used pushcarts as a means of transport.

Hawkers in Cape Town made more extensive use of animal-drawn conveyances than did the hawkers in Johannesburg. About 52 per cent of the hawkers used either a cart or a waggon, about 24 per cent used a motor lorry and about 24 per cent used pushcarts as their means of transport.

Hawkers in Pretoria utilised either motor lorries or waggons. About 56 per cent used waggons and about 44 per cent used trucks.

In Bloemfontein waggons were used by 60 per cent and trucks by 40 per cent of the hawkers.

It would appear from the survey that, excluding Johannesburg, hawkers in the other three cities make greater use of animal draught than of mechanical transport.

5 The greater use made of mechanical transport by hawkers in Johannesburg may be due to the long distances hawkers have to travel from the market to the outlying residential suburbs. In general, the relatively large capital outlay required to purchase motor transport is beyond the means of most hawkers.

The transport which the hawker utilised for his business was also used to collect his purchases at the source.

#### SOURCES OF PURCHASE

None of the hawkers surveyed kept financial accounts or records of their business. Information provided by hawkers relative to the keeping of accounts made it clear that the hawker regarded himself as a one-man business, responsible to himself only, and that the keeping of accounts,

except listing the amounts owned by debtors and owed to creditors, was unnecessary and valueless as it served him no purpose.

In order to establish their sources of purchase and the relative importance of each source, they were asked to estimate the proportionate quantities of all fruit and vegetables obtained from each source.

Johannesburg : Hawkers in Johannesburg obtained their supplies from three sources, of which the auction market was the most important.

Table 141.

TABLE 141 ESTIMATED PROPORTION BY VOLUME OF FRESH FRUIT AND VEGETABLES PURCHASED FROM VARIOUS SOURCES BY 14 HAWKERS IN JOHANNESBURG, 1947/48.

Source	Fruit	Vegetables
Percentage of Purchases by Volume		
Auction market .....	90.0	79.2
Wholesaler .....	9.1	2.9
(1)		
Market agent .....	0.9	-
Farmers' market .....	-	17.9
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

1) Produce sold by a market agent at his premises instead of on the auction market.

They obtained 90 per cent of their fruit and 79 per cent of their vegetables at the auction market. Wholesalers were an important source for fruit, but relatively unimportant for vegetables. The farmers' market was second in importance as a source of supply for vegetables and provided about 18 per cent of their purchases.

Cape Town - The principal sources of purchase for fruit were private treaty on the auction market, the auction sales on the auction market, and the farmers' market, while those for vegetables were the farmers' market, private treaty on the auction market, and the auction sales on the auction market. Table 142 :-

TABLE 142 ESTIMATED PROPORTION BY VOLUME OF FRESH FRUIT AND VEGETABLES  
 PURCHASED FROM VARIOUS SOURCES BY 63 HAWKERS IN CAPE TOWN,  
 1947/48.

Source	Fruit	Vegetables
Percentage of purchases by volume		
auction market .....	24.9	16.9
Farmers' market .....	16.4	64.2
Private treaty (1) .....	57.2	18.5
Wholesaler .....	1.2	-
Grower in country .....	0.3	0.4
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

1) Market agents in Cape Town are permitted to sell all produce except bananas, watermelons and poultry, out-of-hand on the auction market sales floor during prescribed hours.

About 57 per cent of the fruit was procured by private treaty, about 25 per cent at the auction sales, and about 16 per cent at the farmers' market. This market supplied the bulk of the vegetables - about 64 per cent - while about 19 and 17 per cent, respectively, were purchased by private treaty and at the auction sales.

Wholesalers and growers were unimportant as a direct source of supply for both fruit and vegetables.

Pretoria - Hawkers in Pretoria purchased about 53 per cent of their fruit supplies at auction, about 38 per cent from wholesalers, about 3 per cent on the farmers' market, and their own production accounted for about 4 per cent of the fruit they handled. Table 143 :-

TABLE 143 ESTIMATED PROPORTION BY VOLUME OF FRESH FRUIT AND VEGETABLES PURCHASED FROM VARIOUS SOURCES BY 46 HAWKERS IN PRETORIA, 1947/48

Source	Fruit	Vegetables
Percentage of purchases by Volume		
Auction market .....	52.6	44.1
Wholesaler .....	38.1	21.8
Farmers' market .....	3.1	31.6
Rural grower .....	1.7	-
Market agent .....	0.2	0.2
Own produce .....	4.3	2.3
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

Approximately 44 per cent of their vegetable supplies were obtained at the auction market sales, about 32 per cent at the farmers' market, about 22 per cent from wholesalers, while about 2 per cent represented their own production.

Bloemfontein - All the fruit handled by hawkers in Bloemfontein was purchased at the auction market sales. This is presumably due to the market master being the sole agent of the Deciduous and Citrus Fruit Boards in that city. Table 144 :-

TABLE 144 ESTIMATED PROPORTION BY VOLUME OF FRESH FRUIT AND VEGETABLES PURCHASED FROM VARIOUS SOURCES BY FIVE HAWKERS IN BLOEMFONTEIN, 1947/48.

Source	Fruit	Vegetables
Percentage of purchases by Volume		
Auction .....	100.0	90.0
Own production .....	-	10.0
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>

about 90 per cent of their vegetables was purchased at the auction sales while about 10 per cent represented their own production.

Summary of Sources of Purchase

The sources of purchase for hawkers in each of the cities, ranked in order of importance, is shown in Table 145 :-

TABLE 145 SOURCES OF FRESH FRUIT AND VEGETABLE PURCHASES, RANKED IN ORDER OF IMPORTANCE PURCHASED BY 14 HAWKERS IN JOHANNESBURG, 63 IN CAPE TOWN, 46 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Source of purchase	C	I	T	Y
	Johannesburg	Cape Town	Pretoria	Bloemfontein

Source of Fruit Purchases

Order of Importance

Auction market .....	1	2	1	1
Wholesaler .....	2	4	2	-
Market agent (1 .....	3	-	6	-
Private treaty (2 ...	-	1	-	-
Farmers' market .....	-	3	4	-
Grower in country ...	-	5	5	-
Own production .....	-	-	3	-

Source of Vegetable Purchases

Auction market .....	1	3	1	1
Farmers' market .....	2	1	2	-
Wholesaler .....	3	-	3	-
(1				
Market agent .....	-	-	5	-
Rural grower .....	-	4	-	-
Own production .....	-	-	4	2
(2				
Private treaty .....	-	2	-	-

- 1) Market agents who sold produce received on consignment at their premises instead of on the auction market.
- 2) From market agents on the auction market.

The importance of the auction sales at the municipal markets as a source of supply for both fruit and vegetables to hawkers is clearly demonstrated by this table. The farmers' market was the most important source for procuring supplies of soup greens, carrots, beet and to a lesser extent

potatoes, cabbages, cauliflowers and onions.

#### TIME SPENT IN PURCHASING SUPPLIES

The volume of business a hawker can transact daily depends on the number of clients he contacts and the area he can cover canvassing for sales. The time spent on purchasing supplies is important, for the sooner he completes his buying the sooner he is able to start his daily round of trading. The average number of hours spent in purchasing supplies was 3.09 for hawkers in Johannesburg, 2.46 for those in Cape Town and 2.8 and 3.2 for those in Pretoria and Bloemfontein respectively. It would appear that the time taken to purchase supplies is related to source of purchase. Hawkers in Johannesburg and Bloemfontein spent the most time in buying supplies of fresh fruit and vegetables, the greater proportion of which was purchased at the auction sales.

#### RANGE OF COMMODITIES HANDLED

The range of fruit and vegetables in which hawkers traded was related to the kind of transport utilised and the time of year. Pushcart operators carried fewer kinds of the various fruit and vegetables than waggon or truck hucksters who had more space on their vehicles.

In Cape Town the majority of pushcart operators tend to stock one to three kinds of fruit during the plentiful season and occasionally trade in a limited number of vegetables, while few of the hucksters restricted their trading to selected fruit and vegetables. About 63 per cent of the hawkers surveyed in Cape Town traded in all kinds of fruit and vegetables; about 22 per cent, mostly pushcart operators, in fruit only; about 5 per cent in vegetables only; and about 10 per cent restricted their trading to a limited number of fruit and vegetables.

The hawkers surveyed in Johannesburg handled all kinds of vegetables, but only 10 of the 14 (71 per cent) handled both fruit and vegetables.

About 78 per cent of the hawkers in Pretoria handled both fruit and vegetables, about 7 per cent handled fruit and tomatoes only, about 4 per cent handled fruit only; and about 11 per cent restricted their trading to a limited number of fruit and vegetables. All the hawkers surveyed in Bloemfontein handled both fruit and vegetables.

The hawkers who concentrated on fruit only were most active during the season of plentiful supply when the prices for the fruit were low.

The ~~kinds~~ kinds of fruit and vegetables distributed by hawkers at various <sup>are</sup> times during the period under review/shown in Table 146.

TABLE 146 FRUIT AND VEGETABLES DISTRIBUTED AT VARIOUS TIMES BY HAWKERS IN JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Fruit		Vegetables	
Apples	Pears	Beetroot	Green beans
Avocado pears	Peaches	Cabbages	Hubbard squash
Bananas	Papaws	Cauliflowers	Lettuce
Grapes	Pineapples	Carrots	Leeks
Guavas	Sweet melons	Cucumbers	Marrows
Granadillas	Watermelons	Green mealies	Onions
Mangoes		Green peas	Potatoes
Oranges		Gen squash	Pumpkin
		Spinach	Sweet potatoes
		Turnips	Tomatoes

There were 14 fruit and 20 vegetable varieties which hawkers handled at various periods during the year. These fruit and vegetables are the principal kinds that are marketed by growers in the Union.

#### FREQUENCY OF PURCHASE

The frequency of purchase by hawkers is mainly dependent on such factors as :-

1. Daily balance of stocks.
2. Kind of produce handled.
3. Price.
4. Available cash resources.
5. Weather.

A hawker of "hardware", such as potatoes, onions, or pumpkins, may buy an estimated week's supply at a time if he considers that the price on the market is low enough to justify such a purchase. The inability of hawkers to gauge correctly the volume of supplies that could be disposed of daily makes it inadvisable to carry large stocks of highly perishable commodities. In general, the tendency among the hawkers was to purchase small supplies daily of highly perishable commodities, such as lettuce and soup greens, while, depending on the ruling price, the less perishables such as potatoes, onions or tomatoes, were purchased in larger quantities



twice or thrice a week.

About 70 per cent of the hawkers in Johannesburg purchased supplies daily, and about 30 per cent on regular days. The days on which most of the hawkers obtained their supplies in Johannesburg were Mondays, Wednesdays and Fridays, compared with Tuesdays and Fridays for the retail stores.

In Cape Town about 75 per cent of the hawkers purchased supplies daily, about 18 per cent on regular days, and about 7 per cent as and when required. The days on which most of the hawkers did their buying were Tuesdays, Thursdays and Saturdays, as compared with Tuesdays and Thursdays for the retail stores.

In Pretoria about 79 per cent of the hawkers purchased supplies daily, about 13 per cent on regular days, about 6 per cent as and when required, and about 2 per cent produced all the produce which they hawked. Tuesdays and Saturdays were the days on which the majority of hawkers purchased supplies, compared with Tuesdays and Fridays for the retail stores.

Three out of the five hawkers in Bloemfontein purchased supplies daily, one regularly on Mondays and Thursdays, and one as and when required.

It would appear that the majority of hawkers tend to buy supplies daily in small quantities even when prices for these commodities are relatively low, rather than to lay in large stocks which might deteriorate in quality and cause losses.

#### SPOILAGE LOSSES

It is not a purpose of this study to establish the percentage spoilage losses for the commodities handled. It was felt, however, that if information could be obtained concerning the kinds of fresh fruit and vegetables which caused the greatest spoilage losses, it could serve as a valuable guide for future studies on those losses sustained by hawkers in distributing fresh fruit and vegetables.

Accordingly, the hawkers were asked to name separately in order of importance, those fresh fruit and vegetables which caused the greatest spoilage losses. A summary of their replies is shown in Table 147.

