

AGRICULTURE → OTHERS

WOOL + MOHAIR — 1985 — 1986

Medium-term prospects also look excellent.

"Last season, which closed with the final Port Elizabeth auction on December 3, produced a record average price of 2 124 c/kg. A total clip of some 9,1m kg means gross industry turnover should reach R186m," says Mohair Board assistant manager Jan van der Westhuizen.

This year's record earnings almost doubled the R95m earned in 1983 and it is also 48% higher than last year's R126m — also a record in its day.

#### Premier producer

SA is the world's premier mohair producer and some 97% of the national clip is exported to meet growing demand from the world's knitting yarn and furnishings industries. The effect of this demand on prices is shown by the fact that in 1971 the average price on local sales was a mere 69,9c/kg and by 1975 this had jumped to 416,4c/kg.

This country also sets the pace in quality production, grading and world pricing and has the most sophisticated marketing system in the world, says Van der Westhuizen.

SA's predominant position in the world mohair trade is underlined by the fact that board chairman Tony Hobson has also headed the International Mohair Association — the body representing all major mohair pro-

MOHAIR PRODUCTION

FINNAIL  
**Happy ending**

A combination of soaring world demand for mohair and the low rand has pushed the 1985 earnings of SA's 6 500-odd mohair producers close to a record R200m.

ducing countries — for the past five years.

The second-largest producer is the US, with some 5,2m kg a year, followed by Turkey with 31m kg, the Argentine with 1m kg and Lesotho, which produces 700 000 kg. "But not one of these countries has the same record of quality and price-stable production that we have," says Van der Westhuizen.

The Mohair Board was established in 1972 and consists of five producer members. The 12-member staff handle general marketing and administration. Auction sales are run by agents appointed by the board.

Van der Westhuizen says the one-channel marketing system has created price stability, enhanced the industry's international image and, in fact, has reduced marketing costs.

# Demand for wool is marginally up

STAL. 13/11/56

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By Frank Jeans

Wool prices eased by 3.3 percent at the first auction of the new year at Port Elizabeth but in terms of the overseas price, South African wool is 2.5 percent dearer compared with the value of the rand between the two previous sales.

The Wool Board market indicator was at 982, as against 1015 after the auction before the Christmas break.

Since the previous sale the value of the rand has strengthened by 5.8 percent against the basket of currencies of the most important wool-importing countries.

This, therefore, indi-

cates that the demand for wool on world markets is improving, albeit marginally.

There was keen competition for the 18 000 bales of merino and other wool at the latest sale and 96 percent was taken up.

The Australian wool market also reopened this week and the good demand for wool there was maintained.

The Australian market indicator gained five points while the sales percentage improved from 83 percent to 93 percent.

At next week's Port Elizabeth auction, 20 700 bales will be offered.

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# Wool price hit by stronger rand

By Frank Jeans

29/1/86 STAR  
3 WOOL

The rising gold price and improved rand-dollar exchange rate knocked wool prices at last week's auction in Port Elizabeth.

With prices down five percent, the market indicator dropped by 49 points to 933.

Since the previous week, the value of the rand increased by 6,3 percent against the currencies of South Africa's most important wool import countries.

In overseas terms, the price of the local clip increased by a further 1,3 percent and is now 3,7 percent more expensive for wool buyers than a week ago.

The rise in value of the clip can be explained by the fact that the wool market did not move down in relation to the strengthening of the rand.

There was good competition from the trade at the latest auction and 98 percent of the 20 000 bales was taken up.

About 23 000 bales of merino and other wool will be offered next week.

UHS 15%CD 80 5- 16.9 3.9 7.7 97 80 108700 12.5%CD

## Wool price hit by stronger rand

20/1/86 STAR  
3 WOOL

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## Rooibos tea sales heading for record

20/1/86 STAR

By Frank Jeans

The rooibos tea business has shaken off any stigma it may have suffered in last year's "contamination crisis" with 45 percent growth during 1984 and the expectation of record sales this year of 3,25 million kilos.

The Department of Health gave a clean bill of health to rooibos tea after the discovery of salmonella in a tea consignment to Australia, and the Rooibos Tea Board added its reassurance that its tea was "absolutely safe".

Mr Piet Saayman, general manager of the board at Clanwilliam in the Cape, says sales of rooibos have exceeded all expectations.

"We expect this tendency to be maintained", he says.

No increase in the price of rooibos this year is contemplated.

Mr Saayman says the Minister of Agriculture, Mr Greyling Wentzel has approved an interim payment of 27c per kilo to producers for the 1985 crop.

# 14/2/80 DISPATCH (3-klod) ~~211~~ Wool prices drop

PORT ELIZABETH — Prices at the latest wool sale in Port Elizabeth decreased by 3,6 per cent compared to the previous sale, and the Wool Board's market indicator closed at 864. The market was also 3,5 per cent down compared to the opening sale of the season and only 17 per cent more than the increased voorskot.

Since the middle of December, wool prices have dropped by 16 per cent, compared to the

change in the exchange rate of 22 per cent.

The main reason for the latest decrease in wool prices was the influence of the Australian dollar which weakened by 4,5 per cent during the past week, and resulted in South African wool becoming proportionately more expensive for foreign countries. This also explains the downward trend in the sales percentage from 97 per cent last week to 92 per cent.

Almost 21 000 bales of wool were offered.

The following average greasy wool prices were obtained under headings — Type, Micron, Clean yield percentage, Price in c/kg.

- AM 21,5 66 629.
- AS 23,5 66 545.
- BKS 22,5 58 510.
- CBP 22,0 60 508.
- CI 20,0 62 591.

Next week about 15 000 bales of wool will be offered.

# Stronger rand hits wool purchases

3/16/57  
D/12  
D/12/1/57

PORT ELIZABETH — South African wool prices fell by 3,6 per cent at this week's auction — the eighth consecutive decrease in wool prices and a drop since the middle of December of 21,7 per cent.

Wool market prices declined as a result of the sudden depreciation this week of the Australian dollar against the rand, causing South African wool to become more expensive for wool importing countries, the Wool Board reported from Port Elizabeth.

The board said the influence of the depreciating Australian dollar on

local wool sales was extensive, because Australia is South Africa's largest competitor on the world markets.

The market indicator dropped by 30 points to close at 834.

The depreciation of the Australian dollar also influenced the sales percentage considerably, and the trade purchased only 76 per cent of the almost 13 400 bales of merino and other wool offered. This was the lowest sales percentage of the present season, the board said.

The total offering of 1 012 bales of karakul wool was cleared.

After the latest sale, the average greasy wool price for pool wool stood at R5,00 per kg.

The average greasy wool prices obtained for the most important types of wool were (Type, Micron, Clean yield percentage, Price in c/kg):

AM	21,5	66	676
AS	23,5	66	589
BKS	22,5	58	548
CBP	22,0	60	553
CL	20,0	62	665

A total of 16 000 bales of merino and other wool will be offered next week, the board said. — Sapa

# Wool prices drop again

DISPATCH

PORT ELIZABETH — At the latest auction here a poor demand for wool was experienced, and only 73 per cent of the 15,500 bales was cleared to the trade, the South African Wool Board reports.

The poor demand was accompanied by a further drop of 4,8 per cent in the average price of wool compared to the previous sale. The board's market indicator this week closed at 793—40 points down on the previous sale.

Several factors contri-

buted to the further decrease in the market. Among these were the strengthening of the Australian dollar by one per cent against the rand, and the instability of the exchange rate market, which caused uncertainty among buyers.

After the latest drop the wool market is already 11,4 per cent lower compared to the level after the first sale of the season. In spite of this, the market is still 20,4 per cent higher than the previous season.

The following average greasy wool prices were obtained for the most important types of wool, under headings — type, micron, clean yield, percentage, and price (cents per kg).

AM: 21,5; 66; 584.

AS: 23,5; 66; 507.

BKS: 22,5; 58; 474.

CBP: 22,0; 60; 453.

CL: 20,0; 62; 540.

Next week approximately 20 500 bales of merino and other wool will be offered. — Sapa.



# Wool sales fall along with prices

By Frank Jeans  
After a buoyant 1984-85 season when total sales soared to a record R405 million — 40 percent up on the previous R290 million — the wool industry has suddenly taken a knock through falling demand and dropping prices.

At this week's Port Elizabeth auction, hesitancy among buyers was reflected in the fact that only 73 percent of the bales on offer were taken, normally about 90 percent of the clip is cleared to the trade.

Accompanying the poor demand was a drop of 4.8 percent in the average price of wool over last week's sale, with the Wool Board's market indicator closing 40 points down at 793.

Since the middle of December, prices have fallen by 16 percent and the market is now 11.4 percent down from the level of the first sale of the season.

Two main factors have contributed to the downturn. Firstly, the Australian dollar has strengthened by one percent against the rand causing buyers concern about future stability of the exchange rate market.

Second, with the South African wool clip now more expensive than Australia's, a downward price adjustment had to be made to remain competitive.

A crucial question, too remains for the wool business. Will the present abnormally dry conditions again affect grazing and, in turn, production levels of an improvement?

Over the past two seasons, wool production declined by eight percent and last year, the 30,000 growers produced 98.8 million kg — 2.6 percent lower than the previous year's 101.6 million kg.

## DROUGHT

A Wool Board spokesman blamed this drop in output on the prolonged drought and said that although there was an improvement in grazing conditions last season, the impact of the drought was still visible.

Nevertheless, the Wool Board still has good expectations over the outcome of this season's clip.

A board spokesman says: "We don't foresee any problems. Seventy percent of the season's expected clip is already sold and the remainder will be offered at the next 10 auctions."

The poor demand we are experiencing at the moment is temporary and we can see that in the Australian market they are still selling at between 90 and 95 percent on weekly sales.

In other words the demand for wool on world markets is still excellent and we expect to make up ground on weekly sales.

The wool-growing areas, it seems also have had good rains so that the board does not see any problems ahead for grazing.

# Decrease in wool prices continues

PORT ELIZABETH — The decrease in wool prices continues, according to the South African Wool Board in Port Elizabeth. 7/3/86

The decline in wool prices since the last auction in December is still continuing, and at the latest sale the average price was 2,8 per cent lower than the previous sale. At this week's auction the wool board's weekly market indicator closed at 771 points. This is 22 points below the previous sale and 39 points lower compared to the corresponding auction of the previous season.

The prices of bellies were up to 5 per cent lower, locks were up to 4 per cent lower and fleece wool and lambs were up to 3 per cent lower.

The main reasons for the continued decline in

prices were the further weakening of the Australian dollar against the rand, as well as the strengthening of the rand against the basket of currencies of the wool importing countries, the statement said.

DISPATCH

Competition at this week's sale was good and since last week the sales percentage has increased from 73 to 83 per cent.

The following average greasy wool prices were fetched for the most important types of wool (Type, Micron, Clean yield percentage, Price in c/kg):

AM	21,5	66	62
AS	23,5	66	497
BKS	22,5	58	458
CBP	22,0	60	438
CL	20,0	62	517

Approximately 13.000 bales of wool will be offered next week. — Sapa



# Wool prices firm

**PORT ELIZABETH** — For the first time in three months, wool prices were firm and unchanged at the Port Elizabeth wool auction and, according to the Wool Board, "the prices of certain types of wool even increased slightly."

The wool market indicator remained unchanged at 771.

The prices of 25 micron wool were 3 per cent higher compared to the previous week's auction, while 24 micron wool and locks increased by one per cent.

Bellies, however, decreased by one per cent.

The stability in the wool market can be attributed to a more stable exchange rate market. The rand strengthened only slightly against the wool basket of currencies.

The sales percentage obtained at the auction improved further, and 88 per cent of the more than 12 400 bales of wool was cleared to the trade. Competition was good, and it seems as if local processors in particular placed larger orders in

the light of low stocks and the forthcoming off-season when no sales will be held. DISPATCH

The following average greasy wool prices fetched for the most important types of wool were (Type, Micron, Clean yield percentage, Price in c/kg):

AM	21,5	66	568
AS	23,5	66	505
BKS	22,5	58	458
CBP	22,0	60	441
CL	20,0	62	556

Next week a total of 18 700 bales of merino and other wool will be offered. — Sapa

ARGUS 15/5/86

**'Wool Board erred with R290-m foreign loan'****Financial Staff**

THE South African Wool Board has admitted that it made a mistake in taking a R290 million loan from overseas.

The board chairman, Mr Pieter van Rooyen, says the loan would never have been taken if the drastic fall in the rand-dollar exchange rate could have been foreseen.

According to Agricultural News, Cape wool farmers have since decided to pay a special 5 percent levy this season to cover possible exchange rate losses on the board's Eurodollar loan.

The Transvaal provincial wool

congress has also decided to absorb the 5 percent levy, but the Free State has not, while Natal is expected to agree with the decision.

According to Mr Van Rooyen the loan was taken when the wool industry was under great pressure and the cost of keeping wool in stock had risen appreciably.

At the time the board could acquire foreign financing at an interest rate 6,5 percent lower than the local rate.

But the dramatic weakening of the rand, from an average 87 US cents when the loan was taken in 1982 to 36 US cents in December 1985, caught the board unawares.

24/76 BUDAY

③ WOOL + HDMAX

Industrial Staff

FOR the third consecutive year the SA wool industry has earned a record income from wool sales with this season's market realisation coming to R428m. This is 6,3% higher compared to the previous season when R402,8m was realised.

SA Wool Board chairman Pieter van Rooyen said at the weekend the most important reason for the increase in in-

Wool industry hits record

come was the low value of the rand against the currencies of wool-importing countries, especially during the first half of the season.

The value of the rand fluctuated by up to 30%, which caused uncertainty among buyers and hampered trading conditions.

However, the change rates of reserved prices.

As a result, the value for their Van Rooyen come occurred 5,6% to 92,7m

High

hard monitored throughout the season and a fixed accordingly. As a result, the full increase in in- site a further drop of in wool production,

Regarding the quality of the clip, the average clean yield decreased and a further swing to stronger wool occurred. Production of wool of 22 micron and finer declined by 8,1% while wool of 23 micron and stronger increased by the same percentage. It is expected the demand for SA wool will remain excellent and depending on the movement of the rand and exchange rate, prices should continue to remain at the present high levels.

## PETTICOAT POWER

Standard Bank this week made South African history by appointing the first woman to the main board of any local bank.

Elizabeth Bradley (47), MD of Wesco Investments, the holding company of Toyota and Metair Investments, will take her seat around the table with Standard Bank's 17-man board on July 7. Also new to the board is Barlow Rand CE Warren Clewlow.

Bradley, who has been a director of Stanbond since 1981, is the daughter of well-known businessman Albert Wessels. With Clicks' June Kritzinger, she is one of two female MDs of a listed company in SA.

She has an MSc from London University, is a director of Veka, and chairman of a Wessels family company which owns three hotels.

however, believe privatisation is imminent. They have already produced a 70 kg non-slip woven polypropylene bag which the Maize Board is now testing.

At least two manufacturers, Consol and Romatex, are geared for production. Romatex moved out of the jute bag market in 1979 in favour of polypropylene bags and a Consol subsidiary, Paktex, has established a plant specifically for non-slip bags at its factory near Ladysmith.

Maize Board GM Hennie Nel says testing of the non-slip polypropylene bag should be completed by the end of the year. Early field results, he says, look encouraging.

"It could be," he says, "that the old jute bag will be phased out in favour of locally-made polypropylene bags, but the final decision rests with the board, its customers and the central government."

Nel says moving to a locally produced bag makes sense — if only in terms of import replacement and the consequent savings in foreign exchange.

The Maize Board's recent movement towards the bulk handling of maize has reduced its bag requirements, but in years of bumper crops there have been upwards of 30m new jute bags in circulation.

An added inducement towards switching to a local source is that the jute bag supply from Bangladesh is tenuous — to say the least.

F.I.N. MAIL 6/6/86  
WOOL EXPORTS (3) WOOL + M

## Warm reception

Wool and mohair producers are continuing their dizzy ride on the back of strong export demand and the weaker rand.

Wool export earnings in the season ended last week hit a record R428m, a useful im-

provement on the previous season's R402,8m. This was achieved with a wool clip of only 92,7 Mkg, more than 5 Mkg down on last year, says Wool Board (WB) spokesman Johan Gieselbach.

The reduced clip follows the three years of drought, and the WB has launched a high-powered drive for increased wool production, especially in the northern maize-producing areas.

"We do not have the stock to meet the strong world demand for SA's quality wool," says Gieselbach. "But even with a good response from farmers it will be years before production can be increased sufficiently to meet rising demand."

Underpinning the optimistic mood, the wool price index jumped 93 points at the final three auctions at Port Elizabeth, to close at 972 points. This followed marked seasonal changes: the market opened last September at 895 points, moved to a high of 1 015 in mid-December (when the rand was at its low of US\$0,36c), slid back to 771 points in March and then had a final strong recovery.

Gieselbach says wool and mohair remain two of the few agricultural products with virtually guaranteed international demand and profitability. "Wool earnings are constantly hitting new peaks. While we have less quality wool on offer, world demand is increasing. And, of course, the low rand pushes up the price received by our farmers."

Meanwhile, SA's 6 500-odd mohair producers are also laughing all the way to the bank.

SA exports some 97% of its total clip and the 1985 production of 9,1 Mkg earned farmers R186m. With output growing steadily, mohair production of 10,5 Mkg is expected in 1986, says Mohair Board assistant manager Jan van der Westhuizen. This means SA would supply about 50% of world production.

Producers are earning an excellent average price of R17,60/kg in the current season that started on February 18, and the rand's recent fall will enhance earnings.

The industry has grown at 10%-13% a

year since 1974, when SA produced 27% of world output.

"Although 70%-80% of our mohair is still produced in 20 eastern Cape magisterial districts, production has now spread to areas like the western and southern Cape, the Karoo, Free State and even the northern Transvaal," says Van der Westhuizen.

"World price trends show the continuing strong demand for SA's top-quality product." If the rand continues at current levels, he predicts 1986 earnings of more than R200m.

F.I.N. MAIL 6/6/86

## BLACK TAXIS

### Moving ahead

As more black-owned combi taxis daily join the ranks of the 125 000-strong fleet, the SA Bus and Taxi Association (Sabta) is flexing its financial muscle.

According to Sabta, licensed combi taxi operators spend at least R800m a year on vehicles, fuel and spares, and pirate operators push up this total considerably. But they reckon that their buying power has been severely underrated for years. Now they are fighting back.

Sabta's plans to develop 60 service stations in and around black areas are already nearing fruition.

Although officials remain tight-lipped on sites for development, they do say the first station will be built in July, and another nine are scheduled for later this year. Negotiations with two oil companies to supply the service stations are almost complete.

The stations, to be known as Sabta service stations, will be open to all comers. Sabta, which represents 45 000 licensed combi taxi operators, says they will offer discounts of up to 50% on spare parts and cut-price tyres.

With the average black taxi travelling 20 000 km a month, combi owners buy 800 Ml of petrol annually and spend R1m a year on tyres. By implementing the new move, Sabta aims to change the cash flow — from black to white to black to black, says

## MARKING THE CENTENARY

With hard-cover business books costing anything from R50 to R300, it's not surprising that Johannesburg municipal library's business book section is highly valued by many professionals.

Johannesburg centenary organisers are appealing for company donations towards the cost of new technical books to mark the anniversary year. An engineering company recently donated R5 000 for the purchase of geological books. "We will buy about 75 books at R150 each with the money," says City librarian Lucy Kennedy.

The municipal budget of R550 000 is

shared by all of Johannesburg's 38 branch libraries and the seven subject reference libraries. "With book prices today, this nowhere near meets our needs. There are always valuable books which we cannot afford," says Kennedy.

She hopes the centenary project will help bridge the gap. "We would prefer donations to the reference section because the books are of more lasting value."

The library has no plans for companies to sponsor specific purchases, "but any donation, no matter how small, is highly appreciated. Library members benefit in the end."

PAID DAY  
Woolgrowers' money mailed  
③ WOOL 27/86

MICK COLLINS

FINAL payment cheques amounting to R45,4m will be mailed to 30 000 woolgrowers today by the Wool Board.

This includes an amount of R3,4m interest earned on interim and final monies.

Chairman of the board Pieter van Rooyen said the record amount was made possible by the demand for SA wool and the continued low value of the rand.

"This resulted in a gross wool cheque of R427m at the close of the 1985/86 season," he said.

He pointed out that deductions from the final cheques do not include the 5% additional levy for possible exchange rate losses on the board's overseas loans.

The board will decide on a possible levy for this season after consultation with the National Woolgrowers Association of SA.

"Depending on conditions prevailing during the season, a full 5% levy will be imposed for the stabilisation of the fund, bringing the fund to R127m," Van Rooyen said.



# Drought reduces SA wool clip

DROUGHT conditions have become worse in large parts of the wool-producing areas which is one of the main reasons for a further reduction in the size of the SA wool clip.

This was said by SA National Wool Growers' Association president H F Prinsloo in his presidential address to the association's 57th annual congress in Bloemfontein last night.

Compared to 1982/83, sheared wool production had dropped by 14,6m kg to 92,7m kg this year.

At the average wool prices obtained in the three years, this meant wool farmers had lost R120m in income as a result of

the drought.

Prinsloo welcomed the announcement of the National Grazing Strategy as a measure to improve and preserve the condition of the land, but questioned whether the strategy could be applied effectively, and with the expected results, without normal rainfall.

Referring to the estimate that farmers' accumulated agricultural debt was already R11,2m in 1985 and could reach R12m this year, Prinsloo said unless special assistance could be given, many farmers would perish in the coming year.

He asked whether SA could

afford to lose so many of its entrepreneurs who were "going under" through circumstances beyond their control.

Drastic steps would have to be taken to keep as many farmers as possible on the land, if a strong and conservative farming community was important for the survival of the country.

In comparison with other industries, the wool industry was comparatively good.

This could be ascribed mainly to the favourable export earnings as a result of the weak exchange rate of the rand against other currencies. Sapa.

# Blackwood takes over Fiatallis franchise

BLACKWOOD-HODGE, the Transvaal-based earthmoving equipment specialist, has taken over the Fiatallis franchise from NEI subsidiary APE.

MD John Vos said yesterday that although the deal became effective on July 1, it would be early August before the entire transition process, including transfer of equipment, was complete.

He said take-over of the R8m Fiatallis investment was the latest in a series of shifts in the

## Industrial Staff

earthmoving sector. Its continued weakness had led to companies such as APE, with major interests elsewhere, handing over the operation to specialist distributors.

Vos said the economic standstill and reduced construction activity had reduced the earthmoving market to half what it was a few years ago.

"It is extremely depressed. In the history of the industry, we

have never experienced a downturn like this."

Vos added that Blackwood was likely to slow its acquisition programme now the Fiatallis deal was complete. Since he took over as MD last year, the company had undergone management restructuring and actively looked for acquisitions.

"Now we want to settle down. Nevertheless, we are confident that our UK parent will support us in any further opportunities that may arise."

Higher wool price could lead to less demand

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# Clothing in the doldrums

PRODUCTION in the clothing industry is now at the same level as in 1977, as a result of a 45% output decline in the past four years.

That was revealed in Bloemfontein yesterday by Wool Board chairman Pieter van Rooyen in his report to the 57th annual congress of the National Wool Growers' Association.

Improved domestic demand for textile goods would probably begin to be realised only later in the 1986/87 season.

Meanwhile, a sharp drop in domestic wool consumption was expected as a result of the steep rise in wool prices.

Whatever else might happen in the 1986/87 season, it was clear that the high net foreign-exchange income which wool exports earned for SA should not be

underestimated.

Van Rooyen said he hoped this would be appreciated in government circles and would be given consideration when decisions were made about export-promotion benefits to the wool industry.

He ascribed the 5,6% decrease in sheared-wool production in 1985/86 to the extended drought which had so depleted grazing in the most important sheep-farming areas that wool-sheep numbers had dropped drastically.

Merino sheep had dropped by 22% to about 16-million in the past five seasons.

The high prices obtained in the past five years for mohair had led to an increase in mohair production at the expense of wool. The considerable increase in sheep and fat-lamb prices since

1983/84 had led to cross-breeding between wool- and meat-sheep, while a large number of merino and other wool-sheep breeds had been slaughtered.

Van Rooyen said the challenge in the wool industry was to maintain the highest possible measure of cost efficiency.

However, the industry had much to be thankful for. There had been no problems in disposing of the product, while wool prices had increased by more than 80% over the past four years. And the industry still benefited from the weak state of the rand.

"The wool farmers of the country have always been known for attacking and solving their problems. I am full of confidence this approach still applies and, therefore, I am confident for the future," he added. — Sapa.

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SUCCESSIVE good seasons in the wool industry have permitted an average 14,1% increase in the *voorskot* (advance price) for wool for the 1986/87 season to an average R6 a kilogram, Wool Board chairman Pieter van Rooyen announced yesterday.

However, he stressed the percentage increase for the 1 400

## Average 14,1% increase in wool price

Business Day Reporter

different types of wool would differ substantially according to the market performance of each type over the past three seasons.

Wool-farmers would receive

about R40m more in gross advance payments, compared with last year's August price, he said, despite the fact that wool production was expected to remain on the same level.

Last season's advance realised R5,26 a kilogram.

Factors taken into account in setting the *voorskot* price included local and international economic expectations, the international supply and demand situation and the effect of exchange rate movements on SA wool prices, said Van Rooyen.

By YVONNE STEYNBERG

WOOL farmers in the Eastern Cape are dodging traffic police checks for overloaded trucks by taking detours along quiet gravel roads of travelling by night.

Provincial Traffic Department patrols are aware of the dodges as the farmers' large 10-tonner trucks roll to the coast, loaded with packed bales of wool to be off-loaded at the large co-ops in the cities.

But they say a lack of staff makes it difficult to catch offenders. One Britstown farmer

# Farmers drive at night to dodge <sup>wool</sup> checks on big overloaded trucks

and taken to a weighbridge, because it can be costly if you are overloaded," he said.

Another added that he once jumped from the driver's seat in a hurry because he was worried that even his weight said he and his son took turns driving through the night.

"This means we avoid the risk of being stopped

could make a difference to the weighing.

The Port Elizabeth station commander of the Provincial Traffic Department, Mr J F Botha, said: "We are checking for overloaded vehicles regularly because they cause immense damage to the roads — for which repairs come from the taxpayer's pocket — and they can

also be dangerous."

A tyre expert agreed that an overloaded vehicle could be a serious danger because tyres could fail, resulting in accidents.

Mr Botha said his department was well aware that the farmers' trucks could be overloaded at harvesting and shearing times.

His knew about the night

driving, but due to staffing problems, it was not possible to man the weighbridges 24 hours a day.

But, he added, night checks were carried out.

Fines of up to R300 can be imposed, with any further units of hundreds of kilograms over-weight becoming a matter for the courts to

decide. Farmers, however, worry more about the delays and inconvenience caused when they are caught.

Mr Botha said overweight trucks had to be offloaded immediately, and the onus for the protection of goods rested on the carrier.

The checks were well supervised and weighbridges were equipped with expensive and accurate load meters.

Mr Botha said farmers were not the only culprits.

"Long-distance hauliers are often guilty of overloading," he said.

# Wool down 3,3% at first auction

By Frank Jeans

Competition was good at the first wool auction of the new season at Port Elizabeth and 91 percent of the 16 100 bales was taken up.

But the average price declined by 3,3 percent compared to the closing sale of the previous season three months ago.

The market indicator opened at 940, which is 32 points down on the closing level previously.

The drop in prices is due to the strengthening of the rand against the Australian dollar.

World wool prices are determined in the Australian dollar and this has depreciated recently

against those of the wool importing countries.

There was good demand at this week's sale, especially for short wool and it fetched premium prices.

A record price of 860 c/kg clean was paid for one bale of short wool with a diameter of 19,8 micron and a clean yield of 66 percent.

The prices of 20 and 21 micron wool were 1 percent lower compared to those at the closing sale previously, 22 micron decreased by 2 percent and 23 and 25 micron went down by between 5 and 7 percent.

There will be 12 400 bales offered at next week's sale.

DAILY DISPATCH 3/9/86

~~269~~ (3) WOOL

# Concession to wool farmers

**Business Editor**

**EAST LONDON** — South African Transport Services have agreed to postpone the implementation of a higher tariff structure which could have cost wool farmers between R3 million and R4 million in additional freight charges over the next three wool seasons.

This was announced yesterday by the chairman of the National Woolgrowers' Association's transport committee, Dr F. de K Kotze, following negotiations with Sats. Dr Kotze said the concession would also apply to mohair producers.

A spokesman for the Wool Board in Port Elizabeth said that Sats, in addition to recent general tariff increases, had proposed to base wool transport charges on higher tariff scales because wool's low weight and high volume made it less profitable to transport in relation to other types of freight.

He said arguments which had been presented to Sats during the negotiations included the possibility of wool farmers switching to road transport and problems encountered by the wool industry after the recent drought.

Dr Kotze said Sats had originally intended to abolish a 15 per cent discount on its "Tariff 8"

scale for full truck loads on April 1 next year. The rate would now remain unchanged until September 1, 1989.

Sats had also agreed that any number of farmers could now pool their consignments on one truck. The previous stipulation had been only two producers per short truck and four per long truck. Dr Kotze said farmers could achieve the greatest benefit from this concession by ensuring that 6,5 tons per short truck was loaded. That meant they should compress their bales to around 165 kg and load 40 bales per short truck.

Smaller quantities of wool would now be railed at Sats' Tariff 6 scale for the next two seasons. Sats had originally intended to base charges on the higher Tariff 5 scale from October this year and to shift to the Tariff 4 scale on April 1 next year. These higher scales would now come into effect on September 1, 1988 and January 1, 1990.

Dr Kotze appealed to wool producers to take advantage of the concessions. Wool could now be transported by rail at a competitive rate and the postponement of the higher charges would make a significant contribution to curbing production costs, he said.

# Aussie sanctions move in a tangle over wool

SUN 11/67  
Wool  
14/9/67

GAPING holes in Australia's planned sanctions against South Africa emerged this week as the Foreign Affairs Department put the finishing touches to Prime Minister Bob Hawke's crusade against apartheid.

Among the most contentious is a direct Federal Government grant of \$A30-million to Australian wool growers to spend on wool promotion — in conjunction with South Africa.

by NIC VAN  
OUDTSHOORN  
Sydney

Mr Hawke's Labour Party Government confirmed this week that the grant will be exempt.

But senior Foreign Affairs sources in Canberra told me "many other" economically sensitive deals would also be exempted from the sanctions package which Australia

plans to impose within weeks.

"It's making our life a misery trying to figure out how to apply sanctions when so many exceptions are being made," one senior official told me.

The decision to exempt from sanctions the \$A30-million wool grant to the International Wool Secretariat (IWS) — of which both South Africa and Australia are leading members — followed "strong representations" from the Australian Wool Corporation.

The Cabinet was informed by both the Minister for Primary Industries, Mr John Kerin, and the chairman of the Wool Corporation, Mr David Asimus, that if Australia tried to withhold funds or attempt to exclude South Africa from the IWS, it would be "cutting off its nose to spite its face".

Mr Asimus, who is also a prominent wool grower, said this week: "Even if complete sanctions are imposed against South Africa it would not be easy to force them out of the IWS."

The IWS has the world's most recognised trade mark — the Woolmark — which it licenses to manufacturers around the world.

# Record year for buoyant Gubings

GUBB & INGGS (Gubings), a wool and mohair processor and exporter, achieved record results in the past year, thanks to a buoyant market.

Earnings, excluding attributable earnings of associate companies, rose by 35,7% to 148,5c a share in the year to June, from 109,4c a share in 1985.

The final dividend has been lifted by 3c to 24c which, with the higher interim of 11c (9c), makes the year's total 35c (30c), covered 4,24 times.

Gubings's turnover increased by 7,6% to a record R265,36m (R246,6m).

Wool + Mohair  
16/9/86  
HOUSE  
RUSDA

The operating profit margin improved slightly to 5,2% (5,1%) as operating profits rose to R13,8m (R12,6m). Net profits rose by 39,7% to R3,47m (R2,48m).

Earnings yield is 21,8% and dividend yield 5,1%.

The conservative dividend policy probably accounts for the stock lagging in the current market. It looks attractive at current levels.



# Mixed morals charge as SA wool link stays

**SYDNEY** — The Australian Government has been accused of "mixing its morals" for deciding to continue its wool promotion with South Africa.

The Australia South Africa Trade Association, welcoming the maintenance of wool links, also said the Australian Government was being hypocritical.

"The Government's stance over the wool promotion is amazing and shows that the Prime Minister, Mr Bob Hawke, is not honest in his thinking," said the association's secretary, Mr Allan Dexter, in Sydney.

"If the wool ties remain, why ban agricultural products from South Africa and withdraw landing rights for SA Airways?"

"In reality, the Hawke Government is concerned that its electoral stocks are low. With an election less than two years away, banning the wool promotion would prove disastrous."

The Government has given Australian wool growers R45 million to spend on wool promotion with South Africa.

body's promotions. South Africa contributes 9 percent of costs.

Officials of the Australian Wool Corporation said Australia would lose millions if South Africa were forced out.

The Australia South Africa Trade Association believed sanctions could mean wide spread job losses in Australia.

"Members of our association with trade links with South Africa are campaigning to have the sanctions lifted. Many Australian companies spend a lot of money in South Africa."

"Not long after Mr William McMahon became Australian Prime Minister in 1971, he urged Australian businessmen to invest in South Africa. Now the present Government is doing its best to tear down the bridges we have built up."

"Our members will be campaigning to defeat the Government at the next national election, due in 1988," he said.

"But this does not mean we are in any way supportive of the South African Government's policies on apartheid."

# Mercedes — there's no pulling the wool over farmers' eyes

3 wool + no bus DM 24/18

**SHEEP** farmers in the Karoo have never had it so good. Maize farmers in the Western Transvaal, on the other hand, are feeling the pinch.

Car sales, long accepted as a reliable economic indicator, show clearly where the wealth is in SA today.

In the Western Karoo last month, 36,3% of all new cars were sold by Mercedes-Benz or BMW. In the Eastern Karoo, the figure was 29,4%.

The region is enjoying the start of the 1986 wool-buying season. Demand is good, prices are high — local wool is tied to international prices — and even the recent strengthening of the rand against the wool basket of currencies has failed to appreciably weaken prices.

It's a different picture in the Western Transvaal, where drought-hit maize farmers are abandoning the traditional Mercedes in favour of down-market

year and by August had increased to 3%. Now, the region is becoming a buyer of Mazdas and Ford Lasers.

The picture is the same in the Eastern Cape, where recession and industrial decline have also hit sales of Mercedes and BMWs. Against a national combined percentage of 17,3% of all car sales in the first six months of this year, Port Elizabeth lagged by 2,4% and East London 4,1%.

DAVID FURLONGER  
Industrial Editor

The normally cash-rich region has in the past enjoyed a greater proportion of luxury cars than the country as a whole.

No longer. By 1985 it was lagging behind the rest of the country. The gap widened in the first six months of this

In August, the difference was further pronounced — PE 6,1% behind — and East London 6,4%.

Some regions, of course, have more than their share of status symbols — Johannesburg, the Natal coast and Inverior, Kimberley and the Far East Rand are all ahead of the game. In August, 23,5% of all cars sold in Pretoria came from Mercedes-Benz, while 25,6% of sales in the southern Free State were for BMWs.

(3) WOOLST MOHAIR  
DD 30/9/86

# Council agrees to Berlin wool wash factory

## Dispatch Reporter

EAST LONDON — The city council has given the go-ahead for a firm to set up a mohair washing and combing factory at Berlin.

Environmentalists who had protested against the factory called last night's decision "totally irresponsible" and "short-sighted".

International Mohair Topmakers had applied to set up the plant and the council advertised for objections in terms of the Offensive Trade Regulations. Objections were received from Mr John Rattray and Dr Cyril Blumenthal.

Councillors were told last night that the chief city engineer, Mr Graham Keppie, had informed the council that the question of providing a pipeline for waste effluent was being investigated.

Mr Errol Spring said he felt the council should urge the Department of Water Affairs to lay the proposed pipeline before it was demanded by industry as pipeline facilities would

act as an incentive to entrepreneurs to establish factories at Berlin.

Councillors voted last night for the firm to be given the go-ahead subject to complying with the requirements of the Offensive Trade Regulations promulgated in terms of the City Health Act and with conditions imposed by the city council and the Department of National Health and Population Development.

The council also voted to support the representations being made to the Department of Water Affairs by the Border Metropolitan Development Corporation (Bomedco) for early construction of an effluent pipeline from Berlin to link with the existing Cyril Lord effluent pipeline.

Referring to the move as a short-sighted decision, Mr Rattray said he did not think any of the councillors had studied the implications of the move.

"I would like to remind them of what happened with the stream at Woolwash Road and

the smell there. It's not so much the smell that worries me as that can be cured. This is going to go right down to the Nahoon River.

"We warned the council about such matters in previous years and they did not listen. What we said should be done in 1967 they are only doing now."

Dr Blumenthal said all he could say was that the decision was "irresponsible".

In his objection, Dr Blumenthal said mohair washing and combing was a noxious industry and that the chemicals and detergents used would pollute the whole of the Nahoon River.

He cited the wool washery in King William's Town, which caused extensive pollution of the Buffalo River in its early days.

He said the pollution would have a marked effect on tourism and, although he realised East London was desperate for industry to increase the city's employment opportunities, it should not become a home for obnoxious industries.

# Port Elizabeth wool prices continue to rise

FOR the sixth consecutive week, wool prices have risen at the Port Elizabeth auction sales — with the Wool Board's market indicator rising by two points to 886.

During that time, the rand depreciated slightly and, as a result, the average wool price be-

**MICK COLLINS**

came 1,5% more expensive in foreign terms.

During the past month, the foreign price for SA wool rose by 4%. The increase was caused mainly by the strengthening of the Australian dollar.

Since the season began, the highest sale percentage was achieved at this week's auction, where 96% of the 18 300 bales of wool was sold.

As well, the total offering of 906 bales of karakul wool was sold. Wool prices have also risen

in Australia.

The Australian wool market indicator shows the average wool price rose by 3c to A580c a kg, in spite of the strengthening dollar. Australia also maintained a sales percentage of more than 95% at this week's sales.

Superced

## AREA A:

Urban,  
 Tugers  
 Pretoria  
 Town, Sp  
 Wonderbo

## AREA B:

Malmesbu  
 Stellenb  
 Worceste

## AREA C:

Footnotes

## 1. Additio

3 Wooland Mohair  
 W/E box 22/11/82

# Bright future forecast for mohair trade

By JENNY CULLUM

A BRIGHT future for South Africa's lucrative mohair industry, poised to more than double its production in the next 10 years, is predicted by the man who is conducting the first-ever comprehensive survey of Angora goat farming.

He is Dr Etienne Terblanche, of Port Elizabeth, research planning officer at Farmers' Brokers (Co-op) Ltd (BKB). He takes up an appointment next year as Stellenbosh University's first professor of agricultural extension.

Dr Terblanche found Angora goat farmers a dynamic group, receptive to new ideas, adaptable and prepared to adopt scientific findings to improve farming methods.

His survey has covered 414 farms, with an Angora goat population of 766 000 — one-third of the goats in

SA — mainly concentrated in the East Cape and Karoo. His studies are expected to provide important guidelines for the future for mohair producers, whose clip earns R185 million yearly.

There are a total of 6 200 mohair producers in SA and it is estimated in 10 years time a mohair clip of 27 million kilograms will be produced.

A team of helpers, trained by Dr Terblanche, held personal interviews with Angora farmers, with 44 pages of questions, to get information, which is now being assessed. The survey is expected to be completed by the middle of next year and will have taken two years.

Although the number of Angora goats in SA dropped from four million in 1912 to 2,5 million this year, the average production per goat yearly of mohair has increased in the same

period from two kilograms to 4,3 kilograms. This has been achieved by selection of breeding stock and sound farming methods.

"This is the first time any study has been done on Angora goats to find out what is actually happening on the farms, what farming practices are being applied and identifying problem areas. These problem areas can then be concentrated on so that new farming methods can be adopted to counter them," said Dr Terblanche.

Lambing and weaning performances were found to be good. Other findings were that there was a tendency to produce stronger hair than was actually needed.

Efficiency norms, such as the quality and mass of hair produced, were also investigated.

Dr Terblanche was co-editor, with Dr C H de Klerk and Professor G H Duvel, of a survey, published by the University of Pretoria, on wool sheep farming.

Mohair, which is light, lustrous and extremely hard-wearing, is in great demand worldwide and is used for clothing, curtains, blankets and other items, according to Dr Terblanche.

SA produces half the world's mohair.

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WOOL

1975 - 1976



A less than golden fleece this year

trade is greatly worried that so much wool is already out of free circulation and warns that further deterioration in sales could lead to a wool crisis.

As a result, there is again a wide divergence of opinion between the trade on the one side and the AWC and the SAWB on the other.

Jan van Wyk, GM (Marketing) of SAWB believes it is still good business not to reduce the Board's reserve. "It's doubtful if you would sell more if you did. How much would you have to reduce — 10% or even 20%? Then it would move into the hands of speculators who would want to make a profit when the market improves," he tells the *FM*.

Yet, if the price recovers, it'll be the Board which makes a profit. A 10% recovery on present prices could yield a profit on SAWB's present stocks of about R2.6m, which would far exceed the cost of storage.

F.M. 27/3/75  
**WOOL PRICE** *Agri - Wool*  
**No golden fleece**

There's still a baleful look among SA's woolmen.

Though disposals at auctions are currently between 72% and 84% of offerings (a lot better than the season's start at under 20%), trade is uncertain and likely to stay that way in the season's remaining two months.

The SA Wool Board's stockpile by end-March should have passed 200 000 bales. New Zealand will have accumulated some 300 000 bales, while Australia should be left with a daunting unsold stock of 1,5m bales.

However, the world market drew some comfort from much stronger Japanese interest in Australia last week, where the Australian Wool Corporation (AWC) bought in its lowest percentages this season. Whether this is the hoped-for strong pointer to an upturn in the price graph is too early to say.

In SA the February market put on a cent or two and March has seen no change. Consequently the Wool Board's statistics, though showing a fractional improvement on January, remain grim.

The Board makes quite a song about improved offerings in February, up 11.1% on the year-ago figure. Nevertheless, disposals are still running 33.1% behind the same period last year and the value of the wool sold is R44,7m (R113,3m).

If demand still see-saws throughout next season, the stockpile could be boosted by another 1m-2m bales. The

# Wool farmers bleat at marketing proposals

Agricultural Reporter

NATAL wool farmers yesterday held a stormy meeting with tempers and feelings running high when they discussed resolutions to be put forward to the National Wool Growers' Association.

Delegates representing wool growers in Natal and East Griqualand are meeting in Durban for the annual congress of the Natal branch of the Association.

Two main issues at stake raised bleats of

protests from irate farmers.

The Minister of Agriculture, Mr. Hendrik Schoeman, has proposed that the three major wool co-operatives in South Africa should amalgamate to rationa-

lise the marketing of wool.

This proposal has already been accepted in principle, by the directors of the co-operatives concerned. All that remains is for shareholders of these organi-

sations to agree to formal amalgamation.

Yesterday, Mr. E. W. Dorning, Natal Wool Growers' Association president, received considerable opposition when he suggested that the congress should welcome the amalgamation.

Various speakers made long speeches on the proposal and he was forced to withdraw his resolution.

The wool-marketing scheme also came under attack by some speakers who claimed that wool farmers have lost money under the scheme.

I was told that most wool farmers, however, favour both amalgamation and the present pool system for the marketing of wool. Wool is one of South Africa's biggest export earners.

By amalgamating the three biggest co-operatives, wool farmers will receive better extension and advisory services and the existing competition between these organisations would end.

The wool industry in South Africa and the rest of the world is going through a tough patch and experts say that these plans will greatly assist in achieving a more rational marketing system.



3 Wool

# R500 000 wool <sup>RDM</sup> 19/5/75 campaign

THE Wool Board has launched a R500 000 promotional campaign to increase pure new wool's share of the adult African men's market.

It is joined in the venture by six manufacturers — Sports Clothing Manufacturers Inc, Cutrite Clothing Manufacturers, Tiger Clothing Manufacturerers, Myal Clothing Industries (Pty) (Al West), Alexandra Clothing Manufacturers (1973) (Pty), Modern Clothing Manufacturers, Gottlieb's Clothing (Pty)

According to Mr Larry Gnesin, product manager of the board's African market division, the campaign target is a 15 per cent increase in sales of pure new wool garments a year to 647 500 pairs of trousers and 375 000 jackets within the first year.

# S.A. WOOLMEN RELIEVED AT AUSSIE MOVE

Agricultural Reporter

*Mercury  
28/5/75*

THE AUSTRALIAN Government, to the relief of the South African wool industry, has voted in favour of maintaining the reserve price for wool.

Senator Ken Wriedt, Australian Minister for Agriculture, announced yesterday that his Government would keep the reserve price for wool at 250c (Australian) a kilogram clean wool of 21 microns. South Africa, in terms of an agreement with Australia, has kept wool prices at similar levels.

This decision brought sighs of relief from an already hard-pressed South African wool industry as South African woolgrowers are closely concerned with what happens in Australia. Had this decision been reversed, the South African Wool Board could have been faced with a tricky decision and may have had to drop the South African reserve price.

Mr. Stoffel Smit, spokesman for the S.A. Wool Board, speaking from Pretoria yesterday, told me that "in view of Australia's decision, wool sales in South Africa can go ahead unaltered without any drop in price."

The closing sales take place in Port Elizabeth shortly and the wool board believes that prices will hold firm. As far as the future for wool was concerned, Mr. Smit said that there had been an improvement in the market as raw materials for synthetics were scarce.

3

# R15,4 million 'agterskot' for

## Woolgrowers *28/7/78*

*Graaff-Reynel Advertiser*

THE CHAIRMAN of the South African Wool Board, Senator Gideon Joubert, announced that cheques for the final payment (agterskot) on the 1974/75 wool clip have been posted to producers today. The total payment amounts to R15,4 million, the final payment representing R14,6 million and interest on the final payment almost R820 000.

Total realisation of South African season. The average realisation for the whole clip was 102,3c per kg grease wool. Total realisation includes the proceeds of wool sold to the trade as well as the proceeds of stocks debited against the stabilization fund after the initial stocks were taken into account.

**DEPRESSED MARKET**

"This realisation in a season characterised extremely by depressed market conditions was made possible through the strict adherence of the Wool Board to its sales reserves and the fact that unsold stocks were debited against the stabilisation fund at the level of the sales reserve price," Sen. Joubert said.

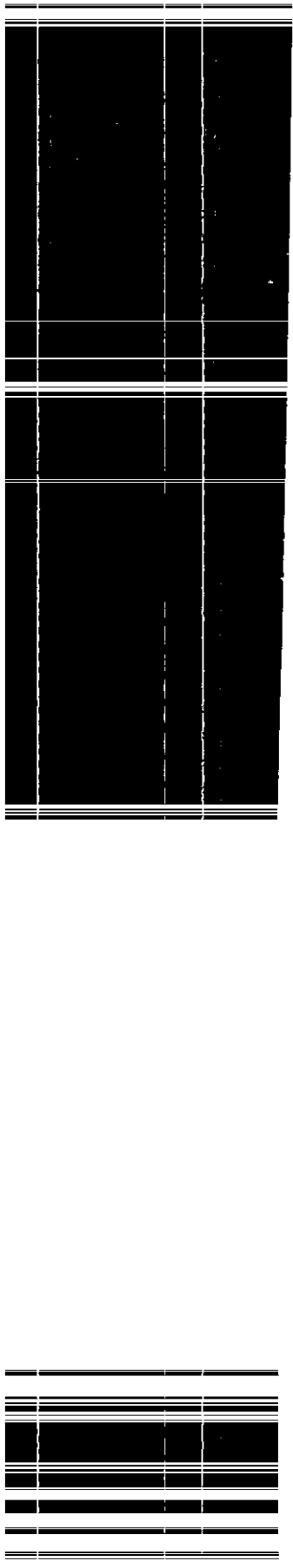
"The percentage of the final payment for the different types of wool differs widely but on average amounts to 15,8 per cent of the gross average payment for the total clip and 14,4 per cent merino wool."

Sen Joubert also mentioned that a deduction of 1,25 per cent (R1,3 million) was made for the credit of the stabilisation fund. Last season, which was a good one, the deduction was five per cent (R6,5 million).

**POLICY**

It is the policy of the Wool Board to invest money for the final payment at the highest interest rate possible. Due to the exceptionally favourable interest rates during the year last year, the 11,5 per cent interest was realised. This rate is about two per cent higher than that of the previous season.

*Agri - Wool*



MERCURY 2/18/75  
**WOOL SALES**

**PORT ELIZABETH**

At the wool sale here yesterday, prices were unchanged for long wool. Medium and short wools were up to half a percent cheaper compared with the closing rates in May, 1975, the S.A. Wool Board reports. Competition was good. Merino selection was good, mainly from the Karoo.

Offerings included 11 023 bales of Merino, consisting of 60 percent long wool, 23 percent medium wool, 7 percent short wool, 10 percent locks.

A total of 11 818 bales was offered, of which 88 percent was sold. — (Sapa.)

3 - wool

*Agric - wool*

# Many woolgrowers *Dispatch 16/9/75* oppose pool system

BLOEMFONTEIN — It had become abundantly clear to dissident woolgrowers that their Action Committee was directly opposed to the Wool Board and the National Woolgrowers' Association.

This resolution was adopted at a meeting of the Action Committee in Coleburg over the pooling of wool producers' money.

It was also agreed at the meeting that "in a last attempt to maintain the unity of the NWGA to seek an interview with the Minister of Agriculture to try to convince him of the

necessity of giving every producer the opportunity to register his vote for the pool system or an alternative system of marketing wool."

Although they object to the pooling of the money they do not object to the pooling of the wool as such. They point out that should a grower have his wool sold early in the season he could wait as long as eight months for the agterskot. For a grower who has a large clip a considerable amount of money can be tied up in this way. — DDC.

# *Agwo - wool* Burgersdorp farmers reject wool-pool plan

BLOEMFONTEIN — The farmers of Burgersdorp have unanimously rejected the wool-pool system and have adopted a motion of full confidence in the steps taken by the action committee representing the woolgrowers opposed to the pool system.

This decision was taken at a meeting of wool farmers from Burgersdorp district. The meeting was addressed by Mr S. Marais, Mr D. du Plessis and Mr A. Lubbe, all members of the action committee.

The dissident woolgrowers are concerned about the system of pooling the money for the wool clip. They do not object to the pooling of the wool, as such, but point out that should a grower's wool be sold early in the season he could wait as long as eight months for the "agterskot." For a grower with a large clip this means a considerable sum of money is tied up for several months.

The action committee has been trying to solve the problem for several months. In June this year at a meeting between the action committee, the Wool Board and the National Woolgrowers Association, broad agreement was reached on various aspects of the present

marketing system.

However, certain aspects had to be investigated and would be taken up according to a statement issued after the meeting which had been held behind closed doors.

A fortnight later the action committee decided to seek an interview with the Minister of Agriculture, Mr Schoeman, to discuss growing discontent among wool producers with the pooling of their money, the function of the new amalgamated wool cooperative in relation to the Wool Board and the selling of the South African clip, and the strengthening of the stabilisation fund.

Last month the action committee decided to seek an interview with Mr Schoeman to try and convince him of the necessity of giving every wool producer the opportunity to register his vote for the pool system or an alternative system for the marketing of wool.

It said it was abundantly clear after several interviews between the Minister, the Wool Board and the NWGA that the action committee was directly opposed to the Wool Board and the NWGA as regards the pooling of the producers' money. — DDC.

# Wool computerised

*(3-11-00)* D.D. 2/6/78  
The Wool Board, which controls the marketing and promotion of all wool produced in SA is to extend its computerisation programme with the installation of a modern key-to-disc computer for intelligent data capture.

Mr J J J du Plessis, Data Processing Manager for the Board says the high cost of punched cards mean a break even during the first year of the new key-to-disc installation as initial one-time costs must be taken into consideration. Then the board should save about R10 000 a year on card costs alone. This is based on card costs remaining the same as at present, a conservative assumption in view of the escalation in card costs which have more than trebled over the past five years.

Besides economic benefits, there are other advantages which the Board expects from its new installation, particularly efficiency and higher throughput. The equipment to be installed is an MDS System 12043 computer processor which will control 11 keystations operated by trained Port Elizabeth girls.

**DIESEL**  
*versus* **PETROL**  
**MORE FACTS!**  
**ROBBIE MEYER**  
ISUZU 1-ton DIESEL  
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CHEVROLET  
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D.O. 1/12/75

# Wool system under fire

QUEENSTOWN — There is general and widespread dissatisfaction among Border's hundreds of sheep and wool farmers with the present "new" pooled wool marketing scheme which has been in operation since the 1972-73 season.

It is this shared and almost solid dissatisfaction that has Queenstown agog with interest and speculation as to the result of a meeting due to be held here on December 9.

The meeting will be under the auspices of the

SA Wool Producers' Union and follows a similar meeting which was held in Graaff-Reinet last month.

The "pool marketing" system is operated overall by the SA Wool Board and a major source of dissatisfaction is that it is costing the Wool Board about R14,000,000 a year to administer the scheme.

A Queenstown farmer, Mr J. J. Oosthuizen, of Longvale, has said that the pool system had been introduced in a season of violent price fluctuation

when prices had ranged from a meagre 160c a kilogram to as much as 360c — depending on supply and demand.

"It looked good then," he said. "It promised, in theory that all producers of any of the many grades of wool would get a level price — no matter how fierce the market fluctuation."

"But it just has not worked out that way in practice, and today the producer is if anything worse off than he was when the system had been started," he said. — DDR.

Agri - Wool



*Agric - Wool*

**WOLBEMARKINGSKEMA**

Die Komitee wat aangestel is om ondersoek in te stel na die toepassing van die Suid-Afrikaanse Wolbemarkingskema, het tydens sy vergadering te Kaapstad op 8 April 1976, kennis geneem van die standpunt van die verteenwoordigers van die beswaarmakers teen die poelstelsel, dit is, dat hulle nie vir so 'n stelsel te vinde is nie.

In die lig van die besprekings het die Komitee egter ook kennis geneem daarvan dat die poelstelsel, weens praktiese oorwegings, nie in die huidige of die komende seisoen afgeskaf kan word nie.

Die Komitee meen dus dat die volgende aanpassings gedurende die komende seisoen aan die huidige poelstelsel gemaak moet word:-

- (a) Dat die voorskot so na as moontlik aan die verwagte realisasie gestel word.
- (b) Dat die Wolraad die stand van die poele driemaandeliks in oënskou neem met die oog op 'n verdere betaling aan poeldeelnemers.
- (c) Dat enige tekorte wat mag ontstaan weens hierdie aanpassings vir die rekening van die stabilisasiefonds sal wees.
- (d) Dat die Wolraad oorweging skenk aan die wenslikheid, al dan nie, van twee poeltydperke binne 'n seisoen.

Daar is ten slotte besluit dat die Komitee weer sal vergader na afloop van die Wolraad se vergadering in Desember, dit wil sê op 3 Desember 1976.

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Uitgereik deur die Departement van Inligting op versoek van die Ministerie van Landbou.

**KAAPSTAD**

**9 April 1976**

Agric - Wool

## Wool sales <sup>20/1/76</sup> increase

PORT ELIZABETH — Wool sales in South Africa in the past season showed increases of R57 800 000 and 17 600 000 kg, says the Wool Board.

In the previous season about 78 per cent of offerings were sold, compared with 99 per cent this season.

The 737 650 bales offered in the past season was a decrease of 10 226 bales compared with the 1974-75 season. The weight was 1 080 000 kg less.

In the past season, wool valued at R124 500 000 was exported. The main importing countries were France, Britain, West Germany and Japan.

# Voorskot jump for farmers 18/8/76

PRETORIA — The chairman of the SA Wool Board, Sen Gideon Joubert, has announced here that the Minister of Agriculture had approved that the average voorskot on the clip of the 1976/77 season be increased to 220c/kg clean.

The increase of the average voorskot from 160c for the past season represents an average increase of 37,5 per cent. The actual average realisation for the 1975/76 season was 239c/kg clean.

The statement said this increase in the average voorskot was in accordance with the Wool Board's decision taken during its meeting in March that the voorskot would be fixed on a higher level in future — as near to the "expected realisation" price as possible.

This decision also reflected a measure of op-

timism that favourable demand conditions would prevail during 1976/77.

"Fixing the voorskot as closely as possible to the expected realisation is an extremely difficult and responsible task," Sen Joubert said.

"The board has to try and gauge the course of the wool market in advance; provision has to be made for costs deductible from the agterskot and a safety factor has to be allowed for unpredictable market tendencies as well as for changes in rates of exchange."

The voorskot on all wools would not increase by exactly 37,5 per cent.

As in the past, the historical and expected market trends of the different types of wool, as well as the inter-type price relationships and clip position were studied.

The voorskot for every type of wool was then adjusted in such a way that the weighted average was as near as possible to the average of 220c/kg clean. Certain types of wool would show larger and others smaller increases.

Sen Joubert pointed out that the percentage agterskot and interest earned might be considerably less than during the past season as a result of the higher voorskot that would be paid out. — SAPA

3-WOOL 1977-1978

~~JAN 77~~ ~~SEPT 1977~~

3 - Wool

# R3m Wool Board

## cash is frozen <sup>RDM</sup> 31/3/77

THE chairman of the South African Wool Board, Senator Gideon Joubert, confirmed at the Transvaal congress of the National Wool Grower's Association this week that R3-million of the board's funds were frozen in Rand Bank.

He gave delegates the assurance, however, that although the funds would be frozen for a period, no capital losses were expected and that the average

interest earnings on the board's overall investments would be affected only marginally.

It was the Wool Board's policy to invest certain funds in the banking sector with the necessary approval and these investments were spread as widely as possible, Senator Joubert said. All possible precautionary steps were taken before funds were invested. — Sapa.

MOHAIR FIN. MAIL

Boom market 27/5/77

3 - MOHAIR

Mohair is enjoying a boom and producers are battling to meet demand.

A record price for kid was fetched at this week's mohair sale in Port Elizabeth, the fifth of the summer selling season. The price paid was R15,04c per kilo. (Prior to the current spurt in prices, the previous record was R14,10c a kilo, achieved in March last year at the first sale of the 1976 summer season.)

Generally, prices for kids' hair at Tuesday's sale were unchanged from previous levels, while adults' hair was 7,5% cheaper.

