ANNUAL REPORT

CAPE WOOLS SA CONTRACT:

COMMERCIAL PRODUCTION ADVISORY SERVICES

REPORTING PERIOD

1 JULY 2025 - 30 JUNE 2026

Prepared by:

Mr DP Botha

Manager: Commercial Advisory Service

NATIONAL WOOL GROWERS' ASSOCIATION

41a Pickering Street
Newton Park
Gqeberha
6045

INTRODUCTION

1. Overview

During the 2025–2026 reporting year the NWGA Commercial Advisory Service operated in an environment marked by changing certification dynamics, increasing institutional demand for training and technical support and increasing pressure on the wool industry to demonstrate its credibility and practical alignment with sustainability expectations.

Significant capacity was allocated to high-priority national projects with longer-term strategic value. These included support to the Oritain forensic traceability initiative, Life Cycle Assessment-related engagement, work linked to the refinement and transition of the Sustainable Cape Wool Standard (SCWS), and continued support for wool classing standards and technical training.

Demand from producer groups, brokers, tertiary institutions, government structures, and organised industry initiatives continued to expand during the year. Biosecurity communication, information days, contamination follow-up, technical articles and study group participation all formed part of the Advisory Service's practical support function.

2. Strategic alignment with Cape Wools

This section outlines how the activities of the Commercial Advisory Service supported the strategic outcomes of Cape Wools SA during the 2025–2026 reporting year. While a wide range of operational activities were delivered, these can be grouped under five broader themes.

2.1 Strengthening Sustainability and Certification Systems

Attention during the year was given to the transition toward the revised versions of SCWS for both Commercial and Communal producers.

The experience of the reporting year demonstrated that the role of the Advisory Service in certification systems extends beyond audit support alone. It includes producer guidance, communication support, practical troubleshooting, and the identification of risks that may affect the long-term credibility and administrative sustainability of the system. The detailed outcomes and longer-term implications for SCWS are addressed later in this report.

2.2 Protecting the Integrity of the National Wool Clip

The protection of clip integrity remains a core function. This was achieved through contamination follow-up, structured producer and broker engagement, technical communication, and the continued link between clip faults, training needs, and wool classing standards.

Contamination reports received through Cape Wools SA, supported by buyer and evaluator feedback, continued to provide an important basis for advisory follow-up. These reports enabled Production Advisors to engage with brokers and producers to verify issues, improve understanding of likely root causes, and encourage corrective action where needed.

During the year, the Advisory Service also continued to strengthen the tracking and interpretation of contamination-related intelligence. This work is increasingly important as changing production systems, breed composition and management pressures may introduce new or shifting risks to clip presentation. The value of the follow-up system lies not only in identifying incidents, but also in building a clearer picture of where communication gaps, recurring risks, or training needs may exist across the value chain.

2.3 Supporting Producers Through Advisory and Training

Producer support remained one of the most visible and practical components of service delivery during the reporting year. Advisors supported producers through study groups, farm visits, assessments, information days, direct technical engagement, and broader communication platforms.

In many cases, advisors are now expected to serve as technical facilitators across institutional programmes, development initiatives and broader capacity-building efforts. This reflects the continued relevance of a field-connected advisory structure able to translate industry standards, practical production realities and technical requirements into accessible support for different audiences.

Technical communication remained an important component of this function. Articles, alerts, information sharing, and participation in communication campaigns supported broader producer reach.

2.4 Building Credible National Datasets

The Oritain forensic traceability initiative remained one of the most significant national projects supported during the year. The continuation of this work, including additional sample collection, contributes to the development of a stronger evidence base around origin verification and product integrity.

Engagement also continued around Life Cycle Assessment-related work and the interpretation of preliminary outputs relevant to South African wool systems. Although such work remains complex and should be interpreted carefully, it contributes to broader industry understanding of environmental performance and the kinds of evidence that may increasingly be expected in future trade and sustainability discussions.