TABLE 147 KIND OF FRUIT AND VEGETABLES WHICH RANKED IN ORDER OF IMPORTANCE CAUSED GREATEST SPOILAGE LOSSES TO 14 HAWKERS IN JOHANNESBURG, 63 IN CAPE TOWN, 46 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Order of importance	C I T Y			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Kind of Fruit			
1	Papaws	Grapes	Mangoes	Papaws
2	Apples	Avocado pears	Bananas	Grapes
3	Guavas	Pears	Guavas	Bananas
4	-	Bananas	Papaws	-
5	-	Papaws	Grapes	-
	Kind of Vegetable			
1.	Tomatoes	Tomatoes	Tomatoes	Tomatoes
2	Green beans	Greenbeans	Greenbeans	Greenbeans
3	Cabbages	Cabbages	Greenpeas	Greenpeas
4	Lettuce	Carrots	Cabbages	-
5	-	Lettuce	Lettuce	-

There was no similarity in the ranking nor general agreement as to the kinds of fresh fruit which caused the greatest spoilage losses. The probable explanation for this divergence is that the supply and, therefore handling of each kind of fruit is seasonal, and that the hawkers were thus unable to recall with reasonable accuracy the relative losses sustained on each kind of fruit. The time of the inquiries would also influence the judgment of the hawkers for they would be influenced by the spoilage losses sustained on those kinds of fruit which were in season at the time of the survey. Moreover, the kinds of fruit handled by the hawkers during the different seasons of the year varied greatly, thereby complicating the task of listing fruit according to spoilage losses from memory. The fruit which appear to cause most of the spoilage losses were papaws and bananas.

In the case of vegetables, there appeared to be more agreement as to the ranking and kind which caused the greatest spoilage losses than was the case with fruit. This is probably because the same kind of vegetables were available for the greater part of the year and because the range in the kinds of vegetables handled was about the same for the majority of hawkers.

Tomatoes were considered to give the highest spoilage loss for vegetables. As tomatoes are the most popular and widely-stocked kind of vegetable handled by hawkers throughout the year, they may be more aware of losses sustained on tomatoes than on other vegetables which are more seasonal in supply, or are handled in smaller volumes.

The vegetables which generally caused the greatest spoilage losses, as stated by the hawkers surveyed in each of the cities, were tomatoes, green beans, cabbage, lettuce and green peas.

The kinds of fruit and vegetables stated to cause the greatest spoilage losses were about the same for both retail stores and hawkers. The top ranking for fruit was the same for retail stores and hawkers in Johannesburg, Pretoria and Bloemfontein, while the top ranking for vegetables was similar at all four centres.

#### AVERAGE WEEKLY TURNOVER

It has already been pointed out that none of the hawkers kept any financial records which could be used for the purpose of this study. They were, however, able to state what their average daily and weekly takings were, but appeared to be unsure of themselves when asked what their monthly takings were.

The number of hawkers surveyed in each city, grouped according to their average estimated weekly turnover, is shown in Table 148 :-

TABLE 148 AVERAGE WEEKLY TURNOVER, 14 HAWKERS IN JOHANNESBURG, 63 IN CAPE TOWN, 46 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Average weekly turnover	C I T Y			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Number of Hawkers			
£10 and less	1	3	3	1
£10 - £25	6	27	15	1
£25 - £50	3	22	20	3
£50 - £75	2	5	6	-
More than £75	2	6	2	-
TOTAL	14	63	46	5
	Percentage of Hawkers			
£10 and less	7.1	4.8	6.5	20.0
£10 - £25	42.9	42.9	32.6	20.0
£25 - £50	21.4	34.9	43.5	60.0
£50 - £75	14.3	7.9	13.0	-
More than £75	14.3	9.5	4.4	-
TOTAL	100.0	100.0	100.0	100.0

In each of the cities the greater proportion of the hawkers had an average weekly turnover between £10 to £50 per week. In Johannesburg about 64 per cent of the hawkers surveyed fell into this range compared with 78 per cent in Cape Town; about 76 per cent in Pretoria; and 80 per cent in Bloemfontein.

The weighted average weekly turnover for hawkers within each turnover group is shown in Table 149 :-

TABLE 149 WEIGHTED AVERAGE WEEKLY TURNOVER FOR HAWKERS IN EACH TURNOVER GROUP, 14 HAWKERS IN JOHANNESBURG, 63 IN CAPE TOWN, 46 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Turnover group	C I T Y			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Weighted Average Weekly Turnover			
	£	£	£	£
£10 and less	4.0	9.0	7.0	6.0
£10 - £25	14.8	18.8	18.2	15.0
£25 - £50	43.3	32.8	37.2	33.3
£50 - £75	70.0	66.6	58.0	-
More than £75	80.0	77.6	125.0	-

The weighted average weekly turnover varied from £4 to £80 for hawkers in Johannesburg, £9 to £77.6 for those in Cape Town and from £7 to £125 and £6 to £33.3 for those in Pretoria and Bloemfontein, respectively. The greatest variation in turnover was that for hawkers in Pretoria which had a spread of £118.

In order to approximate the total sales of all the hawkers in each city, the weighted average weekly turnover was multiplied by the number of hawkers in each turnover group and the total for all groups multiplied by 45, the number of weeks during which hawkers traded over the year under review. An allowance of 7 weeks for no trading was made in consultation with the hawkers. On the basis of the above calculation the combined sales of the hawkers in each city were approximately £138,000 in Johannesburg, £619,000 in Cape Town, £93,000 in Pretoria, and £14,000 in

Bloemfontein.

#### PAYMENT OF PURCHASES

In Johannesburg about 86 per cent of the hawkers surveyed purchased supplies for cash, and about 14 per cent partly on credit and partly for cash.

About 89 per cent of those surveyed in Cape Town purchased their supplies for cash, about 10 per cent partly on credit and partly for cash, and about one per cent on credit.

In Pretoria about 69 per cent bought their supplies partly on credit and partly for cash, and about 31 per cent for cash only.

In Bloemfontein all the hawkers paid cash for their purchases. Monthly credit was extended to hawkers in Johannesburg and Cape Town, but credit to those in Pretoria varied from a weekly to monthly basis.

#### CREDIT SALES

Credit was extended to clients as a general policy. Many hawkers had built up a clientele who were visited regularly. In many instances these customers placed an order with the hawker for delivery during his next call.

Visits to these regular clients have developed more into the nature of delivering an order rather than canvassing a casual sale. It is to these regular clients who form the mainstay of his business that hawkers extend credit for varying periods. A hawker unwilling to extend credit to a regular customer stands the risk of losing the client to a competitor.

The number of hawkers surveyed in each city and the periods they extended credit to customers . . . are shown in Table 150 :-

TABLE 150 PERIOD OF CREDIT GRANTED TO CLIENTS BY 14 HAWKERS IN JOHANNESBURG, 63 IN CAPE TOWN, 46 IN PRETORIA AND 5 IN BLOEMFONTEIN, 1947/48.

Period of credit granted	C I T Y			
	Johannesburg	Cape Town	Pretoria	Bloemfontein
	Number of Hawkers			
Monthly .....	6	25	32	3
Weekly .....	3	14	1	1
Cash only .....	5	24	13	1
<b>TOTAL</b>	<b>14</b>	<b>63</b>	<b>46</b>	<b>5</b>
	Percentage of Hawkers			
Monthly .....	42.8	39.8	69.5	60.0
Weekly .....	21.5	22.2	2.1	20.0
Cash only .....	35.7	38.0	28.4	20.0
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

There were more hawkers in each city who extended credit to customers than those who sold for cash only. The most common period for which credit was extended was one month. About 43 per cent of the hawkers in Johannesburg, about 40 per cent in Cape Town, about 70 per cent in Pretoria, and 60 per cent in Bloemfontein, extended credit to regular clients. In Johannesburg and Cape Town the proportion of hawkers who extended weekly credit was about the same, representing about 22 per cent of those studied.

In both Pretoria and Bloemfontein, only one hawker extended credit on a weekly basis. The low incidence of weekly credit granted by hawkers in Pretoria and Bloemfontein may partly be due to the fact that the greater proportion of the working population of these two cities being clerically and administratively employed, is salaried on a monthly basis whilst Johannesburg and Cape Town, being more industrialised, have a greater proportion of their population on a weekly wage basis.

In each of the cities the proportion of hawkers who sold on a cash basis only was about 36 per cent for Johannesburg; about 38 per cent for Cape Town; about 28 per cent for Pretoria, and 20 per cent for Bloemfontein,

VOLUME OF CREDIT SALES

The average amount of credit extended monthly and the percentage this formed of their average monthly sales for those hawkers who could provide information are shown in Table 151 :-

TABLE 151 AVERAGE MONTHLY CREDIT SALES OF 9 HAWKERS IN JOHANNESBURG, 36 IN CAPE TOWN, 26 IN PRETORIA, AND 4 IN BLOEMFONTEIN, 1947/48.

Location	<u>Average Monthly</u>		
	Sales	Credit extended	Percentage of turnover
	£	£	Percentage
Johannesburg .....	141.9	60	42.3
Cape Town .....	122.5	23	18.8
Pretoria .....	155.2	106	68.3
Bloemfontein .....	89.7	50	55.7

Credit, expressed as a percentage of sales, was lowest in Cape Town at 18.8, and highest in Pretoria, namely 68.3. It is probable that the higher percentage in Cape Town of pushcart operators, who mainly sell for cash only, is the reason for the low incidence of credit sales by hawkers in that city.

BAD DEBTS

Most of the bad debts incurred by hawkers were due to clients who had moved away without having paid their accounts and could not be traced.

Data in regard to bad debts losses were obtained from 9 hawkers in Johannesburg, 32 in Cape Town, 30 in Pretoria and 4 in Bloemfontein. The average bad debt loss sustained per hawker was £70 in Johannesburg, £26 in Cape Town, £54 in Pretoria, and £22 in Bloemfontein.

### REGULAR CLIENTS

Data in regard to the number of regular clients were obtained from 7 hawkers in Johannesburg, 29 in Cape Town, 28 in Pretoria, and 5 in Bloemfontein. The average number of regular clients per hawker was 83 in Johannesburg, 45 in Cape Town, 53 in Pretoria, and 35 in Bloemfontein.

None of the hawkers had any idea of the average number of casual sales he made daily.

### AREAS COVERED

Some hawkers limited their trading to definite localities, while other selected several areas within the municipal boundaries of the city. Those who selected several localities alternated their visits to each locality. Others roamed about the city, relying on casual sales.

### ASSISTANTS EMPLOYED

The average number of assistants employed was 1.4 and 1.1 for those in Johannesburg and Cape Town, respectively, as against 1.2 for those in Pretoria and Bloemfontein.

### RETAIL MARGINS

Due to the lack of available records it was not possible to determine margins taken by hawkers on the produce they handled.

### MARK-UP

A money margin was used by all the hawkers to fix their selling price. No evidence was found to indicate that a common gross margin was charged on the commodities handled.

### S U M M A R Y

1. There were approximately 81 hawkers operating on their own account in Johannesburg, 421 in Cape Town, 60 in Pretoria and 13 in Bloemfontein.
2. The transport commonly used by hawkers was push-carts, waggons and carts. Trucks were used to a lesser extent.



3. The auction market, wholesalers and the farmers' market were their most important sources of purchase.
4. The average number of hours spent purchasing supplies was 3.09 and 2.46 for those in Johannesburg and Cape Town respectively, and 2.8 and 3.2 hours for those in Pretoria and Bloemfontein respectively.
5. They handled 14 kinds of fruit and 20 kinds of vegetables at various periods during the year.
6. Most hawkers purchase supplies daily.
7. More than 70 per cent of the hawkers had a turnover of less than £50 per week.
8. The majority paid cash for their purchases.
9. More than 60 per cent extended either weekly or monthly credit to clients.
10. The percentage credit sales formed of turnover varied from about 19 for those in Cape Town to about 68 for those in Pretoria.
11. The average amount for bad debts varied from £22 for hawkers in Bloemfontein to £70 for those in Johannesburg.
12. The average number of regular clients of hawkers varied from 35 for those in Bloemfontein to 83 for those in Johannesburg.
13. Each hawker employed at least one assistant.
14. A money margin was used by all hawkers when fixing their selling price.
15. No evidence of collusion was found in their fixation of their retail prices.

## REVIEW AND RECOMMENDATIONS

For many years both growers and consumers have demanded a more efficient marketing system for perishable agricultural commodities and continued agitation for a reformed system can be expected from those sources in the future.

While all are agreed that, superficially, there appear to be many features of the present system in need of change, any radical departure from the existing practice will require most careful deliberation before its introduction because of the traditional conservatism that characterises our economic actions. "...everyone will cling as tightly as possible to habitual economic methods and only submit to the pressure of circumstances as it becomes necessary. Thus the economic system will not change capriciously but will be at all times connected with the preceding state of affairs" (1).

Doctrinally, the body of traditional economic thought has been constructed upon the foundation of laissez faire, i.e. "free" enterprise. Upsets in our economic society have, however, led many people to believe that the so-called free enterprise system has failed. They are demanding the abandonment of the laissez faire policy and the substitution therefore of administrative bodies to regulate agricultural production and distribution.

Agriculture, as opposed to industry, has always been more vulnerable to the vicissitudes of the price level. When a depression manifests itself, industry suffers less than agriculture.