"Our main problem is trying to increase production to meet the world-wide demand," says Johan Engelbrecht, the Mohair Board's marketing officer. At least 10 000 angora goats have been lost because of recent heavy rains and other bad weather conditions. Although many are young goats, mohair production will not be unduly affected as farmers will keep the older goats longer for their hair.

It's expected prices will be maintained — or even raised — at the last sale of the summer season to be held on June 7.

3-Wool

PRESS RELEASE BY THE HONOURABLE HENDRIK SCHOEMAN, MINISTER  
OF AGRICULTURE (FOR IMMEDIATE RELEASE)

ENQUIRY INTO THE POOLING SYSTEM FOR WOOL

In January 1977 I announced that the National Marketing Council had been requested to investigate and report without delay on the operation of the pooling system for the marketing of wool. I also promised to furnish producers with further information as soon as the report of the National Marketing Council had been received and considered.

From the relevant report, which was submitted to me recently, it transpires that the Marketing Council, after a thorough investigation and after considering alternative marketing systems, came to the conclusion that, at this stage, it would be undesirable for the Wool Board to depart from the present pooling system used for the marketing of wool. The Marketing Council therefore recommended that the present pooling system be retained.

Since the introduction of the pooling system a greater measure of price stability has come about. The fact, that the Wool Board, in terms of the pooling system, also acquires ownership of all the wool delivered to it, enables the Board to negotiate more favourable prices.

I have accepted the recommendations of the National Marketing Council as being in the best interests of the wool industry.

At the/...

At the same time I wish to express my confidence that wool producers will henceforth co-operate wholeheartedly and, by doing so, strengthen the hand of the Wool Board in the important task it has to perform.

ISSUED BY THE DEPARTMENT OF INFORMATION AT THE REQUEST OF  
THE MINISTRY OF AGRICULTURE

CAPE TOWN  
10 June 1977



workers. Obviously a farmer's dis- extensive in this respect.

Other requirements are more speci- sub-heads.

SIZE OF FARM SCHOOLS :

The Department will not register pupils and may close one already below that level. However, with per school <sup>10/</sup> in 1974 most farm other African schools, fulfilled

The rules related to size are not the size of classrooms. These n- viding one square metre per child also be 180 metres from the near- These regulations complement stail Department which are made availal- tate the scheme of subsidies for

Table No. 2. below shows the dif- various types of schools.

TABLE NO. 2.

AVFRAGE NUMBER OF CLAS

# Meevaller vir boere

DIE senior hoofbestuurder van Boeremakelaars (Koö- peratief), mnr. J. R. Enslin, het gister aangekondig dat BKB aan die karakoelboere van Suid- en Suidwes- Afrika wat hul pelse die afgelope jaar deur BKP bemark het, 'n halfmiljoen rand uit sy kommissiever- dienste gaan terugbetaal.

Die gemiddelde geldeli- ke waarde van karakoelpel- se deur BKB aan sy bemark- ingskanale in Londen, naamlik Hudson's Bay and Tannings Limited en East- wood and Holt Limited, gelewer, het vanjaar die R50 miljoen-kerf oorskry, wat sowat 27 persent hoër is

as die omset van die vorige jaar. BKB hanteer onge- veer 74 persent van alle karakoelpelse wat in die Republiek en Suidwes- Afrika geproduseer word.

Die hoër prysbasis wat geheers het, het BKB se kommissieverdienste op pelse dienooreenkomstig verhoog en die terugbeta- ling van die aansienlike bedrag grootliks moontlik gemaak. Die amalgamasie van BSB en FCU twee jaar gelede het natuurlik ook baie daartoe bygedra dat uitgawes tot so 'n mate in bedwang gehou kon word dat die verhoogde inkomste wat uit die beter pryse

voortgespruit het, met die produsente gedeel kan word.

„Ek glo egter dat dit net 'n koöperasie is wat bereid sal wees om sy voorspoed so mildelik op tasbare wyse met sy ondersteuners te deel,” het mnr. Enslin gesê.

Hy het voorts gesê dat sy koöperasie die onderhawige boekjaar sal afsluit met 'n totale geldelike omset wat aan die R400 miljoen- kerf sal raak, danksy bestendige pryse en goeie produksietoestande. Meer as die helfte van die omset is bygedra deur uitvoerpro- dukte, naamlik wol, sybok- haar en karakoelpelse.

## Karakoel op kruin

**DIE hoofbestuurder wolbemarking van die Wolraad, mnr. Jan van Wyk, sê die pas afgelope seisoen was die beste ooit in die bestaan van die karakoelwoldryf en nuwe rekordpryse is op die veilings opgestel.**

„Die gemiddelde ver- koopprys van 71,3c/kg vet- wol vir die seisoen 1976/77 is sowat 21 persent hoër as verlede jaar en oortref die vorige hoogste gemiddelde prys wat 26 jaar gelede (1950/51) tydens die Koreaanse-oorlog opgestel is met 13 persent,” het mnr. Van Wyk gesê.

Ofskoon karakoelwol net 'n neweproduk van die ge- sogte pelsbedryf is, was daar die afgelope twee jaar 'n geweldige oplewing in die vraag na die soort wol wat hoofsaaklik in die ver- vaardiging van matte ge- bruik word.

Die grootste koper is Iran, gevolg deur Brittanje en verskeie ander lande op die Europese vasteland. Die plaaslike verwerking en vraag na karakoelwol

brei ook steeds uit. Mnr. Van Wyk sê met die aanvang van die seisoen in Sempember verlede jaar was die prys vir die mees algemene tipes 7½ persent hoër vergeleke by die einde van die vorige seisoen, ter- wyl die spesialiteitstipes soos wit, silwer, staal en gryskleure tot 20 persent hoër was.

Die vraag na die mees gesogte tipe (640) lang wit karakoelwol het sodanig toegeneem dat dit teen die einde van die seisoen teen gemiddeld 308 c/kg skoon- wol verhandel het — of sowat 48 persent hoër — vergeleke by die begin van die seisoen.

'n Wêreldrekordprys is opgestel toe daar vir ses bale wit gesorteerde kara- koelwol 215 c/kg vetwol op die Port Elizabethse vei- lings betaal is.

Nagenoeg 7,8 miljoen kg karakoelwol is die seisoen gevoorskot. Dit dui daarop dat die produksie baie dieselfde is as verlede jaar. Teen die middel van die seisoen is heelwat gematte en saadbesette karakoel- wol ontvang.

Mnr. Van Wyk het ook daarop gewys dat heelwat kort karakoelwol waarvoor daar 'n meer beperkte vraag is, teen die einde van die seisoen ontvang is.

„Dit is op dié tydstip nog nie duidelik of karakoel- wolboere hul skeerpatroon verander het en of hulle korter wol geskeer het om in aanmerking te kom vir die buitengewone goeie seisoen nie,” het hy gesê.

11/ Community, Government/Territorial and Farm schools together account for 95% of all schools, 97% of pupils and 96% of teachers.

FM 15/7/77

③ wool

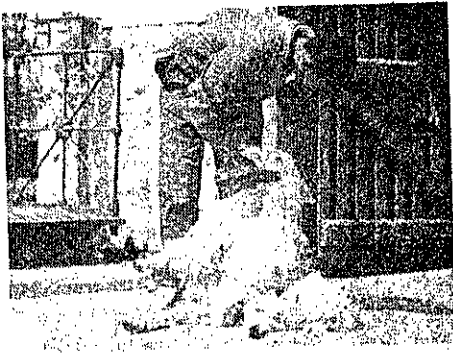
## WOOL SALES

### A merry clip

The value of this season's wool clip is likely to surpass 1972/73's R161m to become the second highest on record. And prospects for the 1977/78 season — which starts on September 1 — look equally good.

The 1976/77 boom was partly due to a world-wide swing back to wool as the gap between natural fibre and synthetics prices narrowed. And close co-operation between SA, Australia and New Zealand in applying the price reserve system helped keep prices up.

According to preliminary figures, average bale mass in 1976/77 increased by 2,8% from last season's 141 kg a bale.



Clipping the golden fleece

As a result, total bale offerings were the lowest in 25 years.

However, the average clean yield of the clip at about 58% was the highest on record. Clean wool (with lanolin, dust and other impurities removed) sold at an average of around 279c a kg, while the average price of greasy (165c a kg) was the second highest in history.

Though the last month of the season saw a drop in demand, the Wool Board is confident this does not necessarily foreshadow lower prices at next season's opening auctions. The Board points out that a drop in demand is normal towards the season's end since large buyers scale down their primary market purchases. Prices are expected to remain at around present levels next season.

N. Mercury 19/7/77

# A LOT OF FUN IN WOOL AND FUR

3-Wool

WOOL and fur were the hallmarks of a recent fashion festival held at Over-Vaal, residence of the Administrator of the Transvaal.

Presented by the South African Wool Board and the House of Kossof, the festival was held in aid of Child Welfare,

and drew an audience of 500.

Gabriella Ernst, the Cape Town designer, showed a range of knitwear and there was also a showing of pure wool Lanvin creations and a comprehensive selection of Christian Dior-monogrammed accessories. It was also a lot of fun.



ON the right: a beige fox styled by Christian Dior. Next to it, a cream and blue wool dress by Peter Soldatos.

③ WOOL RDM 20/7/77

## Business Mail

# Wool season brings R161m

FINAL payment cheques for R16 100 000 are being posted to wool producers, says the chairman of the South African Wool Board, Senator Gideon Joubert.

The amount represents the net agerskot on wool delivered for sale by producers in the 1976-77 season and includes interest of R1 100 000.

The season's wool clip amounted to 99 600 000 kg greasy and realised R161 500 000. This included wool sold as well as unsold stocks.

The total realisation for the clip was R20-million (14,26%) higher than that of the previous season. The average price was 162c a kg greasy compared with 137c a kg a year ago — an increase of about 18%.

The percentage agerskot differed appreciably for the different types of wool depending on the market price and the time of sale. The net agterskot (interest earned excluded) amounted to an average of

10,9% of the total gross voorskot, which included the increased advance payment.

The agerskot differed from class to class. Even in the same class there were different percentages depending on the style, length and fibre thickness.

A deduction of 4% on gross income (R6 400 000) has been made this year to increase the stabilisation fund. Last year's deduction was 3% (R4 200 000).

In the past year an average of 11,82% interest was earned on the final payments to producers as against 12,37% last year, says Senator Joubert. — Sapa.

Only about 27% of the wool exported in 1976/77 was in a semi-processed or processed form. This situation was aggravated by a fire which destroyed a major processing factory, SA Combers, in Uitenhage during the past season. As a result of this, the amount of wool sent for processing declined from 49m kg to 40m kg. The new factory is now expected to come into operation in January 1978.

A new development in SA industry which became apparent in the past season was the increasing importance of non merino wool. This is derived from crossbred sheep which provide a greater amount of mutton per animal. Because of the narrowing of the price gap between wool and mutton, farmers are turning more and more towards crossbreeds, although merinos still dominate most farms.

The total gross payment to farmers in the 1976/77 season was R161m compared with R141m the previous season.

The average price of merino wool during the past season has been about R1.80 a kg compared with an estimated cost in the major wool farming areas of R1.30.

With the high wool and mutton prices, sheep farmers are in an enviable position, although they would do well to realise that the forthcoming season is unlikely to reach the season's record high.

TABLE 20 Labour Force UNIVERSALIST

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**WOOL (3) Wool FM 2/4/77**  
**That warm feeling**

The warm feeling most wool farmers have had all winter was fully justified by the 19% rise in the value of wool exports for the 1976/77 season. They rose from R153m to a record high of R182m in spite of the fact that there was almost no change in the volume of exports.

The prime reason for this season's record sales was the steep rise in the price of wool. The price of greased wool (unprocessed), which represents three quarters of total exports, rose by 23%.

Whether, the 1977/78 season will match this season's record high is, however, doubtful. Chairman of the Wool Board, Senator Gideon Joubert, expects that the international supply of wool will remain unchanged, but "the expected decline in economic activity of the major wool consuming countries may result in diminishing demand".

Nevertheless, the price of wool is likely to stay at a reasonably high level as a result of the Wool Board's policy to hold back stock whenever the market weakens. This is done in association with Australian producers to prevent excessive fluctuations in price.

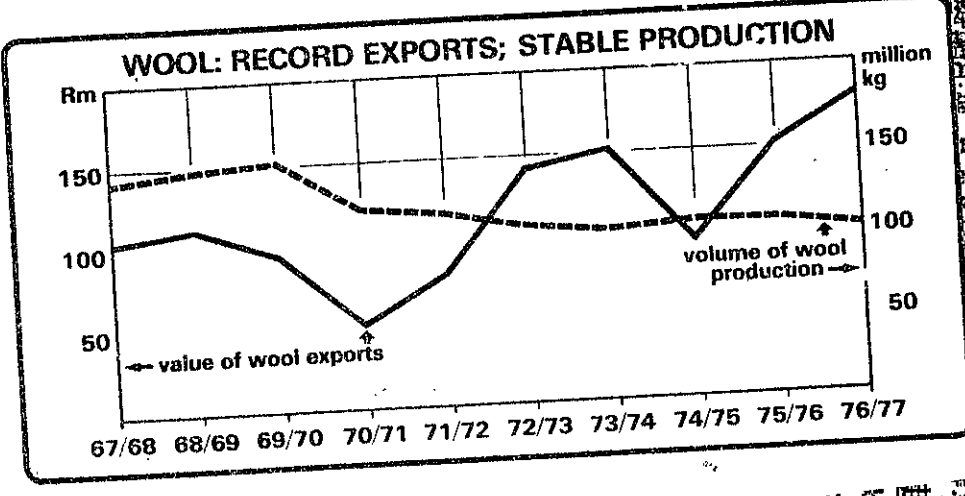
SA is a force to be reckoned with in the world market, being the third largest wool exporting country (behind Australia and New Zealand) and is credited with having the world's most advanced marketing system.

The major customers for SA's wool are France, West Germany and the UK.

**CONSUMER PROTECTION Quick and cheap**

With the increasing cost of litigation and the length of time it takes for courts to deal with defended cases, SA should take a look at the British system of arbitration which now enables consumers to have their disputes with retailers sorted out cheaply and quickly.

John Phillips, world president of the Institute of Chartered Secretaries and Administrators and former president of Britain's Institute of Arbitrators who is on a visit to Southern Africa, explained to the FM how the British arbitration...



Rail Financial Mail September 2 1977  
 It shows that 71% of the families that had no land available for cultivation Labour Supply: from villages in Lebowa 30 kilometres from base  
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# WOLMARK OPEN <sup>3</sup> WOOL SWAKKER

SAKE-RAAPSAAT  
1/2-1/7

OP die eerste wolveiling van die 1977/78-seisoen wat vandeeweek in Port Elizabeth gehou is, het markpryse effens gedaal, teenoor die sluitingsveiling van die vorige seisoen en net 91 persent van die 12 700 bal aangebied, is verkoop.

Daar is reeds geruime tyd aanduidinge dat 'n markdaling sou intree en dit is ook inderdaad weerspieël in die Australiese veilings waar die seisoen reeds meer as twee weke gelede begin het.

Die direkteur (wolbemarking) van die Wolraad, mnr. Jan van Wyk, sê hoewel hy vol vertroue is dat pryse nie veel verder behoort te daal nie en dat stabiliteit met tertyd sal intree, daar nietemin verskeie faktore is waarmee rekening gehou moet word en wat die mark raak.

## Voorraad

Hy wys daarop dat die afplating in die ekonomiese groei koers van die grootste wolverbruikerslande gepaardgaande met 'n hoë inflasie koers en werkloosheidsyfer gelei het tot 'n daling in die kleinhandelsverkope. Dit het op sy beurt gelei tot 'n opbou van voorraad.

Australië se tradisioneel grootste klant, Japan, gaan ook 'n bedrukte tydperk deur, terwyl sy ander grootste kopers — Rusland sowel as Oos-Europa — se aankope onvoorspelbaar is.

„Al hierdie faktore dra by tot die daling in wêreldvraag wat tans ondervind word en na verwagting in die nabye toekoms kan voortduur,” sê hy.

Ofskoon geen noemenswaardige afwykings in die wolproduksie van Suid-Afrika, Nieu-Seeland en Uruguay verwag word nie, word 'n daling in produksie van 6 persent in Australië en 10 persent in Argentinië voorspel.

Hy sê hoewel die laer produksie moontlik kan vergoed vir die verwagte afname in die aanvraag, laasgenoemde twee lande juis met groot voorrade onverkoopte wol sit.

„Indien die heersende gunstige wisselkoerse wat dié twee lande ondervind hulle sou laat besluit om daardie voorrade vinnig van die hand te sit, sal so 'n stap die internasionale

mark wesenlik kan raak,” sê mnr. Van Wyk.

Onsekere wisselkoerse in ander lande en veral die jongste skommeling van die Australiese dollar teenoor ander geldeenhede sonder 'n ooreenkomstige aanpassing in hulle vloerprys, kan tot skommelende markpryse in Suid-Afrika lei.

Hoewel dit dus moeilik is om op hierdie tydstip voorskattinge te maak van prysneigings vir die res van die seisoen, behoort die ferme handhawing van minimum-reserwepryse in Suid-Afrika en Australië die nodige vertroue by produsente sowel as verbruikers in te boesem.

„Beter markpryse in die loop van die seisoen is ook nie uitgesluit nie, veral as 'n mens in aanmerking neem dat wol in die jongste tyd teenoor ander tekstielvesels presteer het,” het mnr. Van Wyk ten slotte opgemerk.

# WOLRAAD

## BEGIN

## NUWE

## AANWYSER

3) wool

DIE eerste drie wolveelings van die 1977/78-seisoen het reeds meer as R6,6 miljoen opgelewer. In teenstelling met die openingsveiling van die seisoen toe pryse ietwat gedaal het, was daar die vandeeweek op die Port Elizabethse veiling 'n oplewing in die mark, terwyl pryse in Kaapstad bestendig was vergeleke by die openingsveiling.

Nagenoeg 31 300 bale het reeds onder die hamer gekom. Nege- tot elfmaande-wol, byklasse en wat fyner as 22 mikrometer was goed in aanvraag, tersaadsbesmette wol is lekker verkoop het. Soos direkteur (wolbemarking), mnr. Jan van Wyk, met die aanvang van die seisoen opgemerk het, is daar baie onvoorspelbare faktore wat die mark kan raak en moet daar op die tydstip gewaak word teen ooroptimisme.

'n Belangrike aankondiging vir diegene wat prysbewegings in die mark noukeurig volg, is dat die Wolraad besluit het om voortaan die merinowolmark te kwoteer deur 'n markaanwyser te gebruik. Hierdie aanwyser behels 47 verteenwoordigende merinowotipes en sluit vagnens en lammerwol in, maar nie loks nie.

Die aanwyser sal weekliks in sent per kg skoonwol aangegee word en sal die neigings in die mark weerpieël. Dit is statisties saamgestel dat dieselfde „pakkie” of skeerselsamestelling elke week verteen-

woordig word (dit moet egter nie met 'n gemiddelde veilingsprys wat iets heel anders is, verwar word nie).

### Australië

Die 47 tipes verteenwoordig die veseldiktereeks van 19,1 tot 25 mikron sowel as die lengtereeks van lang tot kort wol. Spinnerstipe, goeie gemiddelde en minderwaardige kamboltipes word ook ingesluit.

Die markaanwyser is 'n uitbreiding van en verbetering op die 18 verteenwoordigende tipes waarvolgens die mark die laaste aantal seisoene gekwoteer is. Australië gebruik 'n soortgelyke metode om markneigings aan te dui.

Mense wat die verloop van die mark gedurende die seisoen wil volg, kan met die aanwyser 'n grafiek trek wat dan die prysverloop duidelik sal weergee.

Die aanwyser, staan vandeeweek op 308 vergeleke by die 305 die vorige week en 309 met die afsluiting van die vorige seisoen.

# UK wool RSM 2 textile 11/2/77 (3-Wool) exports up

LONDON — Wool textiles export earnings in the first half of the year were running at record levels, a review of Britain's exports by the National Wool Textile Export Corporation statistics bulletin shows.

Earnings in the first half were £200-million — 45% higher than the same period of 1976.

The figure represents an annual total of £400-million compared with £300-million in 1976. The improvement is caused by a combination of rising costs and a marked increase in volume in some sectors.

On a volume basis, exports of fabrics were 22% higher, with woollen worsted and man-made fibre/wool fabrics sharing in the increase.

Trade in yarns was 18% up. —

UPI



# Skape lek

Landbou Skapent 11/12/77

## hulle vet

③ Wool

## in Somer

„UITGEBREIDE proewe wat op skaapvlase gedoen is, bewys dat die verhoogde wolopbrengs nie alleen vir die ekstra lekkoste betaal nie, maar ook nog die wins per ooi met ongeveer R1,79 opstoot”, het dr. I. J. Ferreira, hoofbestuurder van Rumevite, gesê.

„Daar word baie algemeen geglo dat dit nie lonend is om aan skape lekke op somerveld te gee nie. Daarenteen weet die meeste skaapboere dat 'n winterlek noodsaaklik is,” het dr. Ferreira gesê.

Rumevite stel hiermee sy nuwe benadering tot byvoeding van skape bekend. R u m e v i t e skaaplekkonsentraat (Reg. Nr. V 4337 Wet 36 van 1947) is ontwikkel ná vele proewe onder praktiese boerderyomstandighede en het bevestig dat die skaapboer voordeel trek deur heeljaar lekke te voer.

Een so 'n verwysingsplaas is dié van sen. Gideon Joubert in die Suid-oostelike Vrystaat. In die proewe het die kontrolegroep slegs 'n volledige winterlek gekry. Dit vergelyk met 'n groep ooie (volbek en lammerooie)

wat dwarsdeur die jaar toegang tot Rumevite-skaaplek gehad het (die proefgroep).

Die resultate beklemtoon die volgende voordele:

- 'n 31%-verhoging in wolopbrengs. Die verhoogde wins net as gevolg hiervan was tweemaal soveel as die koste.
- 'n 29%-verbetering in lampersentasie gedurende die eerste lamseisoen.
- 30% van die wissellammers het 36 kg (80 lb) op 12 maande geweeg — sommige soveel as 45 kg. Daarteenoor het nie een van die wissellammers van die kontrolegroep 36 kg op 12 maande geweeg nie. Op hierdie massa (36 kg) word die ootjies gedek.
- Die gemiddelde voerkoste per kop per dag was: In die somer 1/2c en in die winter 1,2c.

„Met al hierdie voordele is dit duidelik dat Rumevite-skaaplek met groot finansiële voordeel heeljaar aan skape gevoer moet word,” het dr. Ferreira verklaar.

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It is possible to 'line up' tapes on a particular assignment statement and swap from one to the next by use of the tape swap processor. An example will make this clearer.

I cannot think of anybody who really needs this facility but experience tells me that there is sure to be someone somewhere from whom this information will elicit an almost orgasmic response, so here it is:

### Tape Swapping

The second consideration is that, because of the nature of a direct access file, the total disc space required for the maximum specified size of the file usually needs to be permanently allocated; whereas a sequential file needs disc space sufficient only for the currently used data.

The 1106 has 262 000 words of core in the core available to users is 170-13 of 16 demand and 6 batch jobs are usually, not all of the jobs can coexist of core each, all of them can coexist available to the batch jobs and, if priority is higher. This copying is more frequently it happens, the more jobs a turn in core; demand jobs be initiated a swapping system based on secret COBOL compilations, their time or about 45 000 words in total. This

One of the most neglected aspects of the core space which will be required some programmers take anything into account point). This is evidenced where single variables would suffice 10 000 word arrays where 100 word array it makes the program more general. Usage to improve throughput cannot be shown.

On second thoughts - that's not a bad N.B. @RWINND will cause the first 'Core Blimey! I keep on losing Me M.

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# Wool exports set to fall

3-Wool

RDM

21/12/77

## Industrial Editor

THE value of the current season's wool clip is expected to be marginally lower than last year's, but exports will be well down.

A spokesman for the Wool Board says the current season's clip should fetch R150-million to R160-million. Prices are tending to be fairly stable and it is expected that 90% of the clip will be sold, the remainder going into stockpile.

The first-half sales for the current season ended last week.

It is expected that the value of exports will be much lower than the R182-million fetched last season.

But that figure was a record, and achieved by selling off considerable quantities from stockpiles.

Reason for the expected export drop is the fall in demand.

Another factor is the uncertainty over how the economies of the main industrial countries will move. There appears little possibility that any significant upturn or revival will be seen in those countries that take most of South Africa's wool.

The countries are France, Britain, Germany and Spain.

The result could be that South Africa's wool exports decline to the more usual levels of about R155-million.

Wool producers will be given an interim payment of R5-million to add to the usual voorskot they were credited

with in August, the start of the selling season.

The interim is based on 9% of the voorskot, but the payout to individual producers is likely to vary appreciably, depending on the differences in market performance of the types of wool they produce. There are about 1 200 types, according to the Wool Board.

The chairman of the board, Senator Gideon Joubert, says producers whose wool was received for valuation before December 31 should receive their cheques before the end of January.

Producers delivering their wool after the end of the year will have the interim payment added to the normal voorskot.

The payment of an interim has the makings of becoming regular. A similar payment was made in the previous season. In practical terms it amounts to an adjusted payout to producers as a result of a revised estimate of what the season's clip is likely to fetch.

Traditionally, the Wool Board ensures that its expectations, based on a minimum price and calculated at the start of each season, are conservative.

This virtually guarantees that producers, in addition to getting the voorskot, will get a final payout or agterskot at the end of the season.

The board says that, with the second half of the season expected to be favourable, a final payment is almost certain.

3) voort

rapport 15/1/78

# BRANDSIEK BEDREIG WOLBEDRYF

IN die laaste paar jaar het skaapbrandsiekte tot so 'n mate in Suid-Afrika toegeneem dat dit vandag as 'n ernstige bedreiging vir die land se wolbedryf beskou kan word.

Dit is die mening van dr. F. J. Veldman, medeskrywer van 'n baie bekende veesiektehandboek en ook direkteur navorsing en ontwikkeling, van die veemiddelvervaardiger en -verspreider Agricura.

Dr. Veldman, sê daar is verskeie redes vir die verspreiding en toename van die siekte in die laaste paar jaar. Een van die redes is dat baie min mense vandag nog weet hoe skaapbrandsiekte lyk, met die gevolg dat die siekte nie in 'n vroeë stadium vasgestel word nie.

## Landbou - RAPPORT

Boonop vind kleinvee-inspeksies as gevolg van 'n tekort aan vee-inspekteurs nie meer so gereeld soos vroeër plaas nie. 'n Ander rede is dat boere vroeër baie meer in BHC-bevattende dipstowwe gedip het en dat BHC die siekte baie goed beheer het.

Ná die verbanning van BHC het min van die dip-

stowwe wat toe in gebruik gekom het, die brandsiektemyt doodgemaak. Om alles te kroon, word besmette skape deesdae baie vinnig en oor groot afstande vervoer sodat die siekte feitlik oornag oor 'n wye gebied kan versprei.

Dr. Veldman wys boere daarop dat skaapbrandsiekte 'n geproklameerde siekte is, wat beteken dat selfs die verdagte gevalle

volgens wet by die naaste staatsveerts of polisiebeampte aangemeld moet word. Die staat neem dan toesig oor die beheer van die siekte oor.

Hy sê die brandsiektemyt is baie klein en kan skaars met die oog gesien word. Dit vreet die veloppervlakte van die dier sodat vog deur die beskadigde vel afgeskei word. Daarna volg roofvorming. Die geïent wat ontstaan, laat die dier byt en skuur en die wolsels raak lossepluis en kom af. Kaal kolle met rowe is die gevolg.

Die parasiete kom veral op die rant van die kol voor, sodat die kolle geleidelik groter word en die skaap so te sê al sy wol verloor. Met verloop van tyd kan 'n hele kudde besmet raak en die wolskeersel so te sê vernietig word. Om hierdie rede is skaapbrandsiekte van nasionale en ook van gewelddige ekonomiese belang. Myte leef gewoonlik nie

van die dier af nie, daarom kan die brandsiektemyt ook nie langer as 17 dae in 'n kraal of in die veld leef nie; en vind die oortraging van die besmette na die ander skaap hootsaaklik net met kontak plaas. Dvvoorbeeld gedurende dosering, in die skeerhok, ens, wanneer die diere dig saamgehok word.

Volgens dr. Veldman is daar net een manier om brandsiekte in 'n kudde uit te roei en dit is om alle skape twee keer deeglik en streng volgens staatsvoorskrif met 'n tussenpose van 8 tot 10 dae te dip. Om die een na die ander skaap stoes hulle besmetting toon op watter wyse ookal te behandel, is totaal nuttelos want so sal die siekte bly voortbestaan solank as wat daar op die plaas met skape geboer word. Die boer het eintlik geen probleem om sy kudde van skaapbrandsiekte te vrywaar nie. Slegs enkele bestuurstake is nodig om die groot probleem te vermy.

# Farmers back wool union

21/1/78

3-WOOL

ADELAIDE — The Sheep and Wool Producers Union (SWPU) received a unanimous vote of confidence from the 130 farmers who attended the union's meeting at Adelaide. Most of these farmers came from different parts of the Border and Eastern Province.

At the meeting the president of the union, Mr. G. van Schalkwyk, a Victoria West farmer, and the vice-president, Mr. S. Marais, a farmer at Trompsburg, explained why the SWPU is breaking away from the National Wool Growers Association.

"We have spent endless hours in boardroom and other meetings with different officials and got nowhere," Mr. Marais said.

One section of the press, he added, was not in support of the SWPU.

"We realise it is going to be difficult, but we are sincere in our attempt to establish a wool and marketing scheme which will benefit all. As long as we are forced to go along with the present scheme, farmers will go only one way," Mr. Marais said.

He described a number of cases in which farmers suffered losses through the present wool pooling scheme.

In one case we divided one clip and sent it to two different ports for marketing. The result was that in some cases there was a difference of as much as 22 per cent. This proves that no one will be satisfied if a clip is sent to a port and only one person has to decide the price of the wool.

"In our opinion the Wool Board should not be directly involved in the marketing of wool but should do the advertising and promotion for marketing. The BKB should act as agents for the producer and not for the Wool Board."

Explaining the function of the stabilisation fund, Mr. Marais said the fund did not belong to anybody but was there to protect and support the wool industry.

All the farmers present, except two, indicated that they would join the SWPU. — DDR

**Wol** <sup>Wool</sup>  
*Wolpryse*  
**weer** 6/2/78  
**duurder**

(d) Grazing

Quota of:

used

Value to far

(e) Land

Area offered

used

Value to far

Water (annual)

Cost of other

of implements:

(f) Clothing:

(g) Bonus (annual)

(h) Presents (annual)

(i) Recreational

(j) Medical:

Annual cost

bills

es

transport to and from facilities  
 other

(j) Total medical cost

(k) Pension contribution by farmer, if any (annual):

(l) Insurance contribution by farmer, if any (annual):

(m) Legal costs paid by farmer, if any (annual):

(n) Worker's current debt to farmer (if any):

WOLPRYSE. HET vir die tweede agtereenvolgende week gestyg op die veiling wat in Suid-Afrika gehou is. Die markaanwyser vir merinowol het met drie punte gestyg tot 327 en daarmee die vorige hoogste vlak wat aan die einde van Oktober bereik is, geewenaar. Dit beteken dat die markvlak nou 7,3 persent hoër is as in die begin van die seisoen. Die belangstelling om die 22 800 bale wol wat in Durban, Oos-Londen en Kaapstad aangebied is, was baie goed en 98 persent is verhandel. Besonder hoër pryse is betaal vir spesialiteitswol soos kort fyn wastipes en Lammerwol. In Australië is vandeeweek net 29 000 bale op 'n veiling in Brisbane aangebied en het die AWC (Australian Wool Corporation) 10 persent gekoop. Die woltjek tot datum die seisoen beloop R94,1 miljoen nadat 55,2 miljoen kg wol teen 'n gemiddelde prys van 170,5 c/kg verkoop is. Hierdie week sal sowat 17 000 bale wol op die veilings in Durban, Oos-Londen en Port Elizabeth onder die hamer kom.

## WOODEN LEVER

Forestry Minister Braam Raubenheimer's campaign of friendly persuasion for the long-squabbling round-wood industry looks like being a little less amicable. His Forest Amendment Bill (FAM February 3) introduces a lever that should keep growers and processors at the bargaining table until a deal is fixed.

Failure to agree, and the timber industry is historically good at that, will leave Raubenheimer with the ultimate power to fix prices.

The 2 700 growers overwhelmingly agree with this proposed State intervention clause (so they should, with investment returns in real terms struggling to average 3%) though even the threat of it will generally work against buyers and processors.

If Raubenheimer's lever gets through its present select committee stage and eventually becomes law growers will aim for a real term return of 8%.

Disagreements in future are likely to be fewer, with an end to dumping and price cutting — cause of last year's complete collapse of the Timber Marketing Bureau's tariff structure — as the aggrieved party could then run to Raubenheimer for a ruling.

Equally significant in his proposed changes is the ultimate control of timber disposal. This, when there is a glut such as at present, clears his path for a quota system.

With these extra powers — the 1968 Forest Act already gives little-used but draconian control of imports, exports, and disposal ("other than the fruit on the fruit trees") — he could come down like a ton of logs on the whole industry.

That's unlikely, and a control board for the industry is even farther away, but the timber industry must at last realise Raubenheimer means business. He said he would interfere as a last resort. Now he has.

<sup>deffert</sup>  
**Meer as**

19/2/78  
**R100 m.**

③ WOOL

**se wol**

**verkoop**

DIE verdienste uit wol sover die seisoen het met vandeeweeke se veilings die R100 miljoen-kerf verbygesteek en staan nou op R104,8 miljoen. Die syfer is bereik nadat 61,6 miljoen kg wol teen 'n gemiddelde vetwolprys van 170,17 c/kg verkoop was.

Sedert die mark in Januarie heropen het was daar 'n geleidelike maar volgehoue verbetering in die prys van Suid-Afrikaanse wol en die markaanwyser vir merinowol het vandeeweeke met 'n verdere twee punte gestyg tot 331, wat ook die hoogste vlak vir die seisoen tot datum is. Hiervolgens gemeet, is die mark 8,6 persent hoër teenoor die begin die seisoen.

Op die veilings wat vandeeweeke in Oos-Londen, Durban en Kaapstad gehou is, is feitlik die hele aanbod van 19 880 bale verhandel. Australiese wol was eweneens goed in aanvraag en die AWC (Australian Wool Corporation) het die week net sowat 4 persent van die 111 000 bale gekoop. Dit was die kleinste aankope van die AWC tot dusver die jaar.

Gedurende die week wat voorle, sal 15 700 bale wol aangebied word op die veilings in Durban en Port Elizabeth.

WOOL

3

FM 31/3/78

## Not so baa'd

Woolgathering farmers are doing nicely out of this season's sales. When selling closed for the Easter break R124,8m had been realised, compared to R120,2m at this time last season.

But although the volume of money is up, and the volume of wool, by an estimated 3%, prices aren't. The average greasy wool price is 170,02c/kg instead of last year's record 172,2c/kg.

The Wool Board blames the state of the world economy, and sluggish retail trading in Europe, for the lower prices, but by January 31 wool worth R94m had been exported in the 1977/78 season.

The sinking of the rand with the dollar benefited the SA market, as did the Wool Board's financial assistance for buyers. A

10% lower freight rate was negotiated with the Conference shipping lines for the first half of the season.

Sluggish selling until November had farmers worried, but prices realised are now some 9,53% higher than at the beginning of the season. The Wool Board's interim payment to producer is an increase of 9% on the *voorskot*, which averaged 220c/kg. The interim payment amounts to some R11m.

Of the 535 545 bales (78,4m kg) so far offered, 96,6% has been sold, and the pool now stands at 31 082 bales. The season opened with a pool of some 72 000 bales, about 16 000 of which arrived too late for last year's sales. Even after deducting interest and storage costs, the Wool Board expects a profit on the stock sold this year from the stabilisation fund.



MOHAIR FM 31/3/78

Looking good (3)

Prospects are good for mohair this season. The first two sales have disposed of 6 555 bales at an average price of 885,61c per kg for the first sale and 880,12c per kg for the second — well up on last season's average price of 619,2c per kg.

A Mohair Board spokesman says that the average *voorskot* of 300c per kg covers production costs with room to spare, so farmers will be in for a tidy profit when they receive their *agterskot*, if prices stay high. They should, because world mohair demand is currently outstripping supply from SA and the other two mohair majors — the US and Turkey.

1022

FARMING

DD

22/5/78 JAC VAN WYK

3- Wool (244)

# Marketing changes urged

Wool producers throughout the country will no doubt await with interest the Minister of Agriculture's decision on an application to him from the Sheep and Wool

Producers Union's attorneys in Bloemfontein.

The ten-page memorandum was drawn up by the attorneys in conjunction with the executive of the SWPU and signed by the union's president, Mr G. D. van Schaikwyk.

1511.

"But what makes this figure more important is the fact that they produce (based on mass) about half the clip of the wool produced in the Republic," the memorandum said.

On the first page the executive, with request, posed four questions to the Minister:

1. That the method of wool marketing in South Africa be reconsidered by the Wool Board;
2. That approval be given to the Wool Board to, as regards the wool producers who are members of the SWPU, market their wool in pursuance of a floor price scheme;
3. That all benefits which were paid for the SWPU members to the National Wool Growers Association in future to be paid to the SWPU;
4. That when the terms of offices of producers' representatives appointed to the Board expires, favourable consideration be given to appoint representatives of the SWPU to the Board.

The memorandum states that it was important to establish what the number of registered members were with the National Wool Growers Association when the SWPU approached the Minister in 1972 for the introduction of a take-over scheme in the marketing of wool. The NWGA, it points, out was at all times aware that members must apply in writing for membership but on May 5, 1978 only two persons had signed application forms. The other 1 509 members did not apply for membership with the NWGA. This important fact, it pointed out, should have been brought to the notice of the Minister, and if so, the Minister would not have made the decision he did. The SWPU furthermore challenges the NWGA to prove that its registered membership exceeds that of the SWPU, and added that the large membership of the SWPU is proof of the general dissatisfaction against the present system. More applications for membership are expected while others are still considering it.

The memorandum disputes the fact that the National Wool Growers Association could ever act as mouthpiece for the wool producer or that it could now act as such. One of the SWPU's aims on behalf of its members is to create another method of marketing i.e. a floor price system.

The last paragraph in the memorandum authorises the union's attorneys to take whatever steps they deem necessary to achieve the aims of the SWPU

It points out that the wool mass production of only South African producers amount to about 100 million kg and that SWPU members' production is about 20 million kg. The registered members on May 5, were



# Wool price <sup>DD 26/5/78</sup> up 3-Wool

A total of 75 909 bales of wool were offered at sales held in the four selling centres during April. This was 40 435 bales more than in April 1977 and the difference is mainly due to the Easter recess in April last year.

So far this season a total of 611 454 have been offered which is 23 859 bales more than for the similar period last season.

Market prices were generally inclined higher during the month and at the month end the market indicator had increased from 334 to 338.

Disposals of new season's wools to 30 April 1978 were 4.7 million kg in mass and R7.8 million in value more than at the same date last season. The average greasy price is a mere

0.01 per cent lower.

The total declared net mass and F O B value of all wools exported from the Republic during the period July 1 1977 to March 31 1978 was R128.1 million compared with R133.0 million in the same period last season.

In the period July 1 1977 to March 31 1978 a total of just over 30 million kilograms was sent for local processing. This is about 286 000 kilograms more than in the same period of the 1977 season.

The figures contained in this report are preliminary and as such as subject to adjustment.

During the month 10 336 bales (1 487 425 kg) were sold in East London.

# Wool computerised

*(3-11-00)* D.D. 2/6/78  
The Wool Board, which controls the marketing and promotion of all wool produced in SA is to extend its computerisation programme with the installation of a modern key-to-disc computer for intelligent data capture.

Mr J J J du Plessis, Data Processing Manager for the Board says the high cost of punched cards mean a break even during the first year of the new key-to-disc installation as initial one-time costs must be taken into consideration. Then the board should save about R10 000 a year on card costs alone. This is based on card costs remaining the same as at present, a conservative assumption in view of the escalation in card costs which have more than trebled over the past five years.

Besides economic benefits, there are other advantages which the Board expects from its new installation, particularly efficiency and higher throughput. The equipment to be installed is an MDS System 12043 computer processor which will control 11 keystations operated by trained Port Elizabeth girls.

**DIESEL**  
*versus* **PETROL**  
**MORE FACTS!**  
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ISUZU 1-ton DIESEL  
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CHEVROLET  
TEL. 25461

# Wol sluit

Maand 4/6/78

## af op

③ WOOL

# hoë noot

DIE laaste veilingsweek van die 1977/78 seisoen het op 'n hoë noot afgesluit toe sowat 41 000 bale wol in al vier die hawens aangebied is. Die markaanwyser vir merinowol het met twee punte gestyg tot 336. Dit is net twee punte laer as die hoogste vlak van die seisoen en 10,35 pst hoër vergeleke by die aanvang in September verlede jaar.

Nagenoeg 98 miljoen kg produsentewol is verkoop teen 'n gemiddelde vetwolprys van 167,58 c/kg wat die verdienste daaruit op net meer as R164 miljoen te staan gebring het. Indien die waarde van die oordragvoorraad wat nie verkoop is nie, in berekening gebring word, is die totale realisasiewaarde van die skeersel nagenoeg R170 miljoen.

Laasgenoemde is sowat R9 miljoen meer as verlede jaar en die tweede hoogste in die geskiedenis van die bedryf.

Hierdie woljaar was in verskeie opsigte merkwaardig:

- Hoe verkooppersentasies is feitlik deurgaans gehandhaaf en gemiddeld 3 persent van die wol wat aangebied is, is onverkoop verklaar.

- Ná die opening van die seisoen het pryse geleidelik gestyg tot aan die einde van Oktober 1977. In November en Desember het 'n geringe daling ingetree maar met die hervatting van veilings in Januarie het pryse weer geleidelik opwaarts beweeg.

- Lang wol het oor die loop van die seisoen 'n styging van 9 persent getoon. Medium wol 12 persent en kortwol wat lammerwol en spesialiteitstipes insluit, 'n styging van meer as 17 persent.

- Die koppeling van die rand aan die Amerikaanse dollar wat vroër in die jaar skerp gedaal het, het die plaaslike wolmark bevoordeel.

- Die gemiddelde vetwolprys is vanjaar sowat 2 c/kg hoër as verlede jaar terwyl die skoonprys van 293,91 c/kg bykans 2,9 persent hoër is.

- Altesame 103,1 miljoen kg wol is vanjaar op die veilings aangebied wat 4 persent meer is as die vorige seisoen. Dit wil ook voorkom op die daling in produksie die afgelope paar jaar na die vee-onttrekkingskema gestuit is en 'n verblydende teken is dat die produksie van merino-lammerwol 'n mooi styging toon.

- In teenstelling met verlede jaar het die belangstelling in karakoelwol veral teen die einde van die seisoen gestaan en 80 persent van die wol wat aangebied is, kon van die hand gesit word.

PARISH OF THE

NYAN

TEMENT OF REC

R THE YEAR EJ

included fluctuating exchange rates, particularly the rand's link to the weakening US dollar. Another strong factor in SA's favour was the shorter delivery time to Europe and the UK (the biggest SA wool buyers are the UK, France and West

Germany in that order) in relation to other producer countries like Australia, New Zealand and South America. That the Wool Board and overseas buyers succeeded in negotiating a freight rate reduction of 10% also helped.

Practically the entire opening stockpile of 80 000 bales was sold during the season. Further stockpiles have since built up, but the Wool Board is not able to give an estimate of the closing stock pile at this stage."

**WOOL SALES** (3) WOOL  
**Fleecy lining** FM 9/6/78

Wool producers are feeling cosy. The 1977/78 season, which ended on June 1, closed on a high note. Sales totalled 98m kg (93,4m) at an average price of 167,58c a kg (163,30c) to push earnings to more than R164m (R154,2m).

The Wool Board says the total realisations for 1977/78 (taking into account the value of carryover stock) were roughly R170m (R161m), the highest total since the 1950/51 record of R187m when the average price was 176c.

Several trends emerged. There was a relatively stronger demand for fine wools of 19 to 21 micrometres; a strong demand for lamb's wool; increases of up to 25% in the price of short wools.

Although long wools sold poorly in the initial stages, unsold wools in this category were disposed of at improved prices from the beginning of January.

Positive factors affecting the market

Financial Mail June 9, 1978

64  
ATTN: [unclear]  
③ Wool  
FM 23/6/78

Family Housing

There are 10 090  
have more than fo  
Type NE 51/6, a f  
in terraced rows

**MOHAIR SALES**  
**Happy outcome**

and only 38 of these  
house (over 75%) is the  
square metres, built

The houses are no  
doors and the wal  
end of the plot h

Positive sales forecasts for mohair (FM March 31) have proved right. Realisations for the summer season totalled a record R22,8m (R13.2m), and prices averaged 934c/kg (662c), almost all in foreign exchange.

s, flooring or internal  
ll outbuilding at the  
running water.

The houses are a  
which is subject  
The BAAB will per  
is stipulated tha  
no compensation ca

Mohair Board's marketing manager Johan Engelbrecht says production "comprised one of the best summer clips for a long time." Prices were almost 20% higher than at the close of last year's winter sales, and 29% up on the opening level of the 1977 summer season. Production, at 2,38m.kg, was 5% up on last winter's 2,36m.kg, and 13% up on the 2,2m kg summer clip. Engelbrecht expects a further 5% increase in this year's winter season clip.

only a monthly lease  
ernment legislation.  
enant's expense and it  
ty of the BAAB from whom  
1.

Despite these restrictions, many houses have been extended and improved. The tenants have added bedrooms, diningrooms, lounges, kitchens and bathrooms whilst in a large number of those houses without additions, electricity, ceilings, flooring and cupboards have been installed. Comfortable and attractive interiors are often found in a house which outwardly differs little from its neighbours.

Problems: Occupants wishing to improve their accommodation face great difficulties, not the least of which is the problem of getting plans drawn, submitted and approved. To avoid paying high fees, many tenants employ inexperienced draughtsmen to prepare the drawings and often find that the resultant plans do not comply with regulations. To the average Black householder, the approval process appears lengthy and complicated. The proposal must be submitted to the Township Superintendent; to the BAAB Department of Works and finally to the City Council or Divisional Council, entailing numerous inspections and considerable time.

Other problems are of a technical nature. Because of the design of the original house and the construction in terraces, additions are difficult and costly. In all but the houses at the ends of the terraces, extensions are limited, as shown on the plan, to the back or front of the building. In addition, further problems become evident when the addition of even a single simple room is considered. Firstly, the existing eaves level is so low that it is impossible to make the ceiling of the proposed new room high enough to meet existing building regulations without a fairly complex and expensive roof structure. Secondly, the new room is likely to obscure the windows

10. DHS4 P. 403  
 9. DHS4 P. 401  
 Lye: p. 200  
 Example

# Wool men seek court order on pool system

RD 157/78

3-Wool

**BLOEMFONTEIN** — The South African Wool Producers Union would apply for a court order to relieve its members of the obligation to market their wool in terms of the existing pool system, it was announced here yesterday.

It will ask that wool be marketed on a guaranteed price reserve system for which it says provision was made in the Wool Act.

A statement issued by the SWPU said the decision to take legal action had been reached against the background of "thousands of farmers annually losing many thousands of Rands on the auction price of their wool as a result of the pool system."

This action, which it had hoped would not have

been necessary, would be taken after earnest attempts had failed to convince the minister of agriculture and the wool board of this undesirable situation.

The SWPU states that since the implementation of the pool system six years ago, enormous sums of money have accumulated annually in the pools. Amounts of between R30 and R50 million are quoted.

"This is money that is withdrawn from the industry for the season on which the producer loses interest and on which he does not have a cent credit worthiness."

In the first year of the pool system the producer only received about one

third of the auction price by way of a "voorskot". The remaining two-thirds was plunged into a pool. The SWPU said it was no wonder that many farmers suffered heavy losses.

Since the implementation of the pool system the SWPU has held meetings in all four provinces. These meetings have been attended by large number of farmers who have made it abundantly clear how contentious and unpopular the pool system was.

Many of the meetings have also been attended by competent officials of the wool board who, "without exception have been sent away with a flea in the ear." — SAPA.

and, as relatively peaceful conditions settled over the Southern Highlands, the exiles began settling round these stations and on a large scale from the colony and into the Southern

The use of the object: extensive Example  
 The basic various emphasis Example

to. Es re engolang kajeno ebonolo haholo teke.  
 re. Kajeno ebonolo haholo teke, eo se engolang.

But word order in itself is incomplete in giving a sentence any meaning. There must be semantic compatibility between the different words used.

**Example** *White business fights with a stick*  
 The words used are not compatible. Although the adjectival sense is used with the noun *business* in the correct order, there is no relationship between *business* and *stick* although the verb is followed by the adverb in the correct order. Therefore the example above is no sentence at all despite the correct word order.

In Bantu, not only word order is important in a sentence, but also the prosodic elements. A complete utterance does not come about because of word order only; but, also because of tone, length, stress among others. Note the following examples:

- 1. *Mera waka oahlompha.*
- 2. *Mera waka oahlompha.*
- 3. *Mera waka oahlompha.*

Word order remains the same in the sentences above but tone, length and stress are the deciding factor in meaning. Context plays an important role in certain types of sentences. This

12. Sanders P 447

6.

7.



15/1/78 M. Wool

# Wool men seek court order on pool system

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Since the implementation of the pool system the SWPU has held meetings in all four provinces. These meetings have been attended by large number of farmers who have made it abundantly clear how contentious and unpopular the pool system was.

Many of the meetings have also been attended by competent officials of the wool board who, "without exception have been sent away with a flea in the ear." — SAPA.

# Wool union seeks court order on pool system

17/1/78 (1a)  
Wool

**BLOEMFONTEIN** — The South African Wool Producers Union (SWPU) will apply for a court order to relieve its members of the obligation to market their wool in terms of the existing pool system, it was announced here.

It will ask that wool be marketed on a guaranteed price reserve system for which it says provision was made in the Wool Act.

A statement issued by the SWPU said the decision to take legal action had been reached against the background of "thousands of farmers annually losing many thousands of rands on the auction price of their wool as a result of the pool system."

This action, which it had hoped would not have been necessary, would be taken after earnest attempts had failed to convince the Minister of Agriculture and the Wool Board of this undesirable situation.

The SWPU states that since the implementation of the pool system six years ago, enormous sums of money have accumulated annually in the pools. Amounts of between R30m and R50m are quoted.

In the first year of the pool system the producer only received about one-third of the auction price by way of a "voorskot." The remaining two-thirds was plunged into a pool. The SWPU said it was no wonder that many farmers suffered heavy losses.

Sapa.

# Wool pool move

18/7/78

3 wool

PORT ELIZABETH — The marketing director of the Wool Board, Mr Jan van Wyk, declined to comment yesterday on a move by the South African Wool Producers' Union (Sawpu) to seek a court order on the wool marketing system.

Sawpu announced at the weekend that it would apply for a court order to relieve its members of the obligation to market their wool in terms of the existing pool system.

In a statement, it said it would ask that wool be marketed on a guaranteed price reserve system and added that the decision to take legal action was based on the losses farmers sustained on the auction price of their wool because of the pool system. — SAPA.

What price the wool pool scheme?

According to the recent figures released by the Wool Board, the total production for the past season amounted to 102,9 million kilograms grease wool, showing a slight increase compared with the previous year. It further states that the South African clip realised the gross total of R169,7 million which, incidentally, works out at an average price of about 165c a kg grease.

Hence, on an average clean yield of 57 per cent for the entire clip the clean basis works out at about 288c a kg as compared with the average vooorskot basis of 200c a kg clean announced by Sen Gidoen Joubert, chairman of the Wool Board, when he recently said that the Minister of Agriculture had approved the Board's decision to increase the vooorskot basis for the coming season by 35c a kg above the 200c a kg advance level determined at the beginning of the past season.

Last year, however, he stated that the vooorskot price was to be increased to 220c a kg clean, amounting to 37,5 per cent

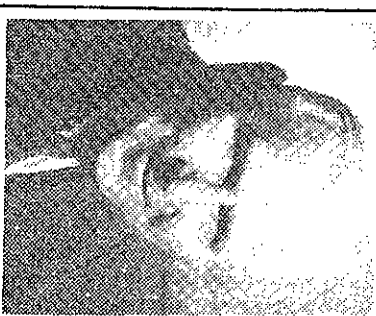
# Wool: Who gets the money?

above the average of 160c kg clean the previous year. It is quite possible Sen Joubert has been misquoted.

However, on the recent quoted basis of 200c kg clean and based on an average clean yield of 57 per cent, the average vooorskot price to the producer amounted to about 114c kg grease, giving a total of about R117,3 million. Added to this was the amount of R20,6 million paid out as agterskot, giving a total of about R137,9 million — a difference of about R31,8 million for which no reason or explanation is given.

What price the wool pool scheme?

Furthermore as regards the increase of 35c kg clean to be paid out as vooorskot for the coming 1978/79 season it is not clear whether the increase will be added on the 200 or 220c kg average amounting to either 235c or 255c kg clean. On the average yield of 57 per



Mr Archie Heppel (left) one of South Africa's top authorities on wool marketing, wrote this article in response to a request by the Daily Dispatch's Farming Editor, Jac van Wyk, for his opinions on the present wool pool scheme.

cent the average vooorskot price could therefore be either about 135c kg or 144,8c kg grease — a difference of about R16,50 a bale weighing 140kg, the difference which the producer faced with mounting production costs would be pleased to receive.

There is however, every justification why the vooorskot payment should not be based on at least 255c kg clean for the following reasons:

1. On this basis the price is still well below the average price of about 288c kg clean realised for last year's clip.
2. And because of the encouraging signs anticipated for wool next season so clearly set out by Sen Joubert when he said that there was a somewhat higher economic growth in the wool-using countries, especially as regards the traditional clients of South Africa, resulting in

a possible improved demand which could be attributed to the International Wool Secretariat's successful efforts in promoting wool, and that a possible small increase next season cannot be excluded. On the basis of 255c kg clean and assuming the total production and average yield to be the same as last year, the vooorskot payment could amount to R148,9 million as compared with R117,3 million last year — an increase of R31,6 million.

It is also of interest to compare what the producer would have received under similar circumstances, but under a recommended guaranteed price reservation scheme in place of the pool scheme. Particularly under the public auction system of selling wool.

Assuming the guaranteed reserve price to be the same as the guaranteed vooorskot price of 200c kg clean, the guarantee as far as the producer is concerned

would have been the same. But, on the high ruling market values he would have received, within three weeks of sale, the bid price less a prearranged deduction of possibly five per cent to augment the Price Stabilisation Fund. A simple and straightforward transaction, which would have encouraged producers to attend the sale as in the past, and above all involving the absolute minimum administration costs.

For example:

Total realisation of clip — R169,7 million, less five per cent for the Stabilisation Fund — R8,5 million, total paid out to producers — R161,2 million; total paid out under pool scheme — R139,9 million, leaving a difference of about R21,3 million.

In other words, under the price reservation scheme the producer would have received an additional R21,3 million amounting to double the agterskot he received. Again, I ask, what price

the pool scheme?

Hence taking into consideration the substantial discrepancies, the contradictory figures regarding the clean basis on which the vooorskot was paid, and bearing in mind the confident bright future for wool, it would appear that those producers opposed to the present pool scheme, have every justification to be disappointed and to call for an immediate change, particularly as long as the public auction system is recognised as in the best interest for the sale of wool. Having a strong case, it is imperative that the fight must be within the NWGA — an organisation which they have helped to build up and which has played such a prominent part in not only improving the quality but also as regards the preparation of the SA clip for the market.

To therefore reach the goal through the NWGA would be an ideal achievement and in the best interests of all concerned.

11/1/78 DJ  
3 wool



"became only a Merino man." His love for the Merino breed is quite apparent. And having farmed with Merinos for half a century he has gained a wealth of experience. It is among his sheep where minutes change into hours, especially when it's lambing time.

"Three major factors have laid the foundation of my farming on Waterval," Mr Schoeman said. "To know my land and its conditions and to have a thorough knowledge of wool and the animals I farm with."

Mr Schoeman cannot understand why some farmers have switched to fat lamb production.

### Dual purpose

"The Merino breed is in fact a dual purpose animal," he said. "Fat lamb producers graze their animals on lands. If you do the same with the Merino your production will be the same. I know farmers who have changed to fat lamb production and now bitterly regret that change. And to change you cannot build up a flock overnight."

Mr Schoeman is one of those people who have put into agriculture what he gained from it — knowledge and experience. Agriculture with him is life. No wonder then that he was chairman of the Dordrecht Farmers' Association for 27 years and for nine years served on the district agricultural union.

"When a man has served for a long period in an organisation and people want you to remain, then it's time to go. I fault our young people for not coming forward to take over from the older men. They are the people with new ideas. The old ones can always give guidance."

Yes, Waterval has also

# Bought with rixdollars and

still in *3-wool*

# the family

FARMING BY  
JAC VAN WYK

A number of farms in the Border area have been in family possession for three and more generations — farms with a wealth of history which would fill volumes and make very interesting reading. If a list has to be made of these farms, Waterval, of Mr J. W. (Oom Wilhe) Schoeman, in the Dordrecht district, must also receive recognition.

Waterval, which has been "in the family" for more than 100 years, was bought with rixdollars and surveyed with a horse.

"I still have the original deed of sale and purchase," Mr Schoeman said.

The farm originally comprised 2 550 ha but was divided between Mr Schoeman and his sister after the death of their father in 1938.

Mr Schoeman started farming with his father in 1928. Main interests then were a Merino (wool) flock, Friesland herd and horse breeding (Boerperd). Since then there has been no changes except that after completing a course at Grootefontein Agricultural



Mr Schoeman (right) and his son Danie, who is chief extension officer at Dordrecht.

*ADB 6/11/6/28*

fontein Agricultural

DD 20/10/78 (3-wool)

# Wool prices are higher

Altogether eleven wool sales were held during the period August-September and a total of 79 705 bales were offered compared with 75 512 bales during the corresponding period of last season. The net mass offered was 11 436 699 kilograms which was an increase of 508 002 kilograms.