In addition, the Advisory Service continued to contribute to wider discussions around traceability-linked systems, communication around GLN registration and the possible

strengthening of advisory-linked datasets over time. These efforts support the long-term objective of ensuring that South African wool is backed by credible, relevant and practically grounded information that can serve both industry decision-making and external market requirements.

2.5 Maintaining National Networks and Liaison

The Advisory Service continued to contribute to national coordination and stakeholder engagement throughout the reporting year. This included liaison with government departments, academic institutions, producer groupings, industry bodies, research partners and technical coordination platforms relevant to the broader wool value chain.

These engagements remain important because the effectiveness of advisory delivery depends not only on direct producer interaction, but also on the strength of the wider networks through which information, training opportunities, standards and strategic projects are coordinated. In many cases, the Advisory Service serves as the provincial or field-level point of contact within broader initiatives driven from national structures.

This national liaison role further extends to specialised areas of engagement that intersect with producer support. One example is ethical predation management, where the Advisory Service forms part of provincial predation forums and related structures.

New predation-management instructors were appointed by PMSA during the year, and all these instructors delivered their first course presentations. Although predation management is not presented as a standalone core outcome in this report, participation in these structures' forms part of the Advisory Service’s wider technical and liaison function and contributes to the broader support environment within which wool producers operate.

3. NWGA National Roles and Delivery Functions

This section describes the broader national and institutional roles fulfilled by NWGA through the Commercial Advisory Service during the 2025–2026 reporting year. While many of these functions are not always reflected through simple output metrics, they remain essential to the delivery of credible advisory support.

3.1 Custodian of Technical Standards and Training Excellence

NWGA continued to fulfil an important role as custodian of technical standards relating to wool classing, clip preparation, and associated training functions. This role extends beyond routine course delivery and includes the maintenance, interpretation and continuous strengthening of standards that influence the presentation and credibility of the national wool clip.

Demand for training and related technical support remained strong. This included wool classing, wool handling, farm-related technical support, and the strengthening of practical understanding around quality, contamination prevention, and handling standards. The continued importance of the Springbok Head system, together with the need for updated materials and refresher support, reinforced the value of maintaining strong internal technical capacity in this area.

**Further information is provided in the accompanying Training and Development Report*.

3.2 Independent Advisory and Analytical Services

The Commercial Advisory Service continued to provide independent technical guidance to producers. The value of this role lies in the ability to combine field-level visibility with neutral technical interpretation across a wide range of production systems and regions.

Although individual farm-level economic analysis is no longer as central as it was in earlier years, the need remains for industry-relevant interpretation of production realities, development trends and technical bottlenecks. In this regard, the Advisory Service continued to gather insight from study groups, producer engagements, and practical field interaction that contribute to the broader understanding of the health and direction of the wool-producing sector.

The Advisory Service is frequently required to interpret complex technical matters in a practical and accessible manner while remaining sufficiently independent to maintain trust and credibility across the wider value chain. Its facilitation of the Central Karoo ewe-efficiency study provides one example of how field participation, production data and economic interpretation can be brought together to support longer-term industry learning.

**Detailed progress and an illustrative extract from the Central Karoo ewe-efficiency dataset are presented in Chapter 4*.

3.3 Industry Visibility and Promotion

NWGA maintained a visible presence at producer-focused and industry events during the reporting year, although foot-and-mouth disease restrictions and related biosecurity concerns materially affected the number and reach of certain engagements.

These engagements remain valuable because they create opportunities for direct communication, practical demonstration and relationship-building in settings where producers and service providers are already present. They also strengthen confidence in the Commercial Advisory Service as an accessible, technically credible and field-connected industry resource.

3.4 Strategic Partnerships and National Coordination

The Advisory Service continued to function within a wide network of strategic relationships that support the broader delivery environment of the wool industry. These relationships include government departments, research bodies, educational institutions, industry associations, technical forums, and producer-linked structures.

Memorandums of Understanding were concluded with the Departments of Agriculture in the KwaZulu-Natal, Western Cape, Eastern Cape, and Free State, while discussions remained underway with the Northern Cape.

