

ANNUAL REPORT

CAPE WOOLS SA TENDER: PRODUCTION ADVISORY SERVICES

(CONTRACT PERIOD 1 JULY 2020 – 30 JUNE 2023)

REPORTING PERIOD

1 JULY 2022– 30 JUNE 2023

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ABSTRACT

This was the first full year where no Covid -19 restrictions were in place and the advisors made use of the opportunity to service the contract to the best of their ability. A good level of service delivery was obtained for most of the services, thanks to the diligence of the Production Advisory team.

The highlights of the year can be summarized as follows:

Commercial areas:

- Number of new participants in the reproduction training program = 86
- Number of participants in economic study groups = 73
- Number of tours and group visits conducted = 14
- Number of people trained in predation management = 639
- Number of farmers contacted with clip faults = 91
- Number of farm workers trained = 1363

A satisfactory level of service delivery was obtained with most of the services.

SERVICE 1: DELIVERY OF ADVISORY SERVICES

1.1 Description of Service

Deliver world class technology and skills to South African wool farmers.

1.2 Purpose of Service

The purpose of a production advisory service is to transfer current knowledge in order to enable producers to succeed with their farming enterprises on:

- Stock management, breeding, reproduction and management practices.
- Grazing and pasture practices and management and supplementary feeds.
- Predation.
- Genetics.
- Shearing and wool classing.
- Financial planning and risk management through economic study groups.
- Biosecurity and animal health and disease management.
- Marketing practices, market access and risk conditions.
- Sustainable wool production.
- Continued liaison with all relevant government departments

1.3 Deliverables

- Dissemination of information to all producers of wool.
- Deliver the services, including but not limited, to those identified below.
- Promote and participate in an online production advisory survey as determined by CWSA

2. Defined Outcomes and Targets per Agreed Programme

2.1 Reproduction Programme:

Outcomes:

- Improving farmers' understanding, ability to identify and putting-into-practice those factors that (1) improve conception rates, fecundity, lambing and weaning percentages and (2) decrease lamb mortality;
- Lifting the average weaning percentage rate of wool sheep in South Africa.

Targets:

- Maintain farmer training course schedule as approved by Cape Wools.
- ❖ A total of 43 farmers participated in the training programme during the reporting period.
- Monitor current participants in the course.
- ❖ Individual visits to 2 farmers, with low reproduction figures, were conducted to determine the reasons for this low fertility. Different management challenges were identified, and improvements were recommended. The result of this advice will be measured in the next lambing season.



2.2 Economics of Wool Production:

Outcomes:

- Improving farmers' understanding, ability to identify and putting-into-practice those factors that (1) maximise income and (2) either optimise or minimise expenditure;
- Improving the average profitability of wool sheep farming in South Africa;
- ❖ One of the study groups improved their average Nett Farm Income (NFI) by 59% over a period of 7 years, despite the FMD outbreak and poor performance of the wool market, as a result of the information they received regarding the efficiency of their farming

enterprise as well as the improved wool prices experienced. These farmers are planning a Farmers' Day early in July 2023. It is believed the value of this service must be sheared with a larger farming community.

- Maintain and implement different production systems.

Targets:

- Maintain a minimum of 100 wool sheep farmers per annum participating in economic study groups (including participating in economic study groups of other institutions, i.e. agricultural co-ops, etc.).
- ❖ A Total of 73 farmers (23 participated in the NWGA economic study groups) participated in the economic study groups during the reporting period. The reason for the decrease in participants in the NWGA economic study groups is still not clear.
- Promote practical advice to the participating wool sheep farmers with the aim of increasing gross margins.
- ❖ Meetings with groups and individual participants were held on 26 occasions and 213 producers attended these meetings.



2.3 Marketing Conversion to Wool and farmer interaction:

Outcomes:

- Provide mutton sheep farmers with a range of scenarios of how to change over to wool farming without disrupting cash flows and short-term profitability too drastically.
- Continued interaction and communication with wool farmers to determine problem areas or requirements.

Targets:

- Maintain and disseminate a range of scenarios of how to convert to wool sheep farming with the least detrimental effect over the short term.
- ❖ These scenarios are updated on a continuous basis.
- Hold information days and publish relevant information in a format most suitable.
- ❖ Three publications were made in the Wool Farmer.
- Increase in wool production within the area.

2.4 Threats to Wool Sheep Farming:

2.4.1 Predation

Outcomes:

- Provide farmers with best practices in terms of predation management. Mr. Neil Viljoen is regarded as the South African authority in this field.

Targets:

- Train at least 180 farmers and farm workers annually in predation management.
- ❖ During the reporting period, 639 people were trained. Most of this training was done in a practical way to enable farmworkers to correctly identify predators and apply acceptable methods to manage this threat. Two publications were also written regarding this threat.