The opening sale of the 1978-79 season took place in Port Elizabeth on August 31, 1978 and compared with the close of the 1977-78 season on June 1978, market prices were 2,5 per cent higher. During the next two weeks a

slightly dearer tendency was evident with an easier tendency developing during the last two weeks of the month.

The market indicator opened at 345, increased to 348 and closed at 346. The latter is 10,2 per cent higher than at September 20, 1977.

Sales of new season's wools to date totalled 8,9 million kilograms with a value of R17,7 million. This is virtually the same mass as was sold during the same period of the 1977-78 season but the sale value reflects an increase of 11,72 per cent.

The average greasy price per kilogram for all classes of wool increased to 199,00 cents from 178,15 cents which is an increase of 11,70 per cent.

During the period July 1978 to August 31, 1978 the total declared FOB value of all wools exported from Republican ports was R16,3 million. The main importing countries were the United Kingdom, West Germany, Italy and France.

Wools processed in the Republic during the period July 1 to August 31, 1978 reflect an increase of

1 475 154 kilograms.

In East London 11 218 bales were offered in the July-September period with a net mass of 1 493 137 kg compared with 49 972 bales (7 349 208 kg) in Cape Town, 14 270 bales (2 005 967 kg) in Port Elizabeth, and 4 245 bales (588 387 kg) in Durban.

RDM 25/10/78

# Wool

3-wool

## looks

## natural

KARAKUL wool, from South West Africa's karakul sheep, features prominently in the latest fashion forecast for carpets and home furnishings drawn up by the London-based International Wool Secretariat.

The fashion forecast is entitled "Creation" and features designs inspired by the dramatic natural phenomena which created the earth.

The designs have been incorporated into a collection of carpets and distributed to manufacturers all over the world as a guide to the latest colour trends.

The designs have names like "cosmic dust" and "astro haze" and use yarns in soft, smoky colours.

Such colours are found in karakul wool and karakul's unique variety of colour together with its coarse texture have made it an essential part of the blend for yarns to make Berber-style carpeting, which forms a large part of the collection.

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examine a higher wage as socially desirable, perhaps P2,00 per day. Almost



# Wool producers at odds with Board

By Anne Colley

The controversy which has been developing between the Wool Board and the Wool Producers Union over the Board's methods of marketing seems to have reached stalemate — until March at least.

The SA Wool Producers Union sought a court order to the effect that the pool system should not be a compulsory method of

marketing.

But soon after the board replied, its advocate was appointed an acting judge and the case has been held up until he returns to the Bar. And that is unlikely to be before March next year.

The Wool Board had hoped to have the problem solved before the National Wool Growers Congress which will be

held in March but the likelihood of that happening appears to be rather slim.

The controversy arose some time ago when a number of producers objected to having to use the pool system. Under this method of marketing, the farmers are paid a portion of what the Board expects to realise on the season's clip.

At the end of the season the average price But soon after the for the entire clip is calculated and the difference between that and the "voorskot" already paid is given to the farmers.

The SA Wool Producers Union — to which a minority of the wool farmers apparently belong — says the Wool Board feels that its members could have earned higher prices for their wool, had they been paid the price for which their particular bales were sold.

The Wool Board replies that with prices fluctuating daily, unless the wool is brought in at exactly the right time, they could also earn a lot less than the average price.

The pool system basically smoothes out for the farmers the fluctuations in price, and guarantees them a minimum payment. It also provides the security of advance payments and through the realisation fund provides security when prices really do fall.

## Further shots at textile trade

The textile industry came under heavy fire from the president of the Clothing Manufacturers' Association for its unreliability and poor quality.

Firing the latest salvo in the longstanding battle between the textile and clothing industries, Mr T Kinnear said "The textile industry ... has been found wanting in both quality and variety."

He maintains that import control measures, which rescued the textile industry from the doldrums, "have afforded the local textile industry a treble measure of high level protection to an extent that the past year has seen order books filled to overflowing to the detriment of quality performance and accepted delivery dates."

Sketching a gloomy outline of the clothing industry's current situation Mr Kinnear

lamented the lack of increase in labour productivity;

called on the authorities to be sympathetic towards applications for labour additional to the quotas laid down by the Environment Planning Act;

gently criticised the Garment Worker's Union which has been quick off the mark in submitting their wage proposals ahead of the expiry of the two year wage agreement next June.

One cheerful note amidst all this gloom was his reference to the clothing industry's export activities which are growing apace and have elicited "encouraging reports" from importers.

the U.C.T. Women's Movement into an homogenous radical-feminist group and attack its policies accordingly.

By a process of flawed illogical reasoning several false conclusions are deduced, the most erroneous of which concerns "consciousness-raising". No feminist position in any Women's Movement would endorse a description of "consciousness-raising" as an involvement with personal issues. It is clear that, despite the tedious catalogue of fundamentals, the writer has failed to appreciate the basic fact that "women's problems" — rape, the pill, abortion etc., are not personal and private problems and that the small group facilitates the crucial transition in awareness from the personal to the political. Without individual political consciousness there can be no mass political consciousness. A practical example of this is the "speaking bitterness" sessions held by small groups of Chinese peasant women, which played a vital role in their mobilisation.

The cultural conditions of people's lives are as important as the economic basis of their oppression in determining consciousness. In speaking of "the very real contradictions that exist between bourgeois women who experience their oppression as discrimination and working class women who experience their oppression as essentially exploitation" a dichotomy is being set up between the 'bourgeois' psycho-sexual forms of oppression on the one hand and the 'real' material forms on the other substituting a mechanistic model of class relations for a more profound understanding of how these two aspects of oppression depend upon and reinforce each other.

The mock-warning that "Inadequate strategies" could ensure that "Women's liberation is not achieved simultaneously with the liberation of men..." shows no cognisance of the historical fact that in no third world revolution this century have women, by fighting alongside men, come anywhere near achieving equality, simultaneously or after the revolution.

agriculture Wool

13 - 3 - 79

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4

# Wool measuring plan is to be extended

THE objective measure of wool will be extended to include lots of five bales and more on an experimental basis for the rest of the present season, the chairman of the South African Wool Board, Senator Gideon Joubert, announced in Pretoria yesterday.

Previously only lots with a minimum mass of 840 kg were measured scientifically and sold by sample and certificate.

Sen Joubert said the Wool Board aimed to increase the percentage of the clip to be measured objectively.

Various factors had to be considered thoroughly, such as the capacity of the laboratory, the classes of wool that could be measured reliably, the influence on the flow of wool through the broker's store and

international requirements, which stipulate that more samples per bale have to be taken as lots become smaller.

This could have a detrimental effect on the unit cost of testing a lot, Sen Joubert said.

"If the experiment proves to be successful, the testing of such smaller lots will be considered as a standard practice in the 1979/80 season."

The handling rebate of 1/2c on lots smaller than 840 kg would not be granted for the rest of the 1978/79 season because this

was an experiment to determine what practical problems might arise and the benefits of objective measurement, would not be enjoyed by all producers of such smaller lots, he said.

## Radio reply

"Critically consider the current state of our knowledge a) about the origins and spread of the Bantu-speaking peoples, and b) the settlement of the ancestors of the Sotho and Nguni south of the Limpopo".

Prentice Hall,

Wiskel and Trasschel,

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The Chairman of the Wool Board, Sen G. J. Joubert, has announced that the Board — with the approval of the Minister — had decided to pay an additional amount of some R19 million in the form of an increased voorskot to wool growers, depending on the size of the clip.

Producers would receive an interim payment of R14 million on wool valued for voorskot purposes up to March 15. The interim payment would amount to an average of 12 per cent on the initial voorskot. On wool valued after March 15, an

# Voorskot bonus is extra R19m

*(Approved)* Joubert said

average of 12 per cent would be added to the voorskot, which would bring the total additional payment to R19 million.

Sen Joubert said the cheques for the interim payment would be posted to producers on April 30. In the light of the costs involved, interim amounts of less than R10 would not be paid out but be added to the final agterskot payment to the producers con-

cerned.  
"Although the average interim voorskot amounts to some 12 per cent the percentages for the different types of wool will differ considerably. I want to make it clear that all producers should not expect an increase of 12 per cent. On Merino fleece wool the increase will be 8 per cent, while it will be more than 12 per cent on other categories", Sen

Since the beginning of January wool prices showed an appreciable improvement and expectations up to the end of the season had also improved considerably against December last year, when the Wool Board last reviewed the stand of the pools. In the meantime the amount of wool sold increased markedly and the Board took the position of producers in drought-stricken areas into consideration.

This interim payment concurred with the Board's policy of making as much of the wool cheque available to producers as soon as possible.

DD  
30/3/79

A total of 80 694 bales of wool were offered at eleven sales held in the four ports during February. This was 8 238 bales (11,4 per cent) more than in the same month of 1978 when there were also eleven sales.

Offerings for the season to date total 462 762 bales with a net mass of 66 385 838 kilograms. This is 12 112 bales (3 015 729 kg) less than in the similar period of the 1977-78 season.

The average bale mass this

## Steady rise in wool prices <sup>3 (Wool)</sup> 30/3/79

season is 143,5 kg compared with 146,2 kg a year ago.

There was a steady rise in prices during the month and the market indicator increased 26 points to 364, a rise of 7,7 per cent.

Sales of new season's wools

during the period July 1, 1978 to February 28, 1979 reflected a decrease in net mass of 4,2 million kg but an increase of nearly R4 million in value. The average price increased by 18,27 cent per kg.

The total declared value of

all wools exported from the Republic during the period July 1, 1978 to January 31, 1979 was R89,7 million compared with R94,0 million during the same period of the 1977-78 season.

Principal importing countries were United Kingdom, West Germany, France and Italy.

During the period July 1, 1978 to January 31, 1979 wools sent for processing increased by more than 3 million kilograms when compared with the same period last year.

<sup>3) wool</sup>  
**WOOL PROSPECTS**

<sup>Jan 4/5/74</sup>  
**Not so sheepish**

Despite a drought-ravaged clip, SA's wool farmers can look forward to slightly higher returns for the season which ends this month.

Strong demand from Japan has upped prices almost 11% since the beginning of the year. Total revenue for the season is thus likely to reach R185m, compared with last season's R170m. European demand has been moderately good, and the Wool Board's market indicator reached 374 c/kg for clean wool last week, against 255 c/kg at the beginning of the season, and 338 c/kg in January.

The clip amounts to 99,3 Mkg, about 4 Mkg lower than last year.

A shortage of wool caused the cancellation of two sales last week, and the Wool Board's product marketing director Joe Strydom admits there is "a distinct possibility" of further stoppages. He points out, however, that with only four weeks of the season left, further shortages will not greatly affect the final clip or income figures.

The major sheep farming areas of the Karoo and North West Cape have been worst hit by the dry weather, and farmers reckon that lambing stock will be smaller and the clip even lower next year. The

prospect of tight supplies may prompt calls for a sharply higher voorskot in August in anticipation of firmer prices.

The Wool Board's stabilisation fund will rise fractionally this year and should stand at about R73m at the financial year-end in June. The last payment from the fund was in 1971, and there certainly won't be any withdrawals this year.

SWA/Namibia's karakul wool sales were hit by the loss of Iran, but prices are "relatively good" and carryover stocks high. Revenue is unlikely to fall below last year's R6m.

This year's mohair clip has been "one of the best we've had," according to André Hough, technical officer of the Mohair Board. Total sales are expected to be around 2,34 Mkg. Though this is slightly down on last season, prices are very firm, and income could rise to as much as R32,7m — a jump of almost R5m. A record price of R24,02/kg was fetched for kid mohair at sales earlier this year.

6/6/79  
R. G. M.  
3 Wool

# Wool farmers in a 'cost squeeze'

LONDON — South Africa's wool farmers were in a "cost squeeze" and unless wool prices increased steadily the profitability of wool farming could be in jeopardy, an international conference was warned yesterday.

Senator G. J. Joubert, chairman of the South African Wool Board, told the International Wool Textile Organisation's conference in London: "We cannot expect wool production to increase unless there is some expectation that future market prices will absorb rising costs and provide reasonable remuneration for the producer."

The average market price realised this season was about 11% higher than a year ago, Sen Joubert said.

This had more or less kept up with inflation and, theoretically, the profitability of wool farming had not deteriorated.

But certain danger signals for the immediate future could not be ignored, Sen Joubert warned.

Centralised and modernised handling methods had been successful in containing costs in South Africa, but objective measurement and the spreading of offerings had involved additional expenditure.

Another problem in the short term was to tailor storage space and handling equipment in accordance with a steadily declining clip. — UPI.

# Production down but 78/79 wool cheque paid more

*Star*  
*7/6/79*  
*3-wool*

By Stephen Suddey

With the 1978/79 wool season now over and the last bales having fallen under the auctioneer's hammer, preliminary figures show that shorn wool production was marginally lower than in the previous season.

And although there are no outright figures to work on, guesstimates point to a wool cheque of about R181m, which if achieved, will reflect an increase of 6.5 percent on the previous season.

This shows that although production figures were lower prices received at the various auction centres were more favourable in the season just ended.

According to the Wool Board's figures shorn wool production in 1978/79 was 98.8m kgs — a decrease of four percent over the 102.7m kgs achieved in 1977/78.

The main reason for the fall in production was the drought conditions which were experienced in the major growing areas. Areas particularly affected

were those in the south west around Malmesbury which have had three bad seasons on the run.

But not all production has been sold. The trade brought in 91.3m kg at auction and a further 4.1m kg from the stabilisation stock, bringing the amount sold to an estimated 95.4m kg — down from 97.9m previously.

The difference between production and the amount sold will be transferred to the stabilisation stock but some of this may well be sold direct to customers as and when they require further amounts.

Next season opens with the first sale in Port Elizabeth on August 30 but prospects are very difficult to forecast.

Delegates from the

Wool Board are currently attending an International wool meeting in London. After this meeting we will be in a better position to look at the 1979/80 season more positively, a spokesman said.



# Drought hits wool

The 1978-79 season which ended with sales taking place in all four selling centres was highlighted by several notable features. The average greasy price for the clip was the highest recorded but production fell to the lowest level in 29 years.

In his review of the season the director of wool marketing Mr J.P.R. van Wyk, said that the average realisation price for the clip was 7 cents a kg higher than the

previous highest price of 176 cents which was recorded during the 1950-51 season. The total value of the clip may also approach the previous highest level of R181,6 million.

Notwithstanding the fact that the average clip realisation is almost 11 per cent higher than last year this barely kept pace with the inflation rate and in real terms hardly equals 25 per cent of the 1950-51 realisation.

It is also apparent that the drought has had a big influence on this year's wool production — the shorn wool production of 98,8 million kg is nearly 4 per cent lower than last year and the lowest since 1949-50.

During the last sales week prices were slightly easier except for long wools of 20 micron which were 2,5 per cent dearer. The market indicator declined three points to

370. Due to a probable change in the shearing pattern there was an over-supply of short wools on the market. A lack of demand resulted in only 10 per cent of the 2 100 bales of Karakul being sold.

Mr Van Wyk expressed optimism that firm market conditions would continue next season which commences on August 30. A recent world-wide survey also indicates cautious optimism.

# Drop in demand for raw wool

31/10/79

The sharp run-down in stocks in the major exporting countries, particularly in Australia, should result in a lower world availability of greasy wool during the 1979-80 season — starting on July 1 — than at any time since 1975-76.

Giving this estimate to the annual conference of

the International Wool Textile Organisation in London Dr R A Richardson, manager of the Australian Wool Corporation's economics department, said that the figure would be lower despite an anticipated increase in Australian production to 710 million kg.

Changes in the availability (production plus stocks) of wool in Australia would have the most significant effect on the worldwide pattern.

"The reduction in Australian stocks represents, in part, improved demand for raw wool," he added.

"With continued

economic uncertainty and perhaps higher interest rates, it is unlikely that processors will move away permanently from a policy of keeping low levels of stocks. Therefore, there may well be some reduction (from current levels) of demand for raw wool during 1979-80 as commercial stocks are once again reduced."

# Beware danger signals says Joubert

## says Joubert

Opportunities for further reform in wool handling in South Africa are limited and growers will now be fully exposed to the stresses and strains of inflationary pressures," Senator G. J. Joubert, chairman of the South African Wool Board, told the International Wool Textile Organisation's conference in London.

He said that the average market price realised this season was about 11 per cent higher than a year ago. This had more or less kept up with the rate of inflation and, theoretically, the profitability of wool farming had not deteriorated. Certain danger signals for the immediate future, however, could not be ignored.

The new marketing scheme introduced seven years ago and the amalgamation of wool brokers enabled the Board to introduce centralised co-ordinated and modernised handling methods which had been very successful in containing cost es-

calation.

"On the other hand, measures were adopted to satisfy the needs of our clients which involved additional expenditure, such as objective measurement and the spreading of offerings."

Senator Joubert said that another problem in the short term was to tailor storage space and handling equipment in accordance with a steadily declining clip. This had resulted in higher cost per unit handled.

Sharply increased freight rates in recent years were, as a rule, discounted in the buyer's bid in the auction room.

"The grower therefore finds himself in a squeeze and he can do nothing about it except to change to alternative types of farming in those areas where it is feasible.

"Unless wool prices increase steadily to make up for these factors, the profitability of wool farming could soon be in jeopardy."

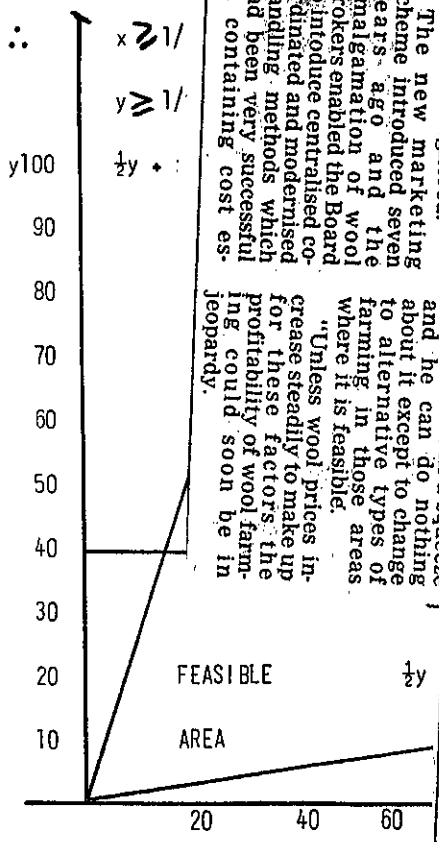
"We cannot expect wool production to increase — or perhaps even to remain at current levels — unless there is some expectation that future market prices will absorb rising costs and provide reasonable remuneration for the producer."

Senator Joubert said that the transition from conventional methods of shipping wool to containerisation had been accomplished satisfactorily. While in July 1977 only 3.4 per cent of the total shipments to European ports was in containerised form, the percentage rose to 65.2 within a year and to almost 81 in the current season.



Sen G. J. Joubert, chairman of the SA Wool Board.

Let  $x$  = c.c. of A  
 $y$  = c.c. of B



Objective function : Contribution

Corner 1  
 2  
 3

Wool 3  
 28/10/77  
 Dr. Sandhumbant

# Drought to blame for poor clip

30/6/79  
Wool 3  
W Supplement

In his address to the IWTO in London recently, the director of the SA Wool Board's Department of Marketing, Mr J. P. R. van Wyk, said the drastic decline in this country's wool clip can be attributed mainly to the droughty conditions throughout the growing season in extensive production areas.

Another feature of the clip, Mr Van Wyk said is the continuing trend towards dual-purpose sheep and mutton breeds. Accurate figures are not available at this stage but a preliminary analysis of offerings points to a 7 per cent decline in the production of Merino style wool, while non-Merino classes and crossbreds show a rise of some 9 per cent.

Whereas five years ago Merino wool represented 78 per cent of the clip, it is now down to 69 per cent.

As is typical under dry conditions, the clip contained less seed and it was slightly finer. The yield remained almost unchanged. Signs of tenderness became evident towards the closing months.

The outlook for 1979-80 is far from clear. Seasonal conditions will of course have a major influence on the clip size. Much will therefore depend on the further duration and intensity of the drought. Even should favourable rains fall in the near future, it is unlikely that conditions will return to normal soon enough to affect fleece weights materially.

The latest estimate of the woolled sheep population (August 1978) shows a slight decline over the previous year while other breeds increased 5.5 per cent.

Sheep slaughterings during the first nine months of the season were 12 per cent higher than during the similar period a year earlier. "The collective effect of the factors mentioned above cannot at this particular point of time, be gauged or quantified. Our first official forecast of the 1979-80 clip will not be available before coming Ausut and in the absence of any reliable and up-to-date information, I regret that no indication can be given to you today regarding expectations for next season. An increase appears to be most likely."

From the opening sales of the season up to the third week in February 1979 auction prices correlated closely with fluctuations in exchange rates. Then followed a real lift in the market



Mr J. R. van Wyk, director of the SA Wool Board's Department of Marketing.

which continued with variations up to the closing sales.

Currency and demand changes were reflected in the market indicator which — see-sawed throughout the season. At the opening sales it was 345. It reached a low point of 337 on December 15, a high point of 377 on March 30 and closed at 370.

Especially during the first half of the season short wool and lambs wool met with exceptional competition and premium prices were paid for these types. Towards the end of the season, however, demand tapered off and prices declined.

Another feature of the market during the latter part of the season was that prices for 20 micron wool and finer did not reach the Australian levels — no doubt on account of the limited quantities available in South Africa and the nature of the offerings towards the end of the season.

In total 689 700 bales were offered compared with 700 000 bales in 1977-78. The shortfall occurred mainly in Cape Town and Port Elizabeth.

Of the total offerings 94 per cent were sold to the trade. In particular demand for Karakul wool was disappointing and only 47 per cent of the new season's clip could be disposed of.

Market prices for all wool sold at auction averaged 187.6 c/kg clean which was 12 per cent higher than the preceding year.

During the course of the season 30 000 bales of stockpiled wool were sold to the trade.

Contr'l b. R3 600 R2 250 R4 230 R4 395

1. Let x = color  
y = black  
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(b) Chas s asse  
(c) Final asse  
(d) Final testi  
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1.e.a. y  
: product  
contr'l

# What measured performance means

In this article Mr. C. V. Pettit and Mr. G. Erasmus, of the SA Fleece Testing Centre, Middelburg, say it is evident that the term "measured performance" is not being understood clearly in its wider context. The article appeared under the heading "measured performance" as an aid to "Hand and Eye" selection for increased production in the quarterly journal of the Merino Breeders' Association.

It is inconceivable that a dispute should have arisen in sheep breeding circles over the use of subjective versus objective methods of selection or that they should be regarded as different concepts when they are so obviously complementary or integral parts of the evaluation process. In the same way that it is important that each method of evaluation be used in the field where it can be most effectively employed, it is important that they are spanned in the right order using objective appraisal as a preliminary selection method to eliminate a limited percentage of animals which do not conform to breed standards and functional requirements before using the scale for the measurement of production traits.

If we consider that the greatest source of income from the commercial sheep enterprise is derived from the measurable properties and that

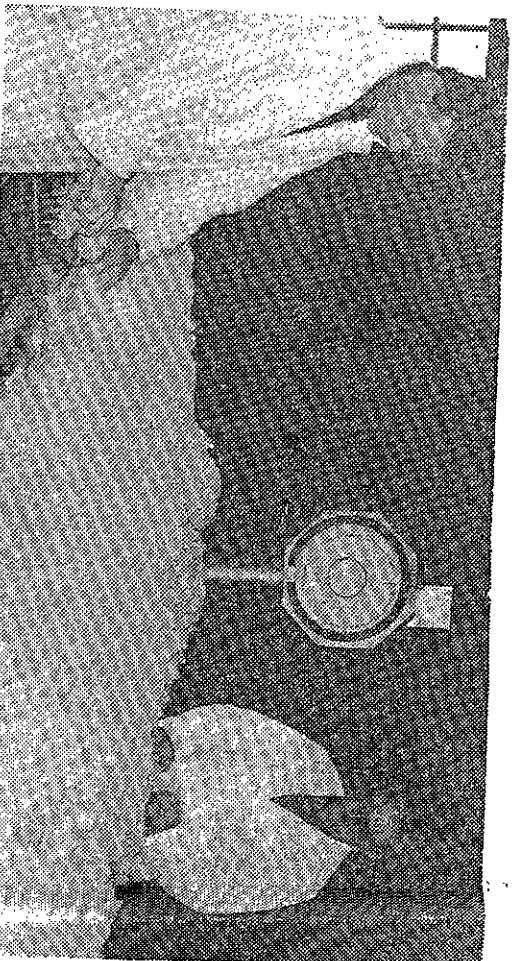
genetic improvement is at best a slow process, then it is obvious that no breeder can afford to disregard any form of evaluation which will contribute to more accurate selection no matter how small the advantage may be. This is true, particularly when only a small percentage of a group of animals is to be retained for breeding as in the case of the selection of replacement sires.

Not only does measured performance aid us in the more accurate selection of the highest producers but it also provides valuable information which enables a breeder to monitor and control genetic changes in respect of specific wool properties such as fibre diameter and crimp frequency/diameter ratios far sooner than would be discernable by visual appraisal only.

The criticism that selection based for example on wool weight can be misleading because of bad shearing although valid in some respects, is equally, if not more applicable to hand and eye selection since uneven shearing at the lamb or hogget stage will result in errors in judgement at the 2-tooth age. Any serious-minded breeder will realise that no method of evaluation is immune to error and will take the necessary precautions to eliminate or minimise mistakes of this nature.

The third and final phase of performance

**A modern shearing table allowing for immediate registration of the fleece weight — an extremely useful auxiliary service in assessing differences between sheep and improving the breeding value of stock.**



testing is unquestionably the most important part and involves the final assessment of all the information provided by both subjective and objective evaluation. Before this can be done, breeding objectives must be clearly defined and the correct weighting for each attribute according to its economic importance must be assessed. In the woolled sheep with its multitude of selection criteria and where selection takes place in large populations this can become an extremely complex task unless the correct procedure is adopted.

Broadly speaking there are two forms of selection, viz. single character selec-

tion or multiple character selection. Single character or tandem selection will result in the greatest possible amount of selection pressure being applied and consequently the most rapid genetic improvement in the character under selection. Other characters will either remain static or will move in one or other direction depending on the genetic correlation with the character selected for. This is not a practical form of selection and would possibly only be applied for a limited time if a quick change in a specific direction is desired and provided there are no serious negative correlations.

In the case of multiple character selection where more than one character is being selected for at the same time, there are two important considerations. Only characters which are related to a worthwhile economic return must be included in the selection programme and equally important the correct amount of selection pressure should be applied to individual characters. The most common form of multiple character selection in woolled sheep is probably what is referred to as independent culling levels. As the name suggests, each character under selection is considered separately, placing a minimum standard of excellence on each and below which an animal is culled irrespective of how good it may be in respect of other characters.

A more precise form of multiple character selection, which can be employed by a breeder, especially where a limited number of animals are to be selected from large groups, is index selection.

measurement of performance are unquestionably to be found in that facet of the selection programme in which the breeder has the sole and final say. The gravest mistake which the unwary breeder can so easily and unwittingly make, is to include too many characters and particularly characters which have a low cash value in the selection programme. The most vulnerable stage at which this usually occurs is during the preliminary or subjective appraisal of breed characteristics and traits considered to have aesthetic value. The yardstick which a stud breeder applies at this level should not differ in any way from the requirements of the commercial sector or flock breeder who is concerned only with the functional aspects of the animals which he breeds from.

1. As genetic improvement is a slow process no breeder can afford to disregard any form of evaluation that will lead to more accurate selection.

2. Only characters which are related to a worthwhile economic return must be included in the selection programme.

3. There are grave issues at stake which require urgent attention if the Merino is to survive in the face of the strong competition from other dual-purpose breeds.

The danger to which a breeder exposes himself in this type of injudicious and extravagant overemphasis of economically unimportant traits is that he can whittle away available selection advantage, his only means of genetic improvement, until it becomes ineffectual or possibly even negative. In this case he may end up with a flock, which though having aesthetic appeal, may have made little or no progress in respect of the

and will laugh and joke about the conducts of a soft supervisor management as tribal justice is severe. It is essential for management to give the African a fair hearing as nothing brings man into greater contempt and dislike than inability to be just and is the fair-minded man who is deeply respected as to the African portrays a strength. To be an object of ridicule is a grave

# Wool winning the image war

30/6/79 3 wool staff

Wool producers will be pleased to hear that wool is winning the "image war" and that the consumers' understanding and appreciation of the qualities of the fibre have probably never been higher.

This comforting news comes from the managing director of the International Wool Secretariat, Mr Gerald Laxer.

Mr Laxer told industrialists in London that a separate and distinct identity had been established for wool in the minds of garment and carpet manufacturers, retailers and consumers. He said that everyone was aware that wool had certain aesthetic properties which had not been successfully copied by its imitators.

"However, no-one in this industry should forget that the synthetic fibre manufacturers are constantly trying to belittle the differences, to blur the image of wool, to suggest that some new modification their products has all the answers."

The IWS sought to ensure that wool was widely recognised as a fashionable, modern, high-quality product through the quality control aspects of the Woolmark and Woolblendmark programmes, research and development, fashion advisory services and advertising.

"The most clear-cut evidence that this fight is being won is the premium price that is paid for wool over synthetics," he

added. "That premium — which is absolutely essential for the survival of the woolgrowing industry — has increased substantially over the years."

The swing back to natural fibres had now lasted for several years. The consumer was much more aware of the shortcomings of synthetic fibres and also of the rather special properties of wool and other natural products — something previously taken for granted.

Dr Laxer said that the increased volume of wool being sold in chain stores — particularly in Japan, Britain and the US — under the Woolmark and Woolblendmark labels had been one of the big international successes for wool over the last two or three years. He emphasised that promotion should continue at a high level. For every dollar the IWS spent on promotion, its partners in industry contributed about 94c. Also, advertising by manufacturers and retailers, without IWS contributions, brought an additional dollar to the one spent by the IWS.

"Regular IWS surveys of business opinion within the wool textile industry shows that management is generally more optimistic than was the case six months ago. This reflects the improvement in activity in the early part of 1979. However, the industry remains cautious about the future. It expects business to remain the same rather than to increase in the short term. This view is in line with that of IWS economists, Dr Laxer said.

# Wool Board pays Star 5/7/79 3-wood producers R13,8m

uitbreiding van personeel het ons die huisie op die laer

By Stephen Suckley

Final payments to wool producers for an amount of R13,8m were announced by the Wool Board today.

Of this total amount R1,0m made up interest on agterskot (final) payments and the balance formed the net final payment.

## EARLY

The board has managed this year to get the final payments out 11 days ahead of last year's date, which will no doubt please the producers.

The board has also announced the final realisation for the past season's clip. This amounted to

R181,4m — R11,7m higher than last year and was achieved despite a smaller clip.

In terms of value the past season's production almost equals the value of the record 1950/51 clip.

## NOT ROSY

The greasy wool price increased by 13,6c a kg to 183,6c.

As the chairman of the board, Senator Gideon Joubert, points out, the wool producers final position is not as rosy as the price increase in real terms would seem to indicate.

The increase in the market price barely kept pace with inflation and rising production costs.

Die Direkteur

(c) Deelname aan Welsyns-Professionele en Openbare Organisasies

Konferensie van die Afrikaanse Calvinistiese Beweging, Potchefstroom (Oktober).

Memorite Central Committee se Konferensie oor: 'Die Rol van Geskiedkundige Vredeskerke', Gaborone, Botswana. Verhandeling voorgelê oor: 'The Role of Churches in Promoting Justice in Southern Africa' (Oktober).

14

navorsings-Fellows het aansienlik tot die Sentrum se program bygedra: dr Sheila T. van der Horst, afgetrede mede-professor van Ekonomie, U.K., en professor J.L. Boshoff, gewese Rektor van die Universiteit van die Noorde.

## LIDMAATSKAP

a) Drie stigterslede:

Mnr J.G. Benfield  
Mnr H.L. Kennedy  
Mnr P.G.T. Watson

b) Sewentien persone wat gedurende die afgelope 10 jaar lede van die Beheerraad was (\* dui stigterslede aan):

Professor E.V. Axelsson  
Professor J.F. Beekman  
Professor J.F. Broock  
Mnr C.S. Corder  
Professor W.H.R. Dean  
Dr J.P. Duminy  
Professor G.F.R. Ellis  
Biskop A.W. Habets  
Mnr E.V.E. Howes  
Professor M.F. Kaplan  
Ds. W.A. Landman  
Mnr G.K. Lindsay  
Sir Richard Luyt  
Professor S.J. Saunders  
Professor H.W. van der Merwe  
Mede-professor D.J. Welsh  
Professor Monica Wilson

3

# BUSINESS

## Better wool prices

3 wool  
16/1/79  
JBL

### Own Correspondent

Wool farmers, hit by volume of woollen goods have benefited from rising wool prices.

The director of wool marketing of the Wool Board, Mr. J. P. R. van Wyk, says in the latest edition of the board's bulletin, Wool News that because of the drought, this season's wool production of 98,8m kg was about 4 percent lower than last year and the lowest since 1949-50.

The average realisation was 7c a kg higher than the previous highest price of R1.76 recorded during the 1950-51 season. It was 11 percent higher than last year, but it had barely kept pace with the inflation rate and in real terms hardly equalled 25 percent of the 1950-51 realisation.

The price is still rising, however. Wool is winning the war against synthetic fibres and the increased volume of woollen goods sold in the retail trade in many countries has led to a rising demand by the textile industry. At the same time, stocks in Australia and South Africa are low.



3. Wood 11/8/79

# Voorskot up as board says wool slump unlikely

PRETORIA — The average voorskot price for the South African wool clip has been increased to 285c a kg for the 1979-80 season.

The Wool Board announced that the Minister of Agriculture had endorsed the board's decision to increase the average voorskot from 255c a kg the previous season by 30c a kg on a clean wool basis for the coming season.

In the light of available information on the expected supply of wool and the anticipated demand,

as well as the possible influence the energy crisis may have on economic growth rates in wool-consuming countries, the Wool Board has decided a slump in the market this season is unlikely. In the light of marketing prospects and the board's policy to fix the voorskot as near as practically possible to the expected realisation price, the new season's voorskot was increased appreciably by 11,8 per cent.

The influence that changes in rates of exchange could have on the

local wool price remains unpredictable. This has to be taken into account.

Producers' attention was also drawn to the fact that inter-type price adjustments have been made in line with market performance over the past three seasons.

The price for all types will not be increased by the 11,8 per cent of the average voorskot. For some types the increase will be slightly more, and for others slightly less than the average increase.

SE  
(Geregist. I)

P/a D

Les

Telef.

Gedurende die e  
Sentrum vir Int.  
sy werksaamhede  
verjaarsdag op  
in 1977 vervan

DIE OORSPRON

Die Sentrum wor  
Bailey-trust wa  
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Garansie) - 'n m  
n aandele-kapit  
Nr. 61 van 1973.

INTRODUCTION

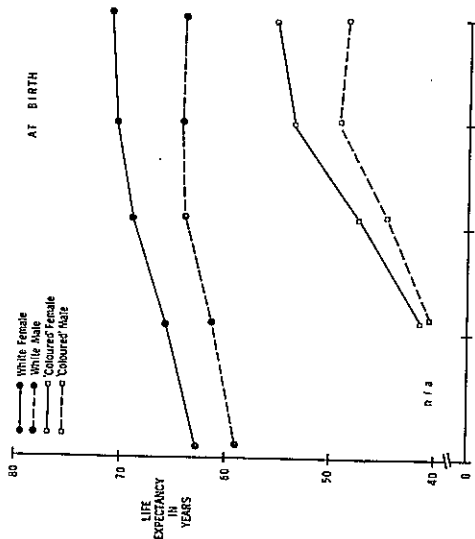
In South Africa the analysis of mortality data is of particular importance since, apart from the notification of certain predominantly infectious diseases and a recently instituted collection of hospital inpatient statistics<sup>1</sup>, (primarily for national accounts purposes), no morbidity data is collated on a routine basis at national level.<sup>14</sup> The limitations of mortality statistics have already been mentioned, and when it is provided only one aspect of the overall community, then the analysis of routine deaths occurring in a defined population the planning, implementation, surveillance services.

SOURCES OF DATA

Information about the number of deaths or cause, age and sex is published annually. These reports appear after a delay of several years, the latest available at the commencement of two series, one for whites, Asians and 'coloureds', and one for Africans for select comprise the main urban areas.<sup>3</sup>

In 1974, there were 34 974 white, 4 795 A deaths in a population of 4 155 000 whites 'coloureds',<sup>4</sup> death registration is virtually total African population for the whole country. On the basis of a crude death rate in 1970 Africans for the country as a whole,<sup>5</sup> one in 1000. Since the Births, Marriages and Deaths Register<sup>6</sup> the registration of African deaths is Bantu Administration and Development or its Bantu Reference Bureau registered about 130 000 report for the selected urban areas accounts about 100 000 residual deaths 'are not categorized

Fig 6 Life Expectancy - Whites and Coloureds



**KARAKUL CLIP**  
**Shearing profits**

3. W. 221  
F 31/8/74

SWA/Namibia's political situation may be causing concern, but the territory's karakul clip is bringing some smiles.

This year's export earnings are estimated at R75m, compared with R59m last year. Prices at the last London auction in July moved sharply up to R17.15 a pelt from R12.24 12 months ago. Two further auctions will be held this year. The clip produced 4,66m pelts, also slightly higher than last year.

Karakul Board GM Tokkels van Wijk attributes higher earnings to slim-look fashions, and he reckons demand for swakara (karakul) should continue at present high levels for some time.

The major market for pelts is still West Germany, which imported a total of 3.5m skins in 1978. Japan is a new and growing source of revenue. Major competition is from Russia and Afghanistan, but south-

ern African producers remain the major exporters. Karakul wool is benefiting from the oil crisis. As synthetic fibres become more expensive and heating costs rise, karakul is expected to become popular for soft furnishings. SWA/Namibia's wool output is expected



Karakul on display . . . slim looks, fat profits

to rise fractionally to 4.63m kg in the marketing season which begins in September. Prices last season averaged around 68.5 c/kg, and receipts totalled about R3,14m. With world demand for wool static, farmers' income is not expected to move sharply over the next 12 months. Worldwide demand for all types of wool is likely to drop by around 1% in 1979-80, but production could drop by up to 4%. Prices are therefore expected to remain firm.

	W		A		C		B	
	M	F	M	F	M	F	M	F
0-1	0,17	0,13	0,00	0,21	0,05	0,16	0,04	0,06
1-4	0,03	0,07	0,07	0,00	0,07	0,05	0,03	0,04
5-24	0,09	0,05	0,07	0,05	0,06	0,04	0,05	0,04
25-44	0,26	0,33	0,21	0,26	0,54	0,56	0,34	0,36
45-64	3,01	2,58	1,47	2,19	5,10	2,68	2,32	1,91
65+	12,24	7,26	4,70	5,18	12,59	7,51	6,16	4,10
ALL	1,41	1,21	0,36	0,43	1,03	0,69	0,58	0,45
NO.	2920	2522	126	152	1170	809	3472	715

TABLE I

MORTALITY RATES FOR THE 17 MAJOR DISEASES IN THE 17 MAJOR DISEASES (DATA REVISION)

tries down by around 33% - Australia holding about 250 000 bales and SA about 50 000 at the start of the season - total world-wide supply should shrink by about 3% to 4%, in line with projected demand.

Between them these two countries held about 1m bales at the beginning of last season, but Van Wyk says he does not anticipate the Board being left with large stocks at the end of this season.

Meanwhile, Van Niekerk stresses that total income for the season, which ends on May 29 next year, will ultimately depend on the vagaries of the exchange rate. If the rand depreciates, the wool price will jump accordingly. But, he adds, forecasting exchange rates under current world conditions "is worse than playing roulette."

(Note: There are no tabular data for the small number of the small number because of the small number of the small number.)

I	W		A	
	M	F	M	F
0-1	1,99	2,2	2,81	
1-4	0,16	0,13	0,76	
5-24	0,02	0,02	0,07	
INFECTIVE	0,06	0,03	0,17	
	0,14	0,78	0,36	0,45

III ENDOCRINE, NUTRITIONAL AND METABOLIC DISEASES

	W		A	
	M	F	M	F
0-1	0,09	0,05	0,06	0,21
1-4	0,03	0,01	0,00	0,05
5-24	0,01	0,01	0,01	0,01
25-44	0,02	0,02	0,08	0,08
45-64	0,09	0,12	0,39	0,88
65+	0,39	0,59	1,61	2,59
ALL	0,05	0,08	0,12	0,18
NO.	114	173	43	63

WOOL PRICES

Will they hold?

Wool prices

This year's wool sales, which began at the end of August, got off to a good start. Average prices were 11,4% higher than at the same time last year and income so far is estimated at around R8m.

Although it is still too early to judge the quality of this year's clip (there are over 1 200 types of wool on offer and only half of these have been on view so far), demand has been "very good," reports Wool Board economist Fred van Niekerk, and 5,2m kg, or 98% of offerings, has been sold. The market indicator of merino prices equalled the record 388c/kg during the week mainly because of higher prices for finer grades of wool.

The Board's marketing director in Port Elizabeth, Jan van Wyk, reckons the firm demand at the start of the season is largely attributable to the depreciation of the rand against European currencies, which has made SA wool prices comparatively cheaper. However, demand for the season as a whole is expected to be lower than last year's, and annual income may not exceed the previous R181m, says Van Niekerk.

Wool experts expect a slightly softer market in the latter half of the season, largely due to anticipated slowdown in the economies of western European countries and the US. Since the former region takes up to 80% of SA's total clip, demand can be expected to fall off early next year. The textile industry is usually one of the first casualties of a recession, Van Wyk points out.

However, higher oil prices are, at the same time, pushing up the production costs of synthetic materials, thereby boosting wool's competitive edge.

According to latest estimates, SA's clip is expected to be about 1% down on last year's 98,8m kg, while Australian output is forecast to rise by about 1% to 2%. However, with stocks in producer coun-

Financial Mail September 28 1979

can banker: "One assumes that those firms that have not already switched cannot do so because of exchange control restrictions on local borrowing."

Smaller importers who do not have access to local acceptance finance are still borrowing overseas, at a fully covered rate of roughly 10,5%.

The consensus is that a small increase in the forward margin to, say 3%, would serve no useful purpose because of the remaining wide interest rate differential. And a 7% margin is unlikely, because of the effect on exporters.

## WOOL BOARD <sup>③</sup> Wad pm 31/8/74

### The shears are out

Over half a dozen pricing systems apply in the 20 or so controlled marketing schemes for farm products. The battle continues over which is best suited to the needs of the wool industry.

The Sheep and Wool Producers' Union (SWPU), under the leadership of Gerrit van Schalkwyk, broke away from the National Wool Growers' Association (NWGA) in 1976, urging a return to the pre-1972 floor price system of wool sales. The dispute has now come to court, and is being vigorously opposed by the Wool Board, the NWGA and Agriculture Minister Hendrik Schoeman.

Under the ruling "pool" system, the Board takes over the entire wool clip, paying the farmers a *voorskot* before auctions, and an *agterskot* at the end of the season. Van Schalkwyk wants the less restrictive floor price system, claiming that the *voorskot* has always, of necessity, been conservative. This, he reckons, has tied up massive amounts of farmers' working capital — up to R200m during the first 5 years of the pool scheme — and stifled the development of the industry.

He reckons that each farmer should market his own product, but should be guaranteed a floor price for unpurchased or surplus wool. Van Schalkwyk claims to have massive support from producers, and talks of a meeting in Queenstown which 400 farmers attended. Only 14 were against his proposals, he claims.

The SWPU has conceded in court that the 1972 ruling which began the pool system can not be reversed by a court. But, it argues that the Minister acted contrary to marketing legislation by not testing the opinions of wool farmers. Judgement has been reserved.

The Wool Board has responded by claiming that the SWPU is not a properly constituted body and that Van Schalkwyk has no right to insist on a reversal of the 1972 ruling. Although NWGA president Pieter van Rooyen admits that, in 1973, price averaging under the pool system

## PART 2 1974

### INTRODUCTION

In South Africa the analysis of mortality data is of particular importance since, apart from the notification of certain predominantly infectious diseases and a recently instituted collection of hospital inpatient statistics<sup>1</sup>, (primarily for national collated on a routine basis at mortality statistics have already limitations are accepted, and provides only one aspect of the community, then the analysis deaths occurring in a defined the planning, implementation, services.

### SOURCES OF DATA

Information about the number, cause, age and sex is published. These reports appear after was the latest available: two series, one for white country, and one for Africans, comprise the main urban areas.<sup>3</sup>

In 1974, there were 34 974 white, 4 795 Asian and 24 479 'coloured' deaths in a population of 4 155 000 whites, 709 000 Asians and 2 368 000 'coloureds'.<sup>4</sup> death registration is virtually complete. The estimated total African population for the whole country for 1974 was 17 772 000.<sup>4</sup> On the basis of a crude death rate in 1970 of 10,3 per thousand for Africans<sup>5</sup>

by statistics. report are are the whole cts which

meant that farmers lost money, he says congress decisions indicate that the majority of NWGA members prefer the pool method. "We have been consulting with members and there has been little or no opposition," he reckons. "The Association is quite prepared to accommodate the grouses of the small break-away minority as long as they accede to the democratic wishes of the majority." However, Van Rooyen insists that an orderly market is more important than a free one. "In this case," he adds, "we have to subjugate the rights of the individual in order to maintain the bargaining powers of the industry."

# Minister lauds tanning industry

**KING WILLIAM'S TOWN** — The increased use of raw materials such as animal hides is a vital necessity to the well-being of all South Africans, Mr Hendrick Schoeman, Minister of Agriculture, said here yesterday.

Opening a new R1,2 million extension to the King Tanning Company, Mr Schoeman said increased job opportunities arising from industrial processing of South African raw materials is of great importance to the country.

Referring to the tanning industry, he said to convert a raw hide from the abattoir to a salt-cured hide involves approximately 50c a hide in wages.

"By the time the same hide has been taken to the

next stage, called the wet blue, a total of almost 110c will have been expended in wages.

"When the tanner has made completed leather from the hide, a total of nearly 290c has been paid out in wages.

"By the time 15 pairs of shoes have been made from the hide, about R40 has been paid out in wages alone.

"If one considers the additional use of local chemicals, the increased employment opportunities and the value of import replacement, it becomes clear why the motivation of the industry to use our own raw materials is of such great importance to our country."

Mr Schoeman said the government had introduc-

ed a subsidy scheme for tanneries based on the mass of hides processed in 1974.

"The aim was to revitalise the tanning industry to take up more South African hides. A further benefit would be to make us less reliant upon imports.

"The results were excellent."

He said since the subsidy was introduced, payments to the tanning industry had risen from R820 000 to R2,8 million in 1978-79.

"We believe that a side effect of the subsidy was the increase in the export of wet blue or semi-processed hides from nil in 1973-74 to a high point of about 330 000 hides in 1976-77," he said. — DDC.

Clamp  
on wool  
racket

105  
3 Wed  
11/4/79  
AD

UMTATA — Transkei's wool-sellers are being hoodwinked into selling their products to bogus agents claiming to be buyers for the central wool brokers in Butterworth.

Several sellers have been left with bounced cheques, and now the Transkei Government is clamping down on the racket.

Transporters and buyers of wool, hides and skins in Transkei will have to apply for permits from December 1, Agriculture Minister, Mr S. K. Ndumiso, said yesterday.

Transkei has an agreement with South Africa stipulating that anyone exporting wool, hides and skins from Transkei, or transporting them through Transkei from South Africa, needed a permit.

After December 1, buyers and transporters will have to apply for a permit. — DDR.

# Border wool sets SA record

EAST LONDON — A record South African wool price was realised at the wool sales here yesterday when a bale of superfine wool weighing 123 kg was sold for R10 a kilogram.

Bidding started at 405c a kg and then jumped by 50c a bid.

The wool, shorn from young merino sheep, was produced by Mr Dave Arnold and his father, Mr A. S. Arnold, of Saxonholm farm Cathcart.

At a previous sale in East London this year Mr Arnold and Son received the then record price of 410,50c a kilogram. This bale of wool was produced on the Boomerang farm in the Haga-Haga district.

The bale of wool sold yesterday was bought by Masarel Mills (Pty) Ltd, East London, on behalf of Joseph Lumb and Sons, worsted spinners in Huddersfield, England. The wool will be used to produce quality cloth known as Lumb's Huddersfield Super 100's cloth.

A spokesman for the overseas spinners, Mr Antoine Houze, said the super 100's cloth is threatened by the agricultural situation in Australia and South Africa where many wool growers are forced into giving up their traditional flocks of sheep and converting their lands into production of other crops.

Another Border finewool producer, Mr D. Wright, of Wistoe farm, Albany, sold one bale of wool at 410c/kg.

"Yesterday's finewool prices clearly indicate the future of this type of wool. Last year only ten bales from the SA wool clip could qualify for the Super 100's cloth," he said.

Saxonholm has a "closed" stud.

"Stud and flock animals live entirely off the veld and receive no supplementary feeding whatsoever — not even green-land grazing during the lambing period," Mr Dave Arnold said. — DDR.

Other wool prices, page 2



REPUBLIC OF SOUTH AFRICA  
GOVERNMENT GAZETTE

STAATSKOERANT  
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Vol. 174]

PRETORIA, 21 DECEMBER 1979

[No. 6789

PROCLAMATION

by the State President of the Republic of South Africa

No. R. 303, 1979

WOOL SCHEME.—AMENDMENT

Whereas the Minister of Agriculture has, in terms of section 9 (2) (c), read with section 15 (3), of the Marketing Act, 1968 (Act 59 of 1968), accepted the proposed amendment as set out in the Schedule hereto, to the Wool Scheme, published by Proclamation R. 155 of 1972 and has, in terms of section 12 (1) (b) of the said Act, recommended the approval of the proposed amendment;

Now, therefore, under the powers vested in me by section 14 (1) (a) read with the said section 15 (3) of the said Act, I hereby declare that the said amendment shall come into operation on the date of publication hereof.

Given under my Hand and the Seal of the Republic of South Africa at Durban this Seventh day of December, One thousand Nine hundred and Seventy-nine.

M. VILJOEN, State President.

By Order of the State President-in-Council:

H. S. J. SCHOEMAN.

SCHEDULE

The Wool Scheme, published by Proclamation R. 155 of 1972, as amended, is hereby further amended as follows:

1. The following section is hereby substituted for section 34:

"Registration of certain persons

(1) No person shall deal with wool in the course of trade in the Republic, unless he has been registered with the Board.

(2) No person shall be so registered unless he has complied with the requirements (if any), prescribed by regulation.

(3) The Board may, with approval of the Minister, prescribe the procedure in connection with the consideration of such registration.

17423—A

PROKLAMASIE

van die Staatspresident van die Republiek van Suid-Afrika

No. R. 303, 1979

WOLSKEMA.—WYSIGING

Nademaal die Minister van Landbou kragtens artikel 9 (2) (c), saamgelees met artikel 15 (3), van die Bemarkingswet, 1968 (Wet 59 van 1968), die voorgestelde wysiging in die Bylae hiervan uiteengesit, van die Wolskema, afgekondig by Proklamasie R. 155 van 1972 aangeneem het, en kragtens artikel 12 (1) (b) van genoemde Wet goedkeuring van die voorgestelde wysiging aanbeveel het;

So is dit dat ek kragtens die bevoegdheid my verleen by artikel 14 (1) (a), saamgelees met die genoemde artikel 15 (3) van genoemde Wet, hierby verklaar dat die genoemde wysiging op die datum van publikasie hiervan in werking tree.

Gegee onder my Hand en die Seël van die Republiek van Suid-Afrika te Durban, op hede die Sewende dag van Desember Eenduisead Negehonderd Nege-en-sewentig.

M. VILJOEN, Staatspresident.

Op las van die Staatspresident-in-rade:

H. S. J. SCHOEMAN.

BYLAE

Die Wolskema, afgekondig by Proklamasie R. 155 van 1972, soos gewysig, word hierby as volg verder gewysig:

1. Artikel 34 word hierby deur die volgende artikel vervang:

"Registrasie van sekere persone

(1) Niemand mag in die Republiek met wol as 'n besigheid handel nie, tensy hy by die Raad geregistreer is nie.

(2) Geen persoon word aldus geregistreer nie, tensy hy voldoen het aan die vereistes (indien enige) by regulasie voorgeskryf.

(3) Die Raad kan met die Minister se goedkeuring die prosedure in verband met die oorweging van sodanige registrasie voorskryf.

6789—1



AGRIC. - WOOD

1-1-80 - 31-12-80

3 (wool)

Hansuds 1980

3 (Wool)

Hansard

8 August 1980

27/3/80

South African Wool Board: investment  
 499. Mr. R. J. LORIMER asked the Minister  
 of Agriculture:

(a) With which financial institutions was  
 the amount of R31 621 629 invested  
 which is reflected in the balance sheet  
 contained in the Annual Report of the  
 South African Wool Board for 1977-  
 '78 and (b) what amount was invested  
 with each institution?

The MINISTER OF AGRICULTURE:

(a) Bank of Johannesburg, Mercabank,  
 Bank of the O.F.S., U.D.C. Bank,  
 Trust Bank, Finansbank, French Bank,

FRIDAY, 28

Boland Bank, Bank of Lisbon, Ned-  
 bank and Senbank.

(b) The amounts vary between R600 000  
 and R4 000 000. For business reasons  
 the S.A. Wool Board would prefer  
 that the amount invested with each  
 bank at the time not be disclosed.

9(572)

Farm schools

16/4/80

510. Mr. H. E. J. VAN RENSBURG asked the Minister of Education and Training:

- (1) How many farm schools were there in the Republic in 1977, 1978 and 1979, respectively;
- (2) what was the total subsidy paid from State revenue sources in respect of these schools in each of these years?

The MINISTER OF EDUCATION AND TRAINING:

- (1) The reply to your question is contained in my Department's Annual Report for 1979 (Table 1.1.1) and is as follows:

1977 : 4 397  
1978 : 4 556  
1979 : 4 734

- (2) 1977—'78 ± R14 672 000  
1978—'79 ± R19 140 000  
1979—'80 Particulars will only be available towards August 1980.

These amounts represent expenditure in respect of salaries of teachers, furniture, books and other school requisites and school buildings.

Hansard 8

Quest. 01 - 543

3

28/3/80

547

FRIDAY, 28 MARCH 1980

(943)

Farm schools  
28/3/80

503

511. Hr. H. E. J. VAN RENSBURG asked  
the Minister of Education and Training:

How many pupils in each standard  
attended farm schools in the Republic in  
1977, 1978 and 1979, respectively?

The MINISTER OF EDUCATION AND  
TRAINING:

The reply to your question is contained  
in my Department's Annual Reports for  
1977, 1978 and 1979 and is as follows:

	1977 (Table 3.3.1)	1978 (Table 2.5.1)	1979 (Table 2.5.1)
Sub A .....	128 734	126 455	129 860
Sub B .....	90 409	92 618	95 225
Std 1 .....	73 557	76 417	80 791
Std 2 .....	46 641	49 350	52 813
Std 3 .....	33 456	35 752	39 158
Std 4 .....	20 217	22 240	24 070
Std 5 .....	11 797	12 363	14 201
Std 6 .....	4 535	4 833	3 217
Std 7 .....	—	57	60
Std 8 .....	—	—	48
Total .....	409 346	420 085	439 443

Hand and 8 Quert Col 538

4

28/3/80

B(538) Farm schools 28/3/80 3 50

422. Mr. H. E. J. VAN RENSBURG asked the Minister of Education and Training:

- (1) How many (a) farm schools, (b) farm school teachers and (c) farm school pupils were there in the White areas of the Republic at the end of 1979;
- (2) what was the *per capita* expenditure, (a) including and (b) excluding expenditure of a capital nature, on farm school pupils during 1979?

The MINISTER OF EDUCATION AND TRAINING:

- (1) (a) 4 734 (Table 2.3.1)
- (b) 9 219 (Table 2.4)
- (c) 436 118 (Table 2.5.1)

The statistics are as on the first Tuesday of March 1979 and contained in my Department's Annual Report.

2(a) and (b) The information is not available. It is not possible to identify all expenditure according to school categories. The *per capita* expenditure in respect of all pupils for the 1978-'79 financial year, is as follows:

539

FRIDAY, 28 MAR

excluding expenditure of a capital nature; R68,15  
including expenditure of a capital nature; R71,28.

③ Wool pm 3/2/80

## WOOL AND MOHAIR Good and bad

The current strike of Australian wool handlers will not significantly benefit the SA wool industry unless it continues for another week or so. This is because, as Wool Board GM Faan van Wyk points out, most consumer countries carry up to a month's stocks of raw materials.

However, the local industry seems to be doing well enough on its own. The wool cheque so far this season has risen to R120m, compared to total revenue of just over R180m in the previous season, with four months left in which to trade.

Some 55m kgs have been sold so far this season, against 98,8m kgs last year, with the firm trend in prices continuing at this week's sales. Total income is expected to exceed last year's, and the market indicator of prices has risen from an average 351 c/kg last year (and 340 c/kg at the end of January 1979) to 405 c/kg at last week's sales.

Earlier forecasts put revenue slightly below current estimates because of the slowdown in major world economies, but the continuing rise in oil prices has been forcing up the costs of competing synthetic fibres.

Van Wyk reckons world political conditions have led to burgeoning prices in most commodities, while the forecast drop of about 2% to 3% in total world wool production has also influenced prices. South American producers are reported to be holding back on wool sales as a result of rising inflation and deteriorating ex-

### Investment Conference

The FM's annual International Investment Conference — the big event on the investment scene — will be held this year on November 13 and 14 at the Carlton Hotel, Johannesburg.

Diarise these dates now. And remember that last year's record attendance put severe pressure on accommodation. "Investment in 1981" is a must for the business community.

change rate conditions.

The single major problem in the otherwise healthy wool industry at present is the extreme drought conditions which have been prevailing in the north-western Cape for the past three years.

Last week Minister of Agriculture Hendrik Schoeman made an attempt to solve the problem by announcing subsidised feeding programmes in the region. Farmers are to receive a subsidy of R2 per small stock unit per month for 1 000 units of stock. Of this amount, half will be contributed by government and the other portion will be granted to farmers as a 5%

loan.

Wool Board officials point out that since the 1976/77 season, production from the region has dropped by more than 30%.