The reporting year also confirmed that these coordinating roles are becoming more important as service delivery becomes increasingly dependent on cooperation across multiple institutions. Where official structures weaken or remain inconsistent, NWGA's continued participation often helps preserve continuity of information flow and practical industry engagement.

3.5 National Projects

Beyond routine advisory delivery, the reporting year included ongoing participation in projects with broader strategic relevance to the future positioning of South African wool.

These included support for Oritain forensic traceability, Life Cycle Assessment-related engagement, communication supporting GLN-linked traceability initiatives, ARC veld-monitoring collaboration and the continued consideration of improved advisory data systems. While these initiatives do not always deliver immediate short-term results at farm level, they are increasingly important in strengthening the national credibility and safeguarding of the South African wool clip.

The Service also facilitated connections between research institutions, analytical specialists and participating producers. This included work linking the ARC's ecological monitoring framework with wool-producing farms, support for the responsible transfer of relevant producer-approved data for further research, and exploratory engagement with platforms and analytical partners such as ProFarmer and BFAP.

Collectively, these activities demonstrate the Advisory Service's role as a practical link between producers, field-level information, national research initiatives and emerging industry decision-support requirements.

4. Outcomes Delivered

This section highlights selected outcomes delivered during the 2025–2026 reporting year that warrant more focused discussion due to their operational scale, strategic value, or broader implications for industry systems and producer support.

4.1 Contamination Monitoring and Follow-Up

The value of this work lies not only in responding to individual incidents, but also in improving understanding of broader quality risks, supporting communication between brokers and producers, and identifying where training or technical intervention may be needed.

Cape Wools SA contamination reports, supported by buyer and evaluator information, continued to provide the basis for follow-up by Production Advisors. These cases were assessed through communication with brokers, producers, and available technical evidence to improve understanding of the likely source, context and possible corrective response associated with each incident.

The reporting year confirmed that this work is evolving beyond a simple reporting exercise. It is increasingly functioning as a form of contamination intelligence that can contribute to industry learning, early identification of recurring risks and more targeted advisory support.

4.1.1 Reporting and Follow-Up Process

A distinction must be made between a reported case and a contamination flag. A case refers to an individual reported lot or incident, while a single case may carry more than one contamination or classing-related flag.

During the reporting period:

Measure	Number
Cases logged	499
Individual flags, including multiple flags per case	664
Eligible farm or communal-shed cases after exclusions	254
Unique farm or shed producer numbers represented	195
Communal producer or shed numbers represented	35
Producer numbers with more than one lot flagged	61

For the purposes of the farm-level intelligence analysis, broker-bin records and external Lesotho wool were excluded. The analysis therefore focused on faults that could reasonably be linked to South African farms or communal sheds.

Where possible, advisors first engaged with the relevant broker to confirm whether the producer had already been informed. Follow-up was then conducted with the producer to establish the circumstances surrounding the incident, identify a possible cause and encourage corrective action.

4.1.2 Key Findings and Trends

The dataset contained 93 classing- or clip-preparation-related flags:

Mixed length	36
Mixed length (poorly skirted)	1
Paint / marking ink	34
Sweaty pieces	4
Sweaty pieces in main line	12
Urine / dung stained	6
Grand Total	**93**

These figures represent recorded flags rather than necessarily unique incidents. A single lot may have been allocated more than one fault designation.

The initial contamination classifications also required adjustment because evaluator designations were not always mutually exclusive. One incident involving polypropylene contamination could, for example, be recorded simultaneously as baling twine, plastic and "other".

Evaluator designation	**Initial designations**	**Adjusted analytical interpretation**
Baling twine	60	Approximately 115 polypropylene-related events when consolidated with plastic and reclassified "other" cases
Plastic	54	Consolidated with baling-twine events where both referred to the same underlying problem
Other	81	26 remained other or undetermined
Black hair	36	36
Kemp	2	2
Metal wire or clips	1	1
Mohair contamination	1	1
Adjusted contamination events		181

Review of the available photographs indicated that approximately two-thirds of the incidents initially classified as "other" appeared to involve baling twine or plastic. In approximately one-

third of these cases, the available evidence was insufficient to determine the contamination type.