During a crisis, when the general price level declines, agriculture prices fall more sharply and rapidly than those of industrial goods. This is because industry is capable of adapting itself more rapidly and effectively to changed conditions than agriculture. Industry will tend to curtail its production without greatly lowering its price. The agriculturalist, however, finds himself in a most invidious position. While able to control his input factors, he has no control over such factors as disease, pests, weather conditions, etc., and will only know the volume of his production after harvesting his crop. The perishable nature of his produce demands a

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1) Schumpeter. J.A. The Theory of Economic Development, pages 8 and 9.

rapid sale. Some products, such as maize, wheat or eggs, can be stored for a period, but not without the risk of deterioration. Industry can control the price at which it can sell profitably to a varying degree, but the primary producer is at the mercy of a free market.

A low price level will tend to induce agriculture to produce more in the hope of obtaining a greater nett income in order that the producer may survive. The cumulative effect is a deterioration of the position with greater hardships for agriculture.

The problem faced is primarily due to the atomistic nature of the production units in agriculture. Farmers as individuals vary very greatly. They range from growers with small farms to others with large farms. They vary enormously in organising ability, in their willingness to introduce new methods and adapt themselves to changing conditions, in efficiency, age and experience. Land varies in productivity from place to place, from farm to farm and (often) from morgen to morgen on the same farm.

The heterogeneity which characterises agriculture poses the problem of practically co-ordinating production as well as marketing. Technological progress has in general helped to improve productive efficiency for both agriculture and industry. Industry has moved away from the small unit of production to the great corporations and their mass production techniques. Agriculture, on the other hand, still retains much of its atomistic characteristics. The forces that operate on a free market for industrially-produced goods are slowly being supplanted by greater self control over both production and price, whereas agriculture, because of its inherent problems, is more dependent on the free market with its fluctuating prices. In the relative inflexibility of industrial prices - i.e. those of the goods farmers buy - and the greater flexibility of agricultural prices - i.e. those the farmers receive for their goods - lie the roots of the agricultural problem.

In an effort to provide greater stability for agriculture in the Union various measures have been introduced by the State in an attempt to reduce the disparity between the prices farmers pay for the commodities they buy and the prices they receive for the goods they sell. These measures include price support, levies, subsidies, tariff protection, preferential railway rates and culminate in the passing of the Marketing Bill ( Act No. 26 of 1937) which provides for the establishment of marketin

boards to administer "schemes" for the marketing of those products to which the provisions of the Act may apply.

The kinds of marketing schemes that can be applied under the provisions of the Act may provide for price fixation and regulation in the disposal of the product concerned under control of a particular commodity board. At long last, it would seem, the concession was made that palliatives such as price support, or subsidies, although effective as short term measures tend to leave disastrous effects in their wake, which further complicate, rather than ameliorate, the economic circumstances of agriculture.

There is general recognition that the field of marketing — especially orderly distribution — calls for concentrated efforts to provide the ways and means of obtaining greater economic stability for agriculture.

The attainment of such stability with the aid of improved and efficient marketing, however, calls for recognition of the fact that our economy undergoes a constant change. Its dynamic nature requires that any marketing scheme should be so conceived that it is flexible and easily adaptable to the changing economic scene. Any scheme, which links itself with past economic relationships which it attempts to preserve, must of necessity fail, as there are ever changing new sets of relationships that have to be taken into account.

Growers of vegetables and sub-tropical fruit have of late clamoured for the introduction of a marketing scheme for their products under the Marketing Act. It would, therefore, be pertinent for these growers to consider the following observations made by the National Marketing Council<sup>(1)</sup> regarding schemes envisaging organised marketing :

" .... while organised marketing achieves its biggest success when combating the frequently pointless/<sup>excessive</sup> short-term price fluctuations associated with the competitive marketing system, the success cannot be absolute. The extent to which seasonal or short-term price stability is attainable will differ from product to product, according to physical properties and the ease of substitution by other products and between different

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1) Report of the National Marketing Council on the Marketing Boards, 1938 to 1946. U.G. 27 - 47, par. 6.

outlets. The more durable the product, the greater the changes of price stability through the development of storage programmes. The more perishable the product, the smaller the possibility of price-stability through organised marketing, unless the supply is very regular or rapid preservation is possible. Uniformity of product is also essential if price stabilisation is to be attempted successfully. The physical properties combine in many permutations from product to product and govern the degree to which price stabilisation can be attained. There is a further overriding factor that, if the product is readily substitutable or has different outlets, successful price stabilisation will depend on whether this is also applicable to the substitutes and all the main outlets".

It is for these precise reasons that the marketing schemes in existence vary with the kind of product under control. <sup>(1)</sup> Some of the boards (e.g. the Mealie Control Board) control all intakes and sales, while the Tobacco Board allocates quotas to co-operatives for supplying industrial needs and regulates exports when occasion arises. In general, the form of regulation varies with the kind of product concerned.

Any marketing scheme for vegetables based on regulation of supplies, and fixation of prices, would be faced with insuperable difficulties and will most likely fail, the main reason being the highly perishable nature of the products, their lack of uniformity, which adds to the difficulty of grading, the ease whereby the majority of the principal vegetables can be substituted, and because such a large percentage of supplies is produced within the immediate vicinity of the main consuming areas. <sup>(2)</sup>

This view is supported by the Distribution Cost Commission <sup>(3)</sup> which expressed itself against any marketing scheme for vegetables under the Marketing Act in the following terms:

- 
- 1) Marketing schemes exist for deciduous fruit, citrus fruit, dried fruit, tobacco, meat, maize, wheat, dairy products and chicory.
  - 2) See annexures 1 and 5.
  - 3) Report of the Distribution Costs Commission, on the System of Distribution prevailing in the Union with particular reference to Essential Foodstuffs and the Principles of State Controlled Marketing, para. 225, 226.

".... Even if growers would submit to dictation as to the time, place and quantity of their plantings, the problems of the dictating authority would be almost beyond human ingenuity, and, in any event, plans would always be subject to frustration by the vagaries of the weather. Equally, the compulsory routing of supplies or though this has more to be said for it would be likely to break down because of the difficulty of forecasting demand. Each breakdown would cause widespread dissatisfaction and dislocation, and such a measure can, accordingly, not be recommended. For similar reasons, the Commission is emphatically opposed to placing the marketing of vegetables under a control board, operating in terms of the Marketing Act. .... Moreover, a control scheme for vegetables, especially if it entailed price fixation, would inevitably suffer from those defects of complexity which already have been adversely commented upon in this Report."

The most striking feature to emerge from the survey of the auction markets is the haphazard and almost careless manner in which vegetables are marketed. This can largely be attributed to the absence of standardised containers and the apparent indifference of growers to sorting and packing vegetables according to quality classes.

In the main vegetables are sent to market in an assortment of  
(1  
containers often ill-adapted to a particular commodity. This increases the difficulty of buyers in assessing its value, and adds to the difficulties experienced by buyers when inspecting the offerings before sales begin. Unsightly and soiled containers create a poor impression on buyers as to the quality of the contents, while poorly constructed containers may force buyers to re-pack produce before distributing it to clients.

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1) See annexure.2.

These factors have the cumulative effect of depressing the price  
(1  
offered.

The advantages commonly claimed for standardisation of  
containers are :-

1. It prevents fraud or "short measure".
2. Containers may be mass produced, therefore cost less, hence reducing costs to growers.
3. The confusion caused by having a large assortment of containers on the market would be eliminated.
4. Trade would be facilitated by adding confidence in the market.
5. The compilation of more accurate and intelligible market reports would be facilitated.

For these reasons, the standardisation of containers should be of deep concern to those interested in developing an intelligent marketing programme. The suggestion is, therefore, made here that the Bureau of Standards be requested to pay attention to the development of such containers as will conform to the marketing requirements of the Union. Once such containers have been proved, their adoption should be made compulsory.

The standardisation of containers and the grading of products are inseparably linked to any successful marketing scheme. In the case of vegetables, grading presents many practical difficulties. For practical purposes, however, standards for sorting vegetables into quality classes can be fixed. Too large a proportion of growers tend to market their vegetables without having properly sorted them on the farm. A top layer of unblemished, even-sized, attractive produce only too often masks bottom layers of inferior produce.

This lack of discrimination on the part of growers drew widespread complaints from the trade in the course of the inquiry. Such practices result in low prices being offered at the auction sales, since buyers wish to protect themselves against the risk of being misled as to the quality of the contents of the containers purchased.

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1) "It is an established fact that numerous South African containers or packages have no outstanding sales value" - Ritchie, J. Director, South African Bureau of Standards; paper read at Annual Conference of Institute of Market Masters of South Africa, 20th April, 1950.

Although the National Mark Scheme for grading vegetables has been in operation on the Johannesburg, Pretoria and Bloemfontein auction markets since 1936, 1938 and 1939, respectively, it has been poorly supported by producers ( Table 42). It would appear that growers in general are as yet unconvinced or more probably do not realise the value of marketing a graded product.

Observation and evidence obtained from handlers made it clear that a large proportion of produce arriving at the market was unsuitable for commercial purposes and, consequently, realised very low prices - at times barely sufficient to cover selling costs. As the basic costs of marketing poor quality products are similar to those incurred in the sale of quality products there is little doubt that many growers would obtain better returns were they to refrain from marketing inferior produce and discontinue the practice of indiscriminately packing poor and good quality products in the same container.

A vigorous effort on the part of vegetable growers to market quality products in standardised containers is, therefore, suggested as a major point in a general marketing programme that seeks to provide a greater nett return.

As in the case of vegetables, the bulk of the sub-tropical fruit marketed is ungraded though there is greater uniformity in the kind of container used. The introduction of a marketing scheme for these commodities under the Marketing Act should not be contemplated until it has been demonstrated that practical grades and standards can feasibly be laid down for these products. Growers of sub-tropical fruit could also use greater care in the selection of the produce sent to market. A most common complaint from handlers in this connection is that too many growers pick their fruit either too green or too ripe and pay insufficient attention to properly packaging the fruit. This causes the fruit to arrive in poor condition and adversely effects prices offered.

#### The Financial Records

Fairly accurate data were available to analyse the financial operations of the municipal markets. Although most of the wholesale fresh produce firms were able to supply trading accounts, profit and loss



accounts and balance sheets, cost and quantity records for individual products or group of products, were not available.

The market agents and retail stores for fresh produce, with few exceptions, combined their fresh produce activities with one or more other enterprise. Their form of bookkeeping did not distinguish between their various activities, with the result that an analysis of their financial operations was not possible. In the case of hawkers, there was a complete lack of records, which is most deplorable.

In general, the manner of accounting by those firms, which could provide data, leaves much room for improvement. It would be of undoubted value for the firms to have records, for their own use, which would provide more detailed information, apart from the greater ease with which future studies of this nature could be made.

It is possible that some firms handle lines on which they incur losses, but remain unaware of the fact because of the inadequacy of their records. A more particularised form of simple accounting will assist firms in checking on the efficiency of their operations and, possibly, indicate where savings could be effected. The availability of such data for further studies will enable comparisons to be made from which standards could be deduced. Such measures are calculated to assist in promoting efficient operation.

#### The Municipal Auction Markets

Of the marketing agencies the municipal auction markets are the most important in the present marketing system. They are the main concentration points for the perishables; handle the largest volume; serve as a point for further distribution, and perform the initial selling function in the flow of the major proportion of perishables from producer to consumer.

Their organisation and financial operations have already been commented upon in this study, and suggestions were made regarding possible means of increasing their functional efficiency. Even were their efficiency of operation maximised the question would still arise whether it would be sufficient to effect a satisfactory improvement in the marketing of perishable produce, especially vegetables.

The chief criticisms levelled against the auction markets by growers is that the prices often realised for their produce do not provide an adequate return, and that, commonly, there is too wide a range in the fluctuations of prices realised over a given period, though over this in reality, the auction markets have little or no control.

The real point at issue is whether the auction markets, as a functionary in the marketing system, adequately fulfill their most important task, namely that of a selling agent.

As has been pointed out earlier in this study there are certain essentials with which a product must comply in order to ensure successful marketing at auction sales. The auction method of selling is best adapted to products which are highly standardised as to variety and grade; uniformly packed in attractive containers; sold under a well-known brand; and available in steady supply and sufficient volume to attract buyers throughout the season. Although a steady supply in sufficient volume throughout the seasons are forthcoming at the auction markets, the marketing of vegetables completely fails to conform with the most essential requirements for successful sale by auction, namely those at standardisation as to variety and grade and uniformity of packing in proper containers. While the problem of uniform packing can be overcome, the inherent characteristics of vegetables preclude any high degree of standardisation as to variety and grade.

Due to the unsuitability of vegetables for sales by auction, the suggestion is here made that their sales on the municipal markets should only be conducted by private treaty under the supervision and control of the local authority. Payments for sales concluded by private treaty must be made by the buyer to the market authority who issues the original sales note to the market agent for transmission to the consignor and a receipted copy to the buyer.

A further suggestion is that the possibility be investigated of introducing seasonal country auctions in the main producing centres. Such auctions may tend to help regulate the flow of supplies to the main consuming areas. In addition, the following advantages to growers in using country produce auctions are generally claimed :-

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1) Rasmussen, M.P.: Professor in Marketing Fruits and Vegetables, Cornell University, U.S.A. - Lecture Notes.

