

NWGA: Commercialising communal wool sheep production

By Leon de Beer, general manager, NWGA

The National Wool Growers' Association (NWGA) initiated a focused Wool Sheep Training and Development Programme in 1997 to address the various challenges communal wool farmers face. This programme is funded by the Wool Trust and implemented by the NWGA on contract with Cape Wools SA (CWSA), the executive arm of the Wool Trust. Partnerships with national, provincial and local government, as well as commercial producers, international donors, commercial banks, input suppliers, tertiary institutions and the private sector complement this very successful initiative.

The programme involves the following focus areas: Organising wool sheep producers into wool growers' associations (WGAs) to collectively harvest, class and pack their wool (enabling them to have access to the formal wool market); training and mentorship; market readiness and access; genetic improvement of communal flocks; and infrastructure development.

Details of communal farming

Wool sheep farming in the communal areas of the Eastern Cape, KwaZulu-Natal (KZN) and eastern Free State has existed for centuries. It is therefore an existing enterprise and an asset that communal producers own, although production practices can be improved drastically through appropriate and constructive interventions.

There are an estimated four million wool sheep in communal ownership, producing an estimated eight million kilograms of wool per annum. More than 90% of wool produced in South Africa (including wool from communal producers) are exported, earning foreign currency for these communities in the most rural and extensive farming areas of the country. There are, however, several challenges communal farmers face.

An independent study conducted by the University of Pretoria in 2012 indicated that individual producers in communal

areas own on average 70 to 113 sheep. These relatively small numbers of sheep consequently yield too little in terms of annual wool volumes to allow for an individual producer to access the formal wool market.

Accessing the different markets

Wool is usually marketed and traded at formal auctions in bales weighing between 100 and 200kg. Wool also needs to be classed into specified quality lines based on length, strength, fibre diameter and clean yield, which creates further challenges for small-scale producers to have sufficient volumes to access the formal market. As a result, these producers are forced to sell their wool to hawkers in the informal market at prices far below those in the formal market.

The first step in developing these farmers is to organise wool sheep producers into WGAs, which will allow them to collectively harvest, class and pack their wool clip as required by the formal market.

Members of these associations are then trained and mentored by qualified and experienced NWGA production advisors – practices that will empower these producers to participate in the export market, drastically increase their household income from wool and improve their livelihoods. There are generally between 30 to 40 individual members in an association, supporting at least 240 dependents.

The involvement of private companies (input suppliers in animal health and feed) and tertiary institutions (University of Pretoria, Rhodes University, Nelson Mandela University, University of Fort Hare, Elsenburg Agricultural College, and Grootfontein Agricultural Development Institute), in partnership with the NWGA, is fundamental to this important capacity-building effort.

Infrastructure and genetics

Proper infrastructure is nevertheless needed to harvest the wool; infrastructure and equipment is necessary to shear and handle the sheep, as well as class and pack the wool into bales. A wool press ensures that



The first-place winner of one of the annual inter regional flock competitions hosted by the NWGA.

bales are at optimum weight to save on transport and marketing costs. As part of the infrastructure, a proper dipping facility is necessary to treat the sheep against external parasites after shearing. Shearing infrastructure is generally constructed in partnership with government.

The NWGA training and development programme is furthermore supported through a comprehensive genetic improvement programme – run in partnership with the Department of Rural Development and Land Reform and commercial wool brokers such as BKB and OVK/CMW – to ensure full participation in the export market.

Wool is auctioned on a weekly basis in Port Elizabeth after a sample has been tested at the Wool Testing Bureau, which also determines the price. The wool industry has records of more than 1 400 organised wool producing communities (WGAs) in the Eastern Cape and KZN, producing wool from approximately 2 000 sheep.