Plastic, baling twine and other polypropylene materials therefore remained the most prominent identifiable source of contamination. However, no sufficiently reliable pattern could yet be established regarding the production system, wool type or geographic origin most associated with these events.

The 181 adjusted contamination events and the 93 classing-related flags should not be added together as though they represent separate cases. Categories can overlap, and the same reported lot may appear in more than one analytical grouping.



N WYK Contamination: Baling twine, plastic, Contamination: Other

WCL



Contamination: Other

4.1.3 Likely Sources Identified Through Follow-Up

Follow-up finding	Cases
No clear root cause identified	57
Feedlot exposure or bought-in animals	10
Crossbreeding, mixed flocks or non-wool breeds	8
Goats, abattoir exposure or mixed-species handling	2
Classing or table misses	2
Total	**79**

4.1.4 Regional Patterns

The following provincial distribution was recorded for selected classing- and clip-preparation-related flags:

Province	Paint or marking ink	Mixed length*	Sweaty pieces**	Urine/dung stained
Eastern Cape	7	17	7	–
Free State	12	6	3	3
Gauteng	1	–	–	–

KwaZulu-Natal	1	2	–	–
Mpumalanga	3	–	1	1
Northern Cape	1	7	2	–
North West	2	–	–	–
Western Cape	7	5	3	1

These figures should not, however, be interpreted as provincial prevalence rates. The number of clips, producers or lots evaluated in each province is not currently available as a denominator.

4.1.5 Value of the Monitoring System

The monitoring system already provides immediate value by facilitating follow-up, corrective communication and targeted advisory intervention. The current reporting year also establishes an important baseline against which future results can be compared.

Two to three years of consistently classified data will be required before stable trends relating to regions, production systems, repeat producers or fault categories can be confirmed with confidence.

4.1.6 Data and Advisory Implications

Paint and livestock-marking contamination emerged as a significant clip-preparation concern. These faults may also have a direct effect on the value of affected lots, although the absence of lot weights and detailed price information prevents the economic impact from being quantified accurately.

It is also notable that none of the cases flagged for paint, kemp or black hair contained photographic evidence in the information made available to the Advisory Service. This limits both technical interpretation and the ability to give meaningful feedback to producers.

The findings support the need for:

- More consistent contamination categories.
- Photographic evidence for higher-risk faults.
- Lot weights and relevant sale information.
- Consistent recording of producer, province, wool type and likely root cause.
- Continued monitoring of repeat producer numbers.

4.2 Audit Follow-Up, Participation Trends, and System Performance

The transition from the previous SCWS system to the revised versions for commercial and communal producers materially affected audit delivery during the reporting year.

The transition also highlighted the need to reconcile audit allocations, completed audits, certification outcomes, expired records and outstanding actions for the cycle from 1 July 2024 to 1 July 2026.

At the reporting snapshot, the following records were reflected on the Webroute system as of 31 March 2026:

Cumulative reporting level	Re-audits
SCWS commercial	180
SCWS and SCWC combined	230
Total including Abelusi	305

These figures represent cumulative reporting levels rather than three separate audit totals.

The year also confirmed that more clarity is needed regarding the difference between a full SCWS audit and equivalence-related status, the relationship between certification and price premiums, and the respective responsibilities of auditors and participating institutions.

Nevertheless, farm-level observations continued to indicate that certification engagement does contribute to improvements in shearing facilities, worker areas, operational organisation and general preparation.

4.3 National Data, Traceability, and Strategic Projects

The Commercial Advisory Service continued to support projects intended to strengthen the evidence base, traceability and longer-term credibility of South African wool.

4.3.1 Oritain Sampling Support

During the reporting year, 126 wool samples were collected across South Africa in support of the Oritain forensic traceability initiative. These samples contribute to the development of a national reference database that can support the verification of wool origin and authenticity.