Meanwhile, revenue from the SA mohair clip in the winter season which ended last December was 24% down on the previous summer season, according to Mohair Board marketing manager Johan



Mohair . . . coming back  
into fashion

Engelbrecht. But this fall, he says, is a "return to reality" in the industry.

Prices in the previous season shot up to record levels of 1 340 c/kg, largely as a result of generally booming commodity prices, but they have now fallen to an average price, for the season just ended, of 932 c/kg, with a low of around 840 c/kg.

Almost 2,3m kgs of mohair changed hands at the seven sales during the season, earning R23,5m against R31m in the previous summer season.

Engelbrecht reckons that prices began to fall at the end of the previous season as consumer resistance to high prices mounted and as costs of storage of the relatively small amounts of mohair available continued to increase.

Latest fashion ranges in Europe, however, indicate a return to consumer popularity for mohair. Marketing of the summer clip, which begins on March 4, should therefore present no problem, he says.

Production conditions in the eastern Cape during the winter growing season were "not all that good," says Engelbrecht, because of the drought, although quality improved somewhat in the last few sales of the season.

Total production was 2,8m kgs — 16% up on the same period in 1978 and 7% higher than in the summer season. Engelbrecht thinks the rising trends in production indicate that it could reach the record levels of 1966 — some 6,4m kgs — by next year, but he adds that demand will be more than adequate. Total world production by then, he says, will still only be half what it was 15 years ago.

Almost the entire local mohair clip is exported each year and the major markets are the UK, Spain, Italy, France and Japan.

Hansard 3 Quest Col 150  
29.2/80

3(Wool)

**South African Wool Board: investment**

275. Mr. D. J. N. MALCOMESS asked  
the Minister of Agriculture:

- (1) Whether the amount invested by the South African Wool Board as at 30 June 1978 over the short term is still invested; if so, (a) with which financial institutions and (b) (i) what amount is invested with each institution and (ii) at what rate of interest;
- (2) whether it is the intention of the Board to distribute this money to wool farmers in the near future; if so,
- (3) whether any money will be retained; if so, for what purposes is it required?

The MINISTER OF AGRICULTURE:

- (1) No.
- (1) (a) and (b)(i) and (ii) Fall away.
- (2) and (3) Fall away.



10/13/80  
26  
3 word

# Call for pledge on EL wool port

CATHCART — The honorary British Consul in East London, Mr Tom Peters, has called for a categorical statement from the authorities on the future of East London as a wool port.

Opening the show here, he urged the sheep farmers to help by insisting on this through their brokers.

"In recent years we have been extremely worried whether East London would remain a wool port, but we are enjoying support from the surrounding Border areas," he said.

Mr Peters said he was aware the conglomerate of wool brokers had certain options on land in the Berlin area, but because they had not exercised the options for so long, it had affected the stability of the area and had militated against industry being set

up in the Border.

"There has been doubt by some people that the port of East London is not suitably equipped to handle the modern concept of shipping, but I can assure you importers and exporters need have no fear about this. Their commodities are being handled efficiently from the port."

Mr Peters said the Quail Commission report was far reaching and would have the support of all who live in the area.

"I believe in the concept that economic growth of the Border area should develop as a single economic entity," he said. "The farming community has an obligation to provide food for the population."

He said wool could go a long way in creating a single economic development. — DDR

RSM 10/3/80  
**Extra R19m for wool**  
 ③ wool

PORT ELIZABETH. — The chairman of the Wool Board, Mr Pieter van Rooyen, says the board will pay an additional R19-million in the form of an increased voorskot to wool-growers.  
 Producers will receive an interim payment of R16-million on wool valued for voorskot

purposes up to February 29. The interim payment will amount to an average of 12% on the initial voorskot. On wool valued after February 29, an average of 12% will be added to the voorskot, which will bring the total additional payment to more than R19-million. — Sapa.

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL	14210
1523377	MAGDOLE	DUNNIE	110120	FRANCA I	ARS	1523377
1523660	POUROND	JENNIFER SOLANGE	115101	FRENCH I	F (45)	1523660
* TOTAL NUMBER OF STUDENTS						2
DEAN						
REGISTRAR (ACADEMIC)						

UCST

Wool <sup>3</sup> Wool

Board

counts

its <sup>WJM</sup> 26/3/80

losses

Pretoria Bureau

THE Chairman of the Wool Board, Mr Pieter van Rooyen, said yesterday that 97c out of every rand invested with the Rand Bank had been repaid to the board.

He was grateful that there had been a capital loss of only three cents per rand — a total of R92 100.

But there had been a loss of interest from February 1977.

The loss of interest depended on the basis of calculation used, Mr Van Rooyen said.

Based on realistic interest rates and the statutory regulation which prescribes that the loss of interest should be calculated at 11%, the board calculated a theoretical loss of R520 000.

Addressing the Transvaal congress of the National Wool Growers Association (NWGA), Mr Van Rooyen said that during the 1977 NWGA congress his predecessor, the late Senator Gideon Joubert, informed wool producers that an investment of R3 070 000 with Rand Bank was at stake because of the bank's financial difficulties. Senator Joubert had also said that it was highly improbable that the industry would suffer a capital loss, but that there might be a loss of interest.

Mr Van Rooyen said: "Unfortunately it took more than two and a half years to settle Rand Bank's financial problems, and finality on the board's investments had only been reached during October, 1979."

Rand Bank was placed under curatorship in January, 1977 and absorbed by Bankorp last September.

He said the board was a business concern and normal business risks had to be taken. The greatest care was taken in the investment of such funds and it was standing practice to take advice from highly-respected financial experts before investments was made.

**Just too late**  
*M 24/3/80*

**Wool**

The three month strike of Australian wool warehousemen finally ended this week with sales due to resume on Wednesday. Unfortunately, the SA sales season is too far advanced for local producers to take advantage of the world wool shortage which has resulted.

There were no wool sales in Australia for the last five weeks and some Japanese wool users were being forced to cut back on production. It was only because the Australian marketing system is different from that of, for example, South Africa, that any wool left the country at all. Local experts point out that normally up to 20% of sales in Australia have taken place "in the bush" as direct sales from farmers to agents.



**Wool wealth . . . not for world markets**

Because of the strike, observers reckon, the bulk of trading switched to this informal sector, with the result that some 50 000 to 60 000 bales still left the country every week through the back door, compared to exports of around 120 000 bales a week in normal times.

Unfortunately, Wool Board spokesmen say that almost 75% of the year's wool clip had been sold by this week. And with the season coming to an end in late May it is unlikely that sales could be stepped up in time to take advantage of the higher prices as a result of the stoppages.

At the same time, say local traders, the market indicator of prices slipped a couple of points over the past week and stood at 415c/kg, partly as a result of the firmer rand against some European currencies.

The wool cheque at the end of last week was just short of R162m — about 15% higher than at the same time last season, and about 74,4m kg of the expected 100m kg clip had been sold. With the announcement earlier in the month of an additional payment of R19m to farmers, the total revenue of the producers so far this season stands at more than R160m.

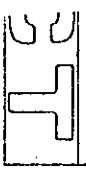
DEAN

REGISTRAR (ACADEMIC)

\* TOTAL NUMBER OF STUDENTS 7

STUD13-9 — EXAMINATION RESULTS IN FACULTY ARTS  
 15036 R.A./L.L.B.  
 YEAR : 3  
 AS AT 29 02 80  
 PAGE 1  
 15036

STUD NO	SURNAME	FIRST NAMES	COURSE	DESCRIPTION	SYMBOL
1018344	HACK	GRAN GECIL	602101	PUBLIC-INTERNATIONAL LAW	ARS
1154740	HARPER	GREGORY MARK	602101	PUBLIC INTERNATIONAL LAW	2-
114334E	JACOBS	DEWISE ELLEN	604201	ROMAN-DUTCH LAW I	1
1030696	LEWIN	DIANE	603202	ROMAN LAW & JURISPRUDENCE IS	( 53)
100344V	LOVE	BRIAN ANTHONY	603202	ROMAN LAW & JURISPRUDENCE IUP	( 54)
094440CC	MAYO	HENRY	603202	ROMAN LAW & JURISPRUDENCE IUP	( 50)
102253V	WILLIAMS	MICHAEL DAVID	603202	ROMAN LAW & JURISPRUDENCE IUP	( 50)



1) 3 wool (15.11)  
 Butterworth wool  
 DD 11/4/70 2) (103.)  
 complex opening

EAST LONDON — The opening of a large wool store at Butterworth this morning spells another first for the Transkei Development Corporation (TDC) and one of the greatest incomes for Transkei from natural resources — wool, skins and hides.

The opening by Transkei's Minister of Agriculture and Forestry, Mr E. Z. Bool, takes place at 10 am and will be attended by a large number of top officials of firms closely connected with the wool industry in Transkei and South Africa, including the Wool Board.

The building of this R1.4 million complex was started nine months ago by the TDC on behalf of Transkei's Department of Agriculture and Forestry, the managing director of TDC, Mr Roy Gammie, said. A scheme, he added, which really originated in 1971.

"The aim of the whole project is a one-channel marketing system of Transkei's total wool, hide and skin production — a system which should net the country some R6 million in foreign exchange," Mr Gammie said.



Mr Bool.

"The next phase, on which building has already commenced, is a tannery, also situated at Butterworth. Wool processing is already being carried out here by a private firm."

As the marketing of wool, and especially hides and skins, was carried out through different channels in the past, the new scheme, operating on a basis similar to that in South Africa, holds out greater promise and better prices for Transkei farmers, a TDC spokesman said. — DDR.

A relatively stable business will have less risk in providing such assurance. A firm that makes a larger variety of products with higher probability of offsetting fluctuations in the demand for its various products can give more employment security by transferring employees from one product line to another.

Governments and some nonprofit enterprises which respectably derive incomes from taxes or investments rather than from customer sales give greater security of employment for lower wages. Initially government jobs with greater security paid less, as in the post office. But recent legislation regarding pay equal to that of private firms will create an excessive demand for those jobs if that equality of pay is not offset by disadvantages in other features of the more secure job.

Other resources employed by the firm, even the intellectual capital, are hired on a similar variety of terms, though usually with more explicit contracts. Firms hire (that is, borrow) capital funds and equipment. The longer-term loans to companies and the firm continues during recessions when lower. The firm also uses bank loans, of a few percent rates that are more business conditions than wages rates. These short-term ("laid-off" or "unemployed") reduces output in transition. The firm is available during, insuring arrangements, making risk sharing arrangements, probably because of an employment security) for an em-

less of the firm's fortunes. They agree to more assured employment at an assured (but slightly lower than otherwise) return. The employer then bears more of the risks of the future transient fluctuations in the net value of the products, not of the relatively constant, assured costs of those inputs. The employer maintains the wages and employment by using fluctuation-smoothing buffer inventories of goods and borrowed funds. When demand for products of the firm fall temporarily (the owner hopes), he retains those employees at various, probably less-useful tasks. And during transiently high demand, the employees with these arrangements have readily agreed on their part not to leave the firm for transiently higher wages that might be available elsewhere.

There is an understanding that despite the most transient shocks, misfortunes, and events, each would stay with the other, with the employer bearing the risks of those fluctuations and assuming a relatively steady income to those "tenured" higher-security employees toward turning short recessions quickly lay off those maintain their wages. Other would, of course, like to jobs during that transient player would not hire their to displace his "tenured" fore observe many employees at wages higher than those seeking those jobs during demand for the firm's fact agreement with his players. Otherwise, he would run costs of getting or normal conditions, because so willingly work for con-

# Wool Board loses R $\frac{1}{2}$ -m in ailing bank

5 APR 29/480 180 3 wool

By Tom Duff,  
Political Reporter

The Wool Board has lost more than half a million rand through investing R3-million with the ailing Rand Bank only months before it went into curatorship.

The Star revealed last week that losses totalling hundreds of thousands of rands have been suffered by six black administration boards which invested millions in the bank.

Opposition MPs are to probe the board's losses.

Investments by some administration boards in the Rand Bank are already due to be investigated next month by the Select Committee on Public Accounts, Parliament's watchdog on Government spending.

The Auditor-General's report on the Wool Board, which was tabled in Parliament yesterday, shows the board lost R520 696 in interest.

Investments of R2-million and R1.07-million were made on November 2, 1976 and December 21,

1976. The bank was placed under curatorship on February 1, 1977. The board has obtained most of its capital back, but suffered large losses in interest.

Mr Rupert Lorimer, an Opposition spokesman on agriculture, said today that the select committee should also investigate the Wool Board's investments.

"We intend getting to the bottom of this," he said.

Some observers have claimed that by September 1976 it was clear that the bank was in difficulties. Therefore, investments of millions by the Wool Board in November and December of that year and by the East Rand and Port Natal administration boards in January 1977 can be expected to be scrutinised by Opposition MPs.

Other administration boards known to have invested with the bank are those for the Vaal Triangle, the Western Transvaal, Midlands and Southern Free State areas.

6

on short run curve he has a situation of economics  
to seek as he could decrease costs by producing  
on long run curve (if output increases in permanent  
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minimums coincide.  
At  $q_2$  the producer has the economic loss to seek  
and will benefit by producing more. If he produces less  
on S.R. curve, costs decrease but cost decrease even  
more if he decreases cost in long run curve.

3-waal 29/4/80

# Inquiry into Wool Board Loss Urged

**Political Staff**  
**OPPOSITION** MPs have called for an investigation of the Wool Board's investments, following evidence tabled in Parliament yesterday that the board had lost more than R520 000 through investing R3-m in the ailing Rand Bank only months before it went into curators' hands.

The Argus disclosed last week that losses totalling hundreds of thousands of rands have been suffered by six administration boards that invested in the bank.

Wool administration boards — those for East Rand and Port Natal areas — invested a total of R1-million each in the bank about three weeks before it was placed under curators' hands.

Mr Harry Schwarz, Opposition spokesman on Public Accounts, asked the chairman of the select committee — Parliament's watchdog on Government spending — Mr G J Kotze, to give urgent attention to the administration boards' investments.

**EVIDENCE**

Mr Kotze has announced that the East Rand and Cape Midlands boards will appear before the committee on May 13, and the Highveld and Peninsula Boards on May 27.

He said the Secretary for Co-operation and Development would appear along with the boards on May 13, and the committee would decide at this meeting whether it also wanted to question the Western Transvaal and Southern Free State Boards.

Mr Rupert Lorimer, Opposition spokesman on Agriculture, said today the select committee should also investigate the Wool Board's investments.

According to the Auditor-General's report on the board — tabled yesterday — investments of R2-m and R1.07-m were made in November and December 1976, and on February 1, 1977, the following year the bank was placed under curators' hands.

Some observers have claimed that by September 1976 it was clear the bank was in difficulties. It could therefore be expected that Opposition MPs would scrutinise the Wool Board investments — and those by the East Rand and Port Natal administrations boards in January 1977.

The Wool Board has obtained most of its capital back, but suffered large losses in interest.

Mr Lorimer said Opposition MPs intended to get to the bottom of this, and that the select committee should include the Wool Board in its investigation.

TUESDAY, APRIL 29, 1980

AB

3-Wool

79

# Board loses thousands

**THE ASSEMBLY** — Another Government board has lost hundreds of thousands of rands in interest through investing in an ailing bank only weeks before it was placed under curatorship.

Last week it was revealed that several administration boards had lost vast sums of money in interest and capital through similar investments.

Now, the Auditor

General's report on the Wool Board has revealed it lost R520 696 in interest — more than any of the other losses disclosed up to now.

In his report tabled in Parliament yesterday the Auditor General, Mr. W. G. Schickerling, said the losses had not been fully accounted for and "at the

time of writing ministerial approval was obtained only for the write-off of capital amounting to R92 100 and interest amounting to R90 579."

In none of the reports so far has any banking institution been named but it appears the Rand Bank, which was placed under curatorship on February 1, 1977, might be involved.

Officials of various ad-

ministration boards have been called to appear before the parliamentary select committee on public accounts to give evidence on the investments.

In his report yesterday, the Auditor General said the Wool Board had made two investments weeks before the bank was placed under curatorship.

"Investments of

R2 000 000 and R1 970 000 made on November 2, 1976, and December 21, 1976, at a banking institution at interest rates of 12 per cent and 18.25 per cent matured on July 20, 1977, and February 1, 1977.

"The loss of interest on these investments, calculated at the initial interest rate on outstanding amounts to the day of maturity and thereafter at 11 per cent according to the prescribed Rate of Interest Act, amount to R520 696 to October 10, 1979," said the report. — PS.



East DD 30/4/80  
London  
wool 3-wool  
sale

EAST LONDON — Prices at the wool sale here yesterday were firm and unchanged compared with the last South African sale on April 24.

Competition was good for the 1 288 bales of merino wool consisting of 27 per cent long, 36 per cent medium, 29 per cent short and eight per cent locks, together with 149 bales of crossbred, 225 bales of coarse and collured, and 1 636 bales of Basuto, Ciskei and Transkei on offer.

Because of the nature of the offering no types were sufficiently represented to furnish reliable quotations.

Progressive offerings total 150 097 bales.

The next sale here will be held on May 13 when approximately 4 000 bales will be on offer. — SAPA.

Reply

THE WOOL  
3-wire  
funds

DU. 1/5/80

# queried

CAPE TOWN — The Auditor-General's report on Wool Board investments was different from a reply given by the Minister of Agriculture, Mr Schoeman, in the House of Assembly earlier this year, Mr John Malcomess (PFP, East London North) said yesterday.

"It can clearly be seen in the reply that I was informed that all interest due was paid while the funds were invested.

"In the latest financial report of the South African Wool Board we are informed that interest on funds which matured during the financial year concerned was not paid and that large losses have been incurred.



**MR MALCOMESS**

"I intend, as the chairman of the Select Committee for Public Accounts, to have this matter discussed by this committee," Mr Malcomess said.

On February 29 this year, Mr Schoeman said in reply to a question by Mr Malcomess that funds invested over the short term had been disposed of partly as agterskot payments to producers and the remainder had been added to the Wool Board's stabilisation fund.

Asked whether all interest due was paid while the funds were invested, Mr Schoeman said: "Yes".

Asked whether the Wool Board had suffered any financial loss, Mr Schoeman replied: "No".

In the Auditor-General's report on the Wool Board, it was disclosed that interest losses on investments amounted to R520 696 up to October 10, 1979.

It was also reported that these losses had not been fully accounted for. — PC.

# Drought to hit wool

RDM 2/5/80  
3-wool

THE EFFECTS of the drought which became critical in parts of the Cape early this year will be seen in the wool industry next season, says a Wool Board spokesman.

So far this season the board's wool receipts have been coming in at normal rates, and with only seven or eight more auctions little change is expected in total receipts.

Wool has been coming in from farmers in all regions in normal quantities.

In the first half of the season there was an above average influx of wool, prompted by compulsory anti-scab dipping of sheep for four months.

The spokesman said the board expected the drought in parts of the Cape to have a much greater influence on this season's flow of wool.

In February, the Minister of Agriculture, Mr Hendrik Schoeman, said farmers in the drought-stricken areas of the Karoo, Namaqualand and the Bushmanland would not survive another dry year unless they received more State aid.

About 30% of farmers in those areas, one of South Africa's major wool-producing re-

gions, had left their farms where little rain had fallen over the past few years.

Later that month, Mr Schoeman announced that farmers in certain drought-affected areas in the Cape would receive a total R17 500 000 in additional aid.

Since then some drought-hit areas have had rain, which has brought relief especially to farmers in parts of the Eastern Cape, but the overall picture remains poor, says the Wool Board spokesman.

However, it is still too early to attempt to quantify the drought's impact on overall wool output.

South African wool output for the 1979-80 marketing season is expected to rise to about 100 600 000 kilograms from 98 800 000 last season.

Merino wool production is estimated at 69 300 000 kilograms against 68 000 000 the previous year.

The board spokesman says there has been a slight increase in sheep numbers this season and a large lamb crop has more than compensated for lost output caused by drought. — Reuter.

Argus 8/19/82  
Wool 3-wool  
Board on  
the carpet

Political Staff

The Wool Board, which lost more than R500 000 by investing with the Rand Bank, is this month to appear before the parliamentary select committee on public accounts.

The board invested R3-million with the bank only a few months before it went into curatorship.

The committee is Parliament's watchdog on public spending.

'SPECIALISTS'

In reply to a question in Parliament, the Minister of Agriculture, Mr Hendrik Schoeman, said yesterday that financial specialists were consulted before the board made the investment.

The Board's financial controller negotiated the transaction with the manager of the Rand Bank in Port Elizabeth.

Mr John Malcomess, Progressive Federal Party MP for East London North, said today it was obvious that the board had acted on poor advice.



An intensive training programme has been launched to train Transkeians as wool sorters. In front right is Mr Derek Fitzhenry, section head, wool. Next to him on either side of the table are Messrs Enoch Tshayangezito and Moiden Bungana, both supervisors.

## New Transkei wool marketing group

UMTATA — The Transkei Department of Agriculture and Forestry in conjunction with Farmers' Brokers Co-operative (BKB) has launched Transkei's first marketing organisation for wool, hides and skins.

The company, known as Agricultural Produce Brokers — a wholly owned subsidiary of BKB has been established at Butterworth.

The Transkei Development Corporation in terms of its industrial development programme has provided the facilities and infrastructure at a cost of R1,3 million.

Previously, all Transkei's wool, hides and skins were marketed through East London, Port Elizabeth and Durban.

The Transkei Government has appointed the

South African Wool Board as its agents to handle its wool and the Livestock and Meat Industries Control Board as its agent to handle its hides and skins. Both boards have appointed BKB as their sub-agent.

The combined wool, hide and skin marketing facilities covering 16 000M squared have the capacity of handling Transkei's wool clip (24 000 bales) as well as their total annual hide and skin production (3 million kg).

Mr Rex Schultz, manager of Agricultural Produce Brokers, said that Transkei's annual wool clip was worth R3 million.

Mr Schultz also said a large percentage of hides and skins was still being marketed outside Transkei but that steps were being introduced to bring this to an end and

ensure that the Transkei producer gets the full benefit of the auction system.

Hides and skins sales were held at the warehouse in a special sales hall and prices comparable with those of the RSA are being obtained.

He said one of his company's main tasks was the training of Transkeians whose task it would be to sort wool, hides and skins to the stringent requirements of local and overseas mills so as to ensure the highest possible market prices.

At present 75 per cent of the wool production arrived at the warehouse unsorted. Therefore to fulfil this task, Agricultural Produce Brokers had to transfer 24 expert sorters from BKB's East London branch to assist with the sorting and to train new staff.

When the local staff attain competency in their tasks these expert sorters would be returned to BKB East London. It was the intention of APB to train Transkeians eventually to manage and run the entire organisation.

Mr Schultz said that an offer has been made by Agricultural Produce Brokers (APB) to the Transkei Minister of Agriculture and Forestry to hold special training courses for the extension officers of his department who in turn could pass this knowledge on to producers thus ensuring the correct preparation of their produce for the market.

This could substantially improve the quality of these products resulting in higher prices being realized and consequently ensuring a bigger income for Transkei farmers.

- able. Red or green ink may be used only for underlining, emphasis or for diagrams, for which pencil may also be used.
- 3. Names must be printed on each separate sheet (e.g. graph paper) where sheets additional to examination book(s) are used.
- 4. Do not write in the left hand margin.

- 3. No part of an answer book is to be torn out.
- 4. All answer books must be handed to the commissioner or to an invigilator before leaving the examination.

**Any dishonesty will render the candidate liable to disqualification and to possible exclusion from the University**

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WOOL INDUSTRY

## Bigger voorskots

Wool producers have received voorskot payments averaging 98,1c for each rand of wool sold so far this season. This means that farmers have been receiving their money almost as fast as the Wool Board has recovered it in wool sales. This much was made clear by Wool Board chairman, Pieter van Rooyen, at the National Wool Growers' Association (NWGA) congress in Bloemfontein last week.

Van Rooyen pointed out that the position was even better during March this year when producers received voorskot payments of 101,4c for each rand of wool sold. Moreover, 98,2% of the total offering has been sold to date. Van Rooyen argued that it was therefore "not true" that the Board had been withholding large amounts of producer money.

A return to the 1972 floor price system of wool sales was advocated last year when it was claimed by Gerrit van Schalkwyk, leading the Sheep and Wool Producer's Union (SWPU) which broke away from the NWGA in 1976, that the voorskot had always, of necessity, been conservative. This, he argued, had tied up "massive" amounts of farmers' working capital — up to R200m during the first five years of the pool scheme — and stifled the development of the industry.

Van Schalkwyk recommended that each farmer should market his own product, but should be guaranteed a floor price for unpurchased or surplus wool. Although he claimed substantial support at the time, the Board dismissed SWPU's recommendations on the grounds that it is not a properly constituted body.

The current strength of the wool market is clearly illustrated by the industry's market indicator. The 1978-79 season opened with the market indicator at 345 and at the end of the season this stood at 370. The current season opened at 385 — roughly its current level.

Wool experts say they have "great confidence" in the wool market over the medium and short-term. The last decade, however, has seen a clear swing away from wool and sheep production to that of mutton. But this trend has recently been

reversed by the substantial rise in wool prices.

Total exports in volume terms for the 1978-79 season were 73,7m kg — worth around R172,5m. Total income to wool growers over the 1978-79 season amounted to R181,4m. This season's figure should be even higher.



# Wool clip up despite drought

369  
3) Wood  
ADM  
6/6/80

SOUTH AFRICAN wool production in the 1979-80 marketing season — September to June — rose 700 000 kg to 99 500 000 kg from 98 800 000 kg in 1978-79 in spite of the effects of one of the most devastating droughts this century in wool-growing areas, says the Wool Board's marketing director, Mr Jan van Wyk.

The drought continues in large parts of the principal production areas.

All districts to the west of the Cape Town-Johannesburg railway line last had good rains in April 1977. Major growing areas in this region are Calvinia, Sutherland, Fraserburg and Beaufort West.

Indications are that drought is also spreading to districts east of the railway line, the eastern parts of the Karoo, Cape Midlands and along the coast from Plettenberg Bay to Natal, he says.

Last month, a Wool Board spokesman said the effects of the drought would only become fully apparent next season.

Mr Van Wyk says that at this stage the best that can be hoped for is unchanged output in 1980-81, but much depends on whether rain falls in the coming months.

The 1979-80 season's production was down from an estimate of 100 600 000 kg in April, and this was mainly attributable to the drought.

The 1979-80 season ended last week with a total 93 900 000 kg of producers' wool sold at auctions compared with 91 400 000 kg in the previous season. Average clean sale price was 36.8c a kg — 11.1% up from 32.9c a kg in 1978-79.

Mr Van Wyk says demand, the strengthening of the rand and an increase in the forward dollar discount rate were some of the most important factors, which particularly in the latter part of the season, exerted an adverse influence on the market trend.

However, the value of the clip should exceed R200-million against R181 400 000 in the previous year. The final figure will be available shortly.

Carryover stocks at the end of the season totalled 54 700 bales — down from 68 764 bales the previous season.

Compulsory sheep dipping significantly affected the shearing pattern in the 1979-80 season.

The average percentage of wool sold at auction in 1979-80 rose to 97.89% from 94.97% in 1978-79.

The first sale of the 1980-81 season will be held in Port Elizabeth on September 4, and the last in Durban on June 4 next year. — Reuter.



# Transkei processed wool is being shipped to Europe

Transkei can boast with two firsts — a wool processing plant at Butterworth and the export of washed wool.

The wool, the first consignment of which has already been shipped to Europe, has become another earner of foreign exchange.

The country's first phase of a fully integrated wool scouring carbonising and combing plant was established at Butterworth by O. T. H. Beier and Co (Pty) Ltd, of Durban, in conjunction with the Transkei Development Corporation.

The plant, which involves an investment of

R1,5m, came into full operation late last year and exported its first processed wool to European markets on December 21.

Wool is Transkei's major agricultural product. Until the end of the 1978-9 wool season, the country's entire wool production was sold in South Africa, where a major portion of it was bought by the Beier Group.

According to a spokesman for the group, it seemed a natural evolution to develop a fully integrated wool processing and scouring plant in Transkei — at the source of supply.

When in full production the plant is expected to

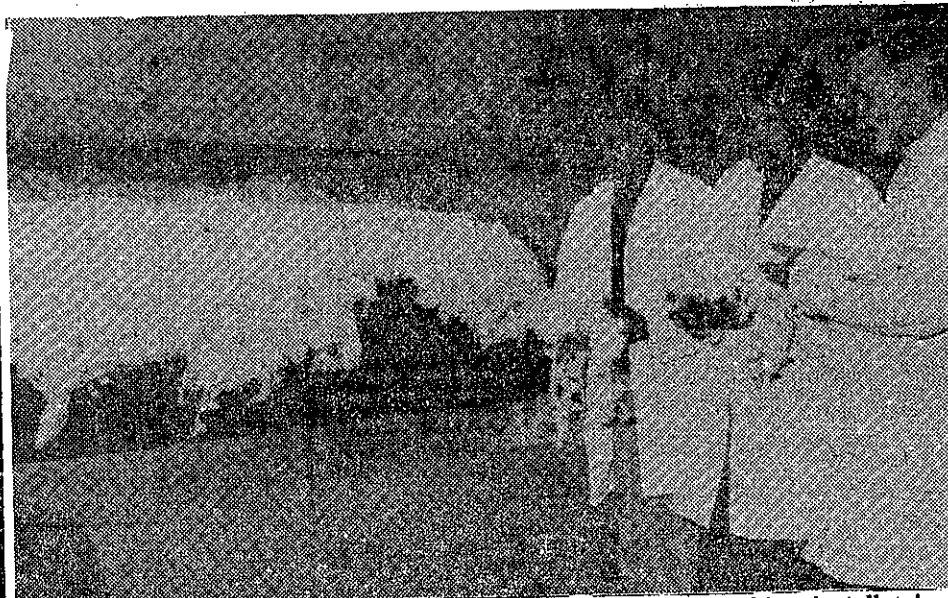
process 120 tons of wool monthly.

This is the Beier Group's second industrial project in Transkei.

In 1978 the group established a R2,1m footwear manufacturing plant at Butterworth.

Assisted by senior members of the Beier Group management local labour achieved the quality standards and efficiency levels required for the manufacture of a competitive product.

The group's Transkei factory now produces a complete range of slippers and leather shoes with injected pvc soles.



Clean Transkei wool coming off the first wool scouring machine installed in Transkei, ready for export. Checking the quality of the wool are (from left) Mr. Jackson Matyolo, wool tester; Mr Jackson Potsi, machine operator; and Mr Dave Nel, factory manager.

**WOOL AND MOHAIR** 3(wool)  
**Nice to be natural** Fm  
4/180

Final sales in the 1979-80 wool season resulted in 98% of all wool offered being sold. Total wool production rose from the previous season's 98.8m kg to 99.8m kg and the average seasonal price was 211.22c/kg — an increase of 12.6% on the 1978-79 season's average price, of 187.63c/kg.

The mohair industry had a less successful season. Although production was up by 29%, rising from 2.4m kg last season to 3.1m kg this season, gross income fell by 18% from R21.9m to R17.9m.

Mohair Board chairman David Uys attributes the drop in income to lower sales abroad (95% of mohair production is exported) and the fall in prices "to more realistic levels." Because of high interest rates and the recession, European importers are no longer stockpiling SA mohair and are now buying supplies only when needed. As a result, mohair stocks held by the board have risen from 1 000 bales at

the end of last season to a current level of 8 000 bales.

Wool farmers, however, have fared better. Comments Wool Board economics adviser Fred van Niekerk: "Overall we are happy. Our price remained constant in real terms."

Prospects for the coming season, he says, will be affected by the recession among SA's main trading partners, which will reduce demand for wool. This may be offset though, by the drought in Australia where it is expected that production will be cut by 5% from this year's 722m kg to 684m kg in 1980-81, enabling SA to maintain export levels.

But the drought in the Karroo and Namaqualand may hit local production as well, although Van Niekerk says it will not be known until August how seriously this could be.

A comparison of this season's export figures to the end of April with those over the same period in the previous season reveal a marked change in exports to various countries. Italy has moved up from fourth place last year to first position, taking 21% of the total volume of wool exports.

The UK (SA's biggest wool buyer last year) is in second place, having purchased 20.6% of production, followed by Germany (17.7%) and Japan (11.2%). Last year, Germany and France occupied second and third places respectively.

All-in-all, it seems that wool farmers can look forward to another good season. And, despite the drop in mohair prices, it too, remains a lucrative foreign exchange earner.



Pure new wool . . . looking forward to a good year

# Ostrich industry export drive

CAPE TIMES

Own Correspondent

7/7/80 (3 W)

OUTSHOORN. — Ostrich feathers and eggshells for the world market will form part of an export drive being built up in Oudtshoorn in a R1,7 million boost to the ostrich farming industry announced at the weekend.

Mr Arnold de Jager, chairman of the Klein Karoo Agricultural Co-operative, said extensive expansions planned for Oudtshoorn's ostrich abattoir would streamline operations at the ultra-modern skin tannery.

The co-operative would begin processing and marketing of ostrich feathers, eggshells, feather dusters, other ostrich feather articles and a full range of ostrich curios aimed at export markets.

Klein Karoo was one of the leading co-operatives in the country and was acting as a board of control in accordance with the co-operative one channel marketing system for the Republic.

With the expected expansions expected in the industry, an effort was now being made to stabilize the ostrich industry in the long term and to improve on shortcomings in the marketing procedures for feathers, Mr De Jager said.

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EAST LONDON — A committee representing the wool trade is to investigate the whole cost structure of wool selling as a result of the Wool Board's controversial proposal to centralise auction sales in Port Elizabeth being rejected out of hand.

Wool trade representatives in East London see the proposal as a move which would finally kill the once-flourishing wool industry here — an industry which has seen wool exports through East London drop nearly 40 per cent since the boom years of the early 60s.

In the golden 1961-62 season 262 552 bales and 16 819 bales of scoured wool — a total of 279 381 bales — came under the hammer in East London.

In the seasonal year-end to June 27 this year 176 000 bales were handled in East London — a drop of 36 per cent.

More recently East London has seen the amount of wool it handles decline from 24 781 000kg in the 1974-75 season to 21 090 000kg in the 1979-80 season.

Explaining the background to the controversy, Mr E. Hirsekorn, chairman of the East London Wool and Mohair Brokers' Association, said the Wool Board had suggested a scheme whereby auctions would only be held in Port Elizabeth.

# Committee to investigate wool selling cost structure

DAVID DENISON

Business Editor

The Board has suggested wool samples be taken from East London to auctions in Port Elizabeth and that while the buying will be done there, East London's wool will still be handled here and therefore East London won't lose out.

The wool trade had rejected the argument out of hand, Mr Hirsekorn said, simply because farmers would insist on railing their wool to the point of sale.

Therefore if the Board's scheme was accepted it would mean an end to wool sales in East London, though the Board won't concede that, Mr Hirsekorn said.

The Board maintained it was backing the scheme as a cost-saving operation, but in fact, he said, the cost-saving involved was R12 a year per farmer and there were other ways that saving could be effected.

The South African Federation of Wool and Mohair Buyers, of which Mr Hirsekorn is a director, decided at their annual meeting in Port Elizabeth last week to reject out of hand the Wool Board's proposal to centralise auction sales in Port Elizabeth.

As a result, a committee representing the buying trade, the broker (BKB — Boeremakelaar's Ko-op Bpk) and the Wool Board has been commissioned to investigate the whole cost structure of wool selling.

What is very pertinent to this whole question is the fact that while more wool is handled in Port Elizabeth, a greater tonnage is exported through East London.

In the season to June 27 this year 265 648 bales were handled in Port Elizabeth, but only 81 641 bales shipped. The rest was absorbed by local industry in Uitenhage and Port Elizabeth.

In the same period 176 000 bales were sold in East London and 82 494 bales shipped — nearly 1 000 bales more than Port Elizabeth.

Sketching the historical background, Mr Hirsekorn pointed out East London was South Africa's premier wool port up to the 1950s but had

lost its pre-eminence when the wool industry moved to Uitenhage because of a lack of water in East London at the time.

Today 60 per cent of the South African wool clip is scoured, carbonised and combed, but until recently the Border area did not get its fair share of those activities because it was not able to provide comparable facilities.

Now this region has a multi-million rand wool infrastructure, including a R10-million wool washery and combing plant at Dimbaza; increased scouring and combing facilities at Ella and Sons in Toise River; the facility to bleach karakul at the Kubusie woolwash, and a scouring and carbonising factory built by the Beier group in Butterworth.

Mr Hirsekorn appealed to farmers to support the fight to keep East London a wool port and added: "Whatever they do they mustn't jump the gun. This committee has been appointed and we are trying to sort the whole thing out.

"It would be tragic if East London lost out as a wool port. We need more wool, not less wool and that's what we're fighting for."

## Major price changes

NEW HIGHS		
Nat Ants ...	1450	1400
Egoli .....	240	223
Grootvlei ..	1270	1250
Vlaks .....	450	448
Bracken ....	620	610
Winkels ....	4700	4600
Freguls ....	8575	8500
Welkom ....	2360	2350
West Holds ..	10000	9800
Elsburg ....	740	735
Gen Tire B ..	910	900
Math Ash ...	1050	800
ABC Shoes ...	200	195
Grate PP ...	200	195
Lefic .....	720	700
Scott Str ...	310	330
Tegkor ....	450	445

New highs based on closing prices. — DDC.

# EL to stay wool port

3/9/80

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3 (wool)

EAST LONDON — The development of a deep-water container berth on the West Bank and the acquisition of a portainer-crane to handle containers would help combat the under-utilisation of the East London harbour, a top level delegation to Cape Town was told yesterday.

The Deputy Mayor, Mr Errol Spring, Mr Max Phillips, immediate past president of the Border Chamber of Industries and Mr George Orsmond, representing the East London Chamber of Commerce, met the Director General of Transport, Mr A. B. Eksteen, and the managing director of Safmarine, Mr Marme Marsh, for talks on the future of the harbour.

In a statement on the delegates' return last night, Mr Spring said Safmarine would continue to ship wool from East London to Port Elizabeth. Safmarine had 80 per cent of this traffic.

On copper, Mr Marsh had stated that it was more economic for his organisation to ship Zairean copper through Port Elizabeth in containers. There was a problem of the draft of the East London harbour.

Zambian copper, which formed the larger part of the total copper exports, would continue to be shipped through East London as far as he was aware.

Japanese interests were against ro-ro style or smaller cellular vessels but the existing service would continue to call at East London. The same applied to the US-South Africa service and back up ships on the UK and north-west Continent service would make use of East London.

"Mr Eksteen undertook to put our case to the Minister of Transport but said he believed East London and the Border area needed overall stimulus, not just from his department, to overcome our problems," said Mr Spring. — DDR

# SA wool faces testing time as real income dips

3. Wool  
RWN  
4. 11. 83

SOUTH Africa's wool industry is facing one of its most difficult seasons for many years. When the first auctions of the 1980-81 season were held at the end of August, the Wool Board's market indicator, which reflects a broad spread of prices, opened at 392 — three points below its close at the end of last season's auctions in May.

Since then prices have firmed slightly, mainly as a result of the unstable political situation in the Middle East. The indicator was on average 1,8% higher in September 1980 than in the same month last year.

The industry expects its total earnings this year to be about the same as last season when the total value of the clip reached a record R205 600 000. This implies a considerable fall in real earnings after five successive annual increases.

More than 90% of South Africa's wool production is exported, with the result that the industry depends heavily on economic conditions in the large industrial countries. Estimates indicate a weighted growth rate of 1,8% in real terms in South Africa's main wool markets in the 12 months to next June, compared with 2,5% the previous year.

A recent shift in export patterns may worsen South African producers' problems. Italy overtook Britain for the first time last year as their largest export market, taking 21,2% by volume (as against the UK's 21%) and 22,5% by value (UK 18,7%) of total exports.

According to wool industry estimates, demand in Italy is likely to be even weaker next year than in most other consumer countries.

Italian buyers are believed to have bought large quantities of wool indirectly through France in the past, with the result that

exports to France have dropped sharply, from almost 12-million kg in 1978-79 to 6 900 000 kg last season. South Africa's other main customers are West Germany and Japan.

Like many other South African exporters, wool producers have had their earnings whittled away by the appreciating rand. The rand rose by 4,5% last season against a weighted average of the currencies main wool consuming countries, and has moved up by another 4% since the end of the 1979-80 season. The Wool Board estimates that the cost of absorbing adverse currency fluctuations was close to R10-million last season, or about 6% of total export income.

A severe drought in some important sheep farming areas, notably the Karoo and Natal, is unlikely to affect this year's production. According to the Wool Board's first estimate for 1980-81, this season's clip will reach about 100 200 000 kg against 99 800 000 kg last year. Losses in the drought-stricken areas are expected to be more than made up by increased production in the Eastern Transvaal and Free State.

In spite of its marketing problems, the wool industry is not greatly concerned about immediate prospects. The Wool Board's chairman, Mr P W Van Rooyen, said that growers "are approaching the coming season with optimism".

One important reason is that South Africa, in partnership with Australia, which between them produce about 80% of the world's fine (Merino) wool, operates one of the world's most successful commodity price stabilisation agreements. Thanks to an intricate system of secret reserve (floor) prices, backed by substantial buffer stocks and a large stabilisation fund, wool prices have kept rising steadily since the reserve

price mechanism was started in 1972.

In the 1972-75 recession, for instance, the Wool Board built up its buffer stock by 16-million kg, thereby preventing a marked fall in export earnings.

Since 1976 the board has sold out of stock, while prices have risen steadily. The board's stockpile had dropped to 7 100 000 kg — about 7% of annual output — by the end of June 1980, and in spite of the stronger rand, prices were an average of 14,1% higher last season than in 1978-79.

The stabilisation fund, financed by producer levies, has grown steadily. According to a recent report on the wool industry by Standard Bank, it "appears adequate to carry the industry through several lean years". The fund stands at R78 100 000 — 7,5% higher than it was a year ago.

If prices drop significantly, the Wool Board and the Government could for the first time in many years use the fund this year to boost wool-growers' earnings. The board's advance payment to producers for the 1980-81 season is 315% — 10,5% higher than last year's initial advance. Although this

year's advance is 4c below the price paid to producers after March 1, 1980, the Wool Board's policy is to try to raise payments to producers if prices improve during the season.

Besides price stabilisation mechanisms, the steady increase in South Africa's wool exports earnings has been helped by a deliberate effort, including tax incentives, to encourage domestic processing.

The value added by further processing, mainly scouring, carbonising and cleaning, is substantial. The average unit value of greasy (raw) wool exports was 211,4c a kg last season. But scoured wool sold at an average of 288,2c a kg and wool tops at 468,3c a kg.

A total of 52% of the clip was processed in SA in 1979-80 against 49% the previous year.

The Wool Board is confident that the gains by natural fibres against synthetics in recent years are not about to be lost.

"The consumer's preference for quality products, still rising synthetic fibre prices and the urgency of energy conservation which favours warmer woollen garments, are favourable factors," says Mr Van Rooyen. — Financial Times.

WATTLE

FM 5/12/80

## Whittled away

③ wood

SA's wattle industry suffered from drought last season and is likely to suffer from the recession in Europe and America this season.

These gloomy tidings were conveyed to growers at last week's annual general meeting of the SA Wattle Growers Union (Sawgu) in Pietermaritzburg by president John Slatter.

In the season past, some factories were forced to close early because of severe water shortages and the wattle industry was unable to harvest and process over 10% of the planned production quota because of poor stripping conditions.

Bark deliveries fell short by 25 000 t and this tonnage has been revalidated in quotas for delivery this season which have been cut to 60% (71%) because of a decline in world demand.

In the past season, demand dropped to 72 484 t (78 546 t) and a further decline to 63 000 t is expected. Slatter warned that in the 1975 recession demand had fallen as low as 59 000 t.

However, there are redeeming features. Demand for wattle timber is strong and while boycotts and the behaviour of Brazil "are a grave concern, the Salliat factory in France, which produced 8 000 t of chestnut extract, has closed."

Sawgu's annual report shows a steady decline in average price per ton since basic bark quotas became negotiable in 1964. Since then 108 716 t have been sold and 1 172 growers have sold their entire quotas and gone out of wattle production. In the 1969/70 season 5 362 t were sold at an average price of R26,66 whereas in the 1979/80 season quotas of 7 099 t were sold for an average R18,89. The decline in real terms is startling.

EAST LONDON — East London would fight vigorously to retain its status as a wool port, a former president of the Border Chamber of Industries said here last night.

Proposing a vote of thanks at a function held the East London Wool Exchange, Mr Max Phillips said organised industry, commerce and local authorities, supported by influential government sectors would oppose wool operations being transferred to Port Elizabeth vigorously and continuously.

"We will not happily tolerate the organisation which seeks to emasculate the East London wool industry," he said and added: "I suggest we should be a little more positive in demanding that wool sales continue in this building."

The issue today was whether wool sales should take place in East London or Port Elizabeth — the issue of sale by separation.

If sales were to take

# EL will fight to stay wool port says Phillips

100  
12/1/80

332

3 (Wool)



MAX PHILLIPS . . . "We will not tolerate being emasculated."

Mr Phillips also hinted major development plans for the Border region would be announced early next year.

"I look forward to realistically positive deconcentration incentives coupled with the establishment of development banks and small business development corporations and carefully nurtured co-operative regional development, perhaps in Berlin, certainly in the East London Harbour, certainly based on East London as the growth node."

Hinting the Border region was on the verge of what he called "a period of unprecedented development" he said:

"This will be a concentrated job-producing thrust which will, I hope, take us out of our slough of apathy."

"The ball will be passed to us and if we don't run with it we should never again complain."

BUSINESS EDITOR

place in Port Elizabeth it would mean the East London Wool Exchange would become redundant.

That would be retrograde, regrettable and sad, but not yet destructive nor fatal.

What would be unproductive and destruc-

tive; what could be fatal was warehousing and shipping operations in East London being discontinued.

That would mean many farmers — and the trade that went with their visits — would cease to call; many white and black jobs would fall vacant; rail traffic would decline; other industries and commercial interests would suffer; the Border region would suffer; an insidious process of progressive deterioration would be set in train; an exciting and hopeful government initiative could be stifled.

"I speak about these unwelcome possibilities because I am fully convinced they will not take place," he said.

Noting that 22 per cent of the South African wool industry was centred around East London, Mr Phillips outlined reasons why he believed "these unwelcome possibilities" would not take place:

"It is in the wool grower's interests to rail to East London, not only because it costs him less, but because he has a vested interest in the economic generator of his region;

"Sixty per cent of the wool crop is sold as washed or combed and as we can do that locally, why incur the costs of railings elsewhere?;

"We plan to add top-making to the local range of processing;

"BKB has a heavy commitment in warehouse investment in East London. They don't want to change."



~~Key~~  
AGRICULTURE - OTHER - WOOL

6 March; 1981 — 4 Dec 1981

any system!  
Even the  
Govts ~~do~~ try  
not to produce  
things that don't  
sell. ~~?~~

TIMBER <sup>3</sup> Wood  
Trees wanted

Recent increases in the price of timber - both those set by government and those determined by market forces - have been insufficient to make it worthwhile to bring

1971	1972	1973	1974

more land into cultivation and thus help SA prepare for the expected skyrocketing demand for timber products in the remainder of this century, according to industry leaders.

Last year, the Department of Forestry predicted that at least 467 000 additional ha of softwood pulpwood would be needed by the year 2 000 to meet the forecast demand for its by-products. The department also projected that about 45 000 additional ha were needed immediately in hardwood saw-timber cultivation. Overall, there is said to be a need to double timber plantation lands.

The price increases cover a wide variety of timber types and have generally been in the 17%-23% range. Pretoria's Department of Forestry sets the price for those types of timber that are heavily dominated by state forest production, such as sawlogs. The government controls about 28% of the total SA timber industry.

In other areas, where independent farmers produce the bulk of supplies, price is determined by negotiations between growers' representatives and the timber consumers, such as mills and mining houses.

Bruce MacKenzie, chairman of the Forest Owners Association (FOA), which represents primarily large corporate landowners, says that while the price increases have been helpful to offset inflationary pressures, "we are still in a position where price is not high enough. The return to capital is too low. If we are to meet the projected demand, we have to get a more favourable ratio for capital."

But Adalbert Sonntag, chairman of the joint government-business Forestry Council, points out "while constant negotiations are going on, it's impossible to satisfy everyone."

Sonntag also says that about 25 000 ha are presently being added to cultivation a year and that the Department of Forestry "is developing a study that will indicate our exact needs."

There are presently some 2 375 regis-

TABLE 1 SHOWING INSURANCE I MEDICAL ASS.

Number of Schemes	Number of Schemes
200	Medical Aid
72	Medical Benefit
30	Industrial Council Schemes
4	Other
306	

Sources: Statistical Report Schemes, April 197

If the white employees in the population are covered by at the end of 1970 only 18 (altogether) were covered by Patients who do not belong either entirely private pay of workers which we are provincial hospital facilities free or at a non the higher earning bracket on the nature of the treatment 5% of whites are classified patients. (6) In 1974 there were 77 firm agreements. There were of these were not solely administered medical benefits

tered non-government plantation units in operation in SA and 53% are less than 100 ha. These smaller producers, holding about 6% of the total non-government land in use, produce 6% of the total output.

Uncertainty over future interest rates, labour costs and transport charges makes independent farmers reluctant to expand cultivation without a "better price structure," MacKenzie says.

Rural labour remains a question for all of SA's farmers. While the move toward unionisation has not been felt to any sig-

nificant extent in the non-urban areas, most farmers believe the trend will develop. At present, timber workers make about R50 a month for unskilled labour in the Tzaneen region, a fairly typical wage.

Bob Randlehoff, assistant director of the SA Timber Growers' Association in Pietermaritzburg, which represents mostly smaller, independent farmers, points out it is impossible to "divorce the timber man's labour working on the trees from other crops. It's too early to tell what will happen to the labour supply."

Privately administered societies	R155 033	R102 951	R1 4
Industrial Agreement Societies	R15 573	R 15 988	R2 572
			R3 544

Source: Registrar of Friendly Societies - Twelfth Annual report for year and 31st December 1974 p.3.

Different types of medical schemes exist: a) Commercial schemes run by Insurance Companies, b) employer-initiated private schemes, c) Trade Union initiated and administered scheme and d) Medical schemes established in terms of the Industrial Council. These schemes have been established by trade unions together with employer organisations in the different industries where Industrial Councils exist. It is this last type of medical scheme which we will be concentrating on.

Industrial Council Medical Schemes

Industrial Councils have been formed in certain industries under the Industrial Conciliation Act (Act No. 28 of 1956). The Industrial Councils, which are formed by representatives of the registered trade unions and employers' association in an industry, publish agreements relating to the wages and working conditions in that particular industry.

Parties to Industrial Council agreements can only include trade unions that have been registered. As Africans do not belong to registered trades unions, they cannot be agents on the industrial council. These agreements can be extended to Africans workers in the industry if this is recommended by the Bantu Labour Board.

386	of Medical
304	force
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	societies. Some
	261 of these

Corporate strategy

## Appendix B

## Manufacturing industries - distribution by employment

Industry	Cape	Natal	TvL.	O.F.S.
	%	%	%	%
Basic metal	2,4	7,9	89,7	-
Beverages	43,8	12,8	40,6	2,7
Electrical				
Machinery	14,9	8,8	75,9	0,5
Clothing	59,0	31,5	28,7	0,8
Chemical Products	21,1	23,3	53,5	2,1
Food	35,6	25,3	35,3	3,8
Furniture	22,3	13,5	62,5	1,7
Leather and Products	52,3	16,1	31,6	-
Machinery	9,2	7,9	80,0	3,0
Metal Products	14,3	11,7	72,3	1,6
Non-metallic				
Mineral Products	21,7	13,1	61,0	4,2
Paper & Products	26,3	39,2	34,5	-
Printing	37,2	15,1	43,4	4,3
Rubber	32,9	32,7	32,1	2,3
Textiles	40,1	40,3	17,0	2,5
Transport & Equipment	37,6	13,3	47,9	1,2
Wood & Products	26,4	19,2	52,3	2,1

Transvaal is the biggest manufacturing sector in terms of percent employment: 51,5%.

Source: SALDRU compiled Statistics.

In the Cape Peninsula the following are the major sectors and industries

**Manufacturing:** The largest employer of labour: employs 28% of labour force. The predominant industries are: Clothing, Textile, Food and Beverages.

**Services:** The second largest employer of labour: 25% of labour force. The services are second only to construction in the employment of Africans in the Peninsula. This is because of the large number of African women employed in this sector: 93% of African women and only 9% of African men are employed in this sector.

**Commerce:** Employs 17% of labour force. This is because of the large 'coloured' population in the peninsula.

**Construction:** 11% of the labour force employed. It is the second most important source of employment for Coloured men.

It employs 28% of African men and is then largest source of employment.

**Transport:** Employs 9% of labour force.

**Agriculture:** 2,3% of labour force. Over half the workers are coloured and 30% of Africans.

Source: 'The People and Workers of the Cape Peninsula: Asketch. Hendrie D, and Horner D: in South African Labour Bulletin. Vol. 3, No. 2, September 1976.

# Hides, skins control slated

PRETORIA — Wool farmers alleged malpractices in the control of hides and skins by the Meat Board in evidence given before the Eloff Commission of Inquiry into the meat industry here yesterday.

Speaking on behalf of the national woolgrowers association, Mr G. Agenbach said the marketing system for hides and skins as controlled by the Meat Board, was wide open to irregularities and manipulation.

In the absence of regular auctions of hides and skins, nobody could be sure that the prices paid to the producer were genuine.

Three firms nominated 94 per cent of the hide and skin market. They could manipulate the market by declaring fictitious prices on the basis of fictitious stock lists.

Mr Alan Searle, representing the Footwear Manufacturing Association, said these companies forced up the prices of hides beyond world prices.

A journalist, Miss Charlene Beltramo, was threatened with prosecution while giving evidence before the commission. She was told by the chairman of the commission, Mr Justice C. F. Eloff, to divulge her sources of information for a story.

A report by her published in a Johannesburg newspaper had stated that some butchers in Johannesburg and on the Reef were getting super-grade supplies illegally from outside the controlled areas.

Super-grade beef was at that time hard to obtain in the controlled urban areas. — SAPA.

Contributions

Single (i.e. without dependents).

R2,25 per week - member. R1,50 per - employer

With dependents.

R3,75 per week - member. R1,50 per week - employer.

MICRU:

This fund was established for workers not eligible for the National Health fund or the MISA fund and earning over R30 a week. Unskilled workers receiving less than R30 per week and African workers are not eligible for membership when the fund started in 1974 weekly contribution were R2,00 per week (equal contributions of R1,00 per week by employer and member).

Contributions are now: R1,25 per week per member, with an equal amount being added by the employer. Dependents are covered by the fund. In 1976 wives were included as being eligible for benefits and in 1977 children were added.

The general maximum limit on annual benefits is R400,00. (As compared with R1200 for the National Health fund).

There are no dental or optical benefits (except for eye-tests which are considered as a medical benefit.)

For all three schemes, there is no waiting period if a member can show previous membership of two years of another medical aid fund.

If a workers transfer to employment in a company which is not a party to the agreement, there is no medical cover,

No clinics exist and no preventative measures are taken other than state requirements.

Iron and Steel, Engineering and Metallurgical Industries Medical Aid Scheme

This scheme was established on 8th July, 1966.

Contributions

R2,50 per week for members. (with an equal contribution from the employer.)

Benefits.

Medical treatment; specialist treatment (medicines and drugs); hospital accommodation; nursing; operating theatre charges; dental treatment; Transport to and from hospitals and a confinement allowance of R75.

There is an annual medical limitation on benefits of R1 200,00 and on dental treatment R80,00. Members pay the first R1,00 of any prescription for medicine.

If no claim is made for three successive years, the maximum benefits will be increased by 25% for the following year.

Membership

For higher paid workers earning 92c an hour or more. The Employer can be eligible for voluntary membership as an unscheduled member. 'Scheduled /...

'Scheduled' members must be members of the trade unions which are parties to the agreement.

Transferees.

If a member is unemployed, he will be covered for two months without the payment of contributions.

If the worker transfers from the iron to the engineering or steel industry, for example, he remains eligible for membership of the fund. If he leaves these industries and becomes employed elsewhere, he loses all claims to benefits.

In the case of the dissolution of the fund, the amount standing to the credit of the fund after debts have been paid, is equally apportioned between the trade unions and employers' association.

TABLE 5  
TOTALS OF CLAIMS

1974	
197 689	

Building industry medical aid fund was established on 1/1/74.

3.

Compulsory Members: Artisans in the building industry. Their dependents are also eligible for benefits.

If an artisan from the building industry gets a job outside the industry, doing the same work he can apply for voluntary membership. This is given at the discretion of the management committee.

Contributions:

Compulsory members: R1,00 per - employee (employer contributes an equal amount.)

Voluntary membership: (R9,00 per month.)

If a worker is unemployed he can retain his membership on condition that one contribution is made every eight weeks.

A concession is made to workers who are absent from work because of illness.

One stamp is equal to four contributions in this case (see table below).

Pensioner or widow with continuous membership: A contribution of R3,50 per month will be equal to four contributions in terms of the scale of benefits

below.

DD 2019/81 370001  
**Wool Board HQ**  
**stays in Pretoria**  
 PRETORIA — The SA Wool Board decided unanimously at its latest meeting to keep its headquarters in Pretoria, the chairman of the board, Mr Pieter van Rooyen, said in a statement yesterday.  
 The position had been examined as part of the board's policy to look at long-term policy matters from time to time, he added.  
 There are definite advantages in having the board's headquarters in the main wool exporting city, Port Elizabeth, but in turn Pretoria also has its advantages. Mr Van Rooyen said. — S.A.P.A.

DD 23/3/81 (3-wool)

## Wool Board HQ stays in Pretoria

EAST LONDON — The South African Wool Board has unanimously decided to keep its headquarters in Pretoria.

In a press release, the chairman, Mr Pieter van Rooyen, said as part of its policy to look at long-term matters from time to time, the Wool Board, at its latest meeting, again examined the geographical

location of its headquarters.

"There are definite advantages to have the Board's headquarters in the main wool exporting city, Port Elizabeth, but in turn Pretoria also has its advantages.

"However, after thorough study and consideration the Board decided that the advan-

tages of having its headquarters in Pretoria were predominant," he said.

He said the efficient administration of the Board's internal and external activities were of prime importance and that the present geographical distribution of its activities and management still complied with these requirements. — DDR

# Woolmen's gross will go up

## 15-20 p. c.

3-wool

Wool producers' income in absolute terms was expected to remain constant for this season.

