

ANNUAL REPORT

CAPE WOOLS SA CONTRACT: COMMERCIAL PRODUCTION ADVISORY SERVICES

REPORTING PERIOD

1 JULY 2024 TO 30 JUNE 2025

PREPARED BY:

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INTRODUCTION

The Commercial production advisory services, outcome report for 2024-2025 review period. The Report will be a Qualitative analysis that should be read in conjunction with the Statistical report given by the financial officer. Furthermore, an addendum was added to further guide the review of the newly formed position for Training and Development. (Refer to Annexure A)

1. LIFE CYCLE ANALYSIS (Wool)

The additional work undertaken for LCA (wool and mohair) outside of the scope of what was planned a year ago will show in the targets reached. The amount of time needed for these projects has limited the capacity to focus on other parts of the contract.

The large data collection was finalized at the end of May 2025. It must be noted that the largest reason for the delay in commencing with the project was due to the following aspects: finding a laboratory, providing adequate feedback to the project designers on farm specifics that they do not understand and a delay in boundary data collection due to misunderstandings on the methods. As of July 2025 data collection has been completed; we are now in the final stages of resolving minor outstanding queries. Thus far a total of 71 days were needed to finalize this part of the contract.

2. LIFE CYCLE ANALYSIS (Mohair)

NWGA had to provide more support to Mohair SA than initially planned which caused further delays. A total of 84 days were spent on this portion of the Contract.

3. ORITAIN

The Oritain project was undertaken to establish the forensic footprint of South African wool. This will enable the identification of wool clothing of South African origin through the unique footprint being developed by Oritain. Due to the nature of the project the financial impact and time consumed was significant. 450 samples were gathered from 225 farms.

The project was successfully completed.





4. SUSTAINABILITY

4.1 SCWS Audits

30% of the total target for new audits were reached. The trend for new audits across certification standards has generally stagnated. It could be argued that the statistical right-tail of the Bell-curve for producers considering certification has been reached. The average percentage of certified wool on auction was 54.5%. The lowest being 22% due to low producer lots being comprised at the auction.

Producers who have received an SCWS equivalence status is not included in this report. These producers are however part of a certification standard and falls within the goals of increasing RSA certified wool. This however influences the new audit targets. Adjustments to this target needs to be considered, due to aforementioned reasons.

The target for re-audits were set at 150, with 145 completed, representing 98% of the total. 85 days were needed, less than planned, due to telephonic recertification. Western and Eastern Cape provided the bulk of the audits.

Re-audits are conducted when a producer's certification has expired. These involve a full audit, requiring a visit to the farmer. However, if all major requirements were met during the previous audit, the re-audit is conducted telephonically.

During the reporting period the arrangements with other auditing partners have changed. These changes caused communication issues, which led to a misunderstanding on who needs to transfer these audits to the NWGA auditors. A backlog of audits needed to be completed.

4.2 Follow up initial Audits

The number of follow-ups of initial audits decreased significantly as participants focused more on preparation prior to the initial audit. In the past auditors would audit the producer, follow-up with a request for evidence of changes made to comply. Auditors changed the approach to provide

effective guidance, enabling more participants to meet the standard during the first audit. 41 days were spent to re-engage with 47 producers.

4.3 In-service training and liaison

Training for SCWS is conducted during meetings attended by all commercial advisors and Cape Wools' responsible officers. These sessions address programming issues, changes to the questionnaire, and clarification of challenges faced by auditors in the field. The target for training was exceeded, achieving 200%. This is a good reflection on the amount of time spent by advisors on sorting out problems within the system due to technical issues or miscommunication.

One aspect that still needs to be developed was the feedback relationship from Samic when 'check-right' audits are done. By the end of this review period a Standard operating procedure was drafted addressing this issue.

4.4 Continuous development of SCWS

Continuous development is primarily managed by Cape Wools, with the NWGA contributing to the development of the questionnaire and related documents (checklists, templates and power point presentations).

As previously mentioned, since the decline in the premium for audited wool, farmers need more encouragement /convincing to take part in the certification process.

This will remain a high priority to keep the certification process as smooth as possible.

Advisors spent a total of 91 days on this part of the Contract.

5. BRANDING

5.1 Social media

Social media is utilized to disseminate relevant and up-to-date information to producers. This includes warnings about FMD outbreaks, reminders for vaccinations such as Blue-tongue and Rift Valley Fever, and alerts about adverse weather conditions. The target for social media activity was 25 posts, with 37 posts published, achieving 148% of the total target.

Currently the mobile application WhatsApp remains the preferred communication tool followed by Facebook and emails.