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1. Sales are for cash, therefore, there is less risk than in selling by other means.
2. The charges are relatively small since overhead costs are low compared with city costs.
3. If the auction price is unsatisfactory, the grower can still consign his produce to the terminal auction markets.
4. Auction sales tend to "stabilise" price for area.
5. Growers can stop cropping at once if prices are too low on the auction sale; whereas it would take several days to get returns from the city.
6. Auction sales offer opportunity to consolidate small lots received from many individual growers.
7. Growers see personally what buyers are willing to pay for and are gradually educated concerning grades.

Possible disadvantages attached to country auctions may be summarised as follows :-

1. If the number of buyers is small, there may be mutual agreement on price, hence lack of competition.
2. At times there may not be a sufficient volume of produce to attract enough buyers.
3. Growers may waste a lot of time waiting for an opportunity to sell.

In spite of these disadvantages, the feasibility of such an institution appears to be worth an inquiry.

The analysis of the financial operations of the municipal markets indicates that salaries and wages as a percentage of operating expenses (excluding nett surplus) were the most important item of cost. This varied from about 68 per cent for Pretoria, the lowest, to about 74 per cent for Johannesburg, the highest. An investigation into the possibility of decreasing this item of cost is merited. Other avenues that could be explored to decrease the cost of operating municipal markets, include reduction of the number of days on which auction sales are conducted, earlier start with the sales, and negotiation with other departments of the

individual municipalities to secure a more equitable assessment of such charges as scavenging and cleaning.

#### The Market Agents

Although information was obtained on the various activities of the market agents, their financial records were so constituted that these did not permit an analysis of their costs of operation. Such an analysis would have served as a guide to average costs and enabled those who differed considerably from the average to re-examine their own costs with a view to effecting reductions. A study along these lines in co-operation with the agents, appears to be called for.

#### The Wholesalers

The impression was gained that many wholesalers attempted to increase their volume of sales regardless of the costs involved. The wholesale fresh produce business calls for close personal attention as this would have the effect of limiting turnover to a certain volume above which the efficiency of operation would be adversely effected.

The operating expenses of the wholesale produce firms varied widely and irregularly. There appears to be no direct relationship between money income and turnover. Such factors could be salesmanship, judgement in buying, movement of market prices, and managerial ability.

The wide variations in operating expenses and nett margins of the firms, as evidenced by this study, suggest that the efficiency of wholesaling can be improved. Studies to throw light upon various activities and phases of wholesaling should aid these firms to develop better merchandising techniques and hence to increase their operating efficiency.

#### The Retail Stores and Hawkers

The paucity of information on retail mark-ups and margins is a defect that requires urgent elimination. This would enable a break-down of the marketing margin to be made to serve as the framework for further research and study to reduce marketing costs.

The survey of the retail stores made it clear that consumer-preferences, likes and dislikes were unknown to, or disregarded by, the trade while their methods of retailing were poor and all too often of a crude nature. The most common failings were untidy and, often soiled, shops,

unattractive displays, slipshod salesmanship and failure to display price tags prominently. Propaganda on better merchandising and stricter supervision by the health departments of the respective local authorities are called for.

The hawkers are the retail market-at-the-door for the busy housewife who is unable to do her shopping in the early morning. Though the range of commodities carried by hawkers at a time may not be very wide, they usually carry those fruit and vegetables which are in most plentiful supply.

There is, however, much scope for improving the retailing of fresh produce by hawkers. These improvements should be brought about by the intelligent co-operation between growers, wholesalers, municipal authorities, the State and the hawkers who should be taught to

1. Buy with greater care.
2. Reduce their spoilage losses.
3. Price their produce correctly.
4. Exercise greater care in extending credit.
5. Plan their daily rounds so as to cover the widest possible territory.
6. Display price tags prominently.
7. Observe hygienic principles in the handling of fresh produce.

The need for intensive research on marketing in the Union is clear. A program which will provide for a comprehensive survey of our marketing institutions, their functions, their cost of operation and their efficiency is called for. Ideally, such a programme should be sponsored by the State but provide for co-operation with the various agencies concerned wherever expedient.

ANNEXURES 1 TO 7

ANNEXURE 1

APPROXIMATE PROPORTION THAT RAIL AND ROAD ARRIVALS WERE OF THE VOLUME OF VARIOUS VEGETABLES SOLD ON THE JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION MARKETS, 1947/48.

Kind of vegetable	Arrival by	
	Road	Rail
	Percentage of total sales	
Potatoes ... ..	26.2	73.8
Onions ... ..	34.3	65.7
Tomatoes ....	44.1	55.9
Cabbages and cauliflowers ...	45.7	54.3
Green beans.. ... ..	42.7	57.3
Green peas .. ... ..	40.0	60.0
Sweet potatoes . . . . .	43.8	56.2

A N N E X U R E 2.

KINDS OF CONTAINERS WHEREIN VARIOUS VEGETABLES ARRIVED FOR SALE ON THE  
 JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN MUNICIPAL AUCTION  
 MARKETS, 1947/48.

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Kind of vegetable	Kind of container
Sweet potatoes ... ..	Bags, sugar pockets, pockets, boxes.
Onions ... ..	Bags, sugar pockets, pockets, trays.
Cabbages ... ..	Crates, bags, sugar pockets, pockets, boxes.
Cauliflowers ... ..	Bags, crates.
Green beans ... ..	Bags, sugar pockets, pockets, trays.
Green peas ... ..	Bags, sugar pockets, pockets, trays.
Tomatoes ... ..	Bushel boxes, double-layer trays, single-layer trays, standard boxes (16 $\frac{1}{2}$ lb.), paraffin boxes.

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ANNEXURE 3(a)

VALUE AND PROPORTION THAT VARIOUS PRODUCTS WERE INDIVIDUALLY AND BY GROUP OF COMMODITIES OF THE SALES ON THE JOHANNESBURG MUNICIPAL AUCTION MARKET 1947/48 COMPARED WITH THE AVERAGE FOR THE 3 YEARS 1946/47 - 1948/49.

1947/48		1946/47 - 1948/49		
Group	Value	Proportion	Average value	Average proportion of sales
<u>VEGETABLES</u>	£	Percentage	£	Percentage
Potatoes	693,554.0	20.4	903,755.0	24.2
Tomatoes	390,724.0	11.5	396,777.6	10.6
Onions	207,660.0	6.1	191,258.3	5.1
Green peas	117,933.0	3.5	116,087.0	3.1
Green beans	90,394.0	2.7	95,899.3	2.6
Pumpkin	93,244.0	2.5	100,232.3	2.7
Cabbage	83,439.0	2.5	95,958.6	2.6
Sweet potatoes	63,992.0	1.9	75,298.0	2.0
Carrots	27,379.0	0.8	29,075.6	0.8
Cauliflowers	16,523.0	0.5	18,527.3	0.5
Beet	6,540.0	0.2	6,704.3	0.2
<b>Group total</b>	<b>1,791,382</b>	<b>52.8</b>	<b>2,029,273.3</b>	<b>54.4</b>
<u>DECIDUOUS FRUIT:</u>				
Apples	183,527.4	5.4	169,557.6	4.5
Grapes	52,611.0	1.5	70,863.3	1.9
Peaches	50,669.3	1.5	40,766.3	1.1
Pears	18,908.6	0.5	21,719.0	0.6
Cherries	9,094.6	0.3	7,668.6	0.2
Plums	5,768.0	0.2	7,839.0	0.2
Apricots	6,059.6	0.2	346.0	0.2
Nectarines	220.8	-	-	-
<b>Group total</b>	<b>326,859.3</b>	<b>9.6</b>	<b>326,699.4</b>	<b>8.7</b>
<u>SUB-TROPICAL FRUIT:</u>				
Papaws	86,269.8	2.6	90,468.0	2.4
Pineapples	75,440.2	2.2	87,808.6	2.4
Mangos	42,158.1	1.2	56,280.3	1.5
Avocados	34,346.2	1.0	33,908.3	0.9
Granadillas	17,063.4	0.5	18,076.0	0.5
Guavas	13,438.2	0.4	11,880.3	0.3
Bananas	4,877.2	0.1	5,346.3	0.1
Litchies	2,804.5	0.1	3,318.6	-
<b>Group total</b>	<b>276,337.6</b>	<b>8.1</b>	<b>307,086.4</b>	<b>8.1</b>
Citrus fruit	284,653.1	8.4	299,273.3	8.0
Poultry	183,567.9	5.4	163,437.0	4.4
Dry fodder	131,737.6	3.9	126,323.3	3.4
Dry beans	99,024.5	2.6	90,508.6	2.4
Eggs	5,840.8	0.2	6,398.6	0.2
Other	303,620.4	9.0	391,071.3	10.4
<b>TOTAL</b>	<b>997,444.3</b>	<b>29.5</b>	<b>1,077,012.1</b>	<b>28.8</b>
<b>Total or average</b>	<b>3,392,023.2</b>	<b>100.0</b>	<b>3,740,072.3</b>	<b>100.0</b>

ANNEXURE 3 (b)

VALUE AND PROPORTION THAT VARIOUS PRODUCTS WERE INDIVIDUALLY AND BY GROUP OF COMMODITIES OF THE SALES ON THE CAPE TOWN MUNICIPAL AUCTION MARKET 1947/8 COMPARED WITH THE AVERAGE FOR THE THREE YEARS 1946/47 - 1948/49.

Group	1947/48		1946/47 - 1948/49	
	Value	Proportion of sales	Average value	Average proportion of sales
	£	Percentage	£	Percentage
<u>VEGETABLES:</u>				
Potatoes	347,719	23.6	365,151.3	24.3
Tomatoes	168,278	11.4	167,439.6	11.1
Onions	86,104	5.8	79,369.6	5.3
Green peas	39,311	2.6	36,743.0	2.4
Green beans	35,546	2.4	36,910.0	2.5
Pumpkin	15,369	1.0	14,424.3	1.0
Cabbage	48,098	3.3	43,031.0	2.9
Sweet potatoes	23,050	1.6	27,926.3	1.8
Carrots	22,029	1.5	21,037.6	1.4
Cauliflower	20,025	1.4	18,390.0	1.2
Beet	9,804	0.7	9,352.0	0.6
<b>Group total</b>	<b>815,433</b>	<b>55.3</b>	<b>819,774.7</b>	<b>54.5</b>
<u>DECIDUOUS FRUIT:</u>				
Apples	117,220	8.0	102,663.6	6.8
Grapes	35,904	2.4	30,138.6	2.0
Peaches	48,626	3.3	45,326.0	3.0
Pears	11,435	0.8	11,199.3	0.8
Cherries	3,139	0.2	2,390.3	0.2
Plums	5,322	0.4	6,583.3	0.4
Apricots	3,302	0.2	3,899.3	0.3
Nectarines	206	-	684.3	-
<b>Group total</b>	<b>225,154</b>	<b>15.3</b>	<b>202,885.0</b>	<b>13.5</b>
<u>SUB-TROPICAL FRUIT:</u>				
Papaws	30,879	2.1	31,417.0	2.1
Pineapples	25,399	1.7	29,369.0	2.0
Mangos	21,948	1.0	29,814.0	2.0
Avocados	13,352	1.5	13,630.6	0.9
Granadillas	3,454	0.2	3,431.6	0.2
Guavas	19,235	1.3	19,805.3	1.3
Bananas	104,711	7.1	107,056.3	7.1
Litches	744	-	690.6	-
<b>Group total</b>	<b>219,722</b>	<b>14.9</b>	<b>235,214.4</b>	<b>15.7</b>
Citrus fruit	16,565	1.1	15,366.0	1.0
Poultry	82,256	1.5	22,739.6	1.5
Dry fodder	-	-	-	-
Dry beans	-	-	-	-
Eggs	7,167	0.5	9,256.6	0.6
Other	168,103	11.4	198,141.0	13.2
<b>TOTAL</b>	<b>214,091</b>	<b>14.5</b>	<b>245,503.2</b>	<b>16.3</b>
<b>Total or average</b>	<b>1,474,400</b>	<b>100.0</b>	<b>1,503,378</b>	<b>100.0</b>

A N N E X U R E 3 (c)

VALUE AND PROPORTION THAT VARIOUS PRODUCTS WERE INDIVIDUALLY AND BY GROUP OF COMMODITIES OF THE SALES ON THE PRETORIA MUNICIPAL AUCTION MARKET 1947/48 COMPARED WITH THE AVERAGE FOR THE THREE YEARS 1946/47 - 1948/49.

