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An Economic Inquiry
into
WHEAT FARMING
IN THE
Western Cape Province
1929-1930.

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(Translation.)

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PREFACE.

THE accompanying bulletin is the result of one year's study of representative wheat farms in the western Cape Province by Mr. W. J. Pretorius, M.Sc., of the Division of Economics and Markets.

As has been stated in previous bulletins of a similar nature, a single year's results cannot be taken as conclusive. The work is proceeding and will be carried on for at least a few more years.

The western Cape Province wheat-grower has passed through difficult times, and with the gradual decrease in the size of farm properties has found it difficult to carry on under a single-crop system. In many areas he has been forced to shorten the rotation, use larger quantities of fertilizer, and pay higher prices for farm labour. It was felt that an economic survey of the conditions might contribute something towards indicating where economies might be effected, and in which direction a more balanced system of farming might be introduced. It is not to be expected that a one-year study would be able to answer the various questions involved, but there are important points which emerge from the investigation even at this early stage to which special attention is directed, viz. :—

- (a) The important rôle which yield per morgen plays in relation to costs per bag and the farmer's profit.
- (b) Cereal crops account for nearly 65 per cent. of the total farm income, while livestock contributes to the average farm income from 16 to 20 per cent., depending on locality.
- (c) The high costs involved in producing the wheat crop, particularly in respect of labour, animals, and fertilizer.
- (d) The small margin of profit in grain farming excepting where yields are much above average per morgen, or where the total turnover per farm is relatively high.
- (e) The high capital investment per farm.

Without wishing to anticipate future results, one is entitled to express the view that much more diversity must be introduced into the grain-farming system of the western Cape Province in order to enable the farmer to spread his risk over a greater number of enterprises and to reduce his dependence on the wheat crop to reasonable proportions. In this respect it would seem that live stock is destined to play an important part in the farming economy of the western Cape Province, not to mention its important bearing on the maintenance of soil fertility.

W. J. LAMONT,
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and Markets.

14th April, 1931.

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Most Important Factors Influencing Profit on Wheat.

In the Swartland and in Bredasdorp there was not much difference between the best and the poorest farms so far as costs are concerned. In the former area the farmers who made the greatest profit per morgen incurred about £1. 6s. more in costs to produce a morgen of wheat than was incurred by the owners of the poorest farms. In Bredasdorp, on the other hand, it cost the five poorest farms £1. 6s. more per morgen than it did the five best farms. The greatest difference, however, occurs in connection with the "yield per morgen" and, consequently, in "the value of yield per morgen." The five best farms reaped on an average more than twice as much income from a morgen of wheat as the five poorest farms, consequently the former could show an average profit of £3. 14s. per morgen where the latter showed a loss of £2. 10s. per morgen.

SUMMARY.

The four chief items in the cost of production of wheat are: manual labour, animal labour, fertilizer, and interest on land. The interest which the farmer has to pay is not reducible. The cost of fertilizer can be reduced, but in most cases this would be expensive economy. Table XXXIV shows that an increased production per morgen goes hand in hand with increased expenditure on fertilizer. It therefore pays the farmer to use enough fertilizer on his lands, especially during years with a good rainfall and in the absence of serious grain diseases.

Manual labour and animal labour are thus the only two important items where, in most cases, economy might be effected without detriment to the efficiency of the farm organization. In the Swartland, especially, many farmers could undoubtedly do with less farm labour. For example, it seems unnecessary in many instances to employ either a "klonkie" (youngster) or an adult constantly as "touleier" (leader) whenever ploughing or fallowing is done. In Bredasdorp only one labourer is employed to a team of mules. It does not follow, however, that economy might not be effected on minor items. According to certain data collected for this study, farmers owning tractors were in a position to produce their wheat slightly cheaper than farmers who used only mules. It would, however, not be advisable to draw any conclusions from this in view of the small number of cases involved and the few tractors in use. In future studies, however, more attention will be devoted to this phase of the matter.

Where farmers produced at a loss, i.e. with wheat at an average price of £1 per bag, this would in very few instances be ascribed to the fault of the farmer or his farming methods. In the majority of cases the cause could be sought in a bad harvest as a result of unfavourable climatic conditions or plant diseases, which usually are beyond the control of the farmer. But it is by no means to be inferred that the farm organizations are perfect, although they are, on the whole, on a fairly high level of efficiency.