5.2 Agricultural shows demonstrations and Competitions.

The target for agricultural show demonstrations and competitions was set at 20, with 16 activities held, representing 80% of the total target. This includes the shearing and wool handling competitions hosted. Three information days were conducted which included regional meetings, roadshows, and provincial congresses. One advisor attended 13 competitions in the capacity as a judge/referee and was responsible for processing the results.

The Agricultural show with the most impact is still NAMPO. The approach was tackled differently this year by adding focus to not only the shearing but classing side of the industry. In our view this had given a complete picture of the process.

On average, advisors spent 20 days on this part of the contract.

6. PREDATION MANAGEMENT FORUM (PMSA)

The target for Predation Management was set at five meetings, with one meeting hosted, representing 20% of the total target achieved. All the provincial forums are no longer active which limits engagement to other communication platforms i.e. WhatsApp groups and emailing correspondence with stakeholders.

The Northern, Eastern and Western Cape have active Forums. These forums comprises both NWGA and RPO members who report back to PMSA.



7. SHEARING INFRASTRUCTURE AND FACILITIES

There is no specific target for farm advice related to shearing facilities, this demand primarily resulted from SCWS audits, where the need for more effective facilities were highlighted to the producers. The goal is to create a cost-effective facility that does not necessitate major structural changes to existing buildings.

8. BIOSECURITY

The Animal handling course layout has been broadened to address this topic specifically during on farm training. In the previous year, numerous articles were published in The Wool Farmer, this has declined due to an oversupply written by advisors and other contributors in the industry.

Early warning structures have been established, enabling timely alerts to farmers in the event of an outbreak of contagious and communicable diseases. NWGA Head office has contributed to actively communicate FMD outbreak in the Eastern Cape. Many meetings were held where counseling was provided to the Department.

Advisors have been given tools to implement protocols when they host events on farms. During collaborations with other stakeholders, advice or assistance is requested from brokers.

9. SUPPORT SERVICES

9.1 NWGA Economic study groups

There are four study groups that have been part of this service. The data from the two remaining study groups, namely Trompsburg and Burgersdorp, have been slow in submission. The advisory service has tried to wean participants from being dependent on their help. However, it seems that should industry require larger datasets, the advisory service will need to put in more time to sit down with farmers to get their data.

New strategies are being considered

9.2 Sheep farming study groups

Sheep farming study groups serve as active platforms for disseminating information to producers, followed by a group discussion allowing participants to share questions and experiences. The target for sheep farming study groups were set at four, with four meetings held, achieving 100% of the total target. Three study groups are active in this form namely, Maclachlan, Carnarvon (Goraas) and Carolina (Misbelt study group).

Most of the time recorded was spent in Northern Cape due to the role the advisor in the study group. It is expected to continue in this way for the next 3 years. The 5-year duration of the study provides data to the industry.

The Traditional farming study groups have been declining. The younger generation farmer is however joining young ewe clubs. These clubs mostly focus on the growth of young ewes but are slowly moving towards reproduction testing. Focus has been placed on targeting these ewe clubs.

9.3 Farm management assessments

These assessments provide detailed information on resource usage, net farm income (NFI) of the farming enterprise, overhead costs as a portion of the gross production value, and enterprise gross profit margins. Additionally, management analysis is conducted to identify areas for potential improvement.

We are considering incorporating these assessments in collaboration with young ewe clubs.

The advisors do however make conscious efforts to guide farmers during SCWS audits. To quantify the advice shared during SCWS audits is nearly impossible.

It could be concluded that this target was reached

9.4 Reproduction, breeding, management and best practice training

The reproduction course presented since 2019, has been highly popular and continues to be in demand, periodically. Breeding courses assist farmers in interpreting catalogues, while

management and best practice courses help producers make informed decisions, particularly during economically challenging times.

The target for reproduction, breeding, management, and best practice training was set at 10, with 7 courses hosted, achieving 70% of the total target. Requests from the Agricultural department has been received for equipping emerging farmers with the tools shared in this course. The Western Cape provided the most training due to advisor's participation with the local government.

10. REGENERATIVE FARMING

Training of advisors have not yet been conducted. This will be included in the new contract as part of the industry wide drive to make these practices part of the normal farming management. The Head of Training and Development will spearhead the inclusion of these practices in the Advisory service course material.

11. INSTITUTIONAL SUPPORT AND LIAISON

SA Stud book, RPO, Agri SA and Provincial Branches, `Governmental Departments, South African Society of Animal Scientists (Sasas), South African Society of Agricultural Extension (Sasae) and other stakeholders.

Advisors maintain ongoing liaising with these organizations and institutions to enhance their knowledge and contribute to the discussions at meetings. This engagement also serves as a source for receiving new research findings. The nature of this liaising is flexible and varies from year to year. The target for liaising was set at 15, with 28 engagements, achieving 186.7% of the total target. In total the advisory service used 57 days to participate.