Group	1947/48		1946/47 - 1948/49	
	Value	Proportion of sales	Average value	Average proportion of sales
<u>VEGETABLES:</u>	£	Percentage	£	Percentage
Potatoes	169,090	21.6	191,530.6	22.7
Tomatoes	76,856	9.8	78,541.0	9.3
Onions	29,270	3.7	29,495.0	3.5
Green peas	20,677	2.6	20,373.0	2.4
Green beans	19,577	2.5	20,151.6	2.4
Pumpkin	20,067	2.6	21,442.0	2.5
Cabbage	17,042	2.2	19,475.3	2.3
Sweet potatoes	11,033	1.4	10,692.6	1.3
Carrots	5,480	0.7	6,578.6	0.8
Cauliflower	3,030	0.4	2,909.3	0.4
Beet	1,864	0.3	2,212.6	0.3
<b>Group total</b>	<b>373,966</b>	<b>47.8</b>	<b>403,402</b>	<b>47.9</b>
<u>DECIDUOUS FRUIT:</u>				
Apples	64,156	8.2	55,939.0	6.6
Grapes	16,407	2.1	21,875.3	2.6
Peaches	13,131	1.7	10,086.0	1.2
Pears	1,941	0.3	2,711.6	0.3
Cherries	254	-	288.0	-
Plums	1,190	0.1	1,339.0	0.2
Apricots	1,639	0.2	1,708.0	0.2
Nectarines	152	-	125.3	-
<b>Group total</b>	<b>98,870</b>	<b>12.6</b>	<b>94,072.2</b>	<b>11.1</b>
<u>SUB-TROPICAL FRUIT:</u>				
Papaws	27,392	3.5	28,223.6	3.3
Pineapples	12,857	1.7	15,729.0	1.9
Mangos	12,016	1.5	18,786.0	2.2
Avocados	7,610	1.0	8,041.0	1.0
Granadillas	1,803	0.2	2,294.0	0.3
Guavas	1,537	0.2	1,611.6	0.2
Bananas	3,393	0.4	3,412.0	0.4
Litchies	1,682	0.2	1,787.3	0.2
<b>Group total</b>	<b>68,293</b>	<b>8.7</b>	<b>79,884.5</b>	<b>9.5</b>
Citrus fruit	65,899	8.4	69,515.0	8.3
Poultry	34,971	4.5	30,633.0	3.6
Dry fodder	8,710	1.1	9,858.3	1.2
Dry beans	3,929	0.5	5,005.6	0.6
Eggs	5,905	0.7	8,263.6	1.0
Other	122,220	15.7	141,611.3	16.8
<b>Total</b>	<b>241,634</b>	<b>30.9</b>	<b>264,661</b>	<b>31.5</b>
<b>Total or average</b>	<b>782,768</b>	<b>100.0</b>	<b>842,246</b>	<b>100.0</b>

A N N E X U R E 3 (d)

AUCTION

VALUE AND PROPORTION THAT VARIOUS PRODUCTS WERE INDIVIDUALLY AND BY GROUP OF COMMODITIES OF THE SALES ON THE BLOEMFONTEIN MUNICIPAL MARKET 1947/48 COMPARED WITH THE AVERAGE FOR THE THREE YEARS 1946/47 - 1948/49.

1947/48			1946/47 - 1948/49	
Group	Value	Proportion of sales	Average value	Average proportion of sales
	£	Percentage	£	Percentage
<b>VEGETABLES:</b>				
Potatoes	44,628	16.7	51,331.5	17.1
Tomatoes	20,633	7.7	22,601.3	7.5
Onions	4,713	1.8	4,971.6	1.7
Green peas	3,876	1.5	3,900.6	1.3
Green beans	10,749	4.0	12,188.6	4.1
Pumpkin	5,432	2.0	7,043.3	2.4
Cabbage	7,982	3.0	8,426.6	2.8
Sweet potatoes	6,897	2.6	7,442.3	2.5
Carrots	8,130	3.0	8,018.0	2.7
Cauliflower	2,620	1.0	2,564.0	0.8
Beet	2,679	1.0	2,698.0	0.9
<b>Group total</b>	<b>118,439</b>	<b>44.3</b>	<b>131,186.0</b>	<b>43.8</b>
<b>DECIDUOUS FRUIT:</b>				
Apples	23,878	9.0	21,550.0	7.2
Grapes	4,957	1.8	5,894.3	1.9
Peaches	5,504	2.1	4,681.0	1.6
Pears	1,015	0.4	1,055.0	0.3
Cherries	557	0.2	357.3	0.1
Plums	386	0.1	553.3	0.3
Apricots	318	0.1	599.3	0.2
Nectarines	37	-	46.6	-
<b>Group total</b>	<b>36,652</b>	<b>13.9</b>	<b>34,737.0</b>	<b>11.6</b>
<b>SUB-TROPICAL FRUIT:</b>				
Papaws	9,354	3.6	10,236.0	3.4
Pineapples	4,826	1.8	6,644.0	2.2
Mangos	2,374	0.9	3,905.3	1.3
Avocados	1,857	0.7	2,251.6	0.8
Granadillas	491	0.2	701.3	0.2
Guavas	1,452	0.5	1,595.6	0.3
Bananas	4,489	1.7	4,131.3	1.4
Litchies	206	0.1	212.0	0.1
<b>Group total</b>	<b>25,029</b>	<b>9.4</b>	<b>29,677.0</b>	<b>9.9</b>
Citrus fruit	19,434	7.3	22,408.0	7.5
Poultry	2,368	0.9	2,558.0	0.9
Dry fodder	15,853	5.9	23,706.0	7.9
Dry beans	-	-	-	-
Eggs	1,610	0.6	1,604.0	0.5
Other	47,533	17.9	53,759.3	17.9
<b>Total</b>	<b>86,798</b>	<b>32.6</b>	<b>104,035.0</b>	<b>34.7</b>
<b>Total or average</b>	<b>266,918</b>	<b>100.0</b>	<b>299,635.0</b>	<b>100.0</b>

A N N E X U R E 4

RAIL SUPPLIES OF CERTAIN FRUIT AND VEGETABLES TO THE TERMINAL MARKETS OF JOHANNESBURG, CAPE TOWN, DURBAN, PRETORIA, BLOEMFONTEIN, PORT ELIZABETH, PIETERMARITZBURG, EAST LONDON AND KIMBERLEY.

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- Annexure Table 4 A Rail supplies of various fruit to the 9 terminal markets.
- Annexure Table 4 B Rail supplies of various vegetables to the 9 terminal markets.
- Annexure Table 4 C Quantities of various fruit consigned by rail to the municipal auction markets and other marketing agencies, respectively, at the 9 terminal markets.
- Annexure Table 4 D Quantities of various vegetables consigned by rail to the municipal auction markets and other marketing agencies respectively, at the 9 terminal markets.
- Annexure Table 4 E Leading magisterial districts and principal consigning stations from which various fruit were railed to the 9 terminal markets.
- Annexure Table 4 F Leading magisterial districts and principal consigning stations from which various vegetables were railed to the 9 terminal markets.
- Annexure Table 4 G Quantities of various fruit railed to each of the 9 terminal markets.
- Annexure Table 4 H Quantities of various vegetables railed to each of the 9 terminal markets.

ANNEXURE TABLE 4 A TOTAL RAIL CONSIGNMENTS OF VARIOUS FRUIT TO THE NINE (1) TERMINAL MARKETS, 1947/48.

Kind of fruit	Kind and gross weight of container	Total rail receipts at the nine terminal markets
		Number
Apples .....	bu.box, 50 lbs.	1,234,316
Avocados .....	tray, 12½ lbs.	325,363
Granadillas .....	tray, 8½ lbs.	109,653
Mangos .....	tray, 12½ lbs.	722,955
Papaws .....	Std.box 21 lbs.	1,211,067
Pineapples .....	Std.box 40 lbs.	443,451
Bananas .....	Crate 225 lbs.	147,721

1) Johannesburg, Cape Town, Durban, Pretoria, Bloemfontein, Port Elizabeth, Pietermaritzburg, East London, Kimberley.

ANNEXURE TABLE 4 B TOTAL RAIL CONSIGNMENTS OF VARIOUS VEGETABLES TO THE NINE (1 TERMINAL MARKETS, 1947/48.

Kind of vegetable	Kind and gross weight of container	Total rail receipts at the nine terminal markets
		Number
Potatoes .....	pcts. 38 lbs.	7,254,644
Onions .....	bags 123 lbs.	321,001
Cauliflowers .....	bags 83 lbs.	47,113
Cabbages .....	bags 103 lbs.	364,560
Green beans .....	pcts. 20 $\frac{1}{2}$ lbs.	91,717
Green peas .....	pcts. 20 $\frac{1}{2}$ lbs.	616,839
Pumpkins .....	bags 163 lbs.	210,962
Tomatoes .....	std. box 17 $\frac{1}{2}$ lbs.	3,465,248
Squashes .....	bags 133 lbs.	117,738
Sweet potatoes .....	bags 123 lbs.	163,938

1) Johannesburg, Cape Town, Durban, Pretoria, Bloemfontein, Port Elizabeth, Pietermaritzburg, East London, Kimberley.

ANNEXURE TABLE 4 C QUANTITIES OF VARIOUS FRUIT CONSIGNED BY RAIL TO (a) MUNICIPAL AUCTION MARKETS AND (b) OTHER MARKETING AGENCIES AT THE JOHANNESBURG, CAPE TOWN, PRETORIA, BLOEMFONTEIN, DURBAN, PIETERMARITZBURG, PORT ELIZABET EAST LONDON AND KIMBERLEY TERMINAL MARKETS, 1947/48.

Kind of fruit	Receipts by		Total
	Municipal auction market	Other marketing agencies	
Apples, bu. box	859,437	374,879	1,234,316
Avocados, tray	275,130	50,233	325,363
Granadillas, tray	81,168	28,485	109,653
Mangoes, tray	648,445	74,510	722,955
Papaws, std. box	993,694	217,373	1,211,067
Pineapples, std. box	192,178	251,273	443,451
Bananas, crate	47,302	100,419	147,721

	Percentage of total rail receipts		
Apples	69.6	30.4	100
Avocados	84.6	15.4	100
Granadillas	74.0	26.0	100
Mangoes	89.7	10.3	100
Papaws	82.1	17.9	100
Pineapples	43.3	56.7	100
Bananas	32.0	68.0	100



ANNEXURE TABLE 4 D QUANTITIES OF VARIOUS VEGETABLES CONSIGNED BY RAIL TO (a) MUNICIPAL AUCTION MARKETS AND (b) OTHER MARKETING AGENCIES AT THE JOHANNESBURG, CAPE TOWN, PRETORIA, BLOEMFONTEIN, DURBAN, PIETERMARITZBURG, PORT ELIZABETH EAST LONDON AND KIMBERLEY TERMINAL MARKETS, 1947/48.

Kind of vegetable	Receipts by		Total
	Municipal auction market	Other marketing agencies	
	Number of containers		
Potatoes, pcts.	5,969,589	1,285,055	7,254,644
Onions, bags	281,973	39,028	321,001
Cauliflower, bags	45,250	1,863	47,113
Cabbages, bags	352,977	11,583	364,560
Green beans, pcts.	473,222	18,495	491,717
Green peas, pcts.	592,845	23,994	616,839
Pumpkins, bags	190,807	20,155	210,962
Tomatoes, std. box	3,239,715	225,533	3,465,248
Squashes, bags	114,086	3,652	117,738
Sweet potatoes, bags	159,745	4,193	163,938
	Percentage of total rail receipts		
Potatoes	82.3	17.7	100
Onions	87.8	12.2	100
Cauliflowers	96.0	4.0	100
Cabbages	96.8	3.2	100
Green beans	96.2	3.8	100
Green peas	96.1	3.9	100
Pumpkins	90.4	9.6	100
Tomatoes	93.5	6.5	100
Squashes	96.9	3.1	100
Sweet potatoes	97.4	2.6	100

ANNEXURE TABLE 4 E LEADING MAGISTERIAL DISTRICTS AND PRINCIPAL  
 CONSIGNING STATIONS FROM WHICH VARIOUS FRUIT  
 WERE RAILED TO THE NINE TERMINAL MARKETS (1  
 1947/48.