The training and development programme has already had a drastic impact on the income generated from wool over the past twenty years. The potential income could still be doubled should proper



Zeotis, one of the main sponsors of the 6th Eastern Cape Communal Wool Growers' Association Congress, made two Dohne rams available for a lucky draw. This is a good example of the success the NWGA has achieved through their private sector partnerships.

infrastructure, among others, be put in place to empower these producers to improve harvesting practices and clip classing.

The result of proper infrastructure utilised optimally will significantly increase the average price of communal producers, which is currently around 60% of the national average price. This will further contribute to the improvement in wool income, if combined with more wool marketed through the formal export market (versus the informal wool market).

Impact on communal farmers

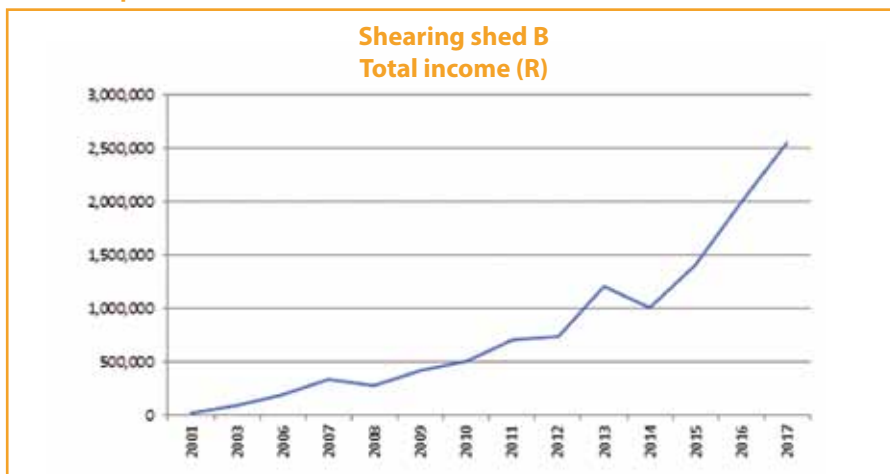
The development programme has made significant strides in improving livelihoods of communal farmers. Since 2004,

Dr Dave Tapson of Rhodes University has been conducting an independent survey on the social influence this programme has in the communal areas. The latest survey report was published in July 2015.

The social impacts in the rural areas of the Eastern Cape were surveyed in 2004, 2006, 2009 and 2015. Some of the significant results include:

- The number of households with children going to bed hungry has declined from 41% in 2004 to 24% in 2015.
- The number of households with savings accounts has increased from 49% in 2004 to 84% in 2015.

Figure 1: Change in wool income for one of the participating shearing sheds in the Eastern Cape.



- The number of households having to borrow money for school fees has decreased from 77% in 2005 to 48% in 2015.

The success of this initiative is well documented and widely recognised for its consistent performance over two decades. The NWGA also has a proven track record of successful partnerships with various departments. The improvement in wool income of one of the shearing sheds due to the training and development programme is presented in Figure 1.

Further development prospects

Development is a basic responsibility of government, especially when it comes to the 'poorest of the poor'. This is guided by legislation and policies for which the reconstruction and development programme provided a framework.

Development in practice, though, necessitates multi-stakeholder involvement to uplift communities to levels where they could eventually take responsibility for their own development and improvement of their livelihoods. Government alone will have very limited success in development if this is not done in partnership with the private sector.

Operation Phakisa, for example, implemented developmental plans and frameworks that are essentially based on partnerships with commodity groups and the private sector, generally referred to as PPP (public-private partnerships).

Operation Phakisa is essentially a collaboration process, convened by government but involving a range of stakeholders, to plan and oversee the implementation of initiatives that will have a positive catalytic impact on the economy and society. It aims to transform the agricultural sector towards an inclusive rural economy, food for all, and the creation of one million jobs by 2030.

Long-term development partnerships with government are essential, although lack thereof is often blamed on the principle that one administration cannot bind the next (decided by elections every five years) through a contract. This seriously contradicts a basic principle of successful development partnerships.

For more information, contact Leon de Beer on 041 365 5030 or visit www.nwga.co.za.