However, since wool and meat were inseparable current meat price tendencies were expected to boost wool sheep farmers' gross income by 15 to 20 per cent, the director, product marketing of the Wool Board, Mr J. C. Strydom, said.

Mr Strydom said the fact that wool sheep was a dual-purpose animal yielding income from wool and meat had been clearly illustrated against when more or less constant wool prices had been supported by higher meat prices.

Prospects were good for mutton and in time the increase in meat prices was expected to keep pace with the increase in wool prices.

Mr Strydom said overcapacity in synthetic fibre

manufacturing and resultant trading losses were forcing manufacturers to curtail

production and to increase prices in an effort to regain profitability.

### ... but no levy this year

PRETORIA — No levy for the Stabilisation Fund will be collected from wool producers this year.

The chairman of the Wool Board, Mr Pieter van Rooyen, told the annual congress of the Transvaal branch of the National Wool Growers' Association in Pretoria that the Wool Board had decided this because wool farmers generally were in a weaker position than last year, due to various factors.

Mr Van Rooyen emphasised that the wool industry ex-

perienced extremes this season. Droughts in large parts of the production areas, which resulted in disaster for many producers, followed by disaster floods, some months later, were all experienced in one season.

On top of this meat prices at times went up by more than 100 per cent compared to last year. Wool prices were also rising but because of the highest revaluation or strengthening of the rand since 1972, prices for wool in terms of the rand remained constant.

The prevailing interest rates in most industrialised countries would limit raw wool stocks to a minimum.

In view of the poorer demand situation for fibres, synthetic manufactures were not expected to increase their prices significantly in an effort to cover higher costs, and there had been no socio-political factors which could have created strong commodity markets.

High energy prices still favoured wools against synthetic fibres, primarily because fibres were made from oil and because of the high cost of heating in colder countries.

It was expected that the demand for all fibres would drop by three per cent during the next year, which was equal to the expected increase in the supply of wool. This should lead to a balance between supply and demand during 1981 with a constant price as a result.

Mr D Flynn (Acc)

Mr A D Frew (GSB)

Mr G Elliott (Acc)

Mrs H Brice (Bus Sc)

Mr M Birt (Bus Sc)

#### SENIOR LECTURERS IN THE FACULTY

Assoc. Prof. J R P Morris

Assoc. Prof. B Hopkins

#### ASSOC. PROFESSORS IN THE FACULTY

Professor J D Hampton

Professor L Kritzinger

Professor J D Simpson

#### PROFESSORS IN THE FACULTY

The Deputy Principals

The Principal

#### MEMBERS EX OFFICIO

1981

#### THE BOARD OF THE FACULTY OF COMMERCE

UNIVERSITY OF CAPE TOWN

# All wool sales to be held in Port Elizabeth

(12/12/81) Wm 9/12/81

Mercury Reporter

THE South African Wool Board has decided to introduce a centralised sales system whereby all wool sales will be held in Port Elizabeth in the coming wool marketing season, and long-term cost savings are expected to exceed R1 000 000 annually.

The board's chairman, Mr Pieter van Rooyen, said this week in Pretoria wool from Durban would be offered per sample in Port

Elizabeth on an experimental basis in the next season.

He emphasised only sales would be centralised and wool would still be received at various ports as in the past.

At a meeting in Pretoria the S A Wool Board decided to introduce the system of centralised wool sales on a permanent basis for wool from Cape Town and East London. Regarding high transport

costs, Mr van Rooyen appealed to wool producers not to change the existing wool delivery pattern so as not to disturb the utilisation of the existing facilities in the various ports.

He said wool would be exhibited provisionally at the various ports for evaluation and would be available on certain dates set by the Farmers' Co-operative Ltd so producers

could discuss valuations and classing.

The Board's decision came after wool from Cape Town was sold in Port Elizabeth on a successful experimental basis during the second half of the wool marketing season.

When asked the reasons for establishing a centralised sales system, Mr van Rooyen replied that 'better competition would be experienced'

He said buyers, who previously would not travel the long distances to Cape Town, would be able to bid on Cape Town wool in Port Elizabeth, and this would have a positive influence on market prices.

It is important for the country's wool clients to be able to buy wool continuously and in even quantities, said Mr van Rooyen. The system of centralised sales is flexible enough to ensure sales on a regular basis.

At the same time savings on interest will be accomplished for the producer because wool need not remain in port for three weeks before being offered at a sale.

And certain travelling expenses will be reduced, said Mr van Rooyen. Many firms presently waste staff and money in travelling from port to port to advertise catalogues and attend sales. The board envisages a long-term cost saving of over R1 000 000.

# Wool production up

## ... but it's a long way short of the 1966 record

Finance Correspondent

**SOUTH AFRICA'S** wool production reached 101,8 million kilograms in the season which ended on May 31, compared with 99,8 million kilograms in the previous 12 months, according to the Wool Board in Pretoria.

But even last season's clip was well below the record 148 million kilograms produced in 1966. The board provisionally estimates the value of the 1980/81 clip at R209 million, against R205,6 million in 1979/80. As a result of severe drought in the Karoo and other sheep farming areas, however, the yield of clean fibre dropped from 57,8 percent to 56,5 percent, one of the biggest annual declines on record.

Britain appears to have displaced Italy as the biggest buyer of South African wool, at least for the time being. According to figures for the first nine months of the season, Britain accounted for 22,3 percent of total exports while Italy took 21,8 percent. The UK's share in 1979/80 was just below 19 percent. A Wool Board official ascribes the change to the relative strength of sterling against the Italian lire.

Prices stagnated in the first half of last season, with the board's market price indicator at about the same level as the previous season's average of 40t. But prices shot up between Easter and the last auction at the end of May. The indicator stood at 469 at the end of the season.

The surge was mainly due to the increasing competitiveness of South African fibre as the rand weakened against the Australian dollar. Furthermore, world apparel wool supplies were unexpectably tight despite weak demand. The Wool Board official said that prices of apparel wools, the type accounting for the bulk of South Africa's production, is unlikely to rise for the rest of this year. There are hopes, however, that low inventories in Europe and the rising price of synthetic fibres will lead to firmer prices in the second half of next season.

The 1981/82 season opens on August 27. Wool auctions will no longer take place in Cape Town or East London. They will be centralised in Port Elizabeth and Durban, the main wool processing centres and export ports, from the beginning of next season.

*S. Trib. Finance 3/1/81*

*21/6/81*



R22,5m

paid to

wool

farmers

RDM

7/7/81

3 wool

NOUPOORT — The chairman of the Wool Board, Mr Pieter van Rooyen, has announced that agterskot cheques amounting to R22 599 000 were being mailed to producers yesterday. This amount includes interest earnings of just over R1 million.

Mr Van Rooyen pointed out that this year's agterskot was considerably higher than that of last year, because no interim payment had been made during the past season.

Despite a considerable price increase during the last two months of the marketing season, the average price received by the South African wool farmer this year was almost the same as last year.

ward o has shown t the end

For the second best student in the

C W von During

subject of Building Construction.

For the best student in the S A Brick Association Prizes

III: No award

II : A R Low Keen

I : N D G Sessions

For the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

LTA Prizes

P R Swift

For the student obtaining the highest marks in Professional Practice.

Surveyors' Prize

Cape Chapter of Quantity

The Committee of the Western

P C Key

For the best all-round student in any year of study.

Bell-John Prize

PLANNING REGIONAL URBAN &

QUANTITY SURVEYING (Continued)

# EL wool store sold to CDA

DD 14/7/81 (3 wof)

EAST LONDON — One of the city's wool stores, used for stockpiling wool, has been sold to Car Distributors Assembly (CDA).

In a three-way transaction announced yesterday, the Wool Board sold one of its wool stores to CDA and bought the large Billson-Coutts wool store from the Farmers' Brokers (Co-op) (BKB).

In a joint statement, BKB and the Wool Board announced that the two sales had been undertaken "with a view to the optimum utilisation of storage facilities in East London."

The statement said that when the amalgamation of a number of wool brokers into the BKB had taken place, "handling practices were streamlined to such an extent that surplus floor space became available, while better marketing methods further contributed to the more economical usage of storage space."

The statement said that the decision was taken also in view of the "adverse influence which

unused storage space has on marketing costs."

A public relations spokesman for the Wool Board said that the sales gave the board more storage space in East London and that this "reaffirms the board's policy that East London be retained as a wool handling and shipping port."

The spokesman said that the board had its own stores in order to stockpile wool when market prices were low and resell the wool when prices rose again so that there would be "some price stability for wool producers."

A spokesman for BKB said that the transaction was "to the benefit of the wool industry as a whole and that it would contribute towards containing rising costs in wool handling."

"Close co-operation exists between BKB and the board to meet any crisis which may arise in the utilisation of storage space and to ensure that investments in wool stores are made to the benefit of the whole industry." —  
DDR



M P Morkel

Student Planners Award  
 For the student who has shown  
 greatest promise at the end  
 of the first year.

URBAN &  
REGIONAL  
PLANNING

K Strong

For the second best student in the  
 subject of Building Construction.

C W von Düring

For the best student in the  
 subject of Building Construction.

S A Brick Association Prizes

III: No award

II : A R Low Keen

I : N D G Sessions

For the best student in each of  
 the courses of Building Economics I,  
 II and III in the third, fourth &  
 fifth years respectively.

LTA Prizes

P R Swift

The Committee of the Western  
Cape Chapter of Quantity  
Surveyors' Prize  
 For the student obtaining  
 the highest marks in  
 Professional Practice.

P C Key

Bell-John Prize  
 For the best all-round student  
 in any year of study.

QUANTITY  
SURVEYING  
 (Continued)

# Nearly all wool buyers leaving

DD 3/7/81 (3 wds)

**EAST LONDON** — Almost all wool buyers in the city are leaving following the halting of wool sales in East London by the Wool Board.

Yesterday the chairman of the East London Woolbuyers Association, Mr Chapple Moll, who himself is leaving, said about "98 per cent" of the buyers were going.

In about two weeks time the woolbuyers club, which recently celebrated its 26th year of existence in East London, will be holding its last function.

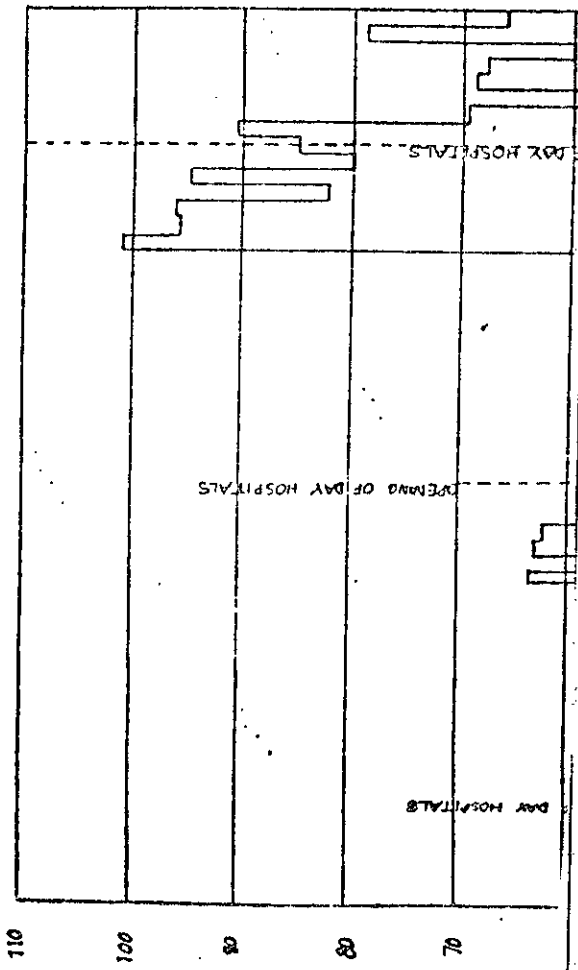
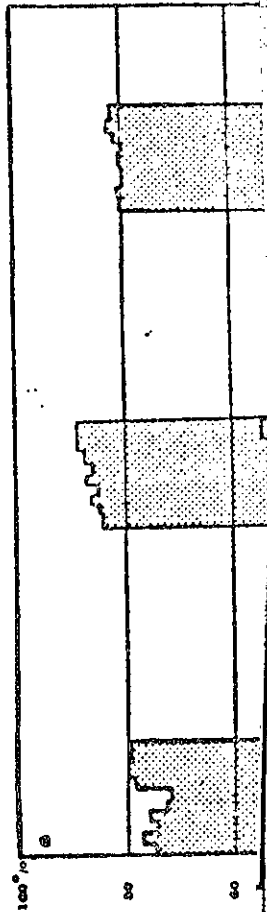
Among those who will be leaving town during the rest of the year are Trevor Wright, Pee-wee Howe, John Coultis, Roy Munro, Peter Manley, Keith Wright, Alf Guidvog, Alec McDonald and Dave Whalley.

The departure of the woolbuyers, which was expected, will be the first physical effect of the Wool Board's decision to move all sales to Port Elizabeth. — DDR



The chairman of the East London Woolbuyers' Association, Mr Chapple Moll is bid farewell by the chairman of the East London Wool Exchange, Mr Ernst Hirschkorn (centre) and the sales representative of a shipping company, Mr Boyste Booyssen.

1977 BLACK  
1976 COLOURED  
1977 WHITE  
1970  
1962



3. LIFE EXPECTANCY AND CAUSE OF DEATH - CAPE TOWN

4. MUNICIPALITY OF CAPE TOWN

DD 21/8/81

# Card we'll continue wool, maize inquiry

EAST LONDON — The issues of maize and wool exports through the East London harbour have cooled following announcements of massive improvements to the maize elevator at the harbour and that there is no rail tariff discrimination against East London for wool.

Following reports that Richard's Bay could be used for maize loading and that rail tariff reductions on raw wool had not been applied to East London, a meeting of the East London Development Committee was called for yesterday.

Before yesterday's meeting, the systems manager for East London, Mr A. J. Jonker, issued assurances that Richard's Bay could not be used to load grain and that there was no discrimination in SAR rail tariffs for raw wool.

The Minister of Transport, Mr Hendrick Schoeman, also announced in Parliament that massive improvements, costing about R30 million, would be undertaken at East Lon-

don's grain elevator.

Yesterday, after the ELDC meeting, the Mayor, Mr Donald Card, said that as a result of the recent assurances it was decided to continue investigating the issues.

The ELDC involves local commerce and industry as well as the city council and the Kaffraria Divisional Council.

"With regard to maize we are awaiting a letter from the Minister (Mr Schoeman) regarding the proposed developments to the grain elevator.

"As regards wool it has come to our attention that reports on rail tariffs for raw wool were not completely correct.

"The matter is being taken up further, and the ELDC will continue to examine both the maize and wool issues," Mr Card said.

Meanwhile the president of the Border Chamber of Industry, Mr John Rich, said he was "absolutely delighted" at the announcement by Mr

Schoeman that the capacity of the elevator would be increased from 75 300 tons to 194 000 tons.

"This is one of the biggest things that has happened to East London for a long time," he said. — DDR

# Wool season opens with sharp price rise

THE 1981-82 wool selling season opened in Port Elizabeth this week and the market showed the biggest rise in many years, with the South African Wool Board's market indicator rising to a new record of 523 points.

This is 33% higher than the opening basis last season and more than 11% higher than the close on June 5 of the last wool season.

An air of optimism was evident in trade circles after this

week's sale, which was also marked by the smooth introduction of centralised sales in Port Elizabeth.

There was animated competition for the 10 900 bales of wool on offer which included 3 000 bales lying in Cape Town.

Producers' wools to the value of R4,2 million were sold at an average clean price of 499c a kilogram (302c/kg greasy).

This is 15% above this

year's voorskot level which is quite significant in view of the fact that the average voorskot has increased by 27% above the previous season's average.

The highest greasy wool price paid was 397,5c/kg for 10 bales of AF wool (type 7, 12 months, 19,2 micrometre, 66% yield).

Other average prices were: AF (type 47) 366c/kg, AM (type 49) 330c/kg, as (type H49) 345c/kg and BKS (type A90) 310c/kg.

Prices varied depending on yield and fibre diameter.

The chairman of the Wool Board, Mr Pieter van Rooyen, says he is very happy that market prices are significantly above the voorskot level.

Continuing he said that in his opinion the recent good rains had created more favourable conditions in the entire wool-growing industry at a level which was virtually unknown to the younger producer.

# Eastern experts praise SA wool

3 wool EV Post 14/10/81  
Post Reporter

TWO important international wool experts — one from Japan and the other from Hong Kong — are visiting Port Elizabeth to look into the local wool industry.

They are Mr Raymond Lai, Hong Kong branch manager of the International Wool Secretariat, and Mr H Sawachi, who holds the equivalent position in Tokyo.

The two arrived in the city yesterday from Pretoria and will be visiting sheep farms in the Beaufort West district after today's wool auc-

tion in Port Elizabeth.  
Mr Sawachi said South African wool was in high demand overseas this year, with more than five million kilograms of merino wool being exported to Japan, the world's largest importer of wool.

But distance to the East meant that the European market remained the most important for the South African producer.

The standard of South African merino wool compared favourably with that of Australia, the world's largest producer, he said.

how you spent yesterday's time. I'm sure you'll have blanks when you didn't seem to be doing anything.) To the list above we might then add 'Nothing' - a realistic assessment of

# EL not hurt by the loss of wool sales

(3) WOOL ← POST  
7/11/87

By KEITH ROSS

EAST LONDON — Wool is flowing through East London stores virtually as normal in spite of the sales being centralised in Port Elizabeth.

The strong flow has proved wrong those who predicted East London would suffer a slow death as a wool port.

"We have lost a small fraction of our wool as a result of the bad publicity that surrounded the decision to move sales to Port Elizabeth," BKB's divisional head of produce handling and marketing, Mr Louis Buys, said this week.

"But this loss will not be more than 5 000 bales, most of it from areas closer to Port Elizabeth than East London," he said.

Last year BKB handled 154 000 bales in East London, including 8 000 bales from Lesotho and 4 000 from Ciskei. This year the company has

already handled 65 000 bales and, with the season at its height, wool is still pouring into the stores.

With East London unlikely to suffer seriously, Mr Buys believes the decision to centralise sales in Port Elizabeth has proved a success.

"The decision will certainly cut costs and the bigger quantities on sale in Port Elizabeth will draw more attention from buyers.

"This means competition between buyers will be stiff and the farmers should be assured of good prices."

Mr Buys said the valuation of wool for *voorskot* purposes was still being done in East London.

"Then we take samples and send them to the sales in Port Elizabeth," he said.

"It makes absolutely no difference to the farmer whether his wool is stored in Port Elizabeth or East London."

who benefit from their wool.

too? Secondly, the question of how much is needed - an extensive research project found in 1976 that successful students worked on average 34 hours a week (including lectures), while unsuccessful students worked on average 28 hours a week.

In addition, it was found that over 60% of students only worked "sporadically or as the need arose". The report also noted that perhaps the essence of the problem of high failure rates was that most students are simply not working hard

Week Ending	Sun.	Mon.	Tue.	Wed.	Thur.	Fri.	Sat.
9 April		Essay on karakul sheep due				Tut for Palmistry	
16 April				Class Test Palmistry I			

(c) Now you should be able to see at a glance when work will be piling up. By referring to your semester planner you can fill in blocks on your weekly diary with work that needs to be done that week. If you work backwards from heavy work load weeks to low activity weeks you should be able to spread your work load more evenly.

(d) Finally consult the list of six study behaviours at the beginning of these lecture notes. The first five will probably have to be undertaken each week for each course you are taking. Schedule times for these on your weekly diary.

- (e) A few more suggestions :
- Utilise free lecture periods for small study tasks (reviewing lecture notes). The more you can get done on campus the less to do at night.
  - You will tend to be more productive during the day than at night. Use this productive time to your best advantage.



# Appeal by wool union dismissed

DD 11/11/81

30000

**BLOEMFONTEIN** — The Appeal Court here yesterday dismissed with costs the appeal of the Sheep and Wool Producers' Union of South Africa and of its secretary, Mr Daniel Jacobus du Plessis, of Cradock, against a judgment which rejected an application by them in regard to the wool-marketing scheme in South Africa.

On October 18, 1979, in the Transvaal Supreme Court, Mr Justice F. S. Steyn and Mr Justice D. A. Melamet dismissed with costs an application that the Minister of Agriculture should be ordered to reconsider the method of wool-marketing in South Africa; that the Wool Board should be authorised to market the wool of the union's members according to a floor price system; that certain benefits paid for the union's members to the National Woolgrowers' Association of South Africa should in future be paid to the union; and that members of the union should be favourably considered for nomination to the Wool Board.

The matter arose over a dispute about the validity of Proclamation R155 of 1972, which introduced the controversial pool system for marketing wool. The Sheep and Wool Producers' Union was formed in 1976 by wool producers strongly opposed to the method.

Yesterday, Mr Justice Joubert, with the concurrence of Mr Justice Rabie, Mr Justice Cillie, Mr Justice Viljoen and Mr Justice Botha (acting judge of appeal) emphasised that this case was not concerned with the merits of either the floor or pool systems.

It had been argued for the union and Mr Du Plessis that the wool scheme was invalid because the minister had not complied with the provisions of Section 12 (1) (B) of the Marketing Act, namely to convince himself that the wool scheme would be in

the interests of the wool producers when he recommended the proposed scheme to the State President for approval in 1972.

The judge said that neither in their founding, nor replying affidavits had the appellants stated facts from which it could be deduced that the minister had neglected to convince himself as required by section 12 (1) (B). Similarly, they neglected to give facts from which it could be deduced that the minister had deliberately neglected to comply with the provision of the section.

It was acknowledged legal practice when an application was made by notice of motion, as had been the case here, that an applicant in his founding affidavit must set out facts to form a cause of action for the desired legal assistance, so that the respondent could deal with the alleged facts in his answering affidavit.

Mr Justice Joubert said that in the present case the union and Mr Du Plessis had neglected to make out a cause of "action in their founding affidavit for Proclamation R155 to be set aside, as sought in their main prayer". There was also another stumbling block — the failure to bring the application for setting aside the proclamation within a reasonable time.

It had been argued that a written request to the minister on May 17, 1978, contained a written proposal for a change in the wool marketing system.

Mr Justice Joubert said that nowhere in this request could he find any proposal for the scheme to be changed, nor, in the four prayers which concluded the application, could he read in any request for such a change.

There was no statutory duty for the minister to deal with the application and the appellants were thus not entitled to the legal aid sought in their alternative prayers. — SAPA.

QUANTITY  
SURVEYING

(Continued)

DD 17/11/81  
**SA wool products  
take upward swing**

PRETORIA — The production of Woolmark products in South Africa increased by 35,8 per cent in 1980, according to the wool board's latest annual report.

"This increase can be attributed mainly to a greater demand brought about by more favourable economic conditions as well as the preference for wool that has been created," the report says.

About 2,5 million kg of wool were used locally during 1980 to manufacture various Woolmark products. Wool consumption in all end products in-

creased with the exception of women's wear.

The manufacture of Woolmark clothing and hand-knitting wool increased by 35,9 per cent in

1980 and Woolmark household textiles by 35,5 per cent in comparison with 1979.

The report also said that the total quantity of wool

processed from July 1, 1980 to June 30, 1981, increased by 2,1 million kg or 3,99 per cent compared with the previous season.

The new processing plant at Dimbaza which came into operation during the year contributed to the increase.

A total of 54,7 million kg of wool was scoured and processed — SAPA

Bell-John Prize

For the best all-round student in any year of study.

P C Key

The Committee of the Western Cape Chapter of Quantity Surveyors' Prize

For the student obtaining the highest marks in Professional Practice.

P R Swift

LTA Prizes

For the best student in each of the courses of Building Economics I, II and III in the third, fourth & fifth years respectively.

I : N D G Sessions

II : A R Low Keen

III: No award

S A Brick Association Prizes

For the best student in the subject of Building Construction.

C W von During

For the second best student in the subject of Building Construction.

K Strong

Student Planners Award

For the student who has shown greatest promise at the end of the first year.

M P Morkel

manufacturers raked in only 25%. In terms of the new agreement, manufacturers will now get 45% of the price increase, while growers will get 55%.

Temple says the agreement was reached in an "amicable" atmosphere after many months of negotiation. The manufacturers, he says, presented a well documented case showing that their production costs had gone up on average by 16% a year since 1977.

"Growers accepted that the manufacturers' costs had risen the most steeply."

But if wattle growers are chuffed with their new increases, other timber growers are certainly not.

Members of the South African Timber Growers' Association (Satga) recently asked for an 18,8% increase in the price of all softwood sawlogs, pulpwood and mining timber. The *FM* understands that the major consumers are offering increases of about half that - much lower than growers expected, even allowing for a cooling off in the economy next year.

Satga director Bruce Ferguson says his association is still negotiating with the major buyers and it would be "unfair to comment at this stage." Timber researchers estimate that SA will have to plant an additional 39 000 ha of timber a year to the end of the century to avoid a chronic timber shortage in the country.

Clearly growers' return on investment will have to be brought more into line with those of wattle growers if these targets are to be met.

The new scale, which raises the price of wet bark from R65/t to R80/t, was announced at the recent annual congress of the South African Wattle Growers' Union (Sawgu) in Pietermaritzburg. The higher figure is retrospective to September 1, so farmers will enjoy a bonus on bark already sent to the extract manufacturers.

Combined with the proceeds from the sale of wattle timber to the pulp and mining industry, growers will now receive a return on investment of around 7% - far more than the average of 3,5% for other timber



SA timber ... wattle's back in the running

crops. This is a welcome turnaround for an industry which 20 years ago had to reduce its plantation area by 50% because of the world surplus of wattle extract and the swing towards alternative tanning methods.

Sawgu director Angus Temple says: "These prices will restore confidence in wattle growing and we could well attract more farmers back to the industry."

Temple points out, however, that a strict quota system governs the production of wattle bark. Although the current quota is fully utilised, there is room for additional production should the demand occur. The industry produces around 220 000 t of wet bark a year, of which 64% is grown in Natal and the balance in the homelands and the Transvaal.

In arriving at their latest price increase, growers struck a new deal with the extract manufacturers on the division on any future extract price increases. According to the original 1962 agreement, growers were entitled to 75% of any price increases, while

TIMBER (3) wood  
Bark bonus

FM 4/12/81  
SA wattle growers are back in the pound seats. In terms of a new tanning industry agreement, they have received a 23% increase in the price of bark. And that now makes wattle the most profitable timber crop in the country.

AGRICULTURE — WOOL

1982

JAN. — DEC.

# Wool trading in EL drops

D. Dispatch  
6/1/82  
Wool  
3

EAST LONDON — Wool trading in the city has dropped by 2,3 million kilograms so far this season — the first year since Port Elizabeth became the central selling point for wool in the area.

This does not mean trade has been lost to Port Elizabeth, however, according to a spokesman for the Wool Board there. During the same period, trading in Port Elizabeth dropped by 1 million kg, and by 1,6 million kg in Durban.

"The only centre which has seen increased activity is Cape Town," the spokesman said.

During the 1980 trading season, 11,6 million kg of wool was offered for sale in East London. In 1981, however, only 9,4 million kg was offered.

"It is very hard to compare trading for the periods when East London was a wool auctioning centre, and when it isn't," the spokesman said. "We will only have a true picture at the end of the trading season."

At present, he said, wool was being held back in several centres while large amounts were stockpiled. This could adversely affect the amounts of wool traded.

He stressed, however, that the general feeling in the wool trade was that the transfer of auctioning points had made "very little difference" to the trading position in East London.

"All it really did was save labour — all the donkey work is done in Port Elizabeth."

The common practice for Border farmers now was to continue sending wool to East London for storage. Samples were then sent to Port Elizabeth, and trading was done on the basis of these 5 kg amounts.

At present, according to an East London spokesman for the Wool Board, there are only two wool traders still left in the city. These traders either travel to Port Elizabeth for wool auctions every week, or work through agents in Port Elizabeth.

Most of the other wool traders still have representatives in East London, however. These people usually clear consignments with customs and handle shipping arrangements. — DDR

# Wool Board is concerned over problems

PREROPRIA — The Wool Board has expressed deep concern about wool production in South Africa.

The director of the Wool Board, Mr. Faan van Wyk, told the annual congress of the Transvaal branch of the National Wool Growers' Association yesterday that the wool industry had experienced serious problems in the fields of research and extension service which hampered production.

The congress accepted a motion that bodies concerned with the wool industry, such as the State, the Wool Board and the Meat Board, be requested to co-operate in supplying an extensive research and advisory service to the industry.

Partners had stated that they needed financial and administrative advice on matters such as the keeping of records, market planning and optimal use of natural resources, while a need for technical research and advice on matters such as breeding and irrigation was common among wool breeders.

Mr. F. J. He Riche, director of Federate Volkspeelings, said the number of sheep in South Africa had remained almost the same for the past 40 years. However, numbers could be increased if more attention was given to feeding. "It was a matter of concern that wool production had decreased from an average 4,3 kilograms per sheep to 3,4 kilograms over the past few years, he said. — Sapa

# Liquor 'banned' in SWA

WINDHOEK — Die

Republikein newspaper in Windhoek reported today that liquor sales in SWA/Namibia were to be banned from April 15. The announcement, it said, was made last night after a meeting of the Ministers' Council.

The newspaper quoted the Council chairman, Mr. Dirk Mudge, as saying that he believed there would be initial protest to the prohibition but people would soon get used to the idea and settle down to alcohol-free living.

This was one of the paper's April Fool items. Another report announced that the conservative leader of the SWA National Party, Mr. Kosis Pretorius, had departed for London for urgent talks with Swapo's Mr. Sam Nujoma. — Sapa

# Tension on West Bank appears to be easing

JERUSALEM — Tensions

on the Israeli-occupied West Bank of the Jordan appear to be easing after two weeks of clashes between security forces and demonstrating Palestinians.

But Israeli forces remained on the ready yesterday to deal with any renewed trouble, which first flared after Israeli Arab mayors who supported the Palestine Liberation Organisation.

The situation in the area was a major issue in talks in Jerusalem on Tuesday between British Foreign Secretary Lord Carrington and Israeli leaders. Lord Carrington met Foreign Minister Mr. Yitzhak Shamir for a third round of discussions yesterday. Aides said the Prime Minister, Mr. Menachem

Begin, told Lord Carrington Israel considered all declarations for Palestinian self-determination a sure recipe for further bloodshed.

Israeli officials said Lord Carrington urged Israel to negotiate with the PLO, as Britain had with guerrilla movements in its former colonies.

But Mr. Shamir urged Western Europe to stop pressing Israel to make more concessions to the Arabs, saying this could jeopardise its existence.

Both sides said the discussions had been friendly, but acknowledged they did not bridge their long-standing differences over self-determination for the Palestinians and recognition of the PLO. Meanwhile, the whole of Sinai was put off limits to Israeli settlers yesterday

with the passing of a midnight deadline for civilian evacuation of the desert peninsula due to be returned to Egypt later this month.

But hundreds of ultra-nationalist Israelis defied the deadline, risking clashes with soldiers ordered to enforce the pullout.

The authorities have threatened to cut electricity, water and food supplies to the hardliners occupying buildings abandoned by more moderate settlers in the Mediterranean coastal region.

But no firm word came from the military command on how it intended to force total evacuation of civilians across the new border that will divide Egypt and Israel from April 26 under the Camp David peace agreements. The end of 11 years of

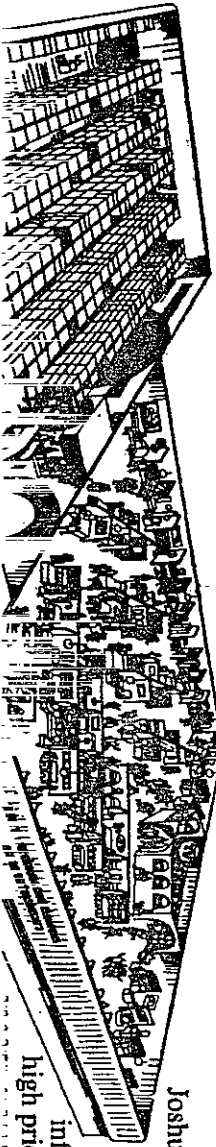
Israeli civilian life in Sinai was a traumatic episode for the nation, and the authorities were clearly reluctant to use force unless absolutely necessary.

Scores of lorries poured out of Yamit and 13 neighbouring farm settlements on Tuesday packed with the belongings of families who now have to set up new homes in Israel itself.

Some Yamit residents and local farmers have been given special permission to stay on for a further two weeks until a final decision is reached on the amount of compensation they should receive for leaving their properties.

During that time they will be expected to carry on the work of dismantling their homes and packing up their goods for the new life that lies ahead. — Sapa- Reuter

# High Prices Slammed As Joshua Doore Strikes Back



Joshua Doore has struck the first blow in a war against high prices and inflation. Gunning down high prices at every

## 40,000 CUBIC METRES OF FURNITURE

- We have furniture racks 2,5 kilometres long and nearly 4 storeys high.
- You'll see the most exciting display and biggest selection of quality

# Drought aid subject at wool talks

③ Wool E. Post  
10/4/82

A WIDE range of subjects concerning the wool industry — a vital industry being affected by drought — will be discussed in depth at the annual congress of the National Wool Growers' Association of the Cape Province to be officially opened in Port Elizabeth on April 20 by the Minister of Agriculture and Fisheries, Mr Piet du Plessis.

The Namaqualand branch wants a long-term policy on droughts.

Its resolution reads: "Congress requests the appropriate authorities to endeavour to develop fodder-producing areas in order to allow the drought-support programme to succeed to the benefit of wool farmers."

Promotion, advertising and research will feature prominently in the resolutions, in addition to a talk given by Mr A Kitahara, manager of economics and market research of the International Wool Secretariat in Japan.

The Kaffraria and Middelburg branches want the Government to make available to the Wool Board R2 million for research and development, with the possibility of an escalation clause.

The Middelburg branch also requests the Wool Board to review the advertising and promotion of

woollen goods in the Republic, "in view of the lack of woollen products in stores and the public's poor understanding of the qualities of wool."

A resolution from the Sutherland branch would like the Wool Board to advertise wool with all its attributes "very prominently" on television, while a Somerset East resolution wants congress to request the meat committee of the National Wool Growers' Association to investigate "more efficient methods of advertisement" to promote mutton.

On security, the Queens-town branch requests the Government to take immediate steps to ensure the future of the wool growing industry in border areas.

There will be several resolutions on strengthening the industry's stabilisation fund.

The Aliwal North branch says that in view of current high interest rates, congress should request the Wool Board to adjust the interest paid on agterskot payments.

A resolution from Noupoot says: "Congress requests that an exhaustive investigation be undertaken into the functions of the Land Bank and the Department of Agricultural Credit and Land Tenure, in order to avoid du-



By Fred Roffey

Business Editor

plication and to introduce a more simplified and efficient process enabling stock farmers to obtain the necessary funds at the lowest possible interest rate."

A resolution from the Calvinia, Aliwal-North, Colesberg and Uitenhage branches wants congress to request the Ministers of Finance and of Agriculture and Fisheries to:

- Confirm the principle of less costly credit to agriculture;
- Reconsider the increased Land Bank long and short term interest rates.
- Lengthen the period of payment of existing and new loans.
- Subsidise the Land Bank rates exceeding 7% where merited or where survival is threatened.

The Cradock branch wants the Wool Board to attend urgently to the training necessary for sheep and wool advisory services, and to undertake steps to retain such people in the industry.

A resolution from the Fraserburg and Touwsrivier branches says: "Congress expresses its concern regarding resignations from the public service in the field of smallstock farming.

"Congress furthermore requests that the possibility of financial support by the industry for key positions essential for the continued development of smallstock farming, be investigated."

The Loxton branch wants the Wool Board to introduce a different method for branding sheep which are to be marketed in order to avoid the contamination of wool.

A resolution from Loeriesfontein reads: "Congress requests the Meat Board to undertake a penetrating investigation into the damaging of skins at abattoirs and the resulting low prices that are fetched for such skins."

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# Wool farmers 'unhappy' with Govt grant

By RUTH GOLEMBO

WOOL farmers are unhappy with the Government for reducing an annual grant to the Wool Board of R1,6 million last year to R500 000 yesterday — a sum described as a "mere pittance" by a top wool executive.

An executive member of the National Wool Growers Association, Mr P E Kingwill, proposed that the amount be increased and a resolution to this effect was adopted at the association's annual conference in Port Elizabeth.

The chairman of the Wool Board, Mr P van Rooyen, asked pointedly: "Why does the maize industry get R85 million and the wool industry only R500 000?"

In reply, the Minister of Agriculture, Mr P T C du Plessis, said he would look into the matter immediately with the Minister of Finance, Mr Owen Horwood.

He added that the R85 million grant to the maize industry was in fact a grant "to the inland consumer and not to the producer".

Mr Van Rooyen said the maize industry owed the Government R71 million and was "paying it back at the ridiculous interest rate of 4% per annum".

At one stage, the State gave the wool industry R2 million yearly for wool exports, but this was reduced to practically nothing when the former Minister of Agriculture, Mr Hendrik Schoeman, decided this money was needed for "buying cannons", Mr Van Rooyen said.

Mr Kingwill said that "after battling for years", wool farmers managed to qualify for the scheme "whereby the Government pays 25% of the export promotion".

"They then cut the grant to economise. The share the wool industry received was grossly unfair and we started negotiating for a *pro rata* reduction".

The amount received last year was R1,6 million. A Wool Board spokesman said this had now been reduced to R500 000.

# 'Poor shearing causes loss of profits'

Post Reporter

INCOMPETENT sheep shearers cause wool farmers immense profit losses, the chairman of the Stutterheim branch of the National Wool Growers' Association (NGWA), Mr J A N Vermeulen, said in Port Elizabeth yesterday.

Mr Vermeulen told the congress of the NWGA that incompetent shearers maimed animals, wasted time and sheared unevenly.

He called on the Farmers' Brokers Co-operative to ensure that sheep shearers could, in fact, shear. He said imposters were taking farmers for a ride.

"The farmer who employs a man who says he is a shearer has no way of knowing the man's actual ability and runs the risk of having his flock cut and wool damaged.

"A experienced shearer shears 30 sheep a day and we expect about 150 to 180 a day from a group of six men. Shearers get an average of 29c a sheep, of which 10c goes to the Farmers' Brokers Co-operative," he said.

Another delegate, Mr C J W Lamprecht, of Aberdeen, complained that the Karoo caterpillar was devastating natural grazing, forcing farmers to buy fodder.

Mr Lamprecht said: "After making representations for years, virtually nothing has been done to combat the plague."

He recommended that the Wool Board make bursaries or funds available for thorough research into the control of caterpillars.



# Border wool <sup>3 Wool</sup> farmers' <sup>S. Post</sup> future <sup>23/4/82</sup> insecure

Post Reporter

THE future of one of the largest wool-producing areas in South Africa — the areas bordering Ciskei and Transkei — was threatened by stock theft, stray dogs and contagious sheep diseases, the chairman of the Queenstown Farmers' Association, Mr Alfons van der Vyver, said yesterday.

On behalf of his association, he made an urgent appeal at the congress of the National Congress of the Wool Growers' Association for the Government to take the necessary steps to ensure the security and future of the wool-growing industry in the Border areas.

The position of the Queenstown district, which was one of the largest wool-producing areas in the Cape in 1976, had changed drastically as a result.

"Seventy farms have been sold for consolidation and the wool industry cannot afford to lose one more kilogram of wool."

He said Border farmers were entitled to protection in the form of:

- Enforceable international boundaries;
- The closing of the many inferior paths in and out of the area;
- The introduction of strictly-controlled border posts;
- Strict enforcement of law and order;
- Extradition agreements between the involved countries.

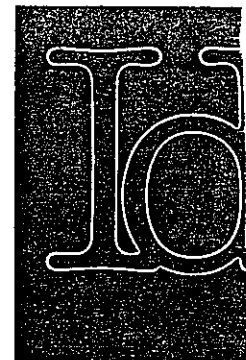
A conference to discuss the Border farmers' problems is to be held in Queenstown on April 29. Members of the police force, Government and army will attend.

## briefs

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### dekoms meet



# Big push in US for SA wool

(3) Wool      E. Post      12/5/82

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MORE Americans may be wearing clothing made of South African wool as a result of a big export attack on potential markets in the United States planned by the South African Wool Board.

This has been sparked off by the renewed demand for wool in the US, which is an important feature of wool's strong performance worldwide in recent years, while other fibres have encountered economic problems.

The Australian Wool Corporation is also looking at the possibility of increasing wool exports to the US.

The South African and Australian moves could mean a strong two-pronged promotional attack on the American market.

A vigorous promotion would be essential in a country where only hard-hitting and persistent campaigns succeed.

Meantime, the chairman of the South African Wool Board, Mr Peter van Rooyen, has announced that the director of wool marketing, Mr Jan van Wyk, and the director of technical services, Mr Jan Moolman, will visit the US at the end of this month to investigate the potential.

The latest monthly report of the Wool Board



**By Fred Roffey**

**Business Editor**

shows that the US took only 5% of South Africa's wool exports from July 1, 1981, to March 31, 1982.

This compares with Britain (21,7%), Germany (17,7%), France (16,5%), and Italy (15,4%).

The report also shows that South Africa's general wool exports continue to be buoyant.

The value of all wool exported from the Republic from July 1, 1981, to March 31, 1982, was R187,7 million.

This was R33,7 million more than in the corresponding period of the previous season.

The sale of producer wools from July 1, 1981, to April 30, 1982, dropped in mass by 116 282kg, or 0,1%,

but increased in value by R56,5 million, or 32,1%, when compared with the corresponding period of the previous season.

In the two selling weeks of April after the Easter recess, 38 719 bales of all classes of wool were offered compared with 44 783 bales during April last year.

This is a drop of 6 064 bales, or 13,5%, while the decrease in mass was 906 690kg, or 13,2%.

Compared with the close of the previous month, when the Wool Board's market indicator stood at 543, the market in April showed an increase of 5,15% and the market indicator increased 28 points to 571.

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Fosatu Annual Report Nov. 1980/81

# Court told of Extremely good season for wool

(3) Wool S. Post  
5/6/82

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NOTWITHSTANDING a fractional decline in wool prices at the last auction in Port Elizabeth on Wednesday of the 1981-82 wool season, when the Wool Board's market indicator eased by 1,75% to 563 points, the season can be regarded as an extremely good year.

Among the highlights are:

- A noticeable increase in wool production.

- The biggest wool cheque in South African history.

- The market indicator reached a record level.

- The smooth introduction of centralised sales.

Preliminary figures indicate that wool production will go up by 3,5% this year to show an increase for the third consecutive year.

The total shorn wool clip of 105 million kilograms, is in fact the highest in 10 years, while the yield increased by 1,5% for a 5% rise in clean wool production.

This increase occurred mainly in the merino category (5,4%) and karakul production which normally comprises about 6% of the South African clip, declined by more than 18% against the background of the weakening rand, when compared with the currencies of South Africa's most

important trading partners, and particularly against the relatively strong Australian dollar.

The season opened with the indicator on 523 points.

The fluctuations in the exchange rates have benefited the export market to such an extent that the accumulative level of the indicator reached 528 points, which is fully 30% higher if compared with the average of the previous season.

On May 27 the market indicator reached a record level of 573 points and with the closing of the season it was still 7,6% higher than the opening level.

The average greasy price for the season of 275,9c/kg is 31% higher than last year, while the clean wool price of 481c/kg reflects an increase of 28,4%.

Just more than 92 million kilograms of producers' wool (91% of the offering) was sold at auction for R253,8 million.

This is an improvement of more than R52 million compared with last year.

If the value of the carried-over stock is taken into account, the total realisation value of the clip could reach a record amount of R270 million.

A most important feature of the market during the season has been the excellent demand for long-

fine and super-fine wool.

The demand for karakul wool, however, continued to be poor and only 45% of the offering was sold.

Since the Easter recess, the demand for short wool and locks has also dropped significantly and the board withdrew some 8 600 bales of these wools during the last auction in terms of its policy to create a better balance between supply and demand.

The introduction of centralised selling in Port Elizabeth can be regarded as one of the most progressive steps in combating rising production costs.

South Africa is still the only wool-producing country in the Southern Hemisphere where such a system has been implemented.

Although the past season can be regarded as a very good one, it must be seen against the background of the real production cost increases facing farmers, as well as serious droughts prevalent in many parts of the production areas.

Although the wool industry has been affected by the slowdown in the South African economy, it was not as bad as in the non-exporting sectors of agriculture, and optimism is still at a relatively high level.

The next season opens on September 1, 1982, in Port Elizabeth.

think it was obvious that they (the Seychellois forces) were not stopping the firing and he had an option to join us or the others," Mr Forsell said.

Mr Forsell, who admitted under cross-examination from Colonel Hoare that his father was an Austrian High Court judge, said he had not seen any of the mercenaries threaten or point firearms at civilians. He had had the impression that the Seychellois regarded the civilians caught up in the coup as expendable.

Firing from a 75mm recoilless rifle had begun after the Air India jet touched down and Colonel Hoare had negotiated with Seychellois authorities to stop the shelling of the airport "on humanitarian grounds", he said.

After the men had boarded the plane at Mahe and it had lifted off, he had seen men packing away their guns. He had

up the matter two days later he had been invited to attend a meeting.

### Bloodless coup

Colonel Hoare had addressed the meeting and said he was planning a bloodless coup which had the support of the South African authorities.

Mr Forsell said Colonel Hoare agreed to take him along in an "administrative" capacity.

He had arrived on the islands unarmed and had not touched a gun during the entire battle at the airport, he said.

Earlier another accused, Mr John Mackay, 26, a member of the crack Recce regiment based on Durban's Bluff, said he had initially thought that the Air India jet which touched down at Mahe during the fighting had been arranged for their escape.

The hearing continues

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 11/7/82

**Mail Correspondent**  
**PORT ELIZABETH** — Final payment (agterskot) cheques amounting to R20 400 000, including interest of R1 400 000 will be mailed to South African wool producers by the Wool Board today.

The Chairman of the Wool Board, Mr Pieter van Rooyen, said yesterday interest had been calculated from the date of the advance (voorskot) payment until July 1 at a "relatively favourable rate of 14.36%". Mr Van Rooyen said the net final payment, excluding interest, averaged 7.77%. This meant producers had been paid 92% of the net clip realisation by way of an advance payment which reflected a 34.1% increase compared with the previous season.

"In view of this year's record clip realisation of R277 000 000 — 32.6% up on the previous year — and the fact that the season can be regarded as a favourable one, a 2.5% stabilisation levy has been debited against the pools."

The final payment percentages for the various pools differed substantially depending on the sales performance of each type. Percentages of each type were shown in the payment statement.

He said the net realisation of 118 pools was below the advance paid to producers and there was no final payment for those pools which showed a deficit of R114 846 and had been supplemented by the stabilisation fund, in accordance with the board's policy.

These types comprised mainly the short, strong categories as well as certain outsorts for which demand had been poor. Substantial quantities of these wools remained unsold at the end of the season and had been taken over by the stabilisation fund. In comparison long and good combing types in the merino category fared relatively better, he said.

**Award-winning  
 vet dies, aged 91**

**KNYSNA.** — A distinguished veterinarian, Dr Eric Maxwell Robinson, 91, died in the Knysna Hospital on Monday after a brief illness.

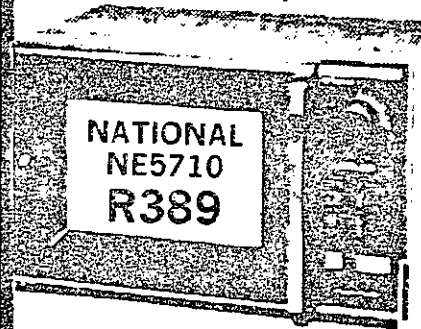
Dr Robinson was awarded the gold medal of the South African Veterinary Association.

He leaves his wife Dorothy, two children by a previous marriage, seven grandchil-

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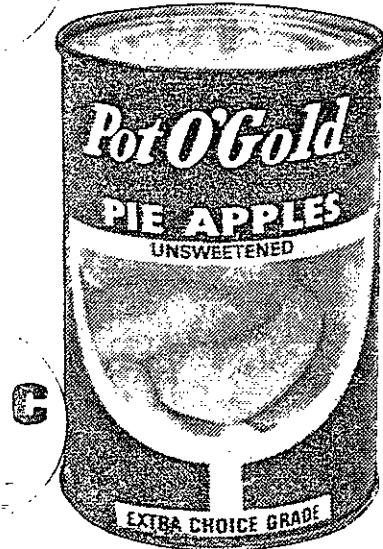
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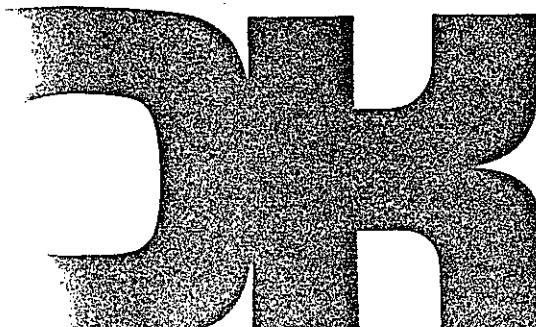
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# SA wool aims at Far East markets

Wool 004  
8/7/82

SOUTH Africa aims to double wool exports to the Far East in the next few years, says the managing director of the Wool Board, Mr Faan van Wyk.

He says Europe will remain the main market for South African wool because of a relatively fast shipping service, but within a few years the Far East should take 6% to 7% of exports compared with about 3% now.

Mr Van Wyk, who recently visited customers in the Far East, says Japan will be South Africa's biggest wool export market in the region, but South Korea, Taiwan and Hong Kong will also take more South African wool.

Far Eastern interest in South African wool has grown as freight rates have become more competitive and since the introduction of

containerisation made off-loading easier.

Figures for the past season are not available, but between July 1981 and April 1982 South Africa exported 42 250 000 kilograms of wool, greasy basis, with the main destinations being France and Britain.

Australia and South Africa are funding a wool promotional project in the US to try to capitalise on renewed demand for wool.

US wool consumption rose 14% last year and South Africa shared proportionately in the increase.

The recession in major industrial countries has not adversely affected wool exporters in spite of wool's being three times more expensive than synthetics in Europe and four times more expensive in the US.

Mr Van Wyk forecasts a 3% to 4% rise in South African wool output on a clean basis in the 1982-83 - August to June - season after an increase of 5% to 60 400 000 kg in the past season.

On a greasy basis South Africa's wool production rose almost 4% to 105 730 000 kg last season, its highest in 10 years.

The drought will not have a major impact on the 1982-83 clip, although dust content is likely to be higher, says Mr Van Wyk.

The rand's sharp decline against major currencies boosted export earnings by 30% in the past season. - Reuter.

# Wool centralisation: board denies EL hit

3 Wool D. Dispatch  
10/7/80

EAST LONDON — A claim that the harbour here is losing wool exports because of the centralisation of wool sales in Port Elizabeth has been strongly rejected by the Wool Board.

In the latest edition of the official journal of the East London Chamber of Commerce, Hilite, it was claimed that East London lost 50 per cent and Port Elizabeth gained 50 per cent of wool exports between 1978 and 1981.

Using statistics provided by the South African Transport Services (SATS), the journal commented that the figures showed a picture that the chamber had predicted all along — that centralised sales in Port Elizabeth would have an adverse effect on exports through East London's harbour.

The statistics showed a drop in export tonnage through East London

from 30 898 tons in 1978 to 16 706 tons last year.

The figures for Port Elizabeth rose from 37 576 tons in 1978 to 55 121 tons last year, while the total quantity of wool exported from South Africa rose from 120 775 tons in 1978 to 138 877 tons last year.

The deputy director of wool marketing for the Wool Board, Mr Jan Allen, said sales were only centralised in Port Elizabeth in August last year, which made the interpretation of the statistics from 1978 in terms of centralised sales incorrect.

Using the same statistics, Mr Allen said that if one compared the figures for 1980 with those for last year, there was a greater percentage drop in wool exports through Port Elizabeth than through East London.

In 1980, 18 500 tons of wool were exported



MR JONKER

through East London and 66 870 tons were exported through Port Elizabeth.

The percentage drop between 1980 and last year for East London was 9.7 per cent whereas for Port Elizabeth the drop was 17.6 per cent.

"You can't use export figures as the norm for the inflow of wool into any one port," Mr Allen

said.

"If you look at a comparison between the 1980-81 season and the 1981-82 season of the total number of kilograms of wool delivered by growers to East London, there was a reduction of only 1.78 per cent.

"If the centralisation of sales has had any effect, it has been very marginal."

Mr Allen said it also had to be remembered that since 1978 a greater quantity of wool was being processed in South Africa as opposed to being exported for process.

"What about the wool coming into East London and then being railed to local processing plants at Dimbaza and Uitenhage?"

"One must particularly bear Dimbaza in mind where the plant went

into operation last wool season," he said.

The systems manager for the SATS here, Mr A. J. Jonker, confirmed yesterday that statistics given on wool exports were correct.

However, Mr Jonker said that East London harbour was a "feeder" service for cellular container ships because the harbour could not accommodate the ships.

He said much of the wool handled by the SATS in East London was railed to Port Elizabeth for export.

Ships taking on wool here also sailed to Port Elizabeth, as well as Durban and Cape Town, where the wool was transferred into a cellular container ship.

Mr Jonker said there had been no direct export of wool from the harbour since the mail ships stopped coming to East London.

"This hasn't anything to do with the centralisation of wool sales in Port Elizabeth," he said.

"It simply involves a different pattern of trade routes." — DDR

## WOOL SALES

### Fluffed up

③ wool  
FM 16/7/82

In spite of a drop in export volumes for the 1981/82 season, wool farmers have achieved record rand sales due almost entirely to the weakening rand.

However, in real terms, these prices remain at the levels prevailing during the Seventies.

Wool Board marketing director Jan Van Wyk says sales rose from the previous season's R201m to R254m. Volume however, fell from 95,88m kg to 92,35m kg.

This year's average price of 275,33c/kg was about 31% higher than last year's 210,04c/kg, mainly because of the lower value of the rand.

Carryover stocks have thus increased from 55 000 bales (7,9m kg) to 120 000 bales (17,5m kg). Van Wyk says this was mainly due to some wool, including some shades of karakul, not fetching minimum reserve prices.

Van Wyk says this situation is "quite normal" and that the carryover stocks will be financed by the wool stabilisation fund.

Total production rose from 101,76m kg at a value of R209,03m last season to 105,73m kg at a value of about R277,15m this season.

Exports took up about 85% of the clip. Biggest buyers were the UK (21,6%), France (19,47%), Germany (16,51%), Italy (13,35%), Japan (6,76%), and the US (5,32%).

Wool Board economist Fred Van Niekerk says world demand for wool was weak this year because of low economic growth and high interest rates.

But he says all wool-buying countries expect higher demand next year. This should give the local industry higher volume sales at better prices.

However severe drought this year has forced farmers to increase their sheep slaughtering by 16% and this may well keep the 1982/83 crop in line with this year's, says Van Niekerk.

Farmers will also have higher production costs because they have had to keep stock in good condition with supplementary feed such as maize and lucerne.

# Sheep farmers to get R10m in aid

CAPE TOWN 28/10/82

Own Correspondent the loan.

PRETORIA. — The government yesterday announced increased aid to Cape sheep farmers.

The aid will cost the State more than R10-million, according to a joint statement by the Minister of Finance, Mr Owen Horwood and the Minister of Agriculture, Mr Greyling Wentzel.

The announcement was immediately welcomed by Mr Gert Bosch, Secretary of the Western Cape Agricultural Union.

Mr Bosch said the recent increase in the maize price had caused an increased overhead costs for sheep farmers in the Western Cape.

According to the announcement, the emergency feed-aid to sheep farmers has increased from R4 to R5 a month for an ewe. The State will subsidize 70 percent of

The increased aid will go to farmers in the following magisterial districts:

Kenhardt, Pofadder, Williston and some areas in the districts of Calvinia, Carnarvon, Gordonias and Namaqualand.

The statement also said karakul farmers were in suffering financially because of the steep decrease in the average floor price of pelts.

From November 1 this year to October 31 next year, the State will give financial assistance to farmers whose average floor price for a pelt throughout the year was lower than R15.

This aid will cost the State R3,5-million and the announcement said the government hoped the aid would encourage karakul farmers to retain their flocks.

ESS AT



# KARAKUL FARMING (3) wool Skinned FH

3/12/82

Government and SA's two karakul co-operatives are hoping that a new subsidy scheme will make it less tempting for karakul farmers to produce for the meat market rather than stay with pelts.

Since 1979 sales of SA karakul lamb pelts have dropped from more than 2m to about 700 000. The problem is that farmers are selling breeding ewes to abattoirs and allowing lambs to grow up to the point where their fleece no longer has commercial value.

Since 1979, farmers have faced slowing demand and a price drop from about R16/pelt to about R9. The Department of Agriculture's R3,5m subsidy, over the next 12 months will go to farmers selling their pelts in London.

On pelts fetching up to R10 each, the subsidy is 50% of the price, dropping 10% for every rand above this price which means that when prices reach more than R14, there is no subsidy.

The present weak London prices suggest that most farmers will receive the full 50% subsidy. Hopefully, this incentive, like the SWA/Namibia subsidy brought in two years ago, will allow farmers to cover production costs and encourage the breeding of high quality pelts.



Karakul coat ... now cheaper to make

Says Roelf Kleefstra, marketing director of the SA Karakul Co-operative: "The subsidy is helping bridge a very weak period."

Affecting sales more than the economic climate is the swing in fashion from short-hair furs like karakul.

Says Jan van Zyl, chief executive of the Farmers Broker's (Co-op): "Meanwhile, we hope producers will keep up high quality breeding and have sufficient supply when the upturn comes."

Another aid to farmers is the SA Karakul Board's (SAKB) new auction reserve price scheme, introduced last week. Once a price has been set for a specific type and grade, subsequent sales of similar pelts have to be at least 90% of that figure.

Says SAKB manager Tokkels van Wyk: "This protects both producers and buyers from having their sale or purchase prices undercut. And it makes the sale of each pelt market-related."

The reserve price system proved successful at the November auction, raising sterling prices 12,5% above September levels.

Comments Van Wyk: "That shows there is a demand."