Kind of fruit	Leading magisterial districts	Proportion that supplies from each district represented of total supplies railed to the nine terminal markets.	Principal consigning stations within the leading districts	Proportion that quantity railed from each consigning station represented of total rail receipts at the terminal markets
		Percentage		Percentage
Apples	Uniondale, C.P.	61.5	Joubertina	55.5
	Caledon, C.P.	14.4	Elgin	13.9
	George, C.P.	5.8	Gamfer	5.8
Avocados	Letaba, Tvl.	53.5	Politsi	22.6
			Tzaneen	15.3
	Durban, Natal	29.5	Duiwelskloof	12.3
	Nelspruit, Tvl.	5.0	Durban	26.4
			White River	1.1
Grapes	Letaba, Tvl.	55.9	Tzaneen	39.1
	Nelspruit, Tvl.	25.4	Nelspruit	11.9
			White River	6.9
	Barberton, Tvl.	5.6	Kaapmuiden	2.9
Mangoes	Letaba, Tvl.	42.2	Tzaneen	20.3
			Letaba	10.8
	Barberton, Tvl.	42.2	Malelane	14.9
			Hectorspruit	9.3
Papaws	Letaba, Tvl.	40.7	Letsitele	31.4
			Tzaneen	10.4
	Barberton, Tvl.	33.5	Kaapmuiden	26.7
	Nelspruit, Tvl.	5.8	Mataffin	2.6
Pineapples	Bathurst, C.P.	72.0	Trappesvalley	33.1
			Martindale	6.8
	Albany, C.P.	17.5	Grahamstown	17.2
	East London, C.P.	5.1	East London	5.1
Bananas	Lourenco Marques, P.E.A.	58.7	Lourenco Marques, P.E.A.	58.7
	Port Shepstone, Natal	16.6	Port Shepstone, Natal	15.1
			Durban	10.0
	Durban, Natal	10.2		

1) Johannesburg, Cape Town, Durban, Pretoria, Bloemfontein, Port Elizabeth, Pietermaritzburg, East London, Kimberley.

ANNEXURE TABEL 4 F LEADING MAGISTERIAL DISTRICTS AND PRINCIPAL CONSIGNING STATIONS FROM WHICH VARIOUS VEGETABLES WERE RAILED TO THE NINE TERMINAL MARKETS 1), 1947/48.

Kind of vegetable	Leading magisterial district	Proportion that supplies from each district represented of total supplies railed to the nine terminal markets	Principal consigning stations within the leading district	Proportion that quantity railed from each consigning station represented of total rail receipts at the nine terminal markets
		Percentage		
Potatoes	Bethal, Tvl.	15.7	Bethal	9.2
			Kinross	3.8
			Leslie	2.6
	Witbank, Tvl.	8.8	Oogies	5.0
	Ermelo, Tvl.	6.0	Davel	4.1
	Harrismith, O.F.S.	6.2	Warden	2.6
Onions	Caledon, C.P.	49.2	Caledon	24.8
			Elgin	6.7
			Botrivier	5.7
	Pretoria, Tvl.	6.1	Pyramid	3.5
	Johannesburg, Tvl.	3.5	Kazerne	3.5
	Worcester, C.P.	2.9	Worcester	2.4
Cauliflowers	Weenen, Natal	59.4	Weenen	59.4
	Uitenhage, C.P.	11.0	Uitenhage	10.9
	Nelspruit, Tvl.	6.1	Godwin River	2.3
	Johannesburg, Tvl.	2.4	Kazerne	2.4
Cabbages	Nelspruit, Tvl.	53.4	Mataffin	29.7
			Schagen	8.0
	Barberton, Tvl.	10.2	Barberton	3.4
			Malelane	3.3
	Caledon, C.P.	7.6	Elgin	3.7
Green Beans	Barberton, Tvl.	41.9	Kaapmuiden	26.2
			Malelane	7.9
	Nelspruit, Tvl.	13.8	Karino	2.5
	Letaba, Tvl.	2.3	Letsitele	4.1
Green Peas	Nelspruit, Tvl.	12.3	Schagen	2.3
			Nelspruit	1.7
	Bethal, Tvl.	9.6	Bethal	1.8
	Belfast, Tvl.	6.9	Airlie	0.8
	Letaba, Tvl.	6.6	Mokeetsi	1.7
Pumpkins	Bethal, Tvl.	14.8	Leslie	5.4
			Bethal	5.3
	Groblersdal, Tvl.	11.9	Marble Hall	11.9
	Witbank, Tvl.	6.3	Oogies	3.2
	Springs, Tvl.	5.3	Delmas	0.9
Tomatoes	Barberton, Tvl.	34.2	Kaapmuiden	15.6
			Malelane	11.8
	Letaba, Tvl.	28.2	Letsitele	9.7
			Tzaneen	3.7
	Nelspruit, Tvl.	13.1	Karino	5.6
			Schagen	2.7
	Zoutpansberg, Tvl.	7.3	Mopani	5.4

ANNEXURE TABLE 4 F (Contd.)

Kind of vegetable	Leading magisterial district	Proportion that supplies from each district represented of total supplies railed to the nine terminal market	Principal consigning stations within the leading district	Proportion that quantity railed from each consigning station represented of total rai receipts at the nine terminal markets
		Percentage	Percentage	
Squashes	Barberton, Tvl.	31.3	Kaapmuiden	5.5
	Letaba, Tvl.	9.4	Malalame	3.3
	Groblersdal, Tvl.	6.9	Letsitele	5.0
	Pilgrimsrest, Tvl.	6.5	Marble Hall	6.9
Sweet potatoes			Acornhoek	6.4
	Nelspruit, Tvl.	23.3	Nelspruit	7.3
	George, C.P.	17.6	George	12.4
	Barberton, Tvl.	12.6	Groot Brak River	4.5
	East London, C.P.	9.0	Barberton	12.5
			East London	9.0

1) Johannesburg, Cape Town, Durban, Pretoria, Bloemfontein, Port Elizabeth, Pietermaritzburg, East London, Kimberley.

ANNEXURE TABLE 4.6. QUANTITIES OF VARIOUS FRUITS RAILED TO THE JOHANNESBURG, CAPE TOWN, PRETORIA, DURBAN, BLOEMFONTEIN, EAST LONDON, PORT ELIZABETH, KIMBERLEY AND PIETERMARITZBURG TERMINAL MARKETS, RESPECTIVELY, 1947/48.

Kind of Fruit	TERMINAL MARKETS									Total Rail Receipts
	Johannesburg	Cape Town	Pretoria	Durban	Bloemfontein	East London	Port Elizabeth	Kimberley	Pietermaritzburg	
	Number of Containers									
Apples, bu.box 50 lbs. ....	304,976	111,342	55,525	70,435	39,370	33,001	569,925	18,235	27,607	1,234,316
Avocados, tray 12½ lbs. ....	154,987	66,638	59,138	464	13,144	15,598	8,529	5,750	1,120	325,363
Granadillas, tray 8½ lbs. ....	71,321	18,429	8,830	1,870	3,499	174	2,630	965	1,915	109,653
Mangoes, tray, 12½ lbs. ....	350,686	183,474 x	89,250	8,852	35,228	14,660	29,982	2,685	9,138	722,955
Papaws, std.box 21 lbs. ....	672,814	208,799	181,673	2,853	69,126	1,275	35,393	23,189	15,945	1,211,067
Pineapples, std.box 40 lbs. ....	106,290	60,275	17,194	605	12,095	335	238,963	6,517	1,177	443,451
Bananas, crate 225 lbs. ....	75,878	38,541	12,435	1,684	4,774	1,633	9,945	2,736	95	147,721
	Percentage of Total Rail Receipts									
Apples .....	24.7	9.0	4.8	5.7	3.2	2.7	46.2	1.5	2.2	100
Avocados .....	47.6	20.5	18.2	2	4.0	4.8	2.6	1.8	3	100
Granadillas .....	65.0	16.9	8.1	1.7	3.2	2	2.4	9	1.7	100
Mangoes .....	48.5	25.2	12.3	1.2	4.9	2.0	4.2	4	1.3	100
Papaws .....	55.6	17.2	15.0	2	5.7	2	2.9	1.9	1.3	100
Pineapples .....	24.0	13.6	3.9	1	2.7	-	53.9	1.5	3	100
Bananas .....	51.4	26.1	8.4	1.1	3.2	1.1	6.7	1.9	1	100

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ANNEXURE TABLE 4.H- QUANTITIES OF VARIOUS VEGETABLES RAILED TO THE JOHANNESBURG, CAPETOWN, PRETORIA, DURBAN, BLOEMFONTEIN, EAST LONDON, PORT ELIZABETH, KIMBERLEY AND PIETERMARITZBURG TERMINAL MARKETS, RESPECTIVELY, 1947/48.

Kind of Vegetable	Terminal Markets									Total Rail Receipts
	Johannesburg	Cape Town	Pretoria	Durban	Bloemfontein	East London	Port Elizabeth	Kimberley	Pietermaritzburg	
Potatoes, pcts. 38 lbs. ....	2,806,736	1,465,925	393,657	1,545,804	270,058	221,887	163,533	117,403	270,341	7,254,644
Onions, bags 123 lbs. ....	120,747	86,108	12,668	69,369	4,359	5,191	10,370	5,157	13,238	321,001
Cauliflowers, bags 83 lbs. ....	3,003	2,998	99	26,800	3,525	576	3,558	1,756	4,798	47,113
Cabbages, bags 103 lbs. ....	175,671	62,622	34,183	45,678	18,889	1,296	2,485	9,350	14,386	364,560
Green beans, pcts. 20½ lbs. ....	194,898	108,446	56,485	34,334	35,567	3,552	28,362	18,678	11,455	491,717
Green peas, pcts. 20½ lbs. ....	278,237	106,809	47,481	131,469	11,345	2,207	12,085	13,118	14,068	616,839
Pumpkins, bags 163 lbs. ....	114,859	17,445	12,461	36,731	6,873	3,592	8,151	4,182	6,668	210,962
Tomatoes, std. box 17½ lbs. ....	1,636,066	727,644	351,410	263,193	127,440	17,447	128,332	93,161	120,554	3,465,248
Squashes, bags 133 lbs. ....	26,990	36,669	10,771	31,422	2,727	1,066	1,237	3,333	3,523	117,738
Sweet potatoes, bags 123 lbs. ....	45,537	45,457	24,366	15,956	18,048	20	8,081	4,027	12,424	163,938
Percentage of Total Rail Receipts										
Potatoes .....	38.7	20.2	5.4	21.3	3.7	3.1	2.3	1.6	3.7	100
Onions .....	37.6	26.6	3.9	19.7	1.4	1.6	3.2	1.6	4.2	100
Cauliflower .....	6.4	6.4	.2	56.9	7.5	1.2	7.6	3.7	10.1	100
Cabbages .....	48.2	17.2	9.4	12.5	5.2	.4	.6	2.6	3.9	100
Green beans .....	39.6	22.1	11.5	7.0	7.2	.7	5.8	3.8	2.3	100
Green peas .....	45.1	17.3	7.7	21.3	1.8	.4	2.8	2.1	2.3	100
Pumpkins .....	54.4	8.3	5.9	17.4	3.3	1.7	3.9	1.9	3.2	100
Tomatoes .....	47.2	21.0	10.1	7.6	3.7	.5	3.7	2.7	3.5	100
Squashes .....	22.9	31.1	9.2	26.7	2.3	.9	1.1	2.8	3.0	100
Sweet potatoes .....	27.8	27.7	14.9	3.6	11.8	-	4.9	2.5	7.6	100

A N N E X U R E 5

APPROXIMATE RAIL AND ROAD SUPPLIES OF VEGETABLES  
TO THE 9 TERMINAL MARKETS

ANNEXURE 5

APPROXIMATE PROPORTION THAT RAIL AND ROAD ARRIVALS WERE OF THE VOLUME OF VARIOUS VEGETABLES SOLD ON THE JOHANNESBURG, CAPETOWN, DURBAN, PRETORIA, BLOEMFONTEIN, PORT ELIZABETH, PIETERMARITZBURG AND EAST LONDON MUNICIPAL AUCTION MARKETS, 1947/48.