No suitable participating farms were secured in Limpopo, Gauteng or North West during the applicable sampling period. This should not be interpreted as confirmation that no wool producers are present in these provinces, but rather as a limitation of the sampling network and available farmer contacts during the collection period.

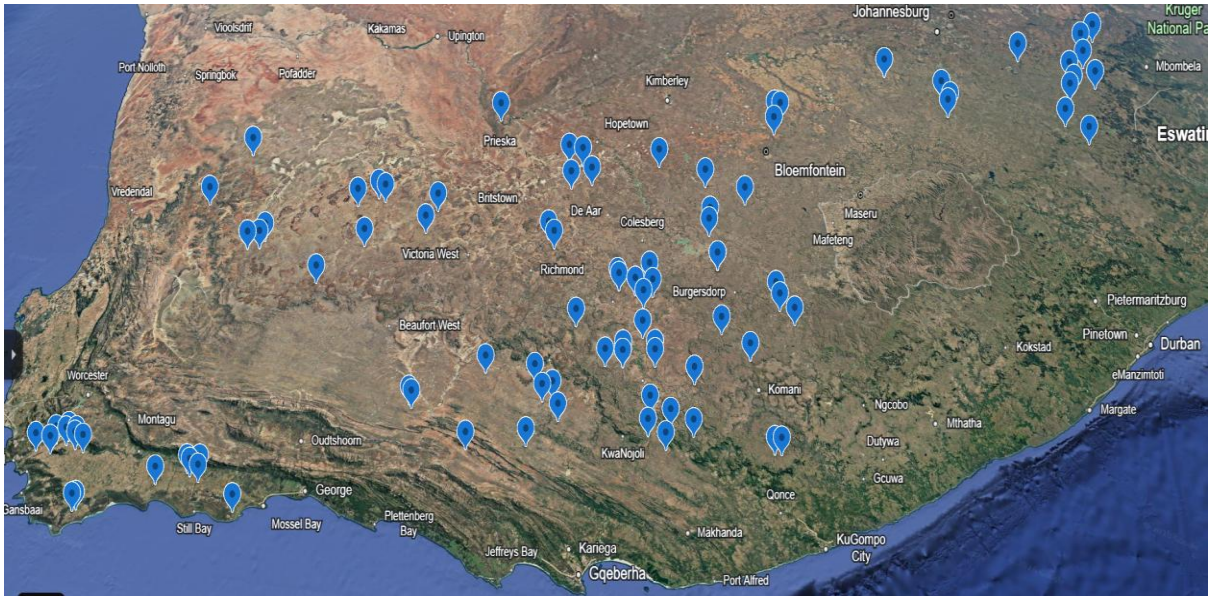


Figure: Oritain wool-sampling locations supported during the 2025–2026 reporting period

4.3.2 LCA, ARC and Regenerative Assessment Collaboration

Engagement with the Agricultural Research Council progressed beyond initial discussions during the year. The Advisory Service received approximately 1,500 plots identified for ecological evaluation and conducted a process to determine which wool-producing farms were situated closest to these locations.

The next phase will require direct engagement with the identified farmers to determine their willingness and suitability to participate in the monitoring process.

The ecological framework used by ARC is also being studied by Prof. James Blignaut as part of his research. In parallel, NWGA began to request permission from participating farmers to share relevant Life Cycle Assessment data and associated participating-farm information with Prof. Blignaut. Progress has been slower than initially anticipated because of the legal, technical and consent requirements associated with responsible data sharing.

Although developmental in nature, this work points towards a more structured relationship between advisory services, ecological monitoring, Life Cycle Assessment data and future regenerative-production assessment.

4.3.3 GLN and Traceability Communication Support

The Advisory Service supported awareness of GLN-linked traceability by including the Agrista/LandbouApp registration link in the initial SCWS audit communication sent to producers.

The intention is to incorporate registration support into future engagement with farmer associations. This provides a practical opportunity to connect traceability communication with existing producer-contact processes rather than treating registration as a separate campaign.