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# Wool Board loan

Business Editor  
Post 4/12/82

THE SA Wool Board has raised a R250-million Euro-dollar loan to finance its *voorskot* (advance) payments as well as the mounting level of unsold stocks.

Confronted by steeply contracting demand for South African wool, the board has set a precedent by side-stepping a relatively high-cost Land Bank loan (just reduced from 17,75% to 17,25%), and succeeded in raising the bridging finance on the European money market at 11%.

The need for the substantial loan should be seen against the background of assessments that lead to the board declaring a 7% higher *voorskot* payment at the season's opening on July 1.

For a variety of reasons the projected income has failed to materialise, forcing the board to become a borrower at around twice its normal financing levels:

● Demand is dramatically lower than anticipated.

In the four months to end-October, sales volumes were 44% down on last year's 18,7 million kilograms at 10,4 million kilograms.

● Prices have dropped.

Over the same period last year, the wool clip earned a total of R54,7 million at an average price of 292c/kg. Total income this year is down 40,8% to R32,4 million. Significantly, measured over the full four-month period, the average price is marginally higher

(6,5% up to 312c/kg). However, the price has dropped substantially in recent weeks and this week the price index was some 8% down on the closing levels of the last season.

● Exchange-rate fluctuations.

The board, in concert with its Australian counter-

part, maintains a floor level of 422 Australian cents a kilogram — holding in stock wool not sold. Unfortunately for South Africans, however, the Australian dollar continues to decline in value measured against the US dollar, while the rand has in recent months staged a recovery. This means an importer gets more Australian wool for his money, than South African wool — with the result that Australian sales are up to 70% of the wool on offer at each auction, while South Africa struggles to sell half its offerings.

Against this background the board was obliged to raise the substantial loan, but, says Mr Joe Strydom (director product marketing), the positive aspects of the loan are the substantial savings achieved on the interest rate, and the great faith demonstrated by the market once the international economy improves.

# Low-cost loan aids wool farmers

ARGUS

7/12/82

3 wool

Argus Correspondent

PRETORIA — The Wool Board has borrowed R250-million from a group of European banks.

Mr Pieter van Rooyen, chairman, said the board had obtained a Euro-dollar loan "at the very favourable interest rate of approximately 11 percent".

Mr J C Strydom, product marketing director, said the money would finance voorskot payments to producers, and retaining unsold wool.

## Saving

Mr van Rooyen said the loan would save woolgrowers millions in interest costs this season, as the Land Bank's cash credit rates had increased from about 12 percent last year to 17,5 percent.

"As long as interest rates on the foreign loan market remain lower than those of the Land Bank, the board will not make use of the short-term credit facilities of the Land Bank," he said.

The board had taken steps in accordance with the wool scheme to ensure the industry would be affected as little as possible by the poor economic conditions.

## Stability

He said implementation of the scheme had brought stability to the industry. It had no serious problems, and the woolgrower had no marketing problems.

"The board was able to accept all wool offered, to pay out voorskot payments as usual, which were seven percent higher on average this season, and to retain and store unsold wool.

"The Wool Board, in co-operation with Australia, is maintaining a firm international floor price of 422 Australian cents a kg clean wool.

## Strong

"The strong stabilisation fund and other funds amounting to more than R100-million, carefully built up by the woolgrowers, form a solid basis on which the board can build its marketing activities."

The only real reason for concern was the strengthening of the rand, which inevitably had a negative influence on export products such as wool, he said.

However, wool producers should remember that they shared in the benefits when the rand weakened last season."

WOOD.

1983 - 1984

# Cape wool farmers on battle to survive

3 Wool  
21/4/83

By CLAIRE PICKARD-CAMBRIDGE

THE severe drought and low prices are seriously affecting wool farmers, according to delegates attending the congress of the National Wool Growers' Association of the Cape Province in Port Elizabeth this week.

Mr Koos Froneman, a wool farmer from Cathcart, said his district was experiencing the worst drought in history.

"Farming has been in my family for 120 years, and the Thomas River running past us has dried up for the first time."

He said Cathcart farmers were now dependent on purchasing "unobtainable fodder" and finances were exhausted.

"Now farmers will have to make use of Government aid," he said.

A Cradock farmer, Dr Manie Schoeman, said the dilemma faced in his area was the lack of natural grazing. "We aren't able to buy feed either due to a general shortage of fodder and logistic problems with the railways."

He said fountains in mountainous areas had dried up, presenting a problem for farmers who depended on them for watering their stock.

"Another problem is the difficulty of marketing stock, because a quota system prevents an oversupply. This means most farmers are forced into overstocking in a drought situation."

A sheep farmer from Graaff-Reinet, Mr Willem Looek, said the main problems he faced were the drought and high interest rates.

"People can't get rid of excess stock and phase three in the Government's drought relief scheme, providing loans and subsidies

on fodder, should be implemented."

He said the drought had decreased wool production, while the *voorskot* price (advance valuation) of wool had not kept up with production costs.

Mr Butch James, a sheep, cattle and angora farmer from Cathcart, said the lack of fodder worried him most.

"I think I can come through until September, but I have 60 hectares under irrigation and haven't had water since December."

"Lands normally used for winter feeding are absolutely barren this year."

He said grassveld in his area could not withstand drought and vast areas had dried up.

"The carrying capacity of the land is being reduced because bare patches will remain even if it does rain."

He said Government subsidisation on fodder had been promised for the Cathcart area, but staff shortages in Pretoria had slowed the processing of loan applications.

He said most farmers received very little for animal hides. "I received R1,80 for a cattle skin recently, yet the shoes I'm wearing cost R34."

Mr Alfons van der Vywer, chairman of the Queenstown Farmers' Association, said his district was the hardest hit in the Border region.

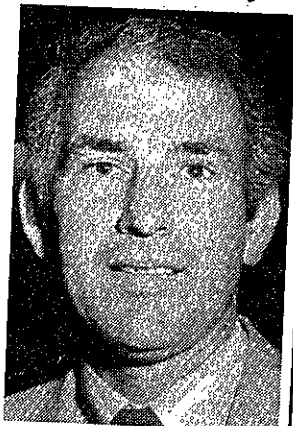
"Farmers are feeding most of their stock and feed is almost unobtainable."

He said he was putting forward a resolution at the congress to build more dams in the Eastern Cape.

Mr Jerry Rose-Innes, of Graaff-Reinet, said the drought was tightening its grip in the region. The authorities had taken too long to implement the third phase of the drought relief scheme.



Mr K FRONEMAN, Cathcart... "worst drought in history".



Dr M SCHOEMAN, Cradock... "difficult to market stock".

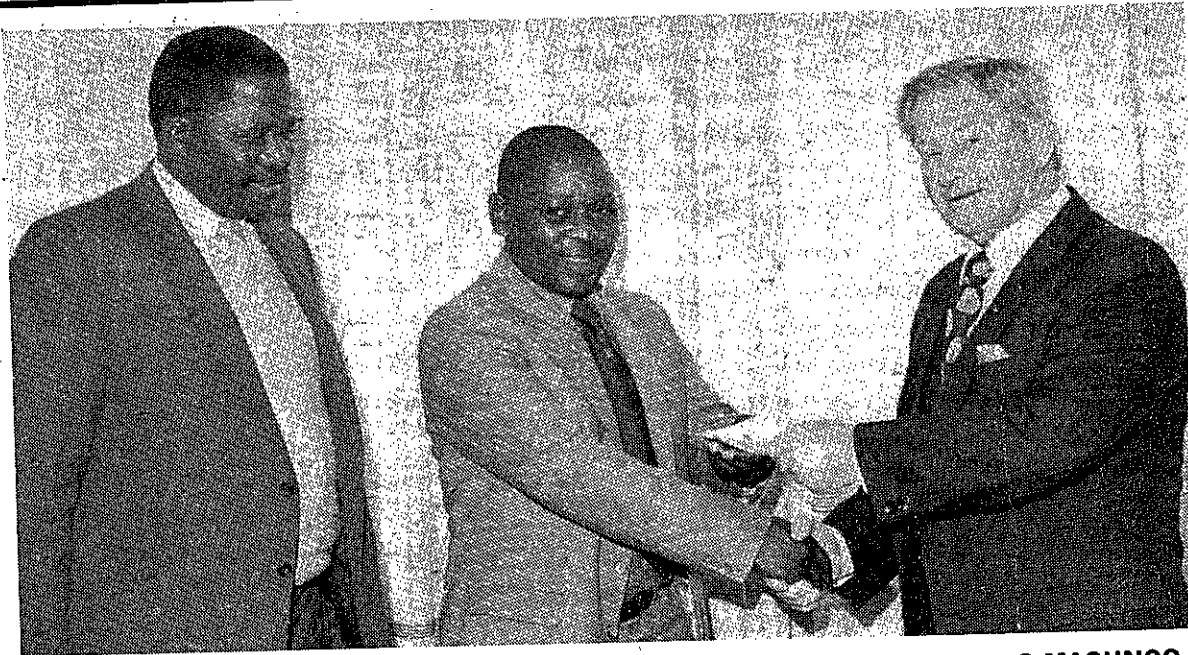


Mr BUTCH JAMES, Cathcart... "winter feed lands barren".



Mr W LOOCK, Graaff-Reinet... "farmers face tough time".

# and Shipping



SA Wool Board member Mr J EGGERS (right) presents a R10 000 cheque to Mr G MAQUNGO, Transkei's Director of Agriculture. With them is Chief M A B DUMALISILE, the Transkeian Consul in Port Elizabeth.

## R10 000 gift for Transkei wool industry

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THE SA Wool Board has donated R10 000 towards the development of the wool industry in Transkei.

At a recent function in the Wool Board offices in

Port Elizabeth, board member Mr J Eggers handed the R10 000 cheque to Mr G Maqungo, Transkei's Director of Agriculture and Forestry.

The money, he said, had been donated "for the furthering of the wool industry in Transkei by inter alia erecting collective shearing sheds and the training

of wool extension officers". During the past season a total of 3,5 million kilograms of greasy wool, worth R4,1 million, was produced in Transkei.

*Wool*  
*103*  
*S. Post 7/7/83*

# Govt to subsidise wool losses

BLOEMFONTEIN. — The Government is to subsidise all Wool Board export losses in excess of R10-million, to a maximum of R12 500 000.

This was announced by the Minister of Finance, Mr Owen Horwood, at the annual congress of the Free State Agricultural Union in Bloemfontein yesterday.

Mr Horwood said the effects of the serious interna-

tional recession on the wool industry's export markets could be such that the board's stabilisation fund would not be able to cope with the potential losses without additional State aid.

That was why it had been decided to pay a one-third subsidy on the remainder and should ensure that the stabilisation fund did not become

exhausted, he said.

The Minister said the damage caused by the drought to agricultural production — was worse than initially thought — when the Government announced its extensive drought relief programme in March.

Good progress, however, had been made with the application of aid programmes, he said. — Sapa.

# Is this a way out of the maize?

By Haanes Ferguson

Maize farmers are thinking of packing up their troubles and loading them onto the woolly backs of sheep.

There will be no stampede to sheep farming, but the Wool Board is trying hard to lure the maize men into wool growing. And it is getting a positive response.

Maize producers feel cornered by uncontrollable risks. Their costs have been jacked up by Government protection of the suppliers of fertilizer, implements, chemicals and fuel.

The price of maize on the home market is being fixed annually by the Government without any reference to production cost.

And the export markets have been made unprofitable by the high rand-dollar exchange rate.

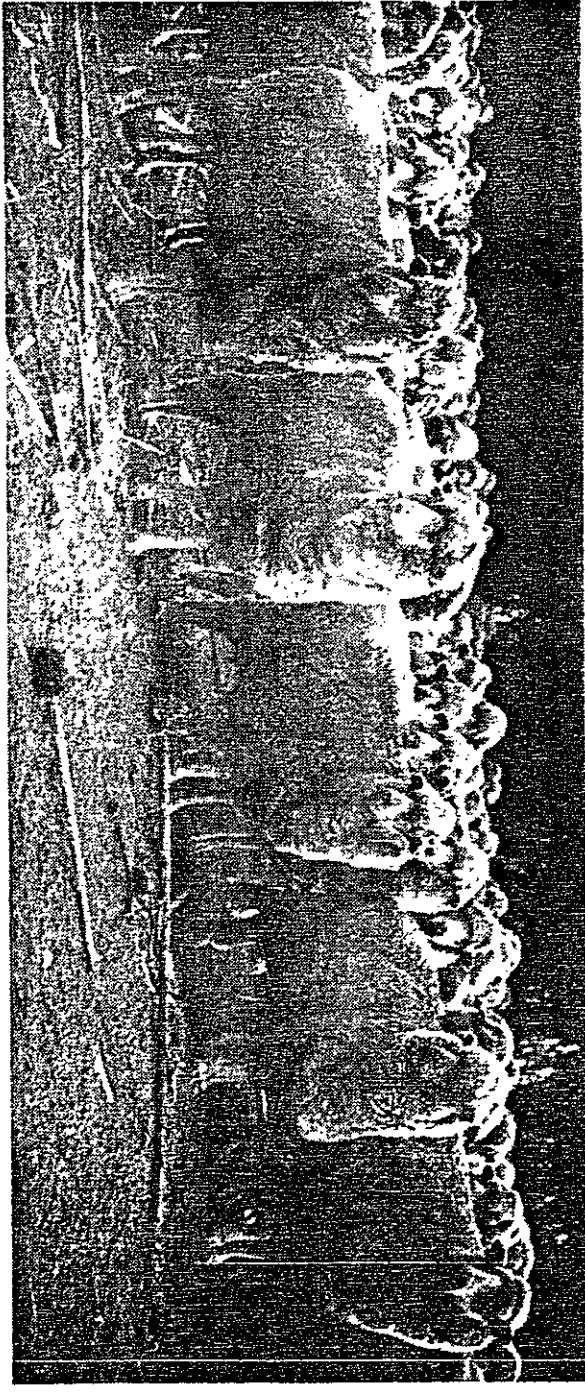
To break even, maize producers must have a bumper crop. But with South Africa's unpredictable, drought-ridden climate, this happens only once or twice in a decade. So they are desperately looking for a way out.

The Government's plan to limit maize production to the requirements of the home market actually forces them out, partly.

Maize growing is to contract next season from 4 million hectares to about 2 million.

But what can they do with idle maize fields? The Oil Seeds Board is in a flutter over the prospect of a sunflower glut caused by maize men

Maize producers are feeling trapped in a tangle of uncontrollable risks. But someone is offering a solution: come sheep farming, says the Wool Board. It's a revolutionary idea, thinks the maize farmer. But some of the advantages are attractive and it is starting to get a positive response . . .



A sight to gladden a maize farmer's heart?

and you cannot overproduce — you have a global market at your feet and your board has the finest international product promotion set up in the world.

The wool industry could do with a rise in volume. From a wool price of around 300 cents a kilogram, the farmer must deduct transport, levies and other charges for every bale marketed.

Then he must pay about 18 cents a kilo for the Wool Board's fixed marketin

season the veld is supplemented by planted eragrostis (heart grass). One hectare of veld and eragrostis is needed for every three sheep.

But west of a line drawn from Lichtenburg to Ladybrand, commercial wool growing is virtually unknown.

Now it takes time for the farmer to get used to what looks like a revolutionary idea.

Everything depends on the number of sheep on the hectare will be able to carry. To compare with maize in income in an average year, the western farmer must be able to run a minimum flock of about 500 sheep on 100 hectares of converted maize fields.

Grazing five sheep on a hectare is possible only by establishing non-irrigated lucerne fields which is a new practice not yet completely researched.

Semi-intensive sheep farming in such a style costs money.

Lots of it, too. R40 a sheep for the animal itself, another R40 a sheep for establishing dry-land lucerne or lucerne-cum grass pastures, and about R10 a sheep for fencing and laying on water to the camps.

So a flock of 1 000 sheep would cost R90 000 to establish on a maize farm. Where is the near-bankrupt maize farmer going to get that kind of money today?

Sheep farming promises to solve the nagging maize farming problem. And if the State wants a solution to the problems its agricultural





sunflower glut caused by maize men switching to sunflower. The bottom may fall out of the sunflower price, they think.

The Wheat Board seeks to protect wheat growers against thousands of Free State maize farmers supposed to be changing to wheat.

The Dairy Board is already facing surpluses, and wants to introduce a quota system to protect established farmers.

Cattle men are looking over their shoulders in fear that the maize man cometh.

Only the Wool Board beckons. Grow wool, it says. Your costs will be manageable, your price cannot be fixed by Mr. Greyling Wentzel

a kilo for the Wool Board's fixed marketing establishment.

These costs are on the way up, like everything else. But if maize farmers could be drawn into wool growing, rising volume could contain marketing costs.

At present, Transvaal is producing 9 million kilograms of wool annually out of a total clip of 107 million kilos. If maize farmers could in time add another 20 or 30 million kilos, this would make a big difference.

The Wool Board has now set up a planning committee with representatives of co-ops, agricultural unions and the Department of Agriculture. Gradually, the idea of ex-



Ja, you're right, man. It's a VERY revolutionary idea...

# Uncovering the secrets of efficient farming

By Bob Fream, Durban

From way down south in George, Knysna and Alexandria, to Mazibuko in Zambia, thousands of farmers depend on systems developed at Cedara Agricultural Research Institute near Pietermaritzburg. They include:

- Farm buildings and facilities and their efficient use.
- Livestock feeding and management systems.
- Fodder flow systems.
- Plant production systems.
- Costings of all these.

Each one needs a book to explain fully, but they add up to more efficient farming systems which keep down the cost of food — at least until it leaves the farm.

Farmers, once notoriously sceptical of scientists and their recommendations, now believe in Cedara.

The main reason for Cedara's credibility is probably that its dairy herd's production has jumped from about 4 500 kg a

Cedara, the headquarters of the Department of Agriculture in Natal, has blazed many research trails which have become part of our farming heritage and contributed significantly to our already huge body of farming knowledge.



Research helps keep farmers and industrialists abreast of the times.

cow a few years ago to the present 7 000 kg. The average for Natal's friesianland herds is about 5 100 kg.

Cedara's recipes for cow, calf and heifer feeding, contained in

the well thumbed "blue book" which is the bible of nearly every efficient dairy farmer in southern Africa, are being revised once again by Mr Bob Brendon, a Polish scientist

trained in Wales and who came here from Kenya. Cedara, the headquarters of the Department of Agriculture in Natal, has blazed many research trails which have

become part of our farming and has a huge body of readily accessible farming know-how. Every day postbags of queries arrive and phones jangle constantly from people wanting information on an incredible range of farming subjects. Many questions come from business and professional people who have the odd R200 000 burning a hole in their pockets and an itch to go farming, or to keep the receiver's hands off it. Many sharp businessmen who aim to buy land and show the yokels how to jack up their farming would do well to avail themselves of Cedara's advice. The sales in execution in Natal's over-paid farming areas which have become fashionable in Joey eyes attest to the need for judicious investment. Another reason for Cedara's high standing is that the scientists have bred some real winners. Midmar ryegrass for instance, outyields the world's best ryegrasses in South Africa and is being planted as fast as possible in other countries.

Yes.

- (a) (i) 121.
- (b) (i) 8.

(ii) and (iii) A list indicating the situation of each centre and the enrolment as at June 1984 will be made available to the hon member.

*Handwritten:* Howard Q. 6/1. 1983  
Tertiary education institutions 5/7/84

1097. Mr S S VAN DER MERWE asked the Minister of Internal Affairs:

- (1) (a) How many (i) universities, (ii) technicians, (iii) training colleges and (iv) other specified tertiary education institutions were there for (aa) Coloured and (bb) Asian persons in the Republic?

(b) and (2)

He as at the latest specified date for which figures are available and (b) in which province are they situated in each case;

(2) how many students were enrolled in each of these institutions in 1984?

The MINISTER OF INTERNAL AFFAIRS:

As at 26 June 1984:

	(1)	(a)	(i)	(ii)	(iii)	(iv)	(aa)	(bb)
				1	13	6	1	1
				1	2	None	1	1

For Coloureds

Universities and Technicians:

University of the Western Cape, Cape Province ..... 6 068  
Technikon Peninsula, Cape Province ..... 2 271

Enrolment

Training Colleges:

Athlone Training College, Cape Province ..... 280  
Bechet Training College, Natal ..... 280  
Bellville Training College, Cape Province ..... 608  
Dover Training College, Cape Province ..... 583  
Hewat Training College, Cape Province ..... 717  
Perseverance Training College, Cape Province ..... 312  
Roggebaai Training College, Cape Province ..... 646  
Sally Davies Training College, Cape Province ..... 25  
Söhngel Training College, Cape Province ..... 188  
Southern Cape Training College, Cape Province ..... 273  
Wesley Training College, Cape Province ..... 217  
Zonnebloem Training College, Cape Province ..... 223  
Rand Training College, Transvaal ..... 347

Other Education Institutions:

Kromme Rhee Agricultural College, Cape Province ..... 9  
Bethesdaorp Technical College, Cape Province ..... 100  
R C Elliot Technical College, Transvaal ..... 80  
Highveld Technical College, Transvaal ..... 70  
L C Johnson Technical College, Natal ..... 180  
Proteaville Technical College, Cape Province ..... 250

Although Technical Colleges are not instituted to provide tertiary education, significant numbers of students at the technical colleges mentioned follow courses on a

tertiary level and the institutions are therefore included in the reply. The enrolment figures given are of students taking courses on a tertiary level.

For Indians

Universities and Technicians:

University of Durban-Westville, Natal ..... 6 573  
M L Sultan Technikon, Natal ..... 3 236

Training Colleges:

Springfield Training College, Natal ..... 1 246  
Transvaal Training College, Transvaal ..... 448

*Handwritten:* Howard Q. 6/1. 1983  
Institutions for the aged 5/7/84  
1100-Mr S S VAN DER MERWE asked the Minister of Internal Affairs:

- (1) With reference to his reply to Question No 1011 on 15 June 1984, (a) how many private institutions for the aged were there in the Republic for (i) Indian and (ii) Coloured persons as at the latest specified date for which figures are available, (b) what total number of (i) Indian and (ii) Coloured persons can be accommodated in these institutions and (c) how many applications from (i) Indian and (ii) Coloured persons for admission to these institutions were (aa) received and (bb) refused in 1982 and 1983, respectively;
- (2) (a) how many persons can be accommodated in the old-age home for Coloured persons referred to in the above reply and (b) how many applications for admission to this home were refused in 1982 and 1983, respectively?

The MINISTER OF INTERNAL AFFAIRS:

As at 22 June 1984:

- (1) (a) (i) 2.
- (ii) 29.

- (b) (i) 255.
- (ii) 2 275.

(c) The admission and refusal of applicants to private old-age homes rest exclusively with the management of such institutions and no statistics are available in the Department in this regard.

(2) (a) 170.

- (b) 1982-7;
- 1983-8;

*Handwritten:* 3 Wool  
Cattle/sheep/goats/pigs  
Howard Q. 6/1. 1984 5/7/84  
1120. Mr P A MYBURGH asked the Minister of Agriculture:

- (1) How many (a) head of cattle, (b) sheep, (c) goats and (d) pigs were there in the Republic in each of the latest specified three years for which figures are available;
- (2) how many (a) head of cattle, (b) sheep, (c) goats and (d) pigs were slaughtered in the Republic in each of these years;
- (3) (a) how many (i) cattle, (ii) sheep, (iii) goats and (iv) pig carcasses were imported into the Republic in each of the latest specified three years for which figures are available and (b) from which countries were these carcasses imported in each case?

1935

THURSDAY, 5 JULY 1984

1936

The MINISTER OF AGRICULTURE:

(1) (Period August/July)

	(a)	(b)	(c)	(d)
1980/81	8 352 737	30 743 088	2 758 103	977 739
1981/82	8 445 323	30 671 211	2 861 186	1 034 109
1982/83	8 203 891	29 121 307	2 774 448	1 005 100

(2)

	(a)	(b) + (c)	(d)
1981	1 667 657	6 782 078	1 333 358
1982	2 023 752	7 787 516	1 529 063
1983	2 087 751	8 128 771	1 721 299

(3) (a) and (b) Only beef was imported.

	SWA/Namibia	Botswana	Swaziland
1981	38 826	88 104	71
1982	50 255	74 939	439
1983	50 935	72 115	1 319

1132. Dr M S BARNARD asked the Minister of Internal Affairs:

*Answers and*  
Social workers  
Q. 6. 1. 1935 5/7/84

(1) What are the present subsidies paid by his Department to private welfare organizations for the different post levels of social workers;

(2) what percentage of the scale average for social welfare positions is paid by his Department to private welfare organizations;

(3) whether this percentage is to be increased; if not, why not; if so, when and (b) by what amount?

The MINISTER OF INTERNAL AFFAIRS:

(1) Social Worker ..... R19 496.59;  
Supervisor ..... R23 791.09;  
Control Post ..... R25 201.84;  
Chief Control Post ..... R25 969.84.

(2) 75 per cent.  
(3) No, because no funds are available for higher subsidies.  
Universities: Arabic/Islamic studies  
1140. Mr G B D MCINTOSH asked the Minister of Internal Affairs:

(a) At which universities falling under his Department are courses in (i) Arabic and (ii) Islamic studies offered and (b) how many students are enrolled for these courses at each specified university?

The MINISTER OF INTERNAL AFFAIRS:

(i) University of the Western Cape ..... 22  
University of Durban-Westville ..... 269  
(ii) University of Durban-Westville ..... 152

1937

FRIDAY, 6 JULY 1984

1938

FRIDAY, 6 JULY 1984

\*Indicates translated version.

For oral reply:

\*1. Dr M S BARNARD—Health and Welfare—Reply standing over.

Port Elizabeth: Interview with mayor

\*2. Mr D J N MALCOMESS asked the Minister of Constitutional Development and Planning:

(1) Whether he recently received a request for an interview from the Mayor of Port Elizabeth; if so, when;

(2) whether he acceded to this request; if not, why not; if so, when?

\*The MINISTER OF CONSTITUTIONAL DEVELOPMENT AND PLANNING:

The reply is yes. I received an indirect request, which reached me on 11 April. I reacted negatively to the request because I judged according to the circumstances that such an interview could not serve any purpose.

Pinetown area: telephone subscribers

\*3. Mr R B MILLER asked the Minister of Posts and Telecommunications:

Whether his Department recently took any steps in respect of the (a) method of and (b) time cycle for rendering accounts to telephone subscribers in the Pinetown area; if so, (i) what steps, (ii) when and (iii) why?

The MINISTER OF ENVIRONMENT AFFAIRS AND FISHERIES (for the Minister of Posts and Telecommunications):

(a) and (b) No; but due to the tariff increase which came into effect on 1 April 1984, it was necessary to read all meters, including those of Pinetown, on that date. In the case of Pinetown the meters nor-

mally would have been read on 11 April 1984. The advancing of the meter reading date resulted in a shorter metering period for the April accounts and a longer period for the May accounts;

(i), (ii) and (iii): fall away.

Alcohol-free beer

\*4. Dr M S BARNARD asked the Minister of Industries, Commerce and Tourism:

(1) Whether he has received any representations or complaints concerning alcohol-free beer; if so, (a) when, (b) from whom and (c) what was (i) the nature of the representations or complaints and (ii) his response thereto;

(2) whether he has caused any tests to be conducted on such beer to determine the alcohol content thereof; if so, (a) when and (b) what were the results; if not, why not;

(3) whether any action is to be taken in this regard; if not, why not; if so, what action?

\*The MINISTER OF INDUSTRIES, COMMERCE AND TOURISM:

(1) No.

(a), (b) and (c): Fall away.

(2) No, because there have been no representations or complaints.

(a) and (b): Fall away.

(3) No. In the absence of any representations or complaints it is not clear what action the hon member has in mind.

Cruelty to animals: legislation

\*5. Mr R B MILLER asked the Minister of Justice:

(1) Whether he will give consideration to having a commission of inquiry ap-

AGRICULTURE - WOOL / MOTTAR

1999

# Wool industry launches initiative

GOVERNMENT and major players in the garments, clothing, wool and mohair industry will converge on Cape Town next week to witness the launch of the Wool and Mohair Cluster initiative.

The launch, which will be addressed by Trade and Industry Minister Alec Erwin, will be held at the Medical Research Council in Francie van Zyl Drive, Parow, on February 19.

The minister will spell out his vision and his department's support programme for the industry.

The cluster initiative is a result of Government's realisation of the emergence of clusters as a key component for driving growth and employment in the economy.

According to cluster coordinator John McKeefry the gathering will

bring together all industry players ranging from farmers to retailers.

He said the wool and mohair industry had the potential to be a future job creator.

McKeefry said the cluster initiative, which also enjoy support from spatial development initiatives, was part of a the Government's national programme for more jobs.

He said the vision of the cluster was to ensure the development of an industry which adds value.

"Ninety five percent of wool and mohair has no added value to it. South Africa's wool is exported overseas and this creates jobs in the countries of destination," he said.

Some of the countries to which South Africa exports wool are Japan, Italy, South Korea and Canada.

At next week's launch a new steering group will be elected and four working groups formed to drive beneficiation and create jobs and wealth for the industry.

These will include groups to work on export promotion, research and development.

The cluster was formed in early 1997 and had a steering committee constituted in September of that year.

"The vision of the steering committee is for the wool and mohair sectors to achieve world class competitiveness, to be a market-driven industry creating further employment through beneficiating the bulk of the local clip by the year 2008," said the minister.

At the launch the Werner Report on the wool and mohair pipeline will be presented and key findings discussed.

Wool

Erwin 11/2/99  
Werner

## INSIDE AGRICULTURE

# Mohair takes back mantle of exclusivity

CT (P&E) 2/12/91

Wool + Mohair

Just 10 years ago raising angora goats was hardly worth the trouble. World prices had collapsed. Local mohair producers, operating mainly in the Eastern Cape, turned to alternative products to ensure their survival.

Now, with renewed interest in natural fibres internationally, mohair is back as a premium agricultural product.

Assisted by the 35 percent drop in the rand's value since the beginning of last year, mohair prices have broken record after record on local auctions. Last week the prices were the highest in the industry's history with an average of R45 a kilogram. It is no longer unusual for one kilogram of fine kid hair to fetch R100.

Last year a special bale of fine kid hair measuring 22,7 microns fetched R216 a kilogram. Compare these figures with 1991, when average auction

prices were about R11 a kilogram.

Today the industry is worth R180 million a year to growers.

Mohair SA represents the entire industry, including growers, farm workers, buyers, processors and brokers. South Africa produces more than 60 percent of all mohair, followed by the US (less than 18 percent), Turkey and Lesotho (5 percent each), with Argentina, Australia and New Zealand responsible for the rest.

The country's dominance in the market places it in a healthy position to continue benefiting from the new-found interest in the fibre.

So far the high prices have not encouraged more South African farmers to enter the market, although there is a core group of about 2 000 producers.

One reason farmers are taking a wait-and-see position is that the highest prices are confined to extremely fine mohair. The so-called strong (coarse) hair types move slowly out of the warehouses.

When it became evident in the past season that prices for some hair types could be pushed lower through oversupply, Mohair SA introduced a voluntary pool scheme on mohair types for which there was no demand in a particular season. The organisation paid producers a floor price to keep them in business, selling the mohair as the demand arose.

The short- and medium-term future looks good for South African mohair growers who can continue to produce fine hair types, which is a management challenge because it

involves specialised farming.

It takes about four years to produce a specific type of wool successfully. This corresponds with the traditional cycle in which it takes four years for mohair prices to respond to production and vice versa.

Market conditions are favourable. World mohair production is down from 26 million kilograms in the late eighties to about 7 million kilograms. This puts it in the category of scarce and exclusive fibre products, which include cashmere and superfine Merino wool.

Demand from the Far East is improving, the rand is weakening and crude oil prices have risen sharply, so the price difference between natural and manmade fibres is narrowing. In addition, the stockpile of locally produced mohair has disappeared, clearing the way for a good summer season starting in February next year.



JUSTINE NOFAL

AGRICULTURE - (3 - WOOL)

1996 - 98

MENT

WICIS

# Improved outlook for wool

(3) WOOL CT (PR) 9/1/96

FROM SAPA

Johannesburg — Wool market conditions are expected to improve this year, following a drop of 21 percent in the average price of wool in the first half of the season, the wool board said yesterday.

The South African wool-selling season would re-open in Port Elizabeth amidst hopes of improved conditions. Although the market disappointed in the first half of the season with the average price of wool dropping to 21 percent below the opening level, analysts said the outlook for this year and next year would be brighter.

Wool prices increased for the first time in weeks at the Christmas close and the wool board's market indicator improved 2,8 percent.

However, analysts warned that the turnaround would be slow despite the price rally, and cautioned farmers not to expect dramatic increases.

The board said the main reason for the slump in the market had been the continued absence of China — the world's largest wool consumer — as a result of price resistance, restriction on credit to textile mills and unresolved customs disruptions.

The International Wool Secretariat said it was optimistic that prices would improve for a number of reasons including an improvement in demand from China and the levelling out of supply during this financial year. Pipeline stocks would also be lower in western Europe and Japan.

The outlook for consumer purchases of wool products was positive in the major developed markets of Japan, western Europe and the United States. Strong growth was expected in Korea.

The supply of higher quality wool products by the traditional major suppliers to the international market was falling sharply, the wool board said.

World supply was expected to fall 5 percent this season, and a further 4 percent next season.

Wool production in Australia — the world's largest producer — was expected to drop to 631 million kilograms from last season's 678 million kilograms, while South Africa's production was forecast at 60,4 million kilograms, 1,4 percent lower than last season.



# Sales from Australia's wool stockpile dampen prices

(3) WOOL CT (MR) 10/11/96

By AUDREY D'ANGELO

Cape Town — Sales from a huge Australian stockpile have dampened wool prices in the past few months, Bruce Paterson, the manager of the Port Elizabeth branch of the BKB farmers' brokers co-operative, said yesterday.

Reviewing the first half of the 1995/96 selling season, he said it opened 11.5 percent below the closing rates of the previous season.

"There was a further price decline of 8.8 percent at the second sale and a whopping decline of 13 percent at the sale of October 10."

But the first half closed last month with the market indicator moving upwards for the first time since June to stand at 1513 points.

Paterson said there were rumours that although the Aus-

tralian stockpile still stood at 2.7 million bales, the Australian government and Wool International were reconsidering their policy of selling a quota of 182 000 bales every quarter, even if this had to be done at discount prices.

International demand for wool had picked up after Europe and the United States had experienced the coldest Christmas for years.

Against this, Paterson said, a second wool stockpile of 600 000 bales was building up in Australia from wool withheld from the market by producers.

"A large percentage of this will undoubtedly come on to the market during the second half of the season."

Paterson said wool production was a long-term business and there was light at the end of the tunnel.

WOOL BOARD

## UNRAVELLING A DEAL

③ WOOL  
FM 26/1/96  
Former Tollgate and Duros chairman Johan Claasen has approached the SA Wool Board to join his company, African Pacific Corporation (APC), in a venture to export wool to mainland China.

Claasen's proposal, dated November 11 1995, came after the board was criticised by the Auditor-General over its involvement with a private wool marketing firm headed by SA Wool Board directors.

In a covering letter to the board's Andre Strydom, Claasen says that Beijing "has high hopes for SA wool exports." His proposal says that APC, a division of Starlite Textiles, has been involved with provincial governments and firms in China involving trade agreements and industrial investments. "The possibility that APC in co-operation with the Chinese authorities could import SA wool tax-free is under investigation," he adds.

According to Claasen's proposal, wool farmers would establish an organisation with selected members, which would represent the producers in gathering and exporting the wool. APC would also create a financing facility in co-operation with a Beijing bank.

"If acceptable, the (proposed) SA wool organisation will be responsible for the essential and approved expenditure of APC until such time as the . . . structure is finalised," he says.

Strydom wrote to National Wool Growers' Association chairman Japie Celliers on November 24, asking him to discuss Claasen's request to "form an alliance with a partner in the industry to investigate the possibilities of such a project."

On November 27 association CE Theuns Botha faxed a confidential memo to central committee members containing Claasen's proposal. A two-man committee, Wool Board vice-chairman and former association chairman Peter Kingwill and Theuns Laas, a board member, will report on Claasen's proposals.

On December 18 Claasen informed Botha that he had had further discus-

sions with Chinese parties and that it seemed possible these parties would include a provincial government. "The possibility is now stronger that we may land the wool in China without (paying) customs and excise tax."

Claasen is likely to feature in the Tollgate commission of inquiry which started this week. Former Tollgate MD Hennie Diedericks in a recent article in *Millennium* alleges that Claasen, the 1989 *Cape Times* Businessman of the Year, had negotiated all the finances provided by TrustBank to the Tollgate Group.

Claasen denied that he wants to export wool to Beijing. "Even if there was something like that I could not say anything."

Claasen's proposal that the board involve itself with a private company may, however, be scuppered by a recent report of the Cape Town Auditor-General. It criticises the board's involvement with a private wool marketing company, Premium Cape Wool.



Claasen . . . woolly business

The report is the result of complaints lodged with the Auditor-General by the board's advice committee on finances after wool producers had been pressing the board over the handling and channelling of funds, made available by Wolex, the board's agent to Premium. Earlier, committee member Pikkie van der Heever had also raised the matter in a sworn statement with the Office for Serious Economic Offences in Cape Town.

In the Auditor-General's report, dated October 2 1995, but which had not yet been released by the board, the advance of money by Wolex to Premium is criticised. It says that the money which Wolex Co-operative Ltd had advanced to Premium "was essentially funds belonging to the Wool Board."

Says Auditor-General official Roelf Visagie: "The Wool Board or its officials are not entitled to make funds available for any purpose not authorised by the Minister of Agriculture or contemplated in terms of the Marketing Act." Wolex's agreement with Premium "would not appear to be an activity falling within the ambit of the agency functions agreed to between the Wool Board and Wolex."

Visagie says it would appear that the board's approval should have been ob-

tained prior into entering into the agreement. A formal resolution by the Wool Board does however not appear to exist in this regard, writes Visagie.

Meanwhile finance committee chairman Briers Bekker and Van der Heever have refused to sign a statement on the report prepared by board CE Johan Gieselbach. They differ with his interpretation of the report. *Eddie Botha*

# Stock theft 'a threat to local wool industry'

CT(BR) 13/2/96

(3) WOOL

By STUART RUTHERFORD

Durban—Stock theft among wool farmers has reached such critical levels that the survival of the South African wool industry is threatened, says Hennie Prinsloo, the president of the wool board.

But this is only one of the problems facing wool farmers, who have had to compete with declining wool prices and poor production conditions.

Last week, members of the KwaZulu Natal branch of the National Wool Growers Association called for greater protection against meat imports and stock thieves.

Since 1989, the number of wool sheep in KwaZulu Natal has dropped about 20 percent, mainly because of rising input costs and decreasing prices.

Wool growing in KwaZulu Natal, which amounts to 2,9 percent of the national clip, is particularly sensitive to any price movements, because conditions allow farmers to switch to either beef or crop production.

But this decline was reflected nationally, said Prinsloo, who expected wool production to decline 1,4 percent to 60,1 million kilograms.

But most analysts remain positive about the future of the industry in KwaZulu Natal and nationally.

The board says the 1994/95 clip of about 1,9 million kilograms in KwaZulu Natal can be increased to 3 million kilograms, with the value increasing from R20,7 million to R32 million.

George Bartlett, the agricultural minister for KwaZulu Natal, said there was considerable potential for expansion in production, especially among small-scale farmers.

"But for this expansion to be successful, it is essential that it be undertaken in conjunction with effective training and extension programmes designed to equip small-scale farmers with the necessary knowledge and skills," he said.

The International Wool Secretariat believes prices of wool will improve this year and next year because of a drop in the supply of wool and improved

demand from China and other developed countries.

This drop in the national supply of wool had, however, adversely affected wool processing in South Africa, said Günther Beier, the chairman of the South African Wool Buyers' Association.

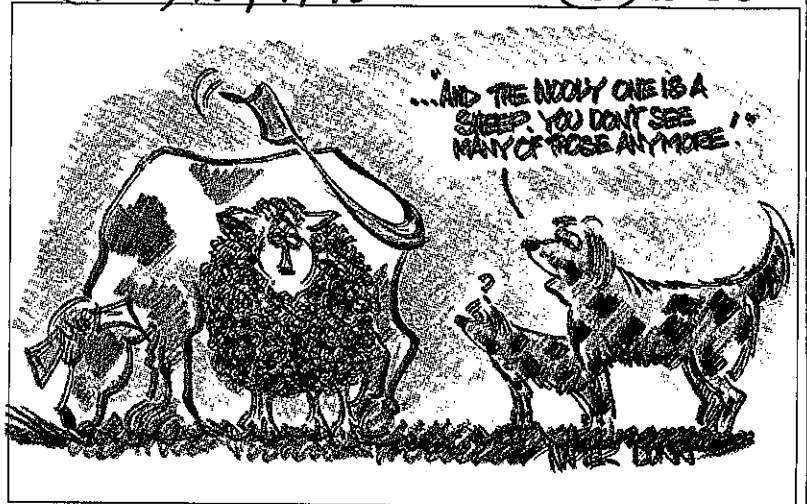
He said the processing facilities in the country had been designed around raw-wool production of 120 million kilograms a year, while present production was down to 63 million kilograms.

Beier said although wool could

be imported from overseas, this increased costs by 10 percent and made the processors uncompetitive in the world market, especially since the entry into the market of processors from East Germany, Czechoslovakia and Poland.

Beier said he was confident about the future of the wool industry, particularly because the market for wool was expanding.

"Wool has traditionally been seen as a fibre for the winter months, but now with the advent of cool wool, it is also being used for summer garments," Beier said.



3 wool

# Wooltru chief warns year will not be a bonanza one

Samantha Sharpe

CAPE TOWN — Diversified retail group Wooltru posted a 2% fall in net income to R182,2m in the six months to December after being hit by illegal merchandise imports, a badly read summer season in ladies fashion, and tougher competition for credit business.

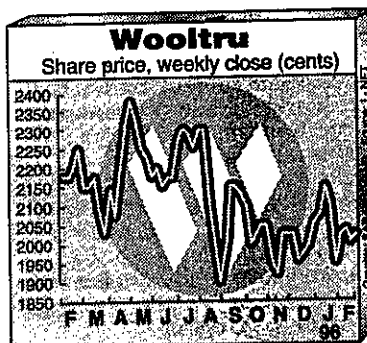
Share earnings slipped 5% to 50,3c, but a strong cash position and confidence in the group's long-term growth was reflected in a 6% increase in dividends to 18c.

CE Colin Hall said the subdued performance could be measured against strong profit growth at the same time last year, which made a similar performance difficult.

While performance was expected to improve in the second half, this year was not going to be a bonanza one for the group, he said.

Group turnover grew a robust 20% to R4,89bn, although this included a R219,6m contribution from the group's Australian-based Sportsgirl Sportscraft. The increase in comparable turnover was 15%.

A R9,7m exceptional item — a surplus over net book value arising from an earlier fire at a Macro building — dragged income before tax down 1% to R277,1m. After tax income was 3% lower at R186,2m.



Woolworths, which contributes about 50% to group earnings, showed 5% growth in pre-tax profits, despite a 12% rise in sales.

Hall said high capital expenditure on new stores and the need to clear surplus textile stocks were behind the subdued pre-tax profit growth. Otherwise, Woolworths was "in spanking good health".

On debt losses associated with Woolworths' private label card, Hall said agreement had been reached with the Standard Bank group about the structure of the card arrangement. He said a slowdown in credit extension had affected sales. But costs under the agreement with Standard would have no material impact on the company's growth prospects and "no significant risk of bad debt re-

sides with Woolworths".

Hall said the group's turbulent Christmas trading conditions, which flowed from a surge in illegal imports and a wider range of credit options to consumers, were exacerbated by a worse-than-expected performance from Dion.

Massmart, which houses Dion, Makro and Shield, posted a 13% fall in pre-tax profit to R32,6m, with profit growth from Makro and Shield undermined by low margins in the Dion chain.

Wooltru's Select Retail Group, which includes Truworhts, Topics, Leading Concepts and the Australian Sportsgirls Sportscraft chain, reported a 5% fall in pre-tax profit to R74m.

Truworhts had performed "admirably", but Topics had suffered from a management focus on the establishment of low income cash chain, Number 1. While Topics' profits were up significantly on 1994, the new chain had shown a substantial loss.

Hall said Wooltru was looking for new opportunities for international expansion and growth, spurred by the success of its Australian business. "We are looking at strategic international alliances ... in the southern hemisphere, and Far and Middle East," he said.

WOOL BOARD

FM 23/2/96

## COUNTER-THREATS

(3) WOOL

Wool farmers are embroiled in conflict with the Wool Board over the nonpayment of compulsory levies.

About 300 farmers have refused to pay the annual levy on their gross wool production and the board has threatened to refer their names to the various Attorneys-General for prosecution.

In a counter move, the farmers demand that the board release documentation from head office. The documents include:

- An auditors' report dealing with Wool Board funds used to finance a private company, Premium Cape Wool;
- Details of all trips undertaken in the past five years by Wool Board members and officials on board and International Wool Secretariat business;
- Details of all free air tickets granted by SAA under its Voyager or Frequent Flyer programmes to Wool Board and International Secretariat travellers;
- An explanation of all deposits into a special call account out of which overseas travel has been funded;
- A copy of the board's authorisation for the sale of two of its properties in Cape Town and details of the purchase of a farm block by a board official and an attorney for the board;
- All documentation and correspondence between the board and the African Pacific Co-operation bloc involving a proposal to export wool to mainland China, as well as background on a company shareholder; and
- Reports from the Auditor-General to the parliamentary committee on public accounts (*Current Affairs* May 12 1995, January 26 1996).

The pro forma letter to the Wool Board, which all levy nonpayers will send, has been drafted by the Wool Free Market organisation founded by farmers in 1992.

The organisation was created as a result of a R600m overseas loan loss the Wool Board suffered after Australia withdrew from a scheme to guarantee wool prices.

Wool Board CE Johan Gieselbach says failure to pay levies is a criminal offence. "All the other matters raised (by the farmers in their letters) have been dealt with by the Office for Serious Economic Offences and . . . it did not find any reason to instigate a formal investigation."

In a report handed to the Wool Board

last year, the Cape Town office of the Auditor-General criticised the board's involvement in the financial backing of Premium Cape Wool, a private company with Wool Board members as its directors. The report has not been made available but Gieselbach says the board awaits an official management brief and will then react to the report. *Eddie Botha*

WOOL BOARD (3) WOOL

**PAY CAESAR**

*Pm 1/3/96*  
**The row** between 300 wool farmers and the Wool Board over the farmers' refusal to pay the annual statutory levy raised by the board has taken a fresh turn.

Cheques from farmers who opted to pay their annual membership fees directly to the SA National Wool Growers' Association have now been returned to them. The payments would normally include an amount to cover the board levy. Membership of the association in terms of its constitution is available to all wool farmers who pay a levy "and/or from whom a membership fee is received."

On July 20 last year the association sent a memorandum signed by its manager, Theuns Botha, to members in which it dealt with the direct payment of membership fees. It reminded members that those who paid the statutory 3% levies (to the Wool Board), would be deemed to have automatically paid membership fees.

However, the memorandum added: "We feel members should also be able to choose whether to pay their membership fees directly or through a broker to the association."

For that purpose, wrote Botha, the constitution of the association had been amended during its recent congress. Many farmers, mainly those who earlier refused to pay Wool Board levies, then opted to pay membership fees directly to the association.

But now Botha has again written to those farmers individually and returned their cheques. He says the action committee of the central executive of the association decided that direct membership fees could not be accepted. Most

executive members were Wool Board directors until a ruling that a person could not serve simultaneously on the board and the association executive.

During a special meeting of the central committee in August last year, it was also unanimously decided that, though voluntary funding of the association remained an ideal, it was not practical and so funding through the statutory levy remained the only option.

In response to wool farmers' inquiries as to whether they have now been suspended by the association, Botha says the matter has been referred to the SA Agricultural Union and the National Marketing board. "It remains a contentious issue," says Botha.

Farmers who refuse to pay the levies have been told by the Wool Board that their names will be forwarded to the various attorneys-general. "Failure to pay statutory levies is a criminal offence under the Marketing Act," says Wool Board CE Johan Gieselbach.

The farmers in default have raised numerous concerns over the financial dealings of the Wool Board and are in favour of a free-market system.

Even Botha now appears perplexed by the issues. In a letter to the National Marketing Board, Botha asks whether farmers who refuse to pay levies are automatically disqualified as association members. He also asks whether statutory levies (to the board) can be seen as the only way in which farmers can become members of the association. "Finally, does this affect the legitimacy of the National Wool Growers' Association?"

The dispute has been simmering for some time. A final showdown is clearly imminent. *Eddie Botha.*

## Manuel addresses wool conference

Linda Ensor (PFF) ~~3~~ WOOL BD 30/4/96

CAPE TOWN — Government wanted to encourage the beneficiation of wool and had launched a comprehensive study into how this could best be achieved, Finance Minister Trevor Manuel said last night.

The study will be financed from the Japanese grant fund.

Performing his last commitment as former trade and industry minister, Manuel addressed the international wool textile conference at the Nico Malan Opera House, and noted that SA lost a great deal in foreign exchange earnings and job creation by not adding value to its raw wool.

For example, 10-million kilograms of greasy wool with an export value of R80m would generate R3,2bn if exported in the form of men's suits.

SA produced about 61-million kilo-

grams of raw wool with an auction sale value of R645m in the past season. Of this, about 95% was exported in a raw or semi-processed state prior to yarn production. Only 0,3% of SA's wool clip was exported as yarn, 0,4% as fabric and 0,6% as manufactured clothing.

The draft brief for the research project would be to quantify factors inhibiting competition in the wool beneficiation industry, and develop plans to overcome them. It would also perform a GAP analysis.

Particular focus would be on input pricing, new market opportunities, production factors, government policies and management structures and strategies.

"What we would like to see emerging from this study is an implementable programme for industrial restructuring of the wool pipeline," Manuel said.

3-wool

### Wool sale forecast

SA's Wool Board expected stronger wool demand in the new selling season which kicks off tomorrow, but said yesterday the market was likely to remain subdued during the first half of the season with prices rising only in the second half.

Factors which should lead to strengthening of demand in the second half of the year included positive signs on the UK unemployment front as well as signs of higher consumer demand in the US, the board said.

REPORTS: Business Day Reporters, Echna

BD 20/8/96



## Wool exports set to soar

Louise Cook

(498) (3) WOOL  
BD 29/8/96

WOOL exports were expected to earn SA R886m in foreign exchange this year, which would be an increase of 26% on last year's figure of R709,5m, analysts said yesterday.

Agricultural economist and financial consultant Johan Willemse said the drop in the value of the rand would play a major role in boosting export earnings.

With factors such as local production expected to be kept at 60,5-million kilograms, and more demand from Japan, the industry's long-term prospects were particularly favourable, he said.

"International stocks were also lower than in 1995 which meant demand for SA wool was higher than before," he said.

The Wool Board, responsible for marketing SA wool internationally, said exports were boosted by the lower rand. Yet buyers and exporters said higher export earnings did not necessarily mean the local industry would be more competitive.

SA Wool and Mohair Buyers Association chairman Phillip Stucken said the local wool price had gone up 6% at the start of the new season this month. Meanwhile, wool co-operative BKB in Port Elizabeth said that, excluding winter kids, prices at the start of the new season were disappointing.

Japan, Korea, Taiwan and the European Union are the main importers of SA wool.

## Bokomo poised to go commercial

BD 4/2/97  
Samantha Sharpe  
(3) WHEAT

CAPE TOWN — Wheat co-operative Bokomo was poised to join the growing trend towards commercialisation, with plans to restructure into a public company, Bokomo CEO Andre Hanekom said yesterday.

The co-operative's 700 members would vote at a meeting on Friday on whether to give the go-ahead to change the current ownership structure.

While there were no plans for a listing of the new vehicle, the move would put the co-operative's R450m assets in the hands of its owners.

Hanekom was unaware of any party which might oppose the restructuring, although a successful vote on Friday would be subject to court sanction, scheduled for February 20, with a change in ownership structure likely before the end of the month.

"Basically we're going the same way as some of the other bigger co-operatives, with SA's changing economic environment calling for new structures and more efficient ways of doing business," he said.

Bokomo had a turnover of R1,4bn in the year to end-September, with income to customers after tax and additional depreciation at R50m.

# Higher prices 'could result in revival of wool industry'

Louise Cook

B/D 24/3/97

A STEADY rise in wool prices of 41% over the past year could result in a revival of the SA wool production industry, market sources said at the weekend.

Prices recorded at last week's sale were 15% up on September's figures when the current season started, and 41% higher than a year ago.

The Wool Board said the overall price indicator rose 21% on last year's average with clean wool costing R24,35/kg.

SA Wool Manufacturers and Buyers Association chairman Phillip Stucken said he was optimistic improved prices would boost prospects for renewed growth in the industry. "I'm sure we will see farmers return to wool production in the next two to three years. Prices are improving — the worst seem to be over."

Wool processors were burdened with excess plant capacity, forcing them to import, Stucken said. "The fact that the local crop is so sought after makes it slightly more expensive than the imported product."

③ WOOL

SA wool production dropped significantly from 100-million kilograms in 1992 to 53-million kilograms last year negatively affecting the industry. National Wool Growers' Association GM Theuns Botha said foreign earnings on exports dropped from R1bn five years ago to R500m last year.

"The main reasons are stock theft, high meat prices and low wool prices due to excess stock on the world market. But, with prices improving, it means world stocks are coming down. Hopefully SA farmers will make a gradual return to wool production over the next few years." Only 11 000 wool farmers out of 22 000 a few years back, were still in production, Botha said.

The deregulation of the industry had negatively effected smaller producers.

"Since farmers are no longer compelled to sell only to the Wool Board, smaller producers in the Transkei and Ciskei settle for prices of between 50c and R1/kg for wool that is worth between R7/kg to R10/kg." The former homeland areas had the potential to become major wool producing areas if this problem could be overcome, he said.

# Japanese grant set to revive SA's mohair industry

By Louise Cook

A spokesman for the Independent Development Trust said money from a Japanese grant fund had been earmarked for a detailed investigation into downstream development in the local mohair industry. Mohair was chosen — with a few other industries — because the trust estimated this could generate R7bn in added value, boost exports and international compet-

itiveness and create 150 000 new jobs. "SA was responsible for about 60% of world mohair production, the US is no longer a serious international contender since the US government scrapped support schemes to producers a few years ago," the spokesman said.

The trust was commissioning a detailed study of downstream market opportunities of mohair, the local and international marketing environment and strategic management, he said.

Mohair Board GM Frans Loots confirmed that the US was producing more than a quarter of the world's sup-

plies, saying that this year US production was estimated at about 2-million kilograms compared with an expected 5.4-million kilograms from SA.

"Unfortunately world demand for the fibre has declined, hitting production everywhere. But in SA production stabilised in 1994 after peaking at 7.6-million kilograms six years ago. Prices also picked up this year — on average they are 25% higher than last year — so prospects are definitely starting to improve."

Processors and exporters supported the view that the SA industry had bottomed and that the outlook was "consid-

erably better" than five years ago. Stucklen director Werner Rome said processors' substantial investment in plant and equipment over the years proved their commitment and confidence in SA mohair.

"We now have to exploit the potential that value-adding can do," he said.

Samit manager Andrew Lang said exports of adult mohair — the stronger fibre — to traditional markets in China, India and Taiwan had dropped 80%. Recently Russia had taken up some of the product.

Future focus would be on the finished product, rather than on exporting raw or

semiprocessed material.

Loots said synthetic fibre was one of the main reasons for the decline in production and demand for mohair. "From a four-year lapse between market and price fluctuations and changes in production. This caused many farmers to switch to easier products." The local industry's potential for revival and development was "very real", Loots said.

The trust's study would be handed to the trade and industries department, which was in charge of the Japanese grant fund, the spokesman said.



## WOOL INDUSTRY

## Chasing the golden fleece at a brisk clip

③  
WOOL

If you were a producer — or mutton in the making — you'd be smiling too

PM 4/7/97

**W**ool farmers are expected to boost their gross earnings this season by 16% to about R625m, compared with last year's R538m. The season ended three weeks ago.

And the outlook for apparel wool prices next year is even more bullish.

Ironically, farmers' coffers are being boosted from a clip that has dropped an estimated 7% in volume terms — from 61m kg last year to between 55m kg and 57m kg this year.

The reason for the earnings boost — apart from the lower rand — says Wool Board CE Johan Gieselbach, is the steady rise in greasy wool prices, with last year's average price of R9,34/kg looking pale compared with the past season's R12,22/kg average. Clean wool prices have zoomed to R20,17/kg.

A further price boon is that local processors are prepared to pay a premium for quality domestic clean wools, because of the heavy export demand that leads to an outflow of product. About 90% of SA's crop is now exported in scoured and semiprocessed forms.

But next year should be even better for local wool farmers.

International Wool Textile Organisation president Henry Grunzke warns that a looming shortage of merino wool in SA and Australia "will result in a sharp price increase in the new season — even beyond levels that can be maintained on a commercial level for the long term. But the danger exists that wool prices, as in the late Eighties, could rise so quickly that they

prejudice the wool market."

The message to wool farmers, says National Wool Growers' Association manager Theuns Botha, is to think twice before slaughtering any wool-bearing sheep now to sell as mutton or lamb.

The reason is that the fleece of the merino is now becoming a scarce commodity.

"Following the collapse in international wool prices in the early Nineties — because of the Australian glut — and with rising domestic demand for quality mutton, farmers have been moving out of wool and into mutton and lamb production. The result is that SA's wool clip has been virtually halved. But farmers who still have wool-bearing sheep should now take heed of the market signals and prepare themselves for an even bigger bonanza next year," he says.

Botha adds current "sheep revenue ratios" of 60% from meat and 40% from wool might well see a "reversal of roles" by next year. Eastern Cape and Free State farmers — who produce respectively about 26% and 24% of the total wool clip — should benefit most next year.

Unfortunately, adds Gieselbach, a shortage of breeding stock and the delays in the breeding cycle mean that farmers who only now start breeding wool sheep for the coming boom will probably miss the boat. "By the time the new stock is ready, the cycle might well have turned again. Next year's expected spike in merino wool prices should result in a natural market reaction to any excessive price moves — and to a preference for cheaper synthetic apparel substitutes."

Sources say the higher wool prices will also benefit an estimated 5 000 small-scale black farmers in the former Transkei and Ciskei.