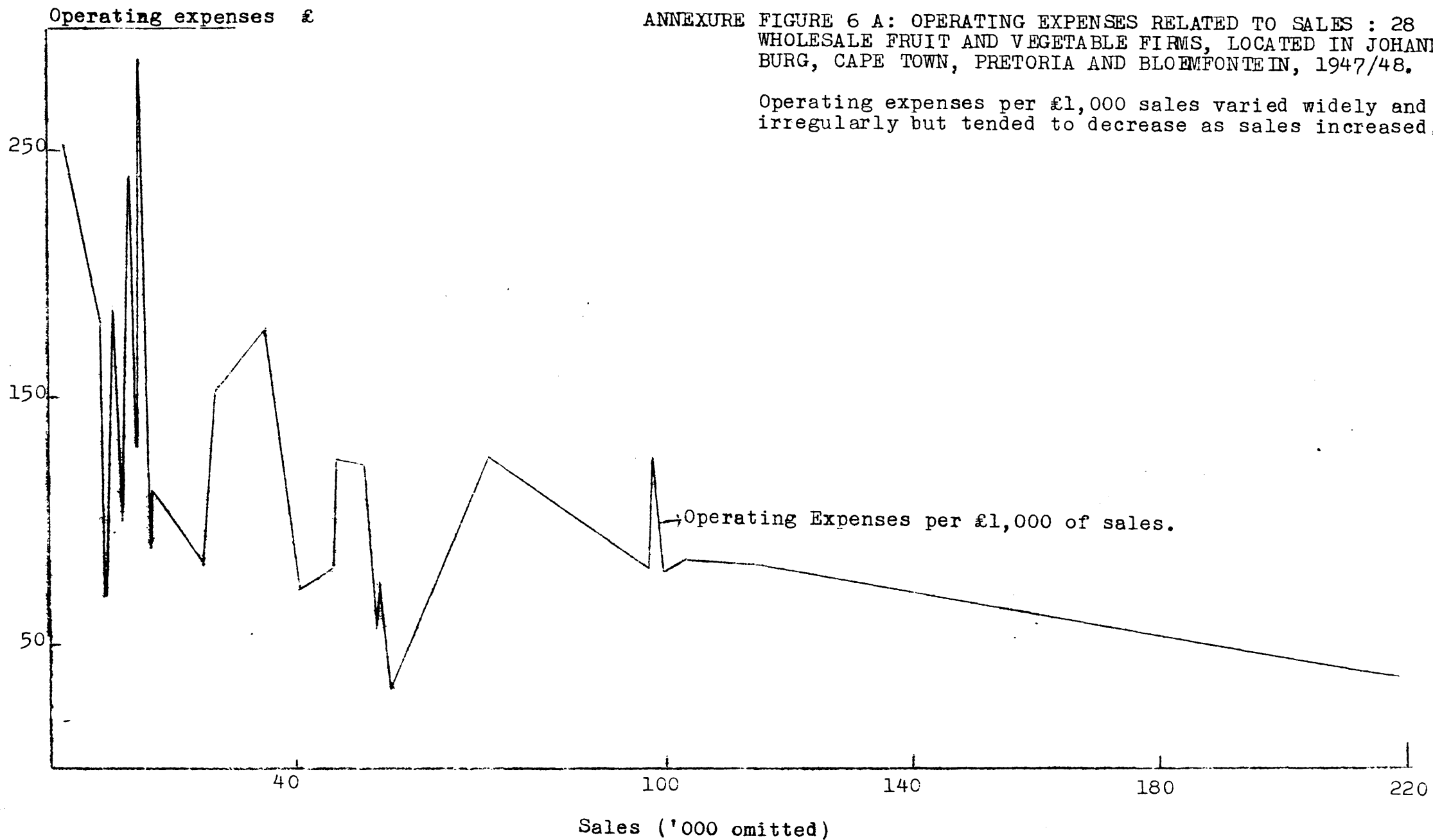
Kind of Vegetable	Arrivals by	
	Road	Rail
	Percentage of total sales	
Potatoes .....	21.8	78.2
Onions .....	30.0	70.0
Cauliflowers .....	89.9	10.1
Cabbages .....	39.8	60.2
Green beans .....	41.5	58.5
Green peas .....	38.6	61.4
Tomatoes .....	35.7	64.3
Sweet potatoes .....	46.3	53.7

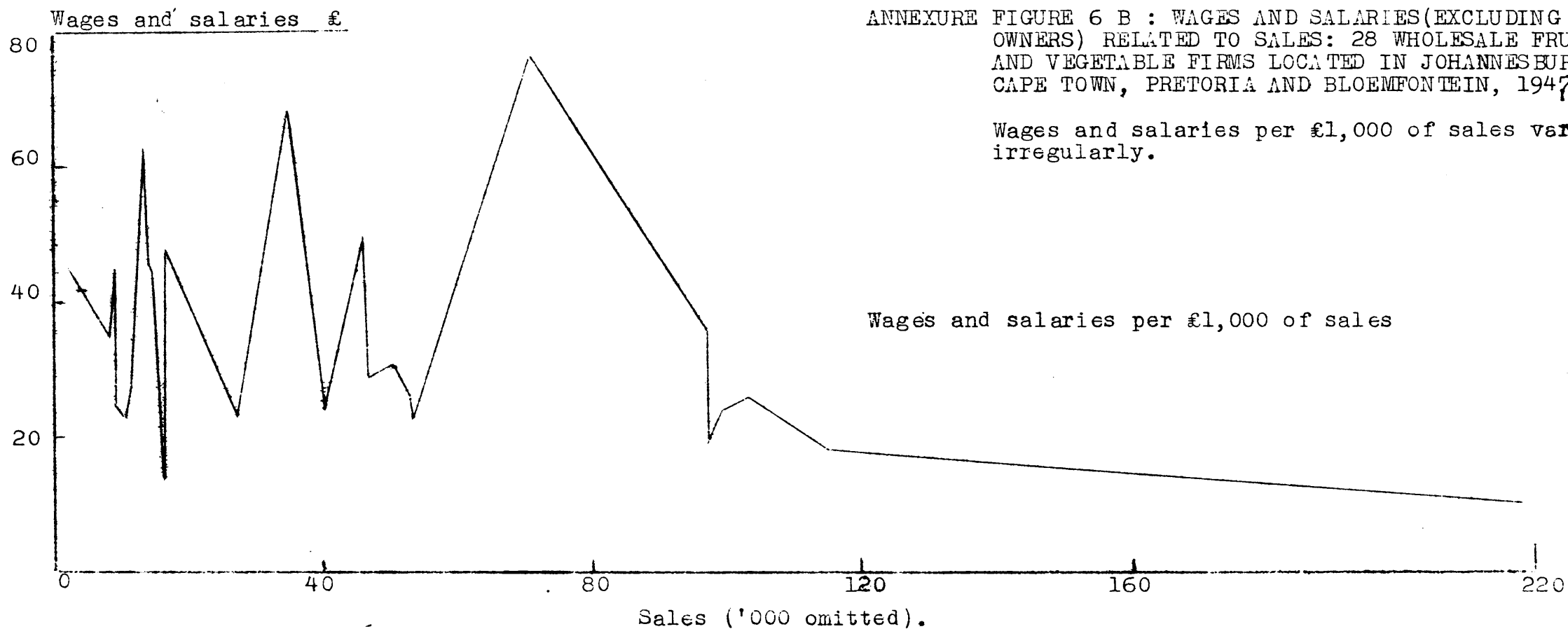


ANNEXURE 6

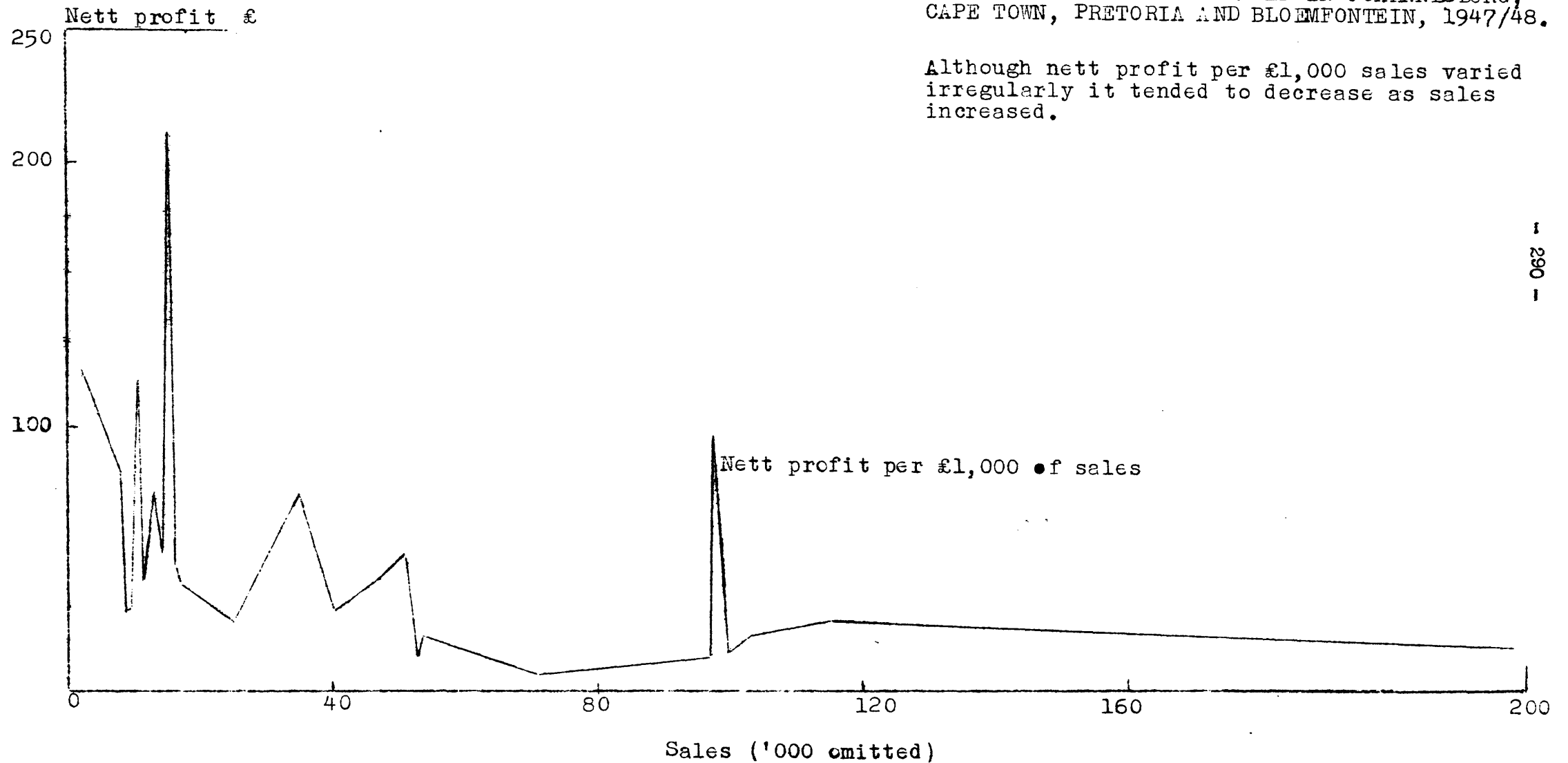
RELATIONSHIPS FOR WHOLESALE FRESH FRUIT AND VEGETABLE  
FIRMS

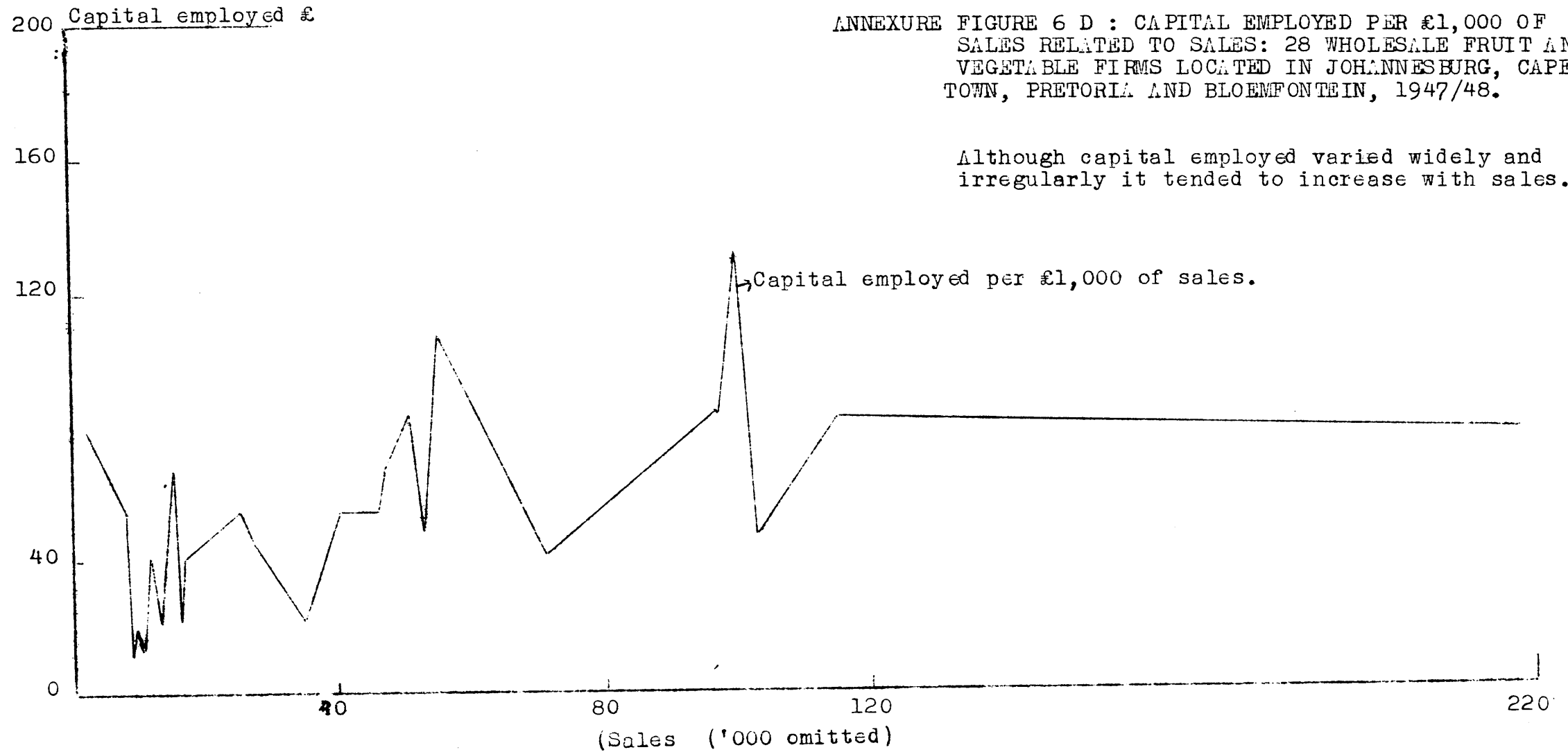
- Annexure Figure 6 A      Operating expenses related to sales.
- Annexure Figure 6 B      Wages and salaries (excluding owners), related  
to sales.
- Annexure Figure 6 C      Nett profit related to sales.
- Annexure Figure 6 D      Capital employed related to sales.
- Annexure Figure 6 E      Wages and salaries as a percentage of gross  
profit.
- Annexure Figure 6 F      Nett profit as a percentage of gross profit.