2.4.2 Disease Preparedness

Outcomes:

- Increase Rift Valley Fever (RVF) awareness and ensure their vaccination is done to the prescribed protocols.
- ❖ Social media is used to make farmers aware of the threat and advice is given on vaccination. The results of the RVF trials are communicated to the farmers.
- ❖ 107 farmers were visited during SCWS audits. All farms visited were warned of the possibility of a RVF outbreak. The shortage of vaccines (especially Blue Tongue and RVF) is a concern for producers as well as the industry.

- Increase awareness of basic biosecurity principles.
- ❖ The SCWS audits provide ample opportunity to make farmers aware of biosecurity.
- ❖ A Biosecurity article was published in the Wool Farmer.
- ❖ Biosecurity posters also help to make workers aware of the importance of biosecurity. In the light of the huge outbreak of Foot and Mouth Disease (FMD) this helped tremendously to improve biosecurity on farms.



2.4.3 Contamination:

Outcomes:

- Considerable reduction in cases of wool contamination.

Targets:

- Provide feedback to producers with clip faults (on a weekly basis).
- ❖ A total of 91 people were contacted during the reporting period. The incidents of contamination dramatically reduced over time and the efforts to curb this problem has had a very positive effect.
- Compile an annual report highlighting the change in the fault reports and implement remedial action.
- ❖ This report has been compiled and is attached in Annexure A.
- Distribute Cape Wools shearing shed bins through everyday activities and through agri-business outlets.
- ❖ Most of these bins are distributed on a regular basis by the advisors and shearing instructors.

2.4.4 Management and Information Collation:

Objectives:

- To collect and report on productivity and profitability data

Focus areas:

- Economic study groups (maintain).
- ❖ The number of participants decreased from 82 to 23. This service is no longer free of charge and some farmers therefore didn't participate in this analysis this year. The forms for the next reporting period received currently amounts to 30. It appears as though the drought also played a role in the decrease of numbers. The averages of the participating study groups were calculated and feedback was given to all participants.
- Ewe productivity project (maintain).

Outcomes:

- Better understanding of the management regime;
- Preferred methods of technology transfer;
- Participation in economic study groups;
- ❖ The average performance of the study group over a six-year period was analysed.

Table 1. Results of the analysis done on average performance of the NWGA study group from 2016 to 2022.

YEAR	2016	2017	2018	2019	2020	2021	2022
UNIT	R/SSU	R/SSU	R/SSU	R/SSU	R/SSU	R/SSU	R/SSU
CATEGORY	GROUP AVG	GROUP AVG	GROUP AVG	GROUP AVG	GROUP AVG	GROUP AVG	GROUP AVG
GPV	660.97	965.25	865.52	1038.47	763.2	1040.13	1103.59
DAVC	236.74	292.56	212.43	235.04	192.39	288.51	301.74
GM	433.23	672.69	653.09	803.42	570.81	751.62	801.86
OC	205.03	290.98	249.98	313.52	252.14	292.13	317.19
NFI	228.20	381.71	388.11	489.91	318.67	459.49	484.66

GPV Gross Production Value

OC Overhead Cost

DAVC Direct Allocatable Variable Cost (Direct cost)

NFI Nett Farm Income

GM Gross Margin

The results of this goal-orientated extension service from 2016 up to 2022 are as follows:

- The GPV of the group average increased with 66.96% from R660.97/SSU in 2016 up to R1103.59/SSU in 2022.
- The DAVC of the group average increased with 27.35% from R236.74/SSU in 2016 to 301.74/SSU in 2022.
- The OC increased with 54.70% from R205.03/SSU in 2016 up to 317.19/SSU in 2022.
- The NFI increased with 112.38% from R228.20/SSU in 2016 up to R484.66/SSU in 2022.

Table 2. Results of the economic analysis for woolled sheep done by the Overberg Agri study group for 2021.

UNIT	VALUE R/SSU
Gross production value	2 155.03
- Direct cost	737.59
Gross margin over direct cost	1 417.45
- Machinery cost	141.45
Gross margin	1 275.80
- Overhead cost	511.79
Nett Farm Income	764.09

The NWGA wishes to thank Overberg Agri for sharing their results with the NWGA advisor in the Western Cape.

The Nett Farm Income is significantly higher than the study group in the Free State (36%) as the type of farming is totally different in the two areas. The Free State system is extensive and the Overberg farming is semi-intensive.

Participation in the ewe productivity project.

- No producers participated in the ewe productivity project.

Signed at Bloemfontein on Friday, 18 July 2023



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