4.3.4 Development of Advisory Data Systems and Analytical Partnerships

Work continued considering how advisory information could be captured and linked more systematically. Over time, improved producer and farm profiles could connect certification participation, contamination follow-up, training, research projects, emerging-producer development and other advisory interactions.

Exploratory discussions were also initiated with ProFarmer, a platform associated with VKB and broader farmer-support systems, to consider its possible relevance to wool producers.

Engagement with BFAP was considered in relation to the possible use of specialist economic expertise to model or simulate benchmarking scenarios for wool-production systems. These discussions remain exploratory but reflect the need to connect practical advisory information with stronger analytical and decision-support capacity.

4.3.5 Applied Production Intelligence: Central Karoo Ewe-Efficiency Study

The Commercial Advisory Service continued to facilitate a five-year applied study examining the characteristics of an economically efficient ewe under Central Karoo production conditions.

Eighteen participating farmers contributed 230 Merino, Dohne Merino and Afrino ewes. The study is in its fourth year by the end of the reporting period.

Measurements include:

- Ewe body weight and body-condition score at different production stages.
- Adjusted lamb weaning weight.
- Lamb kilograms produced relative to ewe weight.
- Ewe fleece weight.
- Objective fleece measurements.
- Subjective AWEX typing.
- Total income generated over the study period.

The purpose is to assess lifetime economic performance rather than relying on a single trait or one production season.

4.4 Advisory Reach and Producer Communication

Producer communication remained an important enabling function during the reporting year. Weekly advisory voice notes generally recorded approximately 900 -1 400 views per post, with further distribution through WhatsApp groups that is not fully captured by the platform statistics.

Topics include:

- What your shearing contractor should know upon arrival
- Shearing flow for better practices and less classing
- Closing the wool clip before the contractor leaves
- Springbok Head status versus wool classer/handler
- Grouping of fleece wool classes
- What we see in the wool bin: the wool buyer's perspective
- Oritain
- Article: AWEX or diagnostic requirements for veterinarians
- What is the NWGA working on? Provincial production advisors
- Western Cape CPAC
- Free State: University of the Free State
- Six physical wool properties: importance and economic impact
- AWEX, style and classing standards
- SCWS: What does it involve?
- SCWS training for producers and employees

Technical articles written and uploaded on NWGA website:

- Lumpy Wool
- AWEX Typing
- Economics of wool over last 8 years
- Shearing sheds in RSA

4.5 Small-Scale Producer Report

While the industry has for many years engaged with small-scale wool farmers through a combination of training, project support, advisory visits, and institutional partnerships, there is increasing value in moving beyond ad hoc engagement toward a clearer development framework.

The current contract outcomes provide an opportunity to strengthen this role by building producer profiles, identifying commercially promising enterprises, and developing a clearer pathway for producers who can be supported towards sustainable participation in the formal wool value chain.

A more structured approach is important because small-scale producer support should not be measured only in terms of attendance at events or one-off interventions. It should also consider development pathways, commercialisation potential, production constraints, infrastructure needs, training priorities, and the broader support environment required for long-term participation in the wool industry.

The central strategic question is the role that NWGA should play at each stage of producer development. Some producers primarily require technical, shearing and classing support. Others require broader livestock-development assistance before wool can become a viable enterprise.

A previous NWGA technical intervention framework similarly emphasised structured producer selection, whole-farm assessment and phased development planning. Given the number and geographic distribution of producers, this supports a targeted, partner-based model rather than an open-ended commitment to intensive support for every producer.