Arnold van Huyssteen

# Farmers await levy decision

BD 21/10/97 (3) WOOL

Louise Cook

FARMERS were holding back their wool stocks in anticipation of a decision on the future of the compulsory wool levy, sources said yesterday.

Billy Saunders, a spokesman for Port Elizabeth-based broker BKB, confirmed yesterday that wool deliveries were at least 7% down compared to the same time last year. This was a direct result of farmers keeping back stocks.

Analysts said the withholding of wool stocks would not effect the price as the local price was largely determined by the Australian market.

Farmers lobbying for the scrapping of the levy believed they could save 3% by keeping back supplies if the levy were to be scrapped next year. The levy is used to finance SA membership of the International Wool Secretariat.

However, it was still uncertain whether the compulsory levy would be done away with as the wool farming industry was divided on the issue. Some farmers and industry stakeholders had asked the National Agricultural Marketing Council (NAMC) to recommend that the levy continue.

A special committee headed by NAMC member Eugene Brock met yesterday in Port Elizabeth to consider the request, but a recommendation would only be made next month, Brock said.

The wool sector also wanted government to sanction further legally binding measures, such as the registration of farmers, to ensure that market information could be gathered.

Meanwhile in Australia, farmers were soon to vote via a postal ballot on the level of tax they were prepared to pay on their wool stocks.

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## Wooltextile to upgrade equipment

③ WOOD  
Business Day Reporter

WOOLTEXTILE Manufacturers, the Italian-owned worsted wool spinner, is planning to introduce more state-of-the-art equipment to enhance its ability to deal with increasingly intense global competition.

The company, which celebrated the 50th anniversary of its establishment in Standerton at the weekend, has about one-third of SA's total market for worsted wool fabrics and yarns.

Chairman Augusto Gori said the further development, made possible by Wooltextile's close links with Italy's Pecci textiles group, anticipated a rising proportion of the labour component in total costs.

The company's comprehensive training programme here and in Italy has resulted in the local operation being completely run by skilled South Africans.

Gori pointed out that SA's textiles factories needed to be more self-sufficient in their maintenance needs than their Italian counterparts.

He believed that his company's ability to remain internationally competitive had to be based on a combination of technical innovation, continuing training and the maintenance of ties with an Italian leader both in textiles technology and fashion.

BD 12/11/97

# Stock theft clips the wool industry

③ WOOL CT(PR) 28/11/97

Not so long ago, sheep farming was a gentle occupation that generated steady incomes in the Eastern Cape, supporting the rural population. But that was before the stock thieves took over.

The figures tell a sad story. In 1990-91, 101,7 million kilogrammes of wool were auctioned in South Africa. In 1996-97 the figure was 53,3 million kilogrammes — a fall of just over half the amount of wool.

In the Eastern Cape, home to the industry's headquarters in Port Elizabeth, theft in recent years has been so rampant that most farmers have left the land. In one region, only two out of 10 prominent wool farmers are left. The remaining farmers have enlisted security guards to look after their stock.

There is a large-scale switch-over to game farming in the province, particularly in the Grahamstown area and the Karoo. This kind of farming is less vulnerable to crime.

Foreigners are picking up game farms at excellent prices. The former owners stay on as managers and the new owners make trips south to hunt.

The stock-theft unit of the South African Police Services (SAPS) said 128 719 sheep and goats valued at R37,3 million were stolen in the past year. Not all cases of theft are reported.

Although police recovered 24 percent of the stolen animals, 99 000 sheep and goats worth R28,7 million disappeared. Organised syndicates



JUSTINE NOFAL

rustle and slaughter sheep, then sell the animals, mainly on order, in the Eastern Cape.

Even more disturbing is that the R37,3 million worth of small stock stolen represents only a small portion of total livestock theft — R140,6 million in all.

Wool is an international commodity. Prices for apparel wool, produced here and in Australia, are determined mainly in Australia, where the largest volumes are traded. South Africa's clip is too small to have much effect on price. Australia produces over 10 times as much wool as this country.

Wool is an efficient foreign exchange earner as 90 percent of the clip is exported to countries such as Italy, France and Taiwan. Cape Wools South Africa, the service organisation that replaced the Wool Board, says the foreign exchange earnings over the past three seasons were R713,365 million in 1994-95, R709,532 million in 1995-96

and R762,109 million in 1996-97.

Errol Moorcroft, the Democratic Party spokesman on agriculture, is a sheep farmer in the Adelaide district of the province. He says there are no sheep nearer to Queenstown than 30km. The district used to be a leading mutton and wool production area.

Moorcroft says sheep farms near towns or on tarred roads are the main targets of organised stock thieves, who load 15 sheep at a time on to bakkies. They usually steal the stock at about midnight. By 3am the sheep have been slaughtered and delivered to buyers. Farmers are powerless to prevent this.

Wool industry spokesmen attribute the problems of the SAPS's stock theft units in the Eastern Cape to the inadequate punishment meted out to thieves. In addition, plans drawn up by the government and police to combat crime are often simply not implemented.

It is true that wool sheep numbers dropped during the 1991 drought, the same year that world wool prices collapsed. However, production conditions in the past three years have been good, yet production has continued to decline.

Price prospects for wool are good worldwide. It is a pity that local lawlessness is causing the industry to shrink.



LIVESTOCK *Increasing losses threaten farmers*

# Stock theft skins meat and wool

CT (PBR) 15/12/97

RAVIN MAHARAJ

Durban — A dramatic increase in stock theft was costing South Africa's red meat and wool industry millions of rands, and was influencing industry investment in the region, industry leaders and the South African Police Service (SAPS) warned yesterday.

They also cautioned that any increase in stock theft, which they believed was the work of cross-border syndicates, would put the small livestock industry out of business, and derail industry moves to seek access to new livestock markets.

In the past year, stock theft alone has cost the red meat and wool industry in KwaZulu Natal about R58 million, more than R60 million in the Eastern Cape, and similar amounts in the Free State and Mpumalanga.

Between January and June this year, a total of 21 198 cases of stock theft were reported, compared with 20 835 last year.

Of those, 5 716 cases were reported in the Eastern Cape, 4 314 in KwaZulu Natal, 3 100 in the Free State and 2 364 in Mpumalanga, the SAPS said.

In KwaZulu Natal 24 546 cattle, valued at R36,8 million, and 12 553 sheep and goats, valued at R3,1 million, were stolen between January and November this year. In Lesotho, 1 120 cattle and 252 sheep and goats were stolen this year.

Aggrey Mahanjana, a spokesman for the South African Federation of Red Meat Producers, said "many small livestock producers, especially in the Eastern Cape,

want to shut down their businesses. This will destroy the country's mutton and wool industry," he said.

"Stock theft has resulted in drastic structural adjustments in the livestock industry, and the smaller producers are easy targets. We cannot allow this dangerous state of affairs to dash investor confidence any longer, and affect the industry's recovery process," Mahanjana said.

Gosie Oosthuizen, the commander of the Pretoria-based stock theft unit, said the theft of cattle, sheep, goats and poultry was becoming a "common phenomenon" in KwaZulu Natal, the Eastern Cape and the Free State. There were also problems at border points between Lesotho, Mozambique and Swaziland.

"Although there is no conclusive evidence to suggest that criminal syndicates are involved, the stock theft team is working on several leads to try and crack down on criminals," Oosthuizen said.

Mike Appelgryn, the co-ordinator of the stock theft unit in KwaZulu Natal, said his 225-member team was working "flat out" in finding solutions to many problems, including difficulties in identifying stock, and inauthentic documentation, which often landed in the hands of officials.

"But the major problem is that there is no system of compulsory branding of livestock in KwaZulu Natal. The Red Meat Producers' Organisation has asked the provincial government why this is not in place. Compulsory branding will have to be put into place if the problem is to be alleviated," he said.

Louise Cook

20 12/1/98

WOOL farmers would decide in a referendum whether they wanted to pay a statutory levy for SA to remain a member of the International Wool Secretariat, an international organisation that promotes wool.

The National Agricultural Marketing Council said at the weekend that the referendum would test the level of support for a global promotion and research service for wool.

## Wool farmers to vote on global secretariat levy

The University of Pretoria would co-ordinate the results of the survey, due to be completed next month, the council said.

All statutory levies in the farming sector were meant to have been scrapped by the beginning of the year in line with government's free market policy on farming.

Wool SA, a new organisation representing a group of wool

farmers, said the National Agricultural Marketing Council had initially rejected the idea of an extended levy in October last year as it would "set a precedent" for other farming sectors.

After it was discovered there was a R6m shortfall in winding up the affairs of the Wool Board, the council hurriedly agreed to extend the levy, Wool SA chairman Claude Cloete said.

But Eugene Brock, chief of wool at the National Agricultural Marketing Council, said there was no way the board's books could be wrapped up with the shortfall.

"The deficit comes from a shortfall in levy money paid by farmers between August and December, therefore the extension for the second half of the season was necessary," he said.

# Go-ahead for wool levy sought to raise R20m IWS membership

Wyndham Hartley (3) WOOL

CAPE TOWN — The National Agricultural Marketing Control Council has asked permission to raise about R20m through levies on wool to ensure continued membership of the International Wool Secretariat (IWS).

If the application fails to win the backing of the two parliamentary agriculture com-

mittees, garments made from SA-grown wool would not be able to carry the international woolmark.

Eugene Brock of the marketing council said yesterday his submission to Parliament's agriculture committee had been received positively. He said the levy, 3% on gross returns of wool growers, would raise about R20m, the cost of membership of the

IWS. The levy was a good deal, given that the licensing to use the woolmark cost more than R70m.

Brock said there was some urgency in the application because SA's continued membership of the IWS had to be confirmed by the end of the month. Failure to do so could result in moves to prevent products using SA wool from carrying the woolmark.

DD 18/3/98

# Wool farmers in a knot over levy

Wyndham Hartley

③ NOOL

BD 24/3/98

CAPE TOWN — A group of SA wool farmers is in open revolt over a suggested levy on wool production and is voluntarily contributing to a trust fund to fight the imposition of a levy all the way to the Constitutional Court.

The issue of a statutory levy on wool production comes to a head today and tomorrow in the parliamentary committees of agriculture, which are required by law to consider levy applications.

The group, calling themselves Wool SA, broke away from the once racially exclusive National Wool Growers' Association last year.

Their determination to fight the levy applied for by the wool forum threatens to tie government into costly court action in the future should the majority vote of the National Agricultural Marketing Council be ignored. The council has a statutory responsibility to advise the agriculture minister in terms of the Marketing of Agricultural Products Act.

The wool forum has applied for a levy of 3% of gross income of wool farmers at first point of sale. This would raise about R20m to pay for membership of the International Wool Secretariat.

A minority of council members supported the levy and continued membership of the International Wool Secretariat. However, a group of consultants and the council itself expressed doubts that any benefits re-

sulting from continued membership would trickle down as far as wool producers, who would be paying a considerable sum for something of no benefit to them.

Wool SA's Pikkie van den Heever said the assets SA had accumulated in the International Wool Secretariat — which could amount to R80m — should be retrieved and put into the Wool Trust.

It could then be used to promote SA wool and assist emerging farmers.

# Committee rejects wool levy application

Wyndham Hartley

③ WOOL

DD 26/3/98

CAPE TOWN — The African National Congress in Parliament's agriculture committee threw its weight behind the majority of the National Agricultural Marketing Council yesterday and rejected a Wool Forum application for a levy on wool production.

The controversial proposed levy, of 3% of gross returns at first point of sale, split wool farmers across SA. It was strenuously opposed by a breakaway group of farmers calling themselves Wool SA but enjoyed the considerable support of the older National Woolgrowers' Association.

The committee's decision is likely to be repeated when the National Council of Provinces' agriculture committee meets next week and will in all likelihood guide the final decision on the levy by Land Affairs and Agriculture Minister Derek Hanekom. This will mean that SA's membership of the International Wool Secretariat (IWS) will lapse at the end of the month, without the levy to provide the R20m needed.

Pikkie van den Heever of Wool SA said his organisation was jubilant over the decision. He expressed reservations to the committee over how representative the wool forum was of wool growers in the country. Wool SA was adamant that it would get no benefit from belonging to the IWS and saw no reason to continue to pay for the membership.

Two other levy applications, from the sorghum and cotton forums, have been put on hold until after the Easter recess.

WS

## INSIDE AGRICULTURE

# Outlook for wool exports is hairy

Wool (Bar) 3/4/98

The Asian financial crisis continues to hurt the world wool market, and prospects of prices improving soon are dim.

To understand why Asia has such an influence on the market, it is necessary to look at that continent's import share. Last season a total of 48 percent of all wool exported by Australia and roughly 40 percent of all South African wool exports (on a value basis) went to Asia.

Because of the Asian crisis the circumstances this season could be very different. Exports to the continent have already declined.

Even before the crisis Japan was the "sick man" of the major industrial countries, with distinct signs that its economy was in a downward phase. Business and consumer confidence are now at a low point. Consumer spending has begun to decline and should continue to do so this year.

In South Korea trade conditions are under pressure. The country's currency has devalued heavily since the start of the crisis in October last year, making it prohibitively expensive to import goods.

Consumer spending has diminished sharply in South Korea in the past few months. Spending on

clothes has shown the largest decline.

Luckily, China and Taiwan have escaped the effects of the crisis so far. Currencies have not devalued in either of these countries.

Yet, although Beijing announced that it would not devalue its currency, there is uncertainty about whether it can keep its promise.

China's economy is expected to come under pressure, particularly in the area of exports. Products from the rest of Asia are considerably cheaper now because of the dramatic lowering of most of these countries' currencies.

In addition, China is undertaking wide-ranging reforms to improve the fortunes of its state-run businesses, most of which run at a loss.

Beijing recently said it would cut the number of state employees by half and close some state departments. This move will necessarily lead to large-scale retrenchments, putting pressure on consumer spending — including



JUSTINE NOFAL

spending on wool products.

Most of the wool imported by China is processed and exported as consumer products to countries such as Japan and South Korea, which have drastically reduced their imports.

The news from Taiwan is brighter. Its economy is doing well and analysts believe it could play a leading role in the reconstruction of the Asian economy.

Some reasons for this optimism are that Taiwan has a strong banking sector, it spreads its investment risks widely, it has little foreign debt, it has a strong manufacturing sector and it has a healthy trade balance. A growth rate of more than 6 percent is expected in Taiwan this year.

Economists agree that the crisis in Asia will not be resolved overnight. This means that an early revival in the world wool industry is unlikely.

But the long-term forecast is much better. The Australian wool supply will have sold out by December 2000 (it is about 1.2 million bales at present), and wool production is down across the globe.

Experts expect demand to grow to such an extent that it will outstrip supply, which will boost prices.

## INSIDE AGRICULTURE

# Fine future for the kids in mohair

CT (MR) 24/7/98

③ MOHAIR

**P**rospects for the South African mohair industry look good, despite the difficulties of the past three seasons, when demand for strong adult mohair (hair from angora goats) fell dramatically.

The main reason for the improved forecast is the rand/dollar relationship. Another is the high demand for the fine hair of younger animals.

Despite low prices and weak demand, South African mohair production over the past four years has remained steady, at about 5 million kilograms a year. Production figures should stay constant for the next few seasons. About 2 000 commercial farmers, mainly in the Eastern Cape, farm angora goats.

They have continued to produce mohair because, in real terms, their income has kept pace with inflation, helped along by the devaluation of the currency. For instance, the average price of the clip in 1993 on local auctions was R9,58/kg compared with the average of R26,47/kg in 1998.

Admittedly, 1993 was a particularly bad year for mohair prices, but looking at the average price for the past five seasons, there has

been steady growth.

Deregulation of the mohair industry ended last December when the Mohair Board in Port Elizabeth disbanded. A company, Mohair SA, took over the board's function.

Mohair SA lowered the floor price for adult mohair of 34-microns and higher. Half the mohair in the "pool" was processed and selling prices were stipulated. It introduced a new marketing system which placed all buyers — local and overseas — on an equal footing. There was also a strong marketing drive to stimulate demand for mohair.

Thanks to these measures, there is fresh buyer interest. Mohair SA has sold about 80 percent of unwashed mohair from the pool. About 15 percent of the processed mohair had found a market by the end of the summer.

Since then, the demand for certain types of mohair has strengthened and the sale of these



**JUSTINE  
NOFAL**

types is brisk. For instance, 97 percent of the kid's hair on auction in summer 1998 was sold, against only 20 percent of the strong adult mohair.

Mohair SA expects the demand for kid mohair in the next season to remain strong, and the entire clip should sell. It seems that fine mohair types are where the future lies. Prices have been good for these classes, ensuring a good income for producers, offsetting the low adult mohair prices.

Backed-up surpluses of adult mohair in Texas, however, could put a damper on prices when demand increases. Another factor that could prevent good returns for adult mohair is the relative cheapness of new synthetic fibres with which mohair competes.

There are two seasons for mohair production/marketing: summer (January to June) and winter (July to December). Producers either deliver to a broker for auction (BKB and Cape Mohair & Wool together hold about seven auctions a season) or deliver to traders to sell on the open market.

Mohair is used to manufacture textiles for clothing, upholstery and carpeting, and also for hand-weaving.

# Wool industry warns about inferior bags

Louise Cook

③ WOOL  
BD 4/8/98

PRETORIA — The SA wool industry suspects that Australia is dumping inferior packing bags that are used for wool on the local market, and fears they will affect the quality of SA wool.

Large numbers of inferior bags, or "wool packs", are being sold at a huge discount at SA's agricultural co-operatives.

Farmers use the bags after the shearing process, but Cape Wool SA warned yesterday that if the wrong bags were used, it would affect the eventual quality of the fibre.

SA could lose millions of rands in exports and permanently damage its reputation as one of the world's leading wool producers, a spokesman for the company said.

Cape Wool SA, a nonprofit company that represents industry stakeholders including farmers, buyers, processors and exporters, said that Australians were switching over to nylon bags because these did not spoil the quality of the wool when it was dyed.

If fibre from a nylon bag found its way into the wool, which normally happened when the bag frayed, the fibre would take on exactly the same colour as the dyed wool and the quality of the end product remained intact.

The spokesman said Australia "probably" had a glut of inferior bags on the market now that it had decided to phase in nylon bags within a year.

Cape Wool SA executive chairman Briers Bekker said that plans to introduce nylon bags in SA were at an "advanced stage".

He said SA would have no alternative but to change over if it wished to remain competitive on the world market.

"SA lags behind Australia in the fight against contamination," Bekker said.

"Even the packs that are now being used, and for which minimum standards are laid down by the SA Wool Textile Council, are seen to be a source of contamination compared with the nylon product," he said.

Most of SA's wool is exported every year, mostly to Europe.



## Asia crisis unravels wool's prospects

③ WOOL  
Louise Cook

DD 7/18/98

THE new wool season starts in about a week amid gloomy expectations due to the Asian financial crisis that saw exports drop dramatically last season.

Cape Wool SA said the industry was still awaiting final export figures for the last season, but at this stage it was already clear that a major market like South Korea, traditionally the fourth biggest importer of SA wool, dropped to eighth position.

Cape Wool SA, representing farmers, processors and buyers, said in the past Asia imported 40% of the local crop, but since the market turmoil, demand plummeted. After 18 months of "solid growth" in exports to western Europe, even this market was now affected.

The outlook for the new season was gloomy, a spokesman said.

"The poor demand across Asia and western Europe pushed wool prices ... to their lowest levels since the previous lows of 1994 and 1996. Continuing poor prospects will see price weakness and volatility continue into the start of the new season."

At least 90% of SA wool production is exported. The sector has survived several serious setbacks in the past decade, starting with Australia — SA's main competitor — flooding the world market with stock in the early 1990s.

Thereafter the sector moved into a slow recovery process of several years; stocks had to be built up due to a string of wool farmers switching to mutton production which offered higher returns. Stock theft also drove farmers away.

Cape Wools SA executive chairman Briers Bekker, said: "The challenge we face is to promote wool more than ever before to ensure that it retains its positive image in the world."

# Wool market 'not likely to show improvement'

BO 28/8/98 (3) WOOL

Louise Cook

SA's wool market strengthened 11.2% when the new season opened this week, but analysts warned that the market was not likely to see any major improvement in the foreseeable future.

Cape Wools SA, representing local industry stakeholders and which had been the official market information agent since the demise of the Wool Board, said yesterday the slight market improvement at Wednesday's first auction for the 1998/99 season was due to the weaker rand and strong demand from local processors who were low on stocks.

Last season saw the local industry and wool prices take a nose-dive with the Asian markets' crash wiping out or diminishing demand for SA wool.

Asia normally imports 40% of SA wool, but the industry was still doing damage assessment to find out the size of the market left after the market turmoil of the past months.

But for once the local market, which normally trails market developments in Australia, was ahead of that country: the Australian indicator failed to get up to last seasons' closing levels when that country's 1998/99 season opened this week.

According to Cape Wools SA, the main

reason for Australia's poor performance was uncertainty about the freezing of 1.1-million bales of Australian stockpile by the government three weeks ago.

"Uncertainty regarding the freezing of the 1.1-million bale Australian stockpile ... continues among growers and other roleplayers who are waiting for details on how the freeze would operate."

The Financial Times reports the Australian government's move — prompted by falling wool prices and the Asian market crisis — caused an uproar in that country's wool industry.

The government announced the stockpile freeze earlier this month, but found it could not enforce the decision without calling a special session of parliament to approve the change.

With Prime Minister John Howard likely to call an early election in October, indications are that the Australian parliament will not be reconvened to pass the necessary legislation for the freeze.

Meanwhile, the plan continued to divide the industry, proving unpopular among key wool growing and exporting associations but receiving strong support from some regional wool growers groups. Critics warned that the decision would lead to "greater protectionism and a return to the pool system".

# SA wool farmers form a new body

③ WOOL

BD 19/11/98

## Plan to use marketing company to ease tax burden

**Wyndham Hartley**

CAPE TOWN — A group of SA wool farmers has moved to save the industry by creating their own overseas-based marketing company and by using trade and industry department export incentives to ease their tax burden.

The idea, group spokesman Pieter du Toit said yesterday, was to cut out as many of the middle men as possible and slash their tax payments through the use of the export incentives.

Most of the farmers involved in the launch of Merino Farmer's International belong to the recently formed Wool SA.

Wool SA is a breakaway from the traditional Wool Growers' Association and it successfully fought earlier this year against the imposition of statutory wool levies to the tune of more than R20m for the continued membership of the International Wool Secretariat.

Du Toit said a visit overseas in October had resulted in considerable interest from wool processors who have not been able to acquire pure SA wool for some six years. He said that most SA wool was auctioned as part of produce from elsewhere and not as a unique SA product.

"It seems that SA wool has been done a severe disservice by certain parties that

have blended SA wool with other inferior and less expensive wools to create for themselves an additional margin while at the same time SA wool in its pure form, as it is classed and graded on the farms, has not been made available to legitimate international competitors," Du Toit said.

The farmers who participate in the launch of Merino Farmers' International, which will be London-based, will have their accounts held in the Channel Islands by an SA bank.

Ways in which they stand to benefit include through earning foreign exchange, eliminating the auction costs presently in the system, substantially cutting tax through being able to claim 175% of export related costs and creating the ability to hedge against the rand.

"Most of all, each farmer would be in control of his own product, thereby ensuring that his wool is not, without his knowledge, misrepresented, speculated with or abused by others," Du Toit said.

He said the moves to market internationally in this way came as many farmers were "walking away" from wool as a result of a slump in international prices. A wool shortage is being predicted in eight months time and these marketing moves should leave these SA wool farmers ideally placed to profit.

## Ramashia leaves void in coalition

**Nomavenda Mathiane**

THE non-governmental organisation (NGO) sector has suffered a major blow with the resignation of Rams Ramashia, the president of the SA NGO Coalition (Sangoco). Ramashia will be joining the labour department next year as deputy director-general.

In September, Sangoco director Kumi Naidoo joined Civicus, a Washington, US, based NGO.

Ramashia has been with NGOs since the 1980s and was instrumental in organising and restructuring the NGO sector into the coalition.

A graduate from Wits Law school,

Ramashia is an advocate. He has acted as a legal adviser to a number of NGOs and assisted in drafting the Non-Profit Organisations Bill.

He was also head of the legal task team of Deputy President Thabo Mbeki's advisory committee on the national development agency.

Ramashia said he disagreed with the perception that government was poaching from NGOs to neutralise this sector, and said he would put his expertise to good use in government.

He said NGOs have been working closely with government, particularly in influencing legislative changes and fostering economic transformation.

BD 19/11/98

WOOL & MOHAIR — 1994

**GUBB & INGGS**  
*FW 14/11/94*  
**In a tailspin**

**Wool & Mohair**

Some stability returned to the wool industry in 1992 but wavered in 1993. Gubb & Inggs' EPS plunged by 460c to 115,5c and the dividend was slashed by 50c to 40c. Reasons for the poor results are simple enough: low demand and excessive supply. Unfortunately, solutions are less obvious.

World wool and mohair markets remained depressed, with the worsted sector taking the most strain. The corresponding low demand

*FW 14/11/94*

**Wool & Mohair**

The discount of more than 70% to NAV is hardly surprising. Since peaking at R10,20 in March, the stock has fallen to 750c and shows no sign of an upturn. *Kate Rushton*

**Activities:** Wool and mohair merchandising, processing and top making.

**Control:** Merwool (Pty) 50,4%.

**Chairman:** J P Stucken.

**Capital structure:** 2m ords. Market capitalisation: R15m.

**Share market:** Price: 750c. Yields: 5,3% on dividend; 15,4% on earnings; p/e ratio, 6,5; cover, 2,9. 12-month high, 1 025c; low, 750c.

Trading volume last quarter, 3 400 shares.

Year to June 30	'90	'91	'92	'93
ST debt (Rm) .....	47,4	55,5	59,2	48,5
LT debt (Rm) .....	1,5	1,2	0,9	0,5
Debt:equity ratio .....	1,31	1,51	1,35	1,01
Shareholders' interest .....	0,32	0,30	0,36	0,41
Int & leasing cover ..	1,34	1,74	3,75	1,67
Return on cap (%) ..	9,5	7,4	11,4	6,4
Turnover (Rm) .....	272	262	294	237
Pre-int profit (Rm) ...	14,1	12,3	18,8	9,6
Pre-int margin (%) ..	5,2	4,7	6,4	4,0
Earnings (c) .....	88,6	174,5	576,0	115,5
Dividends (c) .....	40	40	90	40
Tangible NAV (c) ....	2 339	2 486	2 957	3 065

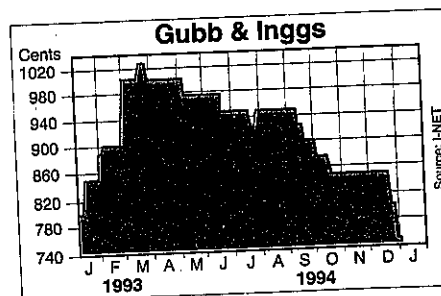
for wool tops consumed by worsted spinners resulted in underused wool combing capacities worldwide. Gubb & Inggs' pre-interest margin fell sharply.

This situation, with the decline in wool and mohair production in SA, led to the consolidation of the group's Dimbaza processing activities in Uitenhage — though retrenchment was minimised.

In the first half, machine usage was fairly satisfactory. But the fall in demand, linked to the world recession, intensified in late 1992 and early 1993. The already substantial unsold raw wool stocks in Australia steadily increased and now stand at around 5m bales.

In contrast, Gubb & Inggs reduced stock 10,7% to R70m in 1993. This, with a R9m (18%) decrease in debtors and a marginal increase in creditors, cut net working capital by R18m (1992: R15m increase). Consequently, cash flow improved. In financial 1992, R4,2m cash flowed out; in 1993, R17,8m flowed in.

Since June matters have improved slightly and management expects positive cash flow to continue. Exports remain strong and account for three-quarters of sales. In 1993



provision was not made for normal SA tax as there was no taxable income. That might change this year; tax allowances are almost exhausted.

A debt:equity ratio of 1,01 can really be justified only by high profits — which does not apply in this case. Interest cover has fallen to a thin 1,7.

## WOOL AND MOHAIR

### Ragged around the edges

If the example of the Wool Board is anything to go by, the privatisation of the Mohair Board on January 31 will not necessarily mean a new mindset for farmers. About 3 600 mohair producers will become full shareholders in the new company's asset base of about R140m. *PM*

The Wool Board is no longer involved in marketing (*Business & Technology* August 20) but that doesn't mean that wool farmers have woken up to cheaper alternatives to the traditional auction system. Premium Cape Wool, the first farmers' initiative to create an independent marketing body, has already gone under. "Farmers have become too used to the fact that others did their thinking for them," says a board spokesman. *2/11/94*

No wonder then that BKB (Farmers Co-operative Brokers) still sells more than 90% of the total wool clip and that other brokers such as Lanata, which offers to halve BKB's marketing costs, have to battle to break through to producers. *3 Wool & Mohair*

"Only a relative handful of farmers have come on board since we opened last September," says Lanata's Jan Kievit, a former Wool Board GM. Lanata bypasses the BKB's traditional auction system and cuts out handling, storage and auction fees by going directly to the purchaser. And, he adds, with the international wool market now threatened by the sale of Australia's huge 3,8m bale stockpile until July 1997, cutting marketing costs is one of the best ways to improve profitability.

But, says BKB CE Tollie Lamont, the fragmentation in the marketing of the rela-

tively small SA wool clip could result, in the long term, in an unaffordable increase in marketing costs because the economies of scale would be hurt. "The strong support BKB enjoys can be attributed to the wider range of its services and farmer confidence in the system of auction marketing."

The traditional wool marketers are now facing more competition from what will be the Mohair Board's privatised successor, Cape Mohair & Wool, which the board formed last year. Says board marketing manager Johan Engelbrecht: "Because mohair production has dropped from 12,2m kg in 1988 to only about 6m kg last year, our warehousing and auctioning capacity of handling about 20m kg a year is grossly underused." Apart from the impact of the drought, world mohair prices fell from an average of more than R20/kg in 1985 to about R9,60/kg last year, while the local industry's annual turnover dropped from R185m to R47m. *PM 2/11/94*

But Cape Mohair & Wool's attempts to undercut BKB's auction and brokerage fees are being met with indifference by conservative wool farmers. Last year, Cape handled a mere 10 000 bales of wool, out of a national production of about 465 000 bales.

Meanwhile, wool farmers have been reacting to poor wool prices by moving towards increased cross-breeding with mutton-producing sheep. Meat Board economist Ernst Janowski expects wool prices, in real terms, to continue their downward trend, allowing mutton production to overtake wool farming.

"Against the background of a projected 12% increase in mutton prices this year, we expect demand to increase while supplies should drop by about 3% due to the restocking after the drought. The traditional situation, where wool income exceeded mutton income by about 16%, is also changing dramatically." *3 Wool & Mohair*

During the 1992-1993 season, for example, the gross value of wool production dropped to R407m (from a high of R858m in 1989-1990), while gross income from sheep slaughterings in the year ended last September totalled R887m.

In a brave defence of his industry, Wolex (a Wool Board company) economist Johan Bornman says local wool prices did increase by 4,2% more than those in Australia during the first half of the current wool marketing season. But much more than that may be needed to stop further, possibly inexorable, decline. ■

# Wool growers delay decision

BLOEMFONTEIN — A right-wing walkout was threatened at the Free State congress of the National Wool Growers' Association yesterday when executive member Wessel Bonnet took exception to a document explaining the association's policy. *BIDAN 21/2/94*

Bonnet, representing Kleinvlei in the Brandfort region, said the document accepted there would be nine regions in SA, but this did not take account of a "volkstaat" that would be established in the Transvaal and Free State.

In response to a motion from the floor that he was out of order, Bonnet said he would have to leave the congress with his supporters, which he said were many. *Wool & mekaar*

He was ruled out of order by association president Johan Neething, but demanded another vote. No votes were cast against the order motion but Bonnet did not leave.

C K van Niekerk, representing Verkykerskop, said a "hidden agenda" ran through the

policy document like a "golden thread".

He suggested it was premature to take a decision on the document and it should be held over for discussion in 1995.

This was accepted by the congress, which means the Free State wool farmers will not have a position on the matter at the national congress later this year.

Regional and Land Affairs Department director-general CG de Villiers told delegates more capital investment and technical skills were needed to produce a lightweight wool fabric acceptable to clothing manufacturers.

He said about 70% of all wool was processed to the primary stage, but there was a bottleneck in spinning and weaving.

Wool farmers in SA offered 40 000 direct job opportunities, but only 5 000 jobs were provided by the secondary industry, indicating how little value was added to the wool. — Sapa.

Report by E Rhodes, Sapa, 53 Maitland Str, Bfn.

## Gubb & Inggs undeterred

31 Nov 24/3/94  
MUNGd SOGGOT

DESPITE few signs of a recovery in the wool industry, Gubb & Inggs achieved a 58% rise in attributable income to R3,2m for the six months ended December 1993 compared with R2,0m in the period in the previous year.

The company did not disclose its turnover for the period. Operating income climbed 14% to R5,6m from R4,9m, while interest paid dropped 13% to R1,9m from R2,1 in 1992. Net income jumped 33% to R3,7m from R2,8.

Earnings a share increased to 158,3c from 100c. A dividend of 20c a share was declared in respect of the year ending June 30 1994, in addition to a special dividend of 180c a share. (3) Wool & Mohair



## Wool farmers in happy mood

Star 28/7/94

■ BY DEREK TOMMEY

The wool industry is in a cheerful mood. (3) Wood

Despite scheduled heavy sales from the Australian stockpile (built up when it supported the wool price), the current wool price keeps rising.

Last season, South African wool prices moved from a low of 964c a kilo to a high 1 695c to average 1 218c. This was 11 per cent more for the farmer.

Now the South African industry is expecting to see at least an 8 per cent increase at the first new-season sale on August 24.

# Industry hit by wool price hike

B. Berg 9/18/94

YURI THUMBRAN

THE clothing and textile manufacturing industry faced further pressure following strong rises in the wool price.

The rises came in the wake of recent world price corrections and heavy buying in China, the Textile Federation said yesterday.

Sources said the clothing and textile industries faced an increase of 16% in the wool price for the new season that starts on September 1.

The wool price jumped 67% for the 1993/94 season which ended in May, to R16,95/kg — the first hike since the 1990/91 season when the price collapsed after the suspension of the Australian floor price.

The National Clothing Federation (NCF) — which represents clothing manufacturers — said it was never consulted about the hikes. NCF CE Hennie van Zyl said while SA clothing products consisted of 5% wool products and 95% cotton and man-made fibres, the wool price would have a significant effect on manufacturers, retailers and consumers.

"The increases could have a significant contribution towards our secondary market which is aimed at exports," he said.

Van Zyl said the SA Wool Board had not discussed any increases with the NCF, and called for smaller hikes over a longer period. He said SA should not follow world market trends by having major increases over short periods which hampered growth in the industry.

He said clothing manufacturers were trying to counter high input

costs and high wool prices, and it was important that the trend be arrested. "The only way to do this is to open up the market further."

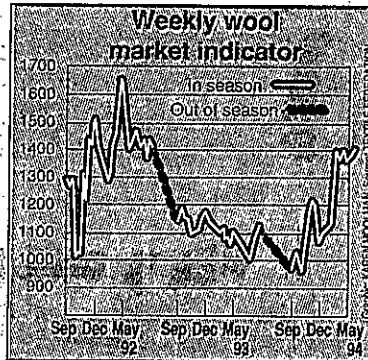
Wool Board spokesman Johan Louw said estimates showed that the price could rise by a further 16% during the new season.

He said the wool price was primarily determined by China, which bought a large chunk of wool throughout the world. (3) Wool

"The Chinese have resorted to buying up all wool available at auctions, causing a shortage on the market," Louw said.

The Textile Federation said the 1993/94 wool price increases could be ascribed to price corrections and increased consumption.

Production cuts had brought supply back into balance with demand, underpinning stronger prices.



## Wool imports plan presented

By Day 22/8/94  
LOUISE COOK

WOOL buyers were not expected to close down shop because of an acute wool shortage, as deficits would be made up through imports, wool buying company Stucken's director Rolf Plate said.

Plate was reacting to reports by Merino Stud Breeders' Association executive council member Pikkie van den Heever that buyers could go out of business because of an expected shortage of wool this season, and the depletion of mohair stocks.

Van den Heever said production was down to about 60-million tons from 100-million tons two years ago. He expected a further drop, with farmers switching from merinos to meat-producing dorpers.

This, combined with an expected further 7% rise in the price from last season's R12,18/kg, could effect exporters, he said.

Meanwhile, National Wool Growers Association chairman Johann Neethling said he expected a 20% price hike this season.

Merino Stud Breeders Association president Carl Paul said that farmers were extremely optimistic about prospects for the future.

3 Wool

# Happier times at hand for beleaguered wool farmers

BY DEREK TOMMEY

Wool farmers have faced difficult times in recent years.

Drought, combined with a slump in world demand for wool, resulted in financial hardship for many.

But since the beginning of the year conditions have improved and the outlook for wool farmers is much brighter, says Ona Viljoen, a Wool Board spokesman.

But not all wool farmers can look forward to higher incomes. While conditions in the Cape have been favourable for growing, Free State farmers have been hit by drought.

The wool price has shown sparkling growth recently. A year ago it was R10/kg. But as the economies of major Northern Hemisphere countries started picking up, demand for wool took off and by June this year the average price was R16,95/kg.

The new selling season opened in August with the wool price advancing further to R18,67/kg, at which level it has remained, closing at R18,88/kg last week.

Viljoen says the increase is the result of growing demand from the main consuming countries.

Retail sales and consumer confidence have improved in Europe and Japan, while personal spending has risen in the US.

Growth in China is the second half of this year is expected to surpass 9 percent, giving an average rate of 13 percent for the year. **Wool**

Wool Board officials are concerned that the market might be overheating, which could lead to Northern Hemisphere consumers cutting back on purchases.

But serious drought in Australia, the world's largest exporter, is expected to keep the market firm.

31/10/94  
The Australian clip for the season ending next June is estimated at between 700 million and 720 million kilograms — roughly 40 million kilograms less than last season's clip.

The SA clip, estimated at 66 million to 69 million kilograms, will also be down on last year's 77 million kilograms.

Part of the reason is the current high price of mutton, which makes slaughtering stock for meat more profitable than keeping it for wool production.

Last season's SA clip was worth R430 million. This year's is expected to be worth substantially more.

The strong demand for natural fibres has also been felt in the mohair market. The Mohair Board reports that prices for adult and young goat fleeces rose 12,5 to 15 percent at last week's sale. Kids' fleeces were 2,5 to 7,5 percent higher.

## WOOL BOARD

## Probing deals

FM 2/12/94

A member of the Wool Board's finance committee has asked the Office for Serious Economic Offences (Oseo) to probe the sale of two Wool Board properties. Committee member Pikkie van den Heever, who is also on the executive of the National Wool Growers' Association, has also asked the Oseo to investigate the allocation of free air tickets to a former Wool Board CE and his daughter. (3) Wool

The Wool Growers' Association represents about 25 000 farmers who are expected to contribute R30m in levies to the statutory Wool Board this year.

Wool Board CE Johan Gieselbach acknowledges that Van den Heever had raised these issues during a meeting of the finance committee in Port Elizabeth last week. "The board and its officials have nothing to hide and welcome such investigation," said Gieselbach.

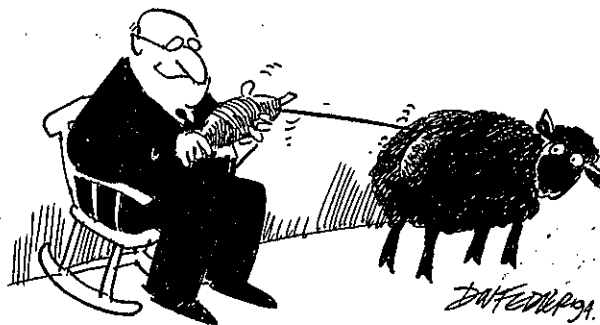
During the committee meeting Gieselbach was also questioned about a property transaction in which a family trust controlled by him had bought two portions of a farm outside Port Elizabeth.

According to the Alexandra Regional Services Council, two portions of the farm were bought in March by the Gieselbach Property Trust.

Besides Gieselbach, Port Elizabeth attorney Norman Meyers, of the firm Greyvensteins, is the other trustee. The conveyance of the transaction was done by Greyvensteins in July.

But Gieselbach denies that he owned land in partnership or in association with Meyers.

The other four portions of the farm were bought by and registered in the name of Barkly Bridge Farm CC. This close corporation is, according to the Registrar of Companies in Pretoria, owned by Norman



which is also the attorney for the Wool Board.

During the meeting last week Gieselbach was asked whether his association with Meyers could not be construed as a conflict of interest. He denied this. Earlier this year Meyers also acted for the Wool Board during another property transaction during which two buildings in Cape Town, owned by the board, were sold.

In October, during a meeting of the central executive of the Wool Growers, the Wool Board was questioned over the sale of the two buildings. A suggestion that they had been sold at under market value is also denied by Gieselbach. The Wool Board was however asked that the matter be dealt with by the financial advice committee, which advises the board on financial matters and the buying and selling of fixed assets.

At the same meeting the board was also questioned over the allocation of free tickets given by SAA to frequent flyers. According to an SAA list of frequent-flyer tickets given to the Wool Board, former board chairman Bertus Olivier, who resigned in October last year, and his wife, both received free overseas trips in September this year. Olivier's wife also received a free ticket in February last year and according to the list their daughter received a free ticket in January of 1990.

## Air tickets

In reply, Gieselbach says that Olivier and his wife had received the tickets for outstanding service and that the ticket used by Olivier's daughter "was not allocated by the SA Wool Board but it was a free ticket which had been earned by Dr Olivier as a result of his membership of the SAA Prestige Club programme prior to his appointment as CE of the Wool Board." Olivier joined the Wool Board in 1988.

The list also shows that the wife of current Wool Board chairman Hennie Prinsloo also received a free ticket in February last year on the same flight as Olivier's wife "to accompany their husbands on an official visit to New York to attend a meeting of the International Wool Secretariat."

A free ticket to Tel Aviv, given to National Marketing Council (NMC) chairman Gerhard Basson in July last year, was

also questioned by the Wool Growers' Association. The NMC is the controlling body of semi-State corporations like the Wool Board. Gieselbach says the ticket had been given to Basson "to familiarise himself with the functions and activities of the secretariat and the Wool Board abroad."

Wool Board financial manager Kobus Munroe tells the *FM* that there is no policy determining how free air tickets are to be distributed. "The CE will decide whether an allocation is justified," says Munroe.

The *FM* has learnt that advocate Tommy Prins of the OSEO has been to Port Elizabeth this week to interview Wool Board officials.

Eddie Botha

# Mohair board angers farmers

STANDARD (BUS)

FIVE mohair farmers in the eastern Cape have accused the Mohair Board of planning to transfer millions of pounds worth of assets belonging to farmers into a trust controlled by producers, writes CLARAN RYAN.

This follows an earlier attempt, declared illegal by the Port Elizabeth Supreme Court in July, to move R96,2-million of board assets into a public company, Mohair Marketing International, in which producers would be allocated shares.

On December 2 the Government Gazette proposed an amendment to the mohair scheme which, in the event that the scheme is abolished, would allow farmers to be repaid all levy contributions made over the previous three years, placing the balance in a trust to be controlled by a producer organisation. The farmers say they should be repaid all levies, not just those paid in over the last three years.

According to the proposed amendments on the gazette, Chris Louw, who farms near Adelaide, says the government is now trying surreptitiously to change the legislation after its defeat in the Supreme Court.

"They are trying to slip through legislation which would deprive farmers of what is rightfully theirs. How many farmers read the Government Gazette? If they do, how many are able to reply by December 29?"

Gielle Grobler, chairman of the Mohair Board, says the amendment is merely a contingency plan in the event the board is dissolved. "The Supreme Court ruling earlier this year found that the board should be reinstated with all its functions and assets. This is what has been done. This latest proposed amendment to the scheme only applies if the board is dissolved. This is the standard way of accepting any amendment to the scheme."

The mohair industry is enjoying one of its best years. Prices have doubled over the last year to R30/kg.

18/12/94

# 'Concerned' farmers call for board's abolition

BD 23/12/94  
3 WOOL  
MOHAIR

THE Mohair Board's assets and future have come under the spotlight after farmers called for its abolition and the introduction of a free market system.

Members of the Concerned Farmers Group were reacting to a Government Gazette notice proposing amendments to the mohair scheme. The proposal would allow farmers to be repaid levy contributions made over the previous three years and create a trust for the balance of the assets, if the Mohair Board was dissolved.

The group rejected the amendments to the mohair scheme, demanding the abolition of the board and repayment of all levies.

Colesberg district agricultural union chairman Freddie Albertyn criticised the group, accusing them of "looking for trouble".

LOUISE COOK

Lawyers for the group told the Agriculture Department there was support for its demands.

Many mohair producers supported the guidelines of the Kassier Report of 1992 which questioned the existence of agricultural boards, the lawyers said. The group favoured a referendum, but this was being blocked by the Mohair Board.

Mohair Board chairman Giel Grobler denied the money belonged to farmers, accusing the group of being "shortsighted".

The earlier attempt to transfer the assets into a public company ended with the Supreme Court ordering that the board should be reinstated with all its functions. The latest proposed amendment applies only if the board is dissolved.

AGRICULTURE - PRODUCTS - 1993

WOOL & MOTHAIR



### Wool prices align with Australia's

PORT ELIZABETH. — Wool prices slipped at this week's sale in Port Elizabeth and the market indicator for Merino closed at R11,73c/kg. This was seen as bringing South African wool prices more in line with Australia's, which appeared to have peaked, Woléx economist Johann Bornman said. Next week 15,600 bales would be offered. — Sapa

ARC 19/11/93 ③ WOOL

## Wool industry debt under the spotlight

*3 wool + mohair*  
*8/08/93* Own Correspondent *26/1/93*

PORT ELIZABETH — The possible redemption of the SA wool industry's R150m debt is expected to be the subject of a state announcement at the National Wool Growers' Association's Cape congress this week.

Finance Department special economic adviser Japie Jacobs opens the congress in Port Elizabeth tonight.

Motions to be discussed include liquidating the Wool Board, implementing a single new service structure, and SA's continued participation in funding the International Wool Secretariat.

Association manager Theuns Botha said the congress was taking place at one of the most difficult times for the wool industry, which faced great changes in its service structure and marketing scheme.

# SA wool industry faces hard decisions

Own Correspondent

**PORT ELIZABETH.** — Some difficult decisions and adjustments awaited the South African wool industry, Finance Minister special economic advisor, Dr. Japie Jacobs warned in Port Elizabeth last night.

Dr. Jacobs was delivering the opening address at the annual congress of the Cape Province branch of the National Wool Growers' Association.

He said the State guarantee of R166m would soon be absorbed fully by the rising interest burden on the existing debt of about R155m. Finally would therefore have to be reached fairly soon on how the matter would be handled.

He warned that it was not possible to write off part of the debts of stock farmers to reduce the debt load a stock unit to a reasonable level.

"Fiscal discipline demands that the rate at which State expenditure increases must be reduced."

● The wool industry in South Africa will survive only if producers can act in unison through some form of collective marketing which will enable them to retain control of their product up to the point of sale according to the National Woolgrowers' Association (NWGA) Cape Province branch president Lamie Brand.

## 'Cut Wool Board debt or liquidate'

PORT ELIZABETH — Liquidation of the Wool Board should be investigated unless government solved its debt burden, the Cape branch of the National Wool Growers' Association decided yesterday at its annual congress.

Even if the board is liquidated wool producers will remain responsible for the R155m debt.

The congress also adopted a resolution calling for a single marketing body for the industry.

Meanwhile, the board announced that the effect of the drought and relatively low prices from wool production was becoming more serious. *BLOOM*

There was a 7,1% drop in wool received so far this season, compared to the corresponding period of the previous season. Receivals stood at 53,8-million kilograms.

For the third consecutive week there was no change in wool prices at this week's auction, and the overall market indicator for merino wool closed at R10,66c/kg, the board said. *29/1/93*

About 155 000 bales would be offered at next week's auction. —

Sapa: (3) wool + Mohaw

## Poor world economy stunts demand for wool

<sup>8/10/93</sup>  
<sup>5/2/93</sup>  
PORT ELIZABETH — The depressed state of the world economy was seriously affecting the wool market, causing demand to decline and prices to remain stagnant, the Wool Board reported yesterday.

At this week's wool sale only 73% of the offering of 15 464 bales was cleared to the trade. Prices were mostly unchanged and the market indicator for Merino wool

closed at R10,54/kg, which was 1% lower than last week. <sup>② Wool Mohair</sup>

The Wool Board said the market in Australia showed a similar trend with the market indicator at 488 Australian cents, or 2%, below last week's figure.

Low clearances confirmed farmers' resistance to these very low price levels. — Sapa.

③ wool + McFair  
**Wool prices  
stagnant**  
B/DAM  
16/2/93.  
MARIANNE MERTEN

THE slack world economy has depressed international wool demand and caused prices to remain stagnant.

Gerhard Pretorius, assistant manager, public relations, of Woolex, one of two wool co-operatives in SA, said he did not expect any significant price fluctuations in the near future although a marginal price increase in the second half of 1993 would be possible.

"A big factor is the Australian stockpile of about 4-million wool bales," he said.

It is expected that reserves will be sold off over the next four years, keeping prices down.

Total SA wool receipts for this season are 56,2-million kilograms, down 8% from the corresponding period last season.

Only 67% of 13 243 bales on offer were sold during last week's auction, said a Woolex statement.

Local production has been affected by the severe drought, which is particularly severe in some wool producing areas.

Pretorius said: "SA has combined forces with Australia and New Zealand to stimulate consumer demand through the International Wool Secretariat."

# Private sector to back taxi industry

B/DAM 16/2/93

A MAJOR private sector-backed initiative aimed at improving the taxi industry's profitability and standards of operation would be launched soon, transport consultant Paul Browning said at the weekend.

Browning said the establishment of the scheme, which he believed would remove causes of unrest in the taxi industry, was in line with a recent report of the Goldstone Commission into taxi wars. Judge Richard Goldstone's team recommended that the private sector should help taxi operators to develop business, entrepreneurial and marketing skills.

The scheme, under which taxi associations would be helped to form co-operatives to manage members' operations, was being funded by Toyota, Mercedes Benz and Atlantis Diesel Engines, Browning said.

"The co-operatives will be able to take part in commuter subsidy schemes — since they would be able to tender for subsidies as groups — and develop new business," he added.

The development work had been carried out by the Taxi Business Group, a consortium of transport experts with particular knowledge of the taxi industry.

The taxi co-operatives would also be helped to develop new types of business, including contracts, commuter services in areas of high car ownership, tourism, parcels, courier services and many others.

Browning said the sponsoring companies, which had so far pumped R600 000

THEO RAWANA

into the scheme, wanted to help the taxi industry to stabilise itself because it was good for the country.

He added that Mercedes Benz would like to sell midi-buses to the industry. "But the taxi industry has tens of thousands of individuals — and these vehicles cannot be bought by individuals.

"Atlantis Diesel Engines wants to tell operators diesel engines are more economical, but the taxi owners presently have no knowledge of operational costing," Browning said.

These "first world" firms recognised that changes in methods of operation might bring them the chance of dealing with taxis.

Browning said the pilot phase of the programme would need a further R1m and said further funding was sought from the automotive industry, oil companies and financial houses.

"Our aim has been to develop practical methods by which the taxi industry can be helped to improve its professionalism, business skills and profitability through a process of capacity-building at local level," said Browning.

Under the scheme vehicles would continue to be owned by individuals, but would be operated in a collective or co-operative fashion by the local taxi association on behalf of members. "The association will be offered professional help in carrying out its management tasks," Browning said.

## Conference on jobless BA graduates

WIDESPREAD concern at bleak job prospects for the waves of BA graduates entering the work market has led to a high-level conference aimed at enhancing their "employability".

The conference organisers believe BA graduates have a wealth of skills to offer but, because of false perceptions about their "usefulness", their potential is often overlooked.

Conference convenor

KATHRYN STRACHAN

Elisabeth Lickindorf said at the weekend there was little communication between the various stakeholders — the students, lecturers and employers — and the purpose of the conference was to build bridges between them and to find practical ways of resolving the problem.

There was a need to

change perceptions at all levels, she said. Many BA students were unaware of how the skills they had been taught at university related to the "world of work", and of how they could be applied productively outside the formal sector.

Companies too believed that employing someone with a background in humanities was a luxury in these hard times, and they had to be taught that an employee with highly adaptable skills was an indispensable asset, especially in a period of rapid change.

BA graduates had the

edge over students with more practically orientated degrees, as they had been trained specifically to analyse and interpret material — abilities which made them far more successful in adjusting to the demands of a variety of roles, she said.

University lecturers were the other sector which needed to be targeted, Lickindorf said, because there was clearly also a need to introduce more skills-orientated elements to BA courses.

The conference will be held on Thursday and Friday this week.

# A cash register that

## Wool Board plans to reduce staff

PORT ELIZABETH. — The Wool Board in Port Elizabeth plans to retrench staff and cut some operations because of the slump in the international wool market.

Chief executive officer Dr Bertus Olivier said the board was already in the process of restructuring.

Full details on when employees would be retrenched would be released later.

Dr Olivier said reasons for the restructuring process were the worldwide economic recession, particularly the weak international wool market, and the drought.

"There is a decrease in the production of wool, relatively low sales and low prices," he said.

The "net result" of retrenchments would not be that negative as functions the board would cease to carry out would be fulfilled by other organisations, which would employ the retrenched workers.

Dr Olivier could not say exactly how many workers would be retrenched. The board's workforce and its representative union, the South African Clothing and Textile Workers Union (Sactwu), had already been informed about the possible retrenchments.

Sactwu's regional organiser, Mr Tembinkosi Mkalipi, could not be reached for comment. — Eena.

Fm 23/4/93

WOOL INDUSTRY (3) wool + mohair

## Shearing off controls

The Wool Board's decision to abolish voluntarily its monopoly on marketing from July 1 means that SA's 25 000-plus wool farmers will get what most of them have been asking for — the chance to earn a living the way they want to.

Though the move still needs ministerial approval, the wool-brokering co-operative BKB, the National Wool Growers' Association and the board act as though the new dispensation is a *fait accompli*.

One immediate effect is that the co-operative will now independently handle marketing at its auction floor at Port Elizabeth and other coastal facilities. BKB CEO Tollie Lamont says that after acting as agent for the board for many years, the co-operative will market its services as an independent broker to farmers, who will have the choice of selling directly or via other agencies.

But don't expect a great rush by previously protected players to throw the industry wide open. "We would discourage farmers from considering 'bush sales' because these would fragment the market and tend to add other costs to the marketing chain," says Peter Kingwill, president of the growers' association, which represents most of the farmers. "The preferred route would be some voluntary form of co-operative selling."

An association steering committee is also looking into a voluntary insurance scheme to protect farmers against any volatile price movements in a future free market. "But we are enthusiastic about the challenges and opportunities now awaiting the industry in a free-market environment," Kingwill adds.

The lower marketing cost structure should help wool farmers overcome the hard knocks the industry has suffered from droughts, huge debts and global market collapse over the past few years. Board CEO Bertus Olivier says the industry, which once earned up to R1bn a year, will be down to net receipts of just over R400m this season. The wool clip is down to an estimated 70m kg, half of what it was in the late Sixties.

After slashing its own marketing staff by

\* Cont -

## BUSINESS & TECHNOLOGY

Fm 23/4/93 (3) wool + mohair

about 50% in the past few months, the board is using its R100m in assets to reduce its R160m-plus debt. Farmers have been forced to contribute almost R500m in levies over the past decade to cover the board's bad financial planning.

"All our properties, including the old board headquarters in Pretoria, are on the market," Olivier says. "Meanwhile, we are considering mortgaging these properties for about R50m-R60m."

Though global demand is going up and production down, the global wool stockpile, representing eight months' world production, will keep prices under pressure, says Standard Bank's latest *Agri Review*. But SA's good-quality clip and the low rand together provide a price cushion for local producers, something their less fortunate Australian cousins do not have.



## Uncertainty for wool

8/10/93

MARIANNE MERTEN

27/4/93

THE wool industry will be without definite marketing and brokering structures when the new season begins in July, as the one-channel marketing system has been abolished.

③ Wool + mchaw  
It is not certain whether farmers will continue to use the Boere Koöperasie Beperk (BKB) — which will be independent — or other agencies which might be set up. From July 1 the Wool Board will promote SA wool on local and international markets.

Woollex — one of the two official Wool Board agents — said farmers had until the end of next week to submit their wool via the last one-channel marketing scheme.

After that the BKB would cease to be the Wool Board's official handling agent, and farmers would have to make their own handling fee arrangements with the BKB.

The situation was "a little chaotic" because farmers could sell to any organisation which might be set up following the industry's deregulation, Woollex said.

# Wool Board revamp mooted

BLOEMFONTEIN — A new draft scheme for the wool industry that provided for the maintenance of essential operating functions had been formulated, SA Wool Board chairman Hennie Prinsloo told the National Wool Growers' Association of SA congress in Bloemfontein yesterday.

Depending on the recommendation of the National Marketing Council and provisional approval of the Agriculture Minister, this draft scheme would shortly be published in the Government Gazette for comment.

Prinsloo said under the new scheme, the board's main activities would be centred in future on production development and research, quality assurance, market development and research, promotion of the de-

mand for wool and woollen products, an information service to the industry and shearer information and training service.

Prinsloo said the board had started to restructure its activities.

He said the option had also been given to all personnel older than 58 years, irrespective of seniority, to retire prematurely on pension.

The decision to abolish the prohibition rule on the marketing of wool had affected the board's entire wool marketing department and practically all the personnel involved were to be retrenched.

From July 1 the board would have a monthly remunerated staff of only 79, compared with 138 in January 1993 and 176 in January 1991.

Prinsloo said the abolition of the single-channel marketing system

meant alternative methods for the collection of levies in the industry had to be devised. The regulations would be published shortly.

Regarding the sale of Wool Board buildings as the board's contribution to the relief of the industry's R166m debt, Prinsloo said the buildings would not be sold at market value.

The Merino building in Pretoria, had been on the market for about three years. The replacement value was R55m while market value was about R30m. The best offer so far had been R14m. Under no circumstances would it be sold for under R25m.

Agricultural Credit Board chairman Kosie van Zyl had earlier told the congress the Merino building and certain wool sheds would have to be alienated towards liquidation of the debt. — Sapa.