NWGA head office have increased their participation in this area. The General manager has actively participated in strengthening the relationship between Breeder societies to help achieving better outcomes.

12. FARMER SUPPORT

12.1 Small Scale producer Training and Development

Provincial Extension Coordinating Committee Forum meetings, training for new farmers, tours to commercial farms and research facilities are conducted as needed, with demand varying from year to year and by area. This year, the target was exceeded. The target was set at 3, with 4 events held, representing 133.3% achievement of the total target. 57 workdays were needed to reach this target.

The department of Agriculture have increasingly issued requests for assistance in not only supporting small scale farmers but also helping to develop the Extension Officers. These requests might increase in the future.

Within this financial year the NWGA has signed various Mentoring MOUs within 4 provinces. Currently the Advisory services sit on a panel with the Western and Northern Cape where input is given to help guide government initiatives. This will increase in the next year.



13. TRAINING

13.1 Farm worker training

Basic training, which is essential to help farm workers understand the importance of proper animal handling, storage and administration of treatments, and correct methods for docking, castration, and vaccination. This training also promotes the farm workers' understanding of animal welfare.

There were 16 events held in the following provinces: 5x Western Cape, 4x Northern Cape, 2x Mpumalanga, 5x Eastern Cape. This training represents 31.4% of the total target, with 853 farm workers trained over the past year.

We have observed that various industry partners have been actively providing short courses namely handling of sheep and animal health due to the requirements of the wool certification standards which caused a decrease in requests for training. Training should still be a permanent part of our outcomes. Requirements and standards throughout the industry changes yearly.



13.2 Training at tertiary institutions

Basic sheep production courses, such as Sheep Handling, Wool Classing, Reproduction, Shearing Demonstrations, and Predation, are offered at agricultural schools and tertiary institutions.

There were 21 events held in the following provinces: 6x Free state, 7x Western Cape, 5x Northern Cape, 3x Mpumalanga. This exceeded the total target, with 756 students trained.

It should be noted that requests from various institutions have increased. This has been a factor in our availability and the advisory team had to prioritize their focus area. Currently, the major institutions like: Grootfontein, Glen, Cidara, Bo-karoo Opleiding has taken priority due to their focused courses and larger student groups.

This has been a focus for brokers as well, due to a decrease in quality graduates that are employable by companies as new technical officers, which could be worrisome for the sustainability of support for the industry.



14. WOOL CLASSING

The availability of wool classing courses has dwindled over the past few years due to brokers having their own shearing teams. However, over the last year the demand for classing courses has escalated because of the increase in shearer contractors.

This new demand and the continuation to uphold and reinforce the standard that has been set as priority for the Training and Development portfolio.

14.1 Springbuck head training presented.

There remains significant demand for these courses, which were well attended. 17x courses were held, with a total of 294 attendees. A total of 94 days were needed to attain this outcome.



14.2 Basic wool classing training.

There were 7 refresher courses presented in the form of piece-picking or more progressed classing for farm workers or students. It is anticipated that demand for these courses will increase over time. Some contractors would also prefer shorter refresher courses. This represents 7% achievement of the total target, with 98 classers attending these courses.

14.3 Instructor refresher courses.

The refresher course was held in February 2025.

The result of the larger involvement in training has highlighted several industry problems. Over the past year, above-normal time has been spent on problem-solving, Fail Safes addressing RSA shearing quality, Class quality, and Class standards. This indicates that the administrative component attached to this part of the contract will have to receive more attention for the next few years.

A total of 25 days has been spent on addressing this issue.

15 OTHER EVENTS / FUNCTIONS PERFORMED

The activities involved include editing course material, writing an article on shearing intervals, providing market report feedback, judging flock competitions, attending farmers Assoc meetings, participating in academic institutions' graduations, supporting the UFS wool project.

A special mention to the 10 farmers Association meetings attended, that reached 719 producers.

On average, the Advisory service spent 19% of their work time in-office, busy with administrative obligations. Based on the data recorded most of the time was also allocated to preparing for events.

16. CONCLUSION

The Commercial production services utilized their time to reach outcomes as set out in the core strategic model of Cape Wools. The key areas where higher targets were set were unattained

mostly due to other work being prioritized. This has been in relation to the allocated time for other critical services that allows the NWGA to be accessible and useful. NWGA structures have seen a major shift in the last year and inadvertently caused some outcomes to be delayed.

The biggest challenges were encountered with the inclusion of LCA mohair studies, which demanded significant time from commercial advisors for both preparation and execution. An increased demand for wool classer training, highlighting the need for greater emphasis on refresher courses for professional wool classers to uphold the high standards of South Africa's wool clip.

Signed at Carnarvon on 25 July 2025

A handwritten signature in black ink, appearing to read 'Botha', written in a cursive style.

David P Botha

Manager Commercial Advisory