Summary of engagement for 2025-26

Development stream / area	Current records or producers identified	Type of engagement	Development stage / relevance	Notes
Western Cape CPAC-linked producers	±28 records	CPAC visits, farm profiling, training, Department of Agriculture engagement	Smallholder commercialisation pathway	Individual producer profiles being developed
Northern Cape producer	1 producer currently identified	Extension officer / provincial contact	Smallholder producer with wool potential	Included as part of wider provincial development footprint
Northern Cape; Scaled Impact commonage group	20+ commonage land farmers	Reproduction calendar, planned training dates, wool-shearing information days	Communal producer development pipeline	Opportunity to develop communal shed model and start formal profiling. +-500 sheep (200 Wool sheep)
Free State: Ladybrand producer	1 producer with producer number recorded	Direct producer profiling and follow-up	Small-scale wool producer / smallholder potential	Merino sheep noted, 46 kg wool production recorded, OVK broker relationship
Free State: Thaba-Nchu group	10 producers identified	Initial group contact and land profile capture	Communal and smallholder development potential	Mixture of communal land and private farm access; further livestock, wool and training needed.
Free State: Botshabelo commonage group	18 producers identified	Commonage producer profiling	Communal small-stock development pipeline	1,235 sheep and 469 goats recorded; 2x Training days held, shearing preparation and producer profiling, TBC

The small-scale producer development dataset now reflects a broader interprovincial footprint. The Western Cape CPAC-linked work provides the most developed producer profiles to date, while the Free State data shows a growing communal and smallholder pipeline through Ladybrand, Thaba-Nchu and Botshabelo.

Together with the Northern Cape producer and the Scaled Impact commonage group, this supports the development of a more structured NWGA model for identifying, profiling and supporting small-scale producers at different stages of commercial readiness.

4.6 Scaled Impact Special Project

NWGA continued to provide advisory support to the Scaled Impact commonage project in the Northern Cape. The project involves more than 20 commonage farmers and approximately 500 sheep, of which approximately 200 are currently identified as wool sheep.

Support during the reporting period included:

- Redesigning a shearing shed around the existing building.
- Developing an area-specific reproduction calendar.
- Identifying training requirements suited to local production conditions.
- Delivering initial training in isiXhosa.
- Supporting preparations for wool handling and shearing.
- Developing the Flock First Toolbox concept.

The Flock First Toolbox was developed in collaboration with Zoetis and Bonded Brand Builders. The approach distinguishes between individual equipment requirements, communal equipment that can be shared, and a vaccination kit aligned with locally identified animal-health needs.

The project demonstrates a development model in which technical advice, infrastructure, training, animal-health support and production planning are combined rather than delivered as isolated inputs.

The six planned training days, shearing information day and September 2026 shearing date should be recorded in Chapter 5 because they extend beyond the 2025–2026 reporting period.

4.7 Predation and Commercial Advisory Service Participation

New predation-management instructors were appointed by PMSA during the reporting year, and all newly appointed instructors delivered their first course presentations.

By 30 June 2026, 103 people had attended ethical predation-management courses. The Commercial Advisory Service also continued to participate in provincial predation forums and related structures.

This participation forms part of the Service's broader technical and coordination role and supports the production environment within which wool producers operate.



5. Key Risks, Industry Challenges, and Strategic Considerations

The 2025–2026 reporting year not only reflected delivery against operational objectives but also highlighted several strategic risks and emerging industry challenges that may influence the effectiveness, relevance, and long-term positioning of the Advisory Service. These matters extend beyond routine service delivery and require continued assessment in relation to certification systems, clip integrity, producer development, international market expectations, and future sustainability frameworks.

From an annual reporting perspective, these matters are important because they shape the environment within which Cape Wools SA, NWGA, and South African wool producers will be required to operate in future. The sections below therefore highlight specific areas that warrant continued monitoring and strategic attention.

5.1 SCWS Governance, System Continuity and Long-Term Positioning

One of the main areas identified during the reporting year is the uncertainty surrounding records carried over from the previous system. The certification cycle from 1 July 2024 to 1 July 2026 requires closer assessment to determine how audit allocations reflected in management reporting correspond with actual audit completion, certification validity, outstanding actions, and outdated records.

5.2 Contamination and Clip Integrity Risks

Contamination remains one of the clearest operational threats to the integrity and presentation of the South African wool clip. It increasingly needs to be understood as an intelligence and risk-management issue that may reveal deeper shifts in production systems, management practice, communication quality, and training needs.