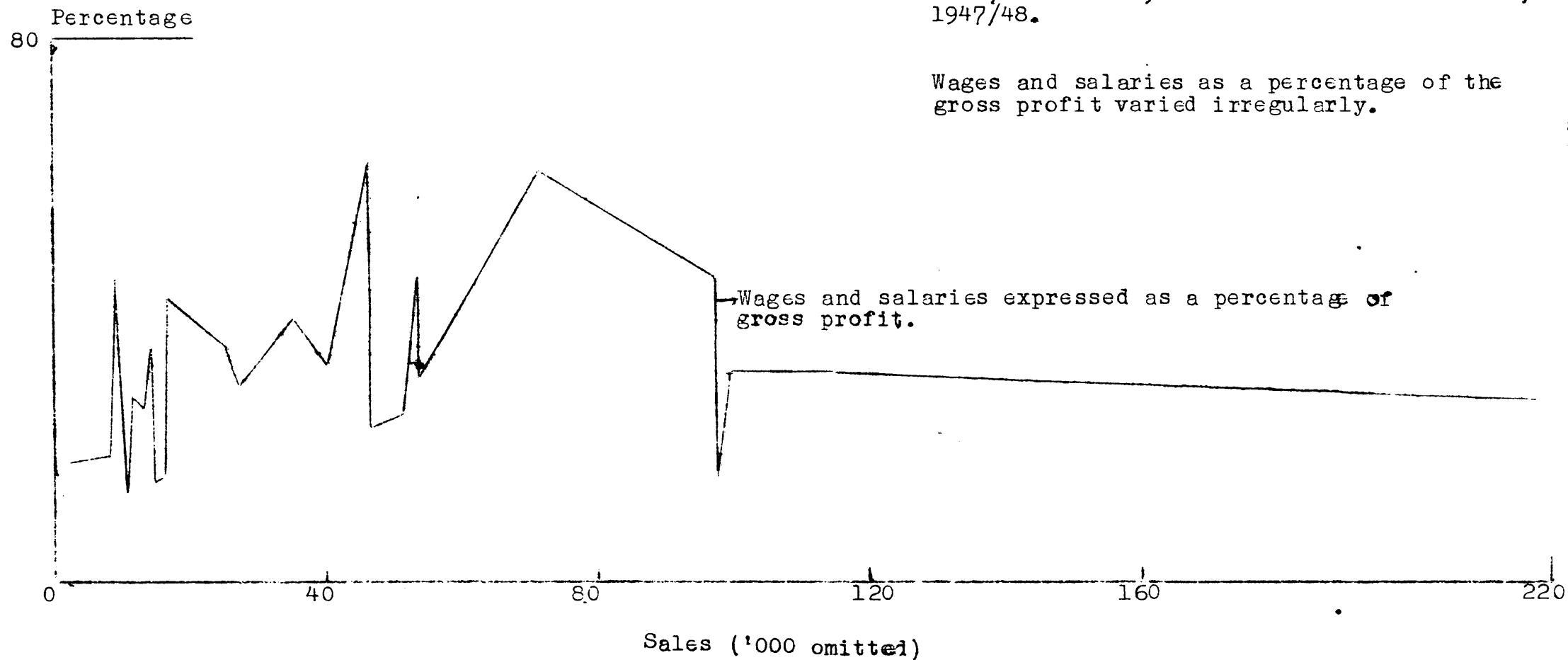


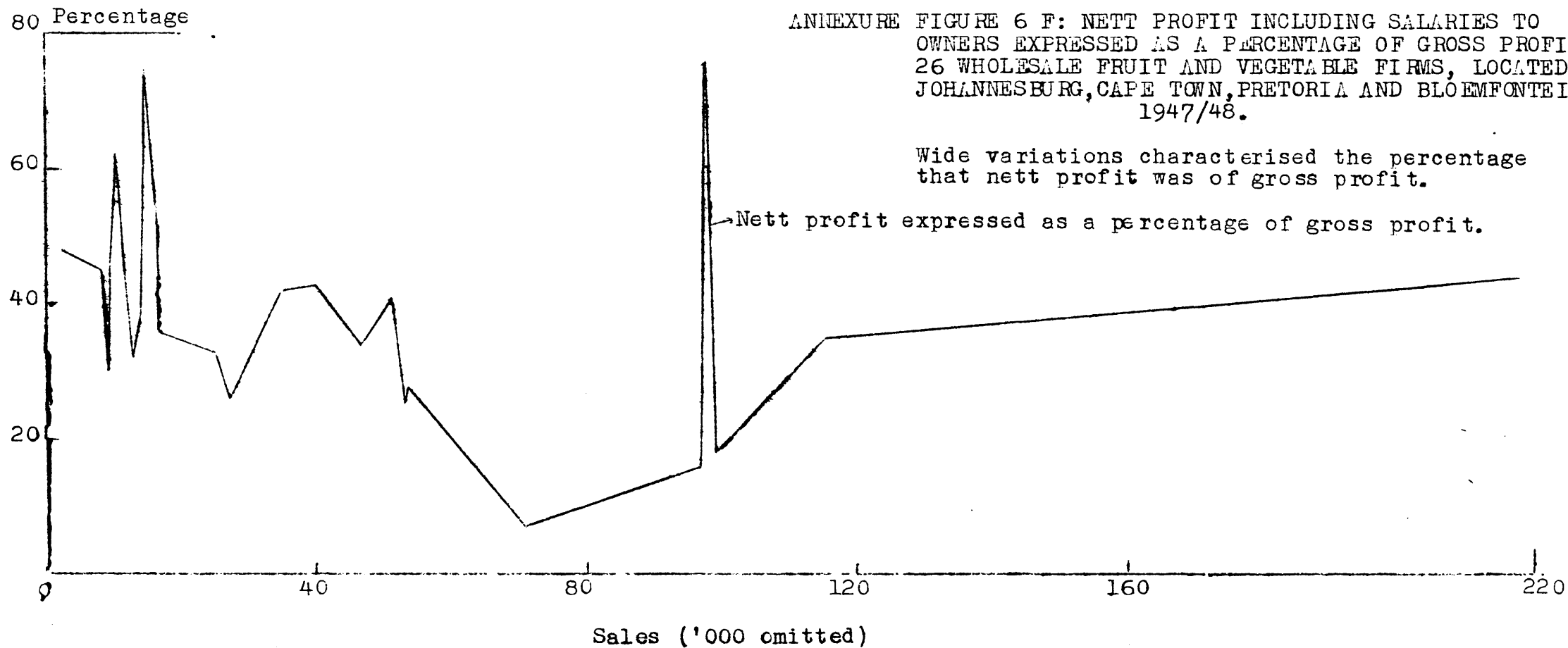
ANNEXURE FIGURE 6 C: NETT PROFIT (INCLUDING SALARIES TO OWNERS') RELATED TO SALES: 26 WHOLESALE FRUIT AND VEGETABLE FIRMS LOCATED IN JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.





ANNEXURE FIGURE 6 E: WAGES AND SALARIES (EXCLUDING OWNERS') AS A PERCENTAGE OF GROSS PROFIT: 27 WHOLESALE FRUIT AND VEGETABLE FIRMS LOCATED IN JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.





ANNEXURE 7

NATIONALITY OF OWNERSHIP

Annexure Table 7 A :	Wholesale Produce Firms.
Annexure Table 7 B :	Market Agents.
Annexure Table 7 C :	Retail Fresh Produce Stores.
Annexure Table 7 D :	Hawkers.



ANNEXURE TABLE 7 A NATIONALITY OF OWNERSHIP: 47 WHOLESALE FRESH FRUIT AND VEGETABLE FIRMS LOCATED AT JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Nationality	Number of Wholesalers				Total
	Johannesburg	Cape Town	Pretoria	Bloemfontein	
Indian	23	4	10	-	37
Greek	-	2	1	1	4
Syrian	-	-	2	-	2
Jewish	-	-	-	2	2
Afrikaner	-	-	1	-	1
Italian	-	-	1	-	1
<b>Total</b>	<b>23</b>	<b>6</b>	<b>15</b>	<b>3</b>	<b>47</b>

Nationality	Percentage				Total
	Johannesburg	Cape Town	Pretoria	Bloemfontein	
Indian	100.0	66.7	66.7	-	78.7
Greek	-	33.3	6.7	33.3	8.5
Syrian	-	-	13.2	-	4.3
Jewish	-	-	-	66.7	4.3
Afrikaner	-	-	6.7	-	2.1
Italian	-	-	6.7	-	2.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

ANNEXURE TABLE 7 B NATIONALITY OF OWNERSHIP: 59 MARKET AGENTS  
 LOCATED AT JOHANNESBURG, CAPE TOWN, PRETORIA  
 AND BLOEMFONTEIN, 1947/48

Nationality	Number of Market Agents				Total
	Johannes- burg	Cape Town	Pretoria	Bloemfon- tein	
Jewish	22	4	1	1	28
Afrikaner	9	5	5	1	20
English	3	2	-	-	5
Syrian	-	-	1	2	3
Greek	-	-	-	1	1
Italian	1	-	-	-	1
Portugese	1	-	-	-	1
<b>Total</b>	<b>36</b>	<b>11</b>	<b>7</b>	<b>5</b>	<b>59</b>
	Percentage				
Jewish	61.1	36.4	14.3	20.0	47.4
Afrikaner	25.0	45.4	71.4	20.0	33.9
English	8.3	18.2	-	-	8.5
Syrian	-	-	14.3	40.0	5.1
Greek	-	-	-	20.0	1.7
Italian	2.8	-	-	-	1.7
Portugese	2.8	-	-	-	1.7
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

ANNEXURE TABLE 7 C NATIONALITY OF OWNERSHIP: 331 RETAIL FRESH FRUIT AND VEGETABLE FIRMS, LOCATED AT JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN, 1947/48.

Nationality	Number of Retailers				Total
	Johannesburg	Cape Town	Pretoria	Bloemfontein	
Greek	33	27	24	11	95
Indian	14	48	22	-	84
Afrikaner	3	5	14	21	43
Portugese	28	2	8	-	38
Jewish	11	13	3	4	31
Syrian	3	7	5	5	20
English	6	8	4	1	19
Chinese	1	-	-	-	1
<b>Total</b>	<b>99</b>	<b>110</b>	<b>80</b>	<b>42</b>	<b>331</b>
Percentage					
Greek	33.5	24.6	30.0	26.2	28.7
Indian	14.2	43.6	27.5	-	25.4
Afrikaner	3.0	4.5	17.5	50.0	13.0
Portugese	28.3	1.8	10.0	-	11.5
Jewish	11.1	11.8	3.8	9.5	9.4
Syrian	3.0	6.4	6.1	11.9	6.0
English	6.1	7.3	5.0	2.4	5.7
Chinese	1.0	-	-	-	0.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

ANNEXURE TABLE 7 D      NATIONALITY OF OWNERSHIP: 128 FRESH FRUIT AND VEGETABLE HAWKERS LOCATED AT, JOHANNESBURG, CAPE TOWN, PRETORIA AND BLOEMFONTEIN 1947/48.

Nationality	Number of Hawkers				Total
	Johannesburg	Cape Town	Pretoria	Bloemfontein	
Cape Coloured	2	50	1	-	53
Indian	6	11	35	-	52
Afrikaner	1	1	5	5	12
Native	5	-	5	-	10
Polish	-	1	-	-	1
<b>Total</b>	<b>14</b>	<b>63</b>	<b>46</b>	<b>5</b>	<b>128</b>

	Percentage				
Cape Coloured	14.3	79.4	2.2	-	41.4
Indian	42.9	17.4	76.0	-	40.6
Afrikaner	7.1	1.6	10.9	100.0	9.4
Native	35.7	-	10.9	-	7.8
Polish	-	1.6	-	-	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

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