Current contamination monitoring suggests that there is value in moving beyond basic fault reporting toward better interpretation of patterns, recurring causes, and advisory implications.

This is particularly important where changing breed composition, more mixed production systems, handling practices, or weaknesses in communication create new forms of risk. A more intelligence-driven approach may help the industry respond earlier and more effectively.

The risk therefore lies not only in the contamination itself, but also in the possibility that the industry underutilises the information already being generated. Better interpretation, targeted questioning, and more structured technical feedback may strengthen prevention and improve the responsiveness of training and advisory systems.

5.3 Small-scale Producer Strategic Goals

While small-scale producers have long formed part of broader advisory and development engagement, there is increasing need to define what meaningful progress should look like over time and how the industry intends to support that pathway.

A strategic approach requires more than occasional support or once-off interventions. It requires clearer profiling, identification of production and infrastructure constraints, understanding of market access and management readiness, and more realistic pathways toward commercial participation where appropriate. It also requires alignment between advisory work, institutional development efforts, and industry expectations.

This issue is relevant to the annual report because the Advisory Service is often drawn into this space through practical engagement, field visibility, and participation in broader development initiatives. As such, it is well placed to contribute to a more grounded and realistic framework for strategic goal development among small-scale producers.

5.4 Towards a Farm-Specific Regenerative Assessment Framework

The growing prominence of regenerative agriculture within industry discussion creates both opportunity and risk. On the one hand, there is clear value in recognising and encouraging production systems that improve ecological function, grazing management, and long-term resilience.

On the other hand, the reporting year highlighted a practical concern raised by the Advisory Service team: not every farm can or should be expected to demonstrate regeneration in the same way.

Production environments differ significantly in terms of veld type, climate, rainfall, carrying capacity, infrastructure, management intensity, and the baseline condition from which improvement must begin. A generic or one-size-fits-all regenerative model may therefore be too simplistic for meaningful farm-level assessment in South African wool systems.

Continued engagement with ARC provides an important practical foundation for developing a locally grounded and farm-specific framework through which regenerative potential and progress can be assessed. The fact that identified monitoring plots are now being considered in

relation to nearby wool producers create a direct opportunity to test participation, improve field understanding, and build a more realistic bridge between ecological monitoring and advisory practice. This is particularly valuable in a context where different farms operate under very different veld, rainfall, infrastructure, and management conditions.

5.5 Advisory Capacity, Priority Alignment and Institutional Continuity

The scope of work expected from the Commercial Advisory Service continues to expand. Certification support, technical standards, contamination monitoring, training, producer communication, research collaboration, traceability projects, government liaison and small-scale producer development all draw on the same finite pool of specialist advisory capacity.

Many of these functions also require ongoing institutional readiness even when they do not produce simple annual output counts. Technical expertise, stakeholder relationships, data interpretation and the ability to respond to emerging industry challenges must be maintained continuously.

The strategic risk is that additional responsibilities may progressively dilute core technical and producer-facing functions if new expectations are introduced without corresponding prioritisation, capacity allocation or resources.

6. Conclusion

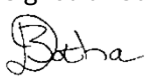
Despite a changing and at times uncertain operating environment, the Advisory Service continued to deliver.

The year showed that the value of the Advisory Service lies not only in visible field activities, but also in its role as a coordinating mechanism, technical interpreter, and neutral industry partner able to bridge the space between producers, brokers, institutions, and strategic sector priorities. This remains particularly important in an environment where system transitions, administrative complexity, and evolving market expectations increasingly require practical support backed by field-level visibility.

At the same time, the reporting year made clear that several industry challenges remain open. These issues do not detract from the year's delivery; rather, they demonstrate the extent to which advisory work now operates within a broader strategic context.

Overall, the Commercial Advisory Service remained aligned with Cape Wools SA's mandate to protect the integrity, credibility, and long-term competitiveness of the South African wool clip.

Signed at Carnarvon on **31 July 2026**



David P Botha
Manager: Commercial Advisory