Downturn

# Downturn 'the worst in history of industry'

BLOEMFONTEIN — Wool production worldwide was too high, while world demand remained depressed, International Wool Secretariat director Danny Neff of the US told delegates at the National Wool Growers Association of SA annual congress in Bloemfontein yesterday.

Stocks of semiprocessed and processed wool held by the industry were believed to be high. *13/5/93*

Neff said the world wool industry was experiencing the worst downturn in its history.

Not only were prices depressed, but many SA growers had had prolonged drought to contend with.

Many had switched from wool to a primary concentration on meat.

Some had been forced off the land by debt.

The fact that the problems were caused largely by economic factors outside the control of the wool industry did not mean growers should be defeatist.

Neff said world wool consumption in 1992 was estimated to be 2% greater than the 1991 level.

This compared with slower growth in cotton consumption of 1.4% in 1992, despite wool being two-and-a-half times as expensive as cotton and the fact that synthetic fibre prices had collapsed through oversupply.

Neff said research showed consumers of the future were no longer interested in frivolous purchases of overpriced clothing.

The consumer saw wool as traditional, compared to cotton and the new synthetics.

Neff said the secretariat was fighting for woolgrowers in the difficult northern hemisphere market.

Given a consistent and viable budget, there was no reason to believe that it could not get wool back on top. — Sapa.

2

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Fm 2018/93

their industry after dumping the government-sanctioned Wool Board.

The global price plunge from R22/kg for clean wool in 1988 to about R10/kg now (set off by huge falls in purchases by China and the former USSR), a drought that reduced the total local clip from 101m kg in 1990 to 70m kg this year, and Australia's wool corporation sitting on a price-depressed surplus of about 4m bales were all factors in the industry's decline.

Nevertheless, the local board's marketing system took most of the rap. So wool farmers decided to scrap the costly one-channel system and all that went with it. The farmers had to cough up when the board made costly mistakes and racked up huge debts. During the boom years of the Eighties, the board joined the offshore, low-interest borrowing spree and hit the farmers with onerous levies in order to repay the suddenly costly loans after the rand collapsed. Guaranteed prices to farmers meant more offshore borrowing after the stabilisation fund was depleted.

At this year's central congress, Agriculture Minister Kraai van Niekerk said government would take responsibility for R116m of the board's remaining R166m debt, on condition that the board liquidated about R50m of its R96m in assets during the current financial year.

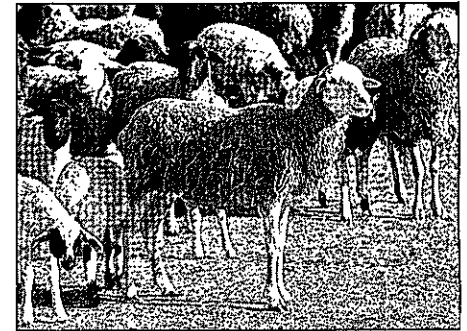
"We have so far sold off two stores for about R20m, and the liquidation of our assets is proceeding apace," says Wool Board CEO Bertus Olivier. But, he adds, with the weak local property market, the board hopes to negotiate a better deal with government regarding its R50m commitment.

Farmers are now in the process of devising their own new marketing structures. For instance, the newly formed Premium Cape Wool company, created by leading producers, is attempting to sell as many shares as possible to wool farmers. It sees a major role for itself in offering collective marketing of premium wool on behalf of its voluntary members — a role previously filled by the board.

But the initiative is criticised by Pikkie van den Heever of the Wool Free Market, a vociferous lobby that had a lot to do with the deregulation of the industry. "Most of the new company's directors also serve on the Wool Board or are directors of Wolex (the board's co-op). With the board still entitled to levy all farmers for its debts, one must question the linkages that exist here."

Olivier says Van den Heever need not be concerned. "The board is no longer involved with wool marketing and there is no longer a risk of its borrowing funds for this purpose, which led to the past exposures. In terms of the national wool congress, we are charging a 5% levy on all wool sales to continue our support for the International Wool Secretariat's promotion of the wool mark, while also continuing our research and promotion activities."

The auction system, operated by the Farmers' Brokers' Co-op (BKB) through its R100m infrastructure of warehouses at all



Sheep farming ... new suits for Christmas

Fm 2018/93

major ports and an auction floor at Port Elizabeth, remains intact. But BKB has expanded its agency role and now handles the selling of wool for farmers, rather than the board, as before. Wolex is also expanding its agency role for producers by broadening the marketing and processing of wool products in the local and export markets.

SA now exports more than 90% of its wool clip in raw and semi-processed forms. Processing the wool would make it more valuable. "While 10m kg of wool exported in the grease form would have a value of about R70m, the same volume of wool exported as men's suits could earn close to R2bn," says Wolex's Alan Pearce. "There are obvious opportunities for creating jobs."

He adds: "In co-operation with a number of clothing and textile companies, we have sent samples of locally made wool clothing to some European markets. Small, trial orders have already been received from these markets and are now being processed by local manufacturers. First delivery to Europe is scheduled for the end of the month, followed by further deliveries in November."

More substantial orders could follow next season. "We have set an initial target of an additional R50m/year in exports by 1995, largely by companies that are now insignificant in terms of exports."

Trial export runs are heavily dependent on the payment of export subsidies under government's general export incentive scheme (Geis). But, Pearce says, hopefully by the time Geis is abolished in 1995, economies of scale will make the export effort an ongoing, lucrative proposition for local processors.

③ Wool & Mohair

Arnold van Huyssteen

WOOL INDUSTRY  
Fm 2018/93  
Patching the holes

③ Wool & Mohair

Wool farmers, who saw their earnings drop from more than R1bn in 1990 to about R390m this year, are regaining control of

Cont →

# Gubb & Inggs' income plummets as slump bites

B/Dav

16/9/93

ROBYN CHALMERS

DEPRESSED world wool and mohair markets caused Gubb & Inggs' attributable income for the year ended June to plummet to R2,3m from R11,6m. **Wool & Mohair**

Turnover fell from R293m to R237m, while operating income before interest almost halved to R9,6m (R18,8m). A much-increased tax bill resulted in net operating income after tax falling to R4m (R13,8m).

Earnings a share dropped fivefold to 115,4c (576,0c) and directors declared a final dividend of 40c, less than half the previous year's 90c.

The disappointing results follow a bumper 1992 financial year, led by an increase in export sales, which more than trebled attributable income and earnings.

As predicted at half-year, poor conditions in the Australian wool

market meant the satisfactory level of machine utilisation achieved in the first half could not be maintained.

Steadily declining prices and fall-off in wool demand, linked to the general world recession, became particularly noticeable in the second half.

The worsted sectors were most severely affected and the corresponding low demand for wool tops resulted in underutilised wool-combing capacities worldwide.

"This situation, coupled with the alarming decline in wool and mohair production in SA, has led to the board's decision to consolidate the group's Dimbaza processing activities in Uitenhage," Gubb & Inggs directors announced.

WOOL & Mohair

Wool  
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S

### Shortage sparks hike

THE wool price climbed about 4% at this week's auction in Port Elizabeth following a shortage in the wool processing industry, the SA Wool Board said yesterday.

The board's weekly market indicator rose to R13.12/kg from R12.57/kg last week, boosting SA's wool price about 7.5% higher than market-leader Australia's price.

## A leg up for gym industry

LINDEN BIRN

A DURBAN-based non-profit foundation to uplift SA's gym industry will be officially launched next month.

The body will be known as the KFI Foundation, and already has the support of 90% of gyms across the country, a KFI statement said. *B/day 17/2/92*

This follows last year's gym industry pricing war which forced many operations off the market. It also led to overcrowding at surviving gyms.

The organisation aims to communicate to the private, business, medical and media sectors that its gyms will provide professional services commanding a professional fee.

An awareness campaign, promoting fitness, and assuring the public that member gyms will adhere to high standards, will also be launched to coincide with the launch of the organisation.

The foundation will attempt to impose regulations on the industry to protect it from exploitation by "unscrupulous operators".

# Services revamped to offset health cuts

LINDA ENSOR

CAPE TOWN — Cutbacks in government allocations to provincial administrations for hospitals at a time of accelerated urbanisation has led the Cape Provincial Administration (CPA) to devise a plan to rationalise and better utilise its resources in greater Cape Town.

Announcing the plan at the weekend, CPA Hospital Services MEC Dawie le Roux said the aim was to make health services more accessible to the estimated 2,5-million people living in Cape Town. He said the plan had been thoroughly canvassed among hospital authorities and workers and had met with universal support in principle.

Le Roux said the plan — the product of three years' research — was formulated on the assumption that

there would be no additions to the existing stock of hospitals for the foreseeable future. Planning had begun when the province learnt there was no hope of a hospital being built in the Cape Flats.

The proposals would reduce the "overwhelming" burden placed on the academic hospitals — Groote Schuur, Red Cross Children's and Tygerberg — which were currently handling too many patients who should be treated at hospitals at a lower level. A survey of the hospital network in greater Cape Town found patients were being treated at clinically inappropriate levels.

For instance about 50% of the approximately 250 000 trauma cases handled annually were treated at an inappropriately high level.

A survey of Cape Town hospitals found some were constantly underutilised and others overutilised and in terms of the proposals certain hospitals would

change the nature of their services.

The services of day hospitals and community health centres would be intensified through extended hours of operation and enhanced service, and satellite and mobile clinics would be introduced. A community health centre in Khayelitsha would be complete in 18 months' time.

The GF Jooste Hospital in Mannenberg, currently a convalescent facility, would become a secondary, acute general hospital equipped at a cost of R1,8m to R2,2m to handle all emergencies. This would enable it to cater for trauma cases from surrounding areas.

The Karl Bremer would revert to a second level general and referral hospital. The status of the Conradie and Woodstock hospitals would be changed from general hospitals with the Conradie being used for rehabilitation. The services offered at some of the other major hospitals would also change.



## La Motte 1695 Wine Estate

Now available in limited quantities at select stores —

La Motte Cabernet Sauvignon 1986

Shiraz 1986

Millennium 1988  
(Blend of Cabernet Sauvignon and Merlot)

Sauvignon Blanc 1991

Blanc Fumé 1990  
(Wood-mellowed Sauvignon Blanc)

La Motte

## Wool up on keen demand

PAUL ASH

THE continuing upward trend in wool prices raised the SA Wool Board's market indicator by a further 1% at last week's auction, a board spokesman said in a statement. *B/day 17/2/92*

The market indicator rose to R13,24/kg from R13,12/kg the previous week on the back of "keen" demand. More than 87% of the 17 686 bales of Merino and other wool was cleared to the trade.

Some 16 700 bales will be offered at this week's auction in Port Elizabeth.

The Australian market also performed well, with the Australian Wool Corporation reporting an eight-point price increase.

The Australian market indicator rose to A\$5,97/kg with percentages of over 90% realised at most sales.



## Production of wool declining

By George Nicholas <sup>3</sup> Wool <sup>1</sup> Mohair  
Agricultural Correspondent

*Star 20/2/92*  
Wool production, one of South Africa's major earners of foreign exchange, is plummeting.

Production this season is expected to decline by more than 13 percent to 88 million kg.

Drought and declining wool sheep numbers, combined with the detrimental effect on prices of the massive Australian wool stockpiles, are regarded as the main reasons for the drop in output.

Declining wool production is not confined to South Africa but appears to be worldwide.

According to Wool Board planning manager Johan Bornmann, production in Australia this season may decline by 22 percent, and world output may be nearly nine percent down.

And he expects the decline to continue at a steady rate for at least the next four seasons, by the end of which production should reach an unprecedented low point.

International wool consumption, on the other hand, is expected to increase.

# SA agriculture 'hit hard by high rates'

PRETORIA — Much of SA's agricultural industry had been hit by declining profitability caused by high production costs and high interest rates, the Commodity Control Boards said.

The boards will table their annual reports to the Agricultural Outlook Conference (Agrocon) in Pretoria today.

The cotton industry has been pinpointed by the SA Agricultural Union's report as one sector in particularly serious trouble.

Its survival was in the hands of government, which had to make decisions on protection, the report said.

Without protection the textile industry would be further weakened.

The National Cotton Committee has asked for a one-channel marketing system.

According to the Maize Board report, SA will have to put up with regular maize shortages in years ahead, and crops would have to be supplemented by imports.

The fact SA was no longer an exporter of maize meant the marketing system would have to be adjusted.

Profitability would have to improve drastically and producers would need adequate access to production credit.

Continued weakened profitability had resulted in less land being planted to millets, the Maize Board said.

Causes included the withdrawal of government subsidies to the industry, high inflation and interest rates, producer prices which failed to take production costs into account, and government's land conversion scheme to planted pastures.

Gross value of deciduous fruit produced last year increased 7% to a record R1 177bn.

Production climbed 0,3%. The gross value of fruit exports increased 9% to

8/Day 27/2/92  
GERALD REILLY

R854,1m, with a 3% volume increase.

Declining profitability in the industry was due to high inflation which drove production and export costs up by 14%.

The deciduous fruit harvest is expected to beat the record set in 1991.

But heavy competition was expected from southern hemisphere countries, particularly Chile.

Local market prices would rise by less than the inflation rate due to the unfavourable economic climate and decreased consumer spending.

SA's high inflation rate and resultant fast-rising production and export costs had resulted in a weakened competitive position against countries with lower rates.

SA wool production for the 1990/91 season was estimated at 98,9-million kg.

A price decline of 20% was expected for the season.

Export earnings totalled R618,9m, with prices dropping 31,3% from last season to R6,09 a kg.

SA wool production in the 91/92 season was likely to decline to 88-million kg.

The SA Sugar Association said the crop expectation for 1991/92 was 19,8-million tons — almost 10% up on the previous season.

The 1992/93 crop had got off to a great start with early summer rains, and near perfect growing conditions.

The proposed opening of new cane areas and the establishment of a new mill in the Onderberg region of the eastern Transvaal was the most significant expansion project for more than 20 years.

Total area under cane was likely to rise to 420 000 ha, the association said.

## 'SA must be competitive overseas'

BLOEMFONTEIN — It was critically important for SA to compete economically overseas. If it did not, the country's political situation would be negatively affected, Trade and Industry director-general Stef Naude said yesterday.

He was giving the opening address at the Free State congress of the National Woolgrowers' Association.

He said SA had the ability to recover economically, provided the country became stable, restored the confidence of overseas investors and became a full player in the international economy.

Despite sanctions and other trade restrictions however, the country had had export successes since the middle 1980s, Naude said.

The association's unanimously re-elected Free State president J A Neethling said the discrepancy that had developed because farmers' producer prices had not kept pace with the inflation rate was one of the main reasons for farmers' poor financial position.

He called on government to make it possible for long-term interest rates to be adjusted in accordance with the income from farmers' capital investment.

— Sapa.

# A welcome fillip for farmers

Own Correspondent

JOHANNESBURG. — Last week's 5,6% gain in SA wool prices — based on the Wool Board's weekly market indicator — strengthened views that the industry could be beginning to recover following the collapse of world prices early last year.

The board's weekly sale saw the market indicator close 5,6% higher at 1 483c/kg, with 95,7% of the 16 002 bales on offer changing hands.

Weekly wool prices have

firmed over recent weeks. As a result, the board said about 14 900 bales would be on offer this week. (3) wool

Board spokesman Gerhard Pretorius said the more favourable prices provided some relief for drought-stricken sheep farmers, many of whom had been culling their stock because of the 14% premium of mutton to wool prices. C72/3/92

Pretorius said world wool prices plummeted by about 40%

in February last year when the Australian reserve price scheme was suspended. The board's weekly market indicator then stood at 947c/kg. He said prices had staged a "remarkable recovery" to their current level.

However, he thought the gain in prices would be short term, remaining at current levels, largely undermined by the world-wide oversupply.

He expected the market to take about two to three years to absorb 4m bales of available stock.

# SA wool industry set for recovery

SEAN VAN ZYL

LAST week's 5,6% gain in SA wool prices — based on the Wool Board's weekly market indicator — strengthened views that the industry could be beginning to recover following the collapse of world prices early last year. <sup>③ Wool + Mohair</sup>

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To Page 2

## Wool <sup>Blum 2/3/92</sup>

ery" to their current level.

However, he thought the gain in prices would be short term, remaining at current levels, largely undermined by the worldwide oversupply. He expected the market to take about two to three years to absorb 4-million bales of available stock.

He urged farmers to "hang in there" as prices were expected to rise significantly following depletion of the oversupply.

At current margins, Pretorius said most farmers should be able to make a living from sheep farming.

While the long-term outlook of the market seemed favourable, board chairman Hennie Prinsloo told an industry presentation in Washington, US, last week that market conditions could deteriorate fur-

## ③ Wool Mohair From Page 1

ther unless adequate rain fell.

"There is a strong possibility that sheep numbers, along with all other classes of livestock, may be drastically reduced in the summer rainfall areas where the drought has reached disaster proportions."

Prinsloo said the subsequent selling off of livestock could result in mass oversupply of meat, "with a consequent temporary drop in beef and mutton prices".

The poor market conditions were expected to result in a 5% drop in SA wool production to about 78-million kg in 1992 compared with last year's 101,7-million.

But SA's wool growers had survived similar conditions before and "already the wool market shows unmistakable signs of returning to profitable levels".

# Wool farmers' hopes hinge on hard rains

③ WOOL 23/3/92

**Own Correspondent**  
**PORT ELIZABETH.** — The livelihood of thousands of South African wool farmers hinges on hard, widespread rain in the next few weeks.

The last hopes of drought-embattled farmers have plunged with no substantial rain falling so far this month, and many of them are facing bankruptcy.

More than 1 500 wool farmers have already left their farms, and almost 7 000 others are in dire financial straits.

Wool production this year is expected to drop to its lowest level ever.

A countrywide survey by the National Wool Growers' Association of South Africa showed that only 10% of wool farmers see their finan-

cial situation as healthy, 22% as average, 26% as poor and 34% as desperate.

Farmers so far have reduced their labour by 16%. Nineteen percent of farmers have no credit facilities and live from cash sales of products only.

The South African wool industry will be in chaos if rain does not bring relief before the end of April, said NWGA president Mr Peter Kingwill.

Speaking from his Murraysburg farm last night, Mr Kingwill said 34% of the country's wool producers were already in a desperate financial state.

"It is most disturbing that the drought is continuing so late in the season," he said.

Wool production this year was expected to drop to about 84 million kg — its lowest level ever — NWGA manager Mr Theuns Botha said last night.

He said it could drop to below 80m kg next season.

The Eastern Cape districts where farmers are worst off financially are Cradock, Graaff-Reinet, Murraysburg and Jansenville. Nationally, the Western Transvaal farmers are the worst off.

A spokesman for the Department of Agriculture at Dohne said the situation was critical in many Eastern Cape districts, including the Patensie/Hankie area, Uitenhage/Elands Rivier region and the Albany and Bathurst districts.

# Hopes of rain plummet

(3) wool      ARCG 25/3/92

## E Cape wool 'chaos' if drought not broken soon

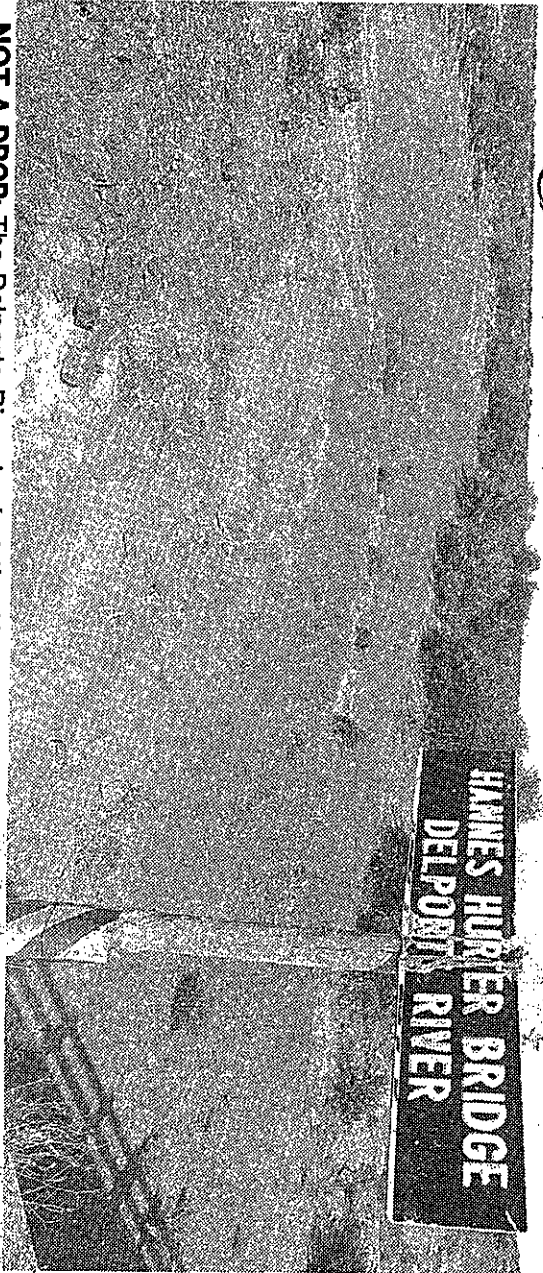
**PAT CANDIDO** The Argus Bureau  
**PORT ELIZABETH.** — Farmers' hopes, like the city's storage dams, are plummeting as Eastern Cape skies remain without any sign of rain.

The livelihood of thousands of farmers depends on hard, widespread rain in the next few weeks. Farmers have been banking on March and April rains. March is usually one of the best months for rain, but this month little or none has fallen.

They say April is not an exceptionally good rain month, but they are hoping for some relief before the dry winter.

The levels of dams in the Port Elizabeth area are still falling steadily.

The three main dams have a capacity of 24,6 percent, less than half the water available at this time last year.



**NOT A DROP:** The Delports River bed at the Hannes Hurter bridge near Graaff-Reinet is stark evidence of the steely grip the drought has on the Eastern Cape.

In the past seven days levels have been dropping a percentage point every 48 hours.

Mr Peter Kingwill, president of the National Wool Growers' Association, said the wool industry would be in chaos if rain did not bring relief before the end of April.

He said 34 percent of the country's wool producers were already in

desperate financial straits because of the drought. If it did not rain soon farmers would have nowhere to take their animals for grazing.

He said 1 500 wool farmers had already left their farms and 7 000 others were in financial trouble.

The failure of the national maize crop was another area of concern because farmers normally fell back on mealies as emergency feed.

Mr Rory Moore, manager of the East Cape Agricultural Union, said all the money in the world would not help if rain did not fall soon. Farmers were in a critical financial position.

Farmers in the Gamtoos River valley were getting only 10 percent of their normal water allocation. He said a committee was assessing the needs of Gamtoos farmers.

Picture: ROY WIGLEY, The Argus.

# 'Golden' fleece of SA

③ wool REC-9/4/92

**PAT CANDIDO**  
The Argus Bureau

**PORT ELIZABETH.** —

Ever since the first merino sheep arrived in the Cape accidentally in 1789, wool has been one of South Africa's the most important agricultural ventures and earners of foreign exchange.

In spite of the crippling drought which has depleted flocks of merinos, dubbed the white gold of the Eastern Cape, wool is still considered a vital part of the economy of the area.

At the end of April farmers will get an unexpected bonus with an interim payment (mid-delskoj) of R32,2-million.

Although the payments are still subject to the approval of the Minister of Agriculture, producers of merino-type wool expect to benefit to the tune of R20-million while producers of other white wool will get R9,6-million.

A further R3-million has been earmarked for producers of rough and coloured fleeces.

Mr Gerhard Pretorius, deputy public relations manager of the Wool Board, remains optimistic about the future of wool and predicts a sharp increase in exports within the next three years.

The easing of sanctions is resulting in more doors opening and more and more inquiries are received daily.

During the past few weeks the board has entertained delegations from America, Japan, China and even Russia.

Mr Pretorius is confident wool will continue to be an important earner of foreign exchange with 90 percent of the crop being exported.

The wool industry has weathered many storms and will do so again.

The first merinos arrived here from the Iberian Peninsula quite by accident in 1789.

Six sheep were sent by Charles IV of Spain to William of Orange as a gift, but the climate in Holland did not suit them and they were shipped to the Cape.

Two years later an urgent letter was sent to the Cape asking for the return of the sheep as they had been sent by accident. The officer in command of the garrison, Colonel Robert Gordon, returned four ewes and two rams.

But by this time a flock of merinos was flourishing on Groenkloof farm near Darling.

Colonel Gordon was less fortunate. When the British invaded the Cape in 1795, his handling of the garrison was severely criticised and he was accused of treason. He was so upset he committed suicide. His wife decided to leave the Cape and sold everything, including the sheep.

Some were sold to ships on their way to Australia and



**PRIDE OF THE VELD:** Merino sheep the sale of whose wool provides a large part of the South African economy.

these started the merino industry there, now the largest in the world.  
The industry has come a long way since then and has had plenty of ups and downs.

Ironically, more doors are opening to South Africa at a time when production is at its lowest.  
More than 1 500 wool farmers have already left their

farms and 7 000 others are in dire financial straits.  
A recent survey by the National Wool Growers' Association shows that only 10 percent of wool farmers see their fi-

financial situation as healthy, 22 percent see it as average, 26 percent as poor and 34 percent as desperate.

Mr Pretorius said in contrast with Australia where lower production was offering considerable relief, the South African wool industry had been hit hard by the lower production of the past season.

Receipts to date are 20 percent lower than the previous season and it is expected that 80-million kg of greasy wool will have been delivered by the end of the season, the lowest figure since 1924.

He said the worldwide decline in production was primarily attributed to a lack of confidence among producers after the abolition of the Australian reserve price system in February last year and the consequent dramatic drop in prices.

Both countries are also suffering from severe droughts.  
"The implication of this dramatic decline in world production is that wool will be in very short supply over a period of three to four years."

"It must also be borne in mind that the Australian stocks will be exhausted in 3½ to four years. Should the good demand situation continue to be sustained it may be assumed with reasonable confidence that the shortage of wool in three to four years can again bring about a sharp rise in prices."

# Wool crop 'will be smallest since 1924'

MEREDITH JENSEN

THE SA Wool Board said at the weekend that this year's wool production of about 76-million kilograms would be the lowest since 1924.

The crop would be down, as a result of the drought, from 102-million kilograms produced last year.

Wool Board CE Bertus Olivier said: "Our biggest wool-producing areas are the eastern Cape and Orange Free State, and they have been hardest hit by the drought." Farmers had had to reduce the number of sheep on the land. "The remaining sheep have had a low calorie intake," he said.

"They don't grow as much wool if they are eating less food."

In February 1991, the average price for wool plummeted from 8,70 Australian cents a kilo to 4,48c, causing many farmers to switch to mutton production. Olivier said this contributed to the decrease in production. However, wool prices had improved markedly.

He predicted improved production next year as farmers reacted to the improved market.

3/10/91 4/17/92



# Wool Board settles its foreign debt

<sup>3 Wool + Mohair</sup>  
BLOEMFONTEIN — The SA Wool Board settled its foreign debt in full on April 21 when a final amount of R16 298,82 was converted into an internal loan, board chairman Hennie Prinsloo said yesterday.

In his annual report to the National Woolgrowers' Association of SA in Bloemfontein, Prinsloo said it was cheaper to borrow funds locally than to renew the foreign debt because of the higher costs of servicing foreign exchange and the declining trend in internal interest rates.

Abolition of the reserve price scheme in Australia caused the board to sustain a loss of R218,3m on "voorskot" payments to producers in 1989/90 and 1990/91. Financing the loss depleted the board's stabilisation fund. There was still an outstanding loss of R109,4m.

On June 30 1991 the unforeseen exchange rate loss amounted to another R39,7m. This brought total unforeseen losses on June 30 1991 to R149,1m.

## Voorskot

A state guarantee to the Land Bank of R166m for the provision of credit to the board was sufficient to finance its operations until June 30 this year.

About 97% of the 1991/92 pool offering had been sold at an average 18,8% above voorskot value.

The National Woolgrowers' Association of SA had agreed that an additional 3% would be levied on final payment on gross realisation of the value of the national wool clip to help ease the industry's debt problem.

However, in view of farmers' financial position, no special levy would be deducted from the first payment next season.

Wolex Co-operative Ltd would take over many of the board's functions from July 1.

Many of the board's staff would be seconded to the co-operative. The change was intended to make the industry more competitive than before. — Sapa.

# Wool producers' earnings plummet

61 days 2/17/92  
WOOL producers' earnings plummeted over 25% this season, mainly due to drought. The total clip realised R545,7m, down from last year's R735,9m, the Wool Board said.

Marketing GM Jan Kievit said the average producer was in bad shape. Many producers had to slaughter sheep to generate cash flow.

Farmers had also been hit by depressed world wool prices. This season's output was down 23,5%.

Kievit said next season's production was expected to be even worse.

(3) Wool  
MEREDITH JENSEN Mohala

Producers had agreed to pay a 3% levy to the board to help finance the debt incurred through the drop in world prices in February last year.

"We paid R117 million above market prices to farmers. We have to service debt and get rid of it, which is why wool producers have agreed to pay the 3% levy."

However, the levy had only a marginal effect on the overall financial position of farmers, Kievit said.

**DEPARTEMENT VAN LANDBOU-  
ONTWIKKELING**

No. R. 1886

10 Julie 1992

HEATONVILLE-BESPROEINGSRAAD, DISTRIKTE EMPANGENI EN LOWER UMFOLOZI, NATAL: TOEWYSING VAN WERKSAAMHEDE, BEVOEGDHEDE EN PLIGTE

Kragtens die bevoegdheid aan my gedelegeer by Goewermentskennisgewing 2645 van 16 November 1990, wys ek, Francois Johannes Cornelus Hugo, in my hoedanigheid van Hoofingenieur: Besproeiingsingenieurswese in die Departement van Landbou-ontwikkeling, hierby die werksaamhede, bevoegdhede en pligte soos omskryf in artikel 89 (1) (a), (b), (c), (d), (e), (f), (g), (i) en (j) van die Waterwet, 1956 (Wet No. 54 van 1956), aan die Heatonville-besproeiingsraad toe.

**F. J. C. HUGO,**

Hoofingenieur: Besproeiingsingenieurswese,  
Departement van Landbou-ontwikkeling.

**DEPARTEMENT VAN LANDBOU**

No. R. 1945

10 Julie 1992

BEMARKINGSWET, 1968  
(WET No. 59 VAN 1968)

SYBOKHAARSKEMA: VOORGESTELDE  
WYSIGING

Hiermee word vir algemene inligting bekendgemaak dat die Minister van Landbou kragtens artikel 9 (1), soos toegepas by artikel 15 (3), van die Bemarkingswet, 1968 (Wet No. 59 van 1968), die voorgestelde wysiging in die Bylae hiervan uiteengesit, van die Sybokhaarskema gepubliseer by Goewermentskennisgewing No. R. 1304 van 1990, soos gewysig, voorlopig goedgekeur het.

Persone wat 'n belang het by die sybokhaarbedryf word hierby ingevolge artikel 9 (2) (b) van vermeldde Wet uitgenooi om binne vier weke vanaf die datum van publikasie van hierdie kennisgewing enige besware teen of vertoë aangaande die voorgestelde wysiging skriftelik by die: Direkteur-generaal, Departement van Landbou, Dirk Uysgebou, Hamiltonstraat, Pretoria of Privaatsak X250, Pretoria, 0001, in te dien.

**C. S. BLIGNAUT,**

Adjunk-direkteur-generaal: Landbou.

**BYLAE**

Die Sybokhaarskema gepubliseer by Goewermentskennisgewing No. R. 1304 van 15 Junie 1990, (soos verbeter deur Goewermentskennisgewing No. R. 2635 van 16 Desember 1990) word hierby gewysig deur paragrawe (a) en (b) van artikel 35 deur die volgende paragrawe te vervang:

“(a) Word met alle bates van die Raad, nadat al sy skulde betaal is, op die volgende wyse beskik:

- (i) Sodanige bates word onder produsente verdeel by wyse van aandele in 'n koöperasie of maatskappy wat deur die SA Sybokhaarkwekersvereniging opgerig staan te word binne ses maande na opheffing van hierdie Skema met die doel om die bates wat aldus oorhandig is, ter bevordering van die sybokhaarbedryf aan te wend; en

**DEPARTMENT OF AGRICULTURAL  
DEVELOPMENT**

No. R. 1886

10 July 1992

HEATONVILLE IRRIGATION BOARD, DISTRICTS OF EMPANGENI AND LOWER UMFOLOZI, NATAL: ASSIGNMENT OF FUNCTIONS, POWERS AND DUTIES

By virtue of the powers delegated to me by Government Notice 2645 of 16 November 1990, I, Francois Johannes Cornelus Hugo, in my capacity as Chief Engineer: Irrigation Engineering in the Department of Agricultural Development, hereby assign to the Heatonville Irrigation Board the functions, powers and duties as defined in section 89 (1) (a), (b), (c), (d), (e), (f), (g), (i) and (j) of the Water Act, 1956 (Act No. 54 of 1956).

**F. J. C. HUGO,**

Chief Engineer: Irrigation Engineering,  
Department of Agricultural Development.

**DEPARTMENT OF AGRICULTURE**

No. R. 1945

10 July 1992

MARKETING ACT, 1968  
(ACT No. 59 OF 1968)

MOHAIR SCHEME: PROPOSED  
AMENDMENT <sup>③ wool + Mohair</sup>

It is hereby notified for general information that the Minister of Agriculture has under section 9 (1), as applied by section 15 (3), of the Marketing Act, 1968 (Act No. 59 of 1968), provisionally approved the proposed amendment set out in the Schedule hereto, of the Mohair Scheme published by Government Notice No. R. 1304 of 1990, as amended.

Persons having an interest in the mohair industry are hereby invited, in terms of section 9 (2) (b) of the said Act, to lodge any objections, or representations concerning the proposed amendment in writing to the Director-General, Department of Agriculture, Dirk Uys Building, Hamilton Street, Pretoria, or Private Bag X250, Pretoria, 0001, within four weeks from the date of publication of this notice.

**C. S. BLIGNAUT,**

Deputy Director-General: Agriculture.

**SCHEDULE**

The Mohair Scheme published by Government Notice No. R. 1304 of 15 June 1990, (as corrected by Government Notice No. R. 2635 of 16 November 1990) is hereby amended by the substitution for paragraphs (a) and (b) of section 35 of the following paragraphs:

“(a) All assets of the Board after all its debts have been paid shall be disposed of in the following manner:

- (i) Such assets to be divided among producers by means of shares in a co-operative or company to be formed by the South African Mohair Growers' Association within six months after the discontinuance of this Scheme with the object to apply the assets thus handed over for promotion of the mohair industry; and

- (ii) die verdeling van sodanige bates onder produsente sal wees in die verhouding tot die onderskeie bedrae wat betaal is in die vorm van heffings en spesiale heffings wat kragtens hierdie Skema gedurende die tydperk van twee jaar wat die datum waarop hierdie Skema opgehef word, onmiddellik voorafgegaan het: Met dien verstande dat, indien die koöperasie of maatskappy nie binne ses maande na opheffing van die Skema gestig is nie, die betrokke bates onder produsente verdeel word in verhouding tot die onderskeie bedrae wat betaal is in die vorm van heffings en spesiale heffings kragtens hierdie Skema gedurende die tydperk van twee jaar wat die datum waarop hierdie Skema opgehef word onmiddellik voorafgegaan het;
- (b) word enige tekort wat bestaan nadat al die bates van die Raad tot geld gemaak is, deur produsente van sybokhaar gedra in verhouding tot die onderskeie bedrae wat hulle gedurende die tydperk van twee jaar wat die datum waarop hierdie Skema opgehef word, onmiddellik voorafgegaan het, by wyse van heffings en spesiale heffings kragtens hierdie Skema betaal het."

## DEPARTEMENT VAN MANNEKRAG

No. R. 1940

10 Julie 1992

WET OP ARBEIDSVERHOUDINGE, 1956

BOUNYWERHEID, OOS-KAAP: WYSIGING VAN  
HOOFDOOREENKOMS

Ek, Glen Morris Edwin Carelse, Adjunkminister van Mannekrag, verklaar hierby—

- (a) kragtens artikel 48 (1) (a) van die Wet op Arbeidsverhouding, 1956, dat die bepalings van die Ooreenkoms (hierna die Wysigingsooreenkoms genoem) wat in die Bylae hiervan verskyn en betrekking het op die Onderneming, Nywerheid, Bedryf of Beroep in die opskrif by hierdie kennisgewing vermeld, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 September 1992 eindig, bindend is vir die werkgewersorganisasies en die vakverenigings wat die Wysigingsooreenkoms aangegaan het en vir die werkgewers en werknemers wat lede van genoemde organisasies of verenigings is; en
- (b) kragtens artikel 48 (1) (b) van genoemde Wet, dat die bepalings van die Wysigingsooreenkoms, uitgesonderd dié vervat in klousules 1 (1) (a) en 3 van Deel I en 1 (a) en 3 van Deel II, met ingang van die tweede Maandag na die datum van publikasie van hierdie kennisgewing en vir die tydperk wat op 30 September 1992 eindig, bindend is vir alle ander

- (ii) the division of such assets among producers shall be *pro rata* to the respective amounts paid by them in the form of levies and special levies under this Scheme during the period of two years immediately preceding the date on which this Scheme is discontinued: Provided that should the co-operative or company not be formed within six months after the discontinuance of this Scheme, the assets concerned shall be divided among producers *pro-rata* to the respective amounts paid by them in the form of levies and special levies under this Scheme during the period of two years immediately preceding the date on which this Scheme is discontinued; (3) <sup>Wool + Mohair</sup>

- (b) any deficit which may exist after all the assets of the Board have been realised, shall be borne by producers of mohair *pro rata* to the respective amounts paid by them in the form of levies and special levies under this Scheme during the period of two years immediately preceding the date on which this Scheme is discontinued."

## DEPARTMENT OF MANPOWER

No. R. 1940

10 July 1992

LABOUR RELATIONS ACT, 1956

BUILDING INDUSTRY, EAST CAPE: AMENDMENT  
(13) OF MAIN AGREEMENT

I, Glen Morris Edwin Carelse, Deputy Minister of Manpower, hereby—

- (a) in terms of section 48 (1) (a) of the Labour Relations Act, 1956, declare that the provisions of the Agreement (hereinafter referred to as the Amending Agreement) which appears in the Schedule hereto and which relates to the Undertaking, Industry, Trade or Occupation referred to in the heading to this notice, shall be binding, with effect from the second Monday after the date of publication of this notice for the period ending 30 September 1992 upon the employers' organisations and the trade unions which entered into the Amending Agreement and upon the employers and employees who are members of the said organisations or unions; and
- (b) in terms of section 48 (1) (b) of the said Act, declare that the provisions of the Amending Agreement, excluding those contained in clauses 1 (1) (a) and 3 of Part I and 1 (a) and 3 of Part II shall be binding, with effect from the second Monday after the date of publication of this notice and for the period ending 30 September 1992 upon all em-

6 JUL 1992

REPUBLIEK  
VAN  
SUID-AFRIKA



REPUBLIC  
OF  
SOUTH AFRICA

# Staatskoerant Government Gazette

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*Regulasiekoerant*  
*Regulation Gazette*

**No. 4895**

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PRETORIA, 30 JUNIE 1992  
JUNE

No. 14107

## GOEWERMENSKENNISGEWINGS

### DEPARTEMENT VAN LANDBOU

No. R. 1843

30 Junie 1992

BEMARKINGSWET, 1968  
(WET No. 59 VAN 1968)

#### WOLSKEMA: HEFFING EN SPESIALE HEFFING: WYSIGING

Ek, André Isak van Niekerk, Minister van Landbou, maak hiermee ingevolge artikel 79 van die Bemerkingswet, 1968 (Wet No. 59 van 1968), bekend dat—

- (a) die Suid-Afrikaanse Wolraad bedoel in artikel 6 van die Wolskema gepubliseer by Proklamasie No. R. 155 van 1972, soos gewysig, kragtens artikels 22 en 23 van genoemde Skema die Bylae by Goewermentskennisgewing No. R. 1391 van 26 Junie 1987, soos gewysig, verder gewysig het in die mate in die Bylae hierby uiteengesit; en
- (b) genoemde wysiging deur my goedgekeur is en op 1 Julie 1992 in werking tree.

**A. I. VAN NIEKERK,**  
Minister van Landbou.

#### BYLAE

Die Bylae by Goewermentskennisgewing No. R. 1391 van 26 Junie 1987, soos gewysig by Goewermentskennisgewings Nos. R. 2145 van 25 September 1987, R. 1274 van 1 Julie 1988, R. 944 van 12 Mei 1989, R. 1239 van 8 Junie 1990 en R. 1467 van 28 Junie 1991 word hiermee verder gewysig deur in klousule 3 (1) (b) die uitdrukking "27,965 sent per kilogram" deur die uitdrukking "42,9615 sent per kilogram, BTW ingesluit," te vervang.

406—A

## GOVERNMENT NOTICES

### DEPARTMENT OF AGRICULTURE

No. R. 1843

③ wool + Mchawi

30 June 1992

MARKETING ACT, 1968  
(ACT No. 59 OF 1968)

#### WOOL SCHEME: LEVY AND SPECIAL LEVY: AMENDMENT

I, André Isak van Niekerk, Minister of Agriculture, hereby make known in terms of section 79 of the Marketing Act, 1968 (Act No. 59 of 1968), that—

- (a) the South African Wool Board referred to in section 6 of the Wool Scheme published by Proclamation No. R. 155 of 1972, as amended, has under sections 22 and 23 of the said Scheme further amended the Schedule to Government Notice No. R. 1391 of 26 June 1987, as amended, to the extend set out in the Schedule hereto; and
- (b) the said amendment has been approved by me and shall come into operation on 1 July 1992.

**A. I. VAN NIEKERK,**  
Minister of Agriculture.

#### SCHEDULE

The Schedule to Government Notice No. R. 1391 of 26 June 1987, as amended by Government Notices Nos. R. 2145 of 25 September 1987, R. 1274 of 1 July 1988, R. 944 of 12 May 1989, R. 1239 of 8 June 1990 and R. 1467 of 28 June 1991 is hereby further amended by the substitution in clause 3 (1) (b) of the expression "27,965 cent per kilogram" of the expression "42,9615 cent per kilogram, VAT inclusive,".

14107—1

No. R. 1844

30 Junie 1992

BEMARKINGSWET, 1968  
(WET No. 59 OF 1968)REGULASIES BETREFFENDE DIE WYSE EN TYD  
VAN BETALING VAN HEFFINGS OP WOL

Die Minister van Landbou het kragtens artikel 89 van die Bemarkingswet, 1968 (Wet No. 59 van 1968)—

- (a) die regulasies in die Bylae uitgevaardig; en
- (b) Goewermentskenningsgewings Nos. R. 1408 van 11 Augustus 1972 (soos gewysig by Goewermentskenningsgewings Nos. R. 1993 van 3 November 1972, R. 1876 van 12 Oktober 1973, R. 1555 van 27 Augustus 1976 en R. 1804 van 1 Oktober 1976) en R. 748 van 11 April 1980, herroep.

## BYLAE

## Woordomskrywing

1. In hierdie Bylae het enige woord of uitdrukking waaraan 'n betekenis in die Skema geheg is, daardie betekenis, en beteken—

“die Skema” die Wolskema gepubliseer by Goewermentskenningsgewing No. R. 155 van 23 Junie 1972, soos gewysig; en

“heffing”—

- (a) 'n heffing en 'n spesiale heffing kragtens artikels 22 en 23 deur die Raad opgelê; en
- (b) 'n algemene heffing kragtens artikel 46A van die Wet deur die Minister opgelê.

## Wyse waarop heffing betaal moet word

2. (1) Behoudens die bepalings van subregulasie (2), moet elke persoon van wie dit vereis word om 'n heffing op wol te betaal, dit per bankgewaarborgde tjek, posorder of poswissel betaal wat ten gunste van die Raad uitgemaak is.

(2) 'n Heffing op wol wat deur bemiddeling van die Raad verkoop word, kan deur die Raad verhaal word deur dit af te trek van enige bedrag wat kragtens artikel 36 van die Skema ten opsigte van daardie wol betaalbaar is.

(3) 'n Tjek, posorder of poswissel in subregulasie (1) bedoel—

- (a) moet, wanneer per pos gestuur, geadresseer wees aan die Hoofbestuurder, Wolraad, Posbus 2191, Port Elizabeth, 6056;
- (b) moet, wanneer per hand ingedien word, afgelewer word by die kantoor van die Hoofbestuurder, Wolraad, Grahamstadweg 18, Port Elizabeth;
- (c) moet vergesel gaan van die toepaslike opgawe wat kragtens artikel 30 van die Skema deur die Raad vereis word; en
- (d) moet, indien van toepassing, vergesel gaan van 'n afskrif van die sertifikaat van goedkeuring vir uitvoer soos vereis deur die regulasies gepubliseer kragtens artikel 15 van die Wet op Landbouprodukstandaarde, 1990 (Wet No. 119 van 1990);

(4) Die bedrag van so 'n tjek, posorder of poswissel moet die bedrag wees wat ingevolge die berekening op die toepaslike opgawe of sertifikaat in subregulasie (3) (c) of (d) bedoel, as sodanige heffing betaalbaar is.

No. R. 1844

30 June 1992

MARKETING ACT, 1968  
(ACT No. 59 OF 1968)REGULATIONS RELATING TO THE MANNER AND  
TIME OF PAYMENT OF LEVIES ON WOOL

The Minister of Agriculture has under section 89 of the Marketing Act, 1968 (Act No. 59 of 1968)—

- (a) made the regulations in the Schedule; and
- (b) repealed Government Notices Nos. R. 1408 of 11 August 1972 (as amended by Government Notices Nos. R. 1993 of 3 November 1972, R. 1876 of 12 October 1973, R. 1555 of 27 August 1976 and R. 1804 of 1 October 1976) and R. 748 of 11 April 1980.

## SCHEDULE

## Definitions

1. Any word or expression in this Schedule to which a meaning has been assigned in the Scheme shall have that meaning, and—

“levy” means—

- (a) a levy and a special levy imposed by the Board under sections 22 and 23 of the Scheme; and
- (b) a general levy imposed by the Minister under section 46A of the Act; and

“the Scheme” means the Wool Scheme published by Government Notice No. R. 155 of 23 June 1972, as amended.

## Manner in which levy has to be paid

2. (1) Subject to the provisions of subregulation (2), each person from whom it is required to pay a levy on wool, shall pay it by means of a bank-guaranteed cheque, postal order or money order made out in favour of the Board.

(2) A levy on wool sold through the Board may be recovered by the Board by deducting it from any amount payable in respect of that wool under section 36 of the Scheme.

(3) A cheque, postal order or money order referred to in subregulation (1) shall—

- (a) when forwarded by post, be addressed to the General Manager, Wool Board, P.O. Box 2191, Port Elizabeth, 6056;
- (b) when submitted by hand, be delivered at the office of the General Manager, Wool Board, 18 Grahamstadweg, Port Elizabeth;
- (c) be accompanied by the applicable return required by the Board under section 30 of the Scheme; and
- (d) if applicable, be accompanied by the certificate of approval for export as required by the regulations published under section 15 of the Agricultural Product Standards Act, 1990 (Act No. 119 of 1990).

(4) The amount of such cheque, postal order or money order shall be the amount payable as such levy in terms of the calculation on the applicable return or certificate referred to in subregulation (3) (c) or (d).

(5) Posgeid op en aflweringskoste van elke sodanige tjek, posorder of poswissel moet deur die afsender daarvan vooruitbetaal word.

**Tye waarop heffing betaalbaar is**

3. (1) 'n Persoon in regulasie 2 (1) bedoel, moet die betrokke tjek, posorder of poswissel op so 'n wyse stuur of aflewer dat dit die Raad bereik voor of op die vyftiende dag van die maand volgende op die maand waarop die opgawe of sertifikaat in regulasie 2 (3) (c) of (d) bedoel, betrekking het.

(2) Die Hoofbestuurder van die Raad moet—

- (a) die bedrag wat ten opsigte van 'n algemene heffing kragtens artikel 46A van die Wet betaalbaar is, so spoedig doenlik in die spesiale rekening bedoel in artikel 46C van die Wet stort; en
- (b) die Direkteur-generaal van die Departement van Landbou onverwyld skriftelik in kennis stel van elke bedrag aldus gestort.

**Misdrywe en strawwe**

4. Iemand wat 'n bepaling van hierdie regulasies oortree of versuim om daaraan te voldoen, is aan 'n misdryf skuldig en by skuldigbevinding strafbaar met 'n boete van hoogstens R5 000.

No. R. 1845

30 Junie 1992

BEMARKINGSWET, 1968  
(WET No. 59 VAN 1968)

VLEISSKEMA: HEFFING EN SPESIALE HEFFING:  
WYSIGING

Ek, André Isak van Niekerk, Minister van Landbou, maak hiermee ingevolge artikel 79 van die Bemarkingswet, 1968 (Wet No. 59 van 1968), bekend dat—

- (a) die Vleisraad bedoel in artikel 6 van die Vleisskema gepubliseer by Goewermentskennisgewing No. R. 237 van 7 Februarie 1991 kragtens artikel 26 van genoemde Skema die Bylae by Goewermentskennisgewing No. R. 1031 van 8 Mei 1991, soos gewysig, verder gewysig het in die mate in die Bylae hierby uiteengesit; en
- (b) genoemde wysiging deur my goedgekeur is en op 1 Julie 1992 in werking tree.

**A. I. VAN NIEKERK,**  
Minister van Landbou.

**BYLAE**

Die Bylae by Goewermentskennisgewing No. R. 1031 van 8 Mei 1991, soos gewysig deur Goewermentskennisgewings Nos. R. 1551 van 28 Junie 1991, R. 2135 van 30 Augustus 1991, R. 2416 van 1 Oktober 1991, R. 3179 van 27 Desember 1991, R. 1028 van 10 April 1992 en R. 1473 van 29 Mei 1992 word hierby verder gewysig deur Tabel 1 deur die volgende Tabel te vervang:

(5) Postage and delivery costs of each such cheque, postal order or money order shall be prepaid by the sender thereof. (3) wool f Mchaw

**Time of payment of levy**

3. (1) a person referred to in regulation 2 (1) shall forward or submit the cheque, postal order or money order concerned in such a manner that it reaches the Board before or on the fifteenth day of the month following the month to which the return or certificate referred to in regulation 2 (3) (c) or (d), refers.

(2) The General Manager of the Board shall—

- (a) as soon as practicable pay into the special account referred to in section 46C of the Act, the amount payable in respect of the general levy payable under section 46A of the Act; and
- (b) forthwith notify the Director-General of the Department of Agriculture in writing of each amount thus paid in.

**Offences and penalties**

4. Any person who contravenes or fails to comply with a provision of these regulations shall be guilty of an offence and liable on conviction to a fine not exceeding R5 000.

No. R. 1845

30 June 1992

MARKETING ACT, 1968  
(ACT No. 59 OF 1968)

MEAT SCHEME: LEVY AND SPECIAL LEVY:  
AMENDMENT

I, André Isak van Niekerk, Minister of Agriculture, hereby make known in terms of section 79 of the Marketing Act, 1968 (Act No. 59 of 1968), that—

- (a) the Meat Board referred to in section 6 of the Meat Scheme published by Government Notice No. R. 237 of 7 February 1991, has under section 26 of the said Scheme further amended the Schedule to Government Notice No. R. 1031 of 8 May 1991, as amended, to the extent set out in the Schedule hereto; and
- (b) the said amendment has been approved by me and shall come into operation on 1 July 1992.

**A. I. VAN NIEKERK,**  
Minister of Agriculture.

**SCHEDULE**

The Schedule to Government Notice No. R. 1031 of 8 May 1991, as amended by Government Notices Nos. R. 1551 of 28 June 1991, R. 2135 of 30 August 1991, R. 2416 of 1 October 1991, R. 3179 of 27 December 1991, R. 1028 of 10 April 1992 and R. 1473 of 29 May 1992 is hereby further amended by the substitution for Table 1 of the following Table:

## Mohair and wool group reports bumper year

MOHAIR and wool processing group Gubb & Inggs reported a bumper profit in the year to end-June 1992 and shareholders will see their annual dividend payout more than double to 90c from 40c a share.

Attributable profit increased sharply to R11,7m from R3,5m. Sales increased to R293,9m from R261,9m and operating profit was higher at R18,8m from R12,3m.

Taxed income more than doubled to R13,8m from R5,6m. <sup>3</sup> Mohair + wool

Directors reported that processing capacity had reached a satisfactory level in the period under review as a result of an export-led increase in turnover. There was

EDWARD WEST 16/9/92

strong demand for wool and mohair products from July to December.

However, during the latter half of the trading period, prices softened, demand slowed and increased competition from other producing countries forced the group to increase export efforts.

The soft market and reduced supplies resulted in uncertainty as to whether the past year's high use of machinery could be maintained. Reduction of wool and mohair clips because of the drought would make local processing conditions more difficult.



WOOL INDUSTRY

**Taking on the status quo**

**First the Dairy Board. Then the Meat Board. Now it's the Wool Board.** The Port Elizabeth-based board is facing a rebellion from wool producers who want to bypass it and market their own clip.

The growing revolt follows challenges that have put the Dairy Board almost out of business and subjected the Meat Board to a barrage of criticism led by the independent Organisation of Livestock Producers.

The threat to the Wool Board comes from Wool Free Market, which comprises several free market-orientated Karoo wool producers under the chairmanship of Colesberg-based Ernest Hugo. Wool Free Market, he says, wants to operate parallel to the board.

But, says Jan Kievit, the board's GM, marketing, the law rules out such a luxury. "In terms of the Marketing Act and the regulations of the wool scheme, anyone breaking its rules could be guilty of an offence and subject to a fine of up to R5 000. We operate the wool scheme in conjunction with the officially recognised National Wool Growers' Association — and if it asks us to change the scheme, we will."

Kievit does admit that Wool Free Market's challenge could lead to a vote of the association's membership. If the majority decided to side with Hugo's group, the board may have to abandon the wool scheme — which forces every producer to sell his clip to the board at its prices.

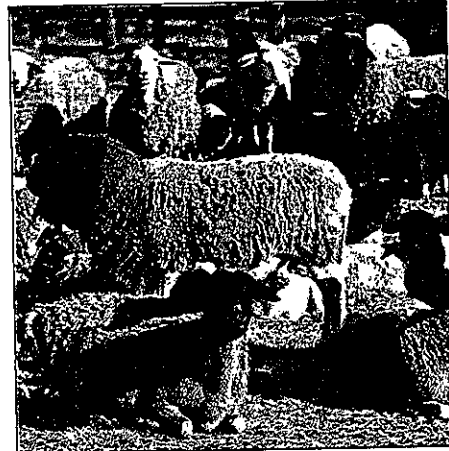
Rebellious producers believe they have a strong case against the board's management of the R600m-a-year industry:

- Marketing costs and board levies, which are deducted from the wool proceeds before the cheques are sent out, total nearly 20% of the producers' gross earnings;
- Producers are being forced to contribute more than R235m to pay off foreign debt because the board didn't take forward cover on a foreign exchange loan in the Eighties. They still owe R35m;
- With the collapse of the world wool market two years ago, the board's stabilisation fund is now R155m in the red because of the *voorskot* payments to producers that the board is contractually obliged to make. Ironically, the producers will eventually have to cover that deficit; and
- Little progress has been made to promote a local wool-beneficiation industry, which would serve as a ready market for producers' wool. Wool makes up only 5% of the raw material used by the local textile and clothing industries, with cotton and synthetic fibres making up the rest. More than 90% of the total wool clip is exported in raw or semiprocessed form. Producers can beneficiate their own wool only after obtaining a permit.

"Wine farmers make themselves a packet selling estate wines locally and overseas — we are not allowed to market our own wool," Hugo says.

Wool Free Market's kickoff comes at a time when government is considering reforming or even ending the decades-old control-board system. In a report on food prices in June, the Board on Tariffs & Trade recommended that the boards' statutory powers be abolished. Government appointed the Kassier Committee to study the Marketing Act and the 21 control boards in more detail. The committee, chaired by Stellenbosch professor Eckhard Kassier, is expected to report in December.

Hugo, who met with Kassier last week, says: "We are not rebels — we merely seek to market and sell our product independently



Shearing season ... time to trim government control?

and to maximise our revenues. We would like the board and the growers' association to co-operate with us to negotiate a better deal for producers. It is ironic that producers have to ask for a change in legislation just to be able to sell their own wool."

The debate will probably simmer for the rest of the year as Hugo's group lobbies producers. If it gains enough strength it could force a vote on the issue in January at the association's Cape congress.

ECONOMIC DEVELOPMENT

FM 16/10/92  
**Pitching Durban**

Is the new Greater Durban Marketing Authority what's needed to spruce up the region's image and draw in new business and tourism? Or is it another bureaucratic creation that will eat up taxpayers' money to duplicate work already being done?

The authority is a joint enterprise of public and private sectors, but its only funding has been a R6m start-up grant from the city council. It has replaced the Durban Publicity Association and its objectives are to stimulate the region's economy and restore Durban's sagging image as a tourist destination.

The authority's goal is to help create 200 000 jobs in the Durban Functional Region by the end of the decade. The region is bounded by Salt Rock to the north, Umkomaas in the south and Cato Ridge to the

**Mohair industry at risk**

SA's mohair industry was being threatened by drought and subsidies paid to US farmers, Mohair Board GM Jan van der Westhuizen said yesterday. (3) Dec 1992

"The drought-stricken SA mohair farmer not only has to face the consequences of the terrible drought, but has to compete on the world market against the US, which subsidises its product up to 300%." (3) Dec 1992

GUBB & INGGS

③ wool + Mohair  
FM 20/11/92

## Stability returning

**Activities:** Wool and mohair merchandising, processing and top making.

**Control:** Merwool (Pty) 50,4%.

**Chairman:** J P Stucken.

**Capital structure:** 2m ords. Market capitalisation: R16m.

**Share market:** Price: 775c. Yields: 11,6% on dividend; 74,3% on earnings; p:e ratio, 1,3; cover, 6,4. 12-month high, 890c; low, 750c.

Trading volume last quarter, 11 000 shares.

Year to June 30	'89	'90	'91	'92
ST debt (Rm) .....	104,7	47,4	55,5	59,2
LT debt (Rm) .....	1,4	1,5	1,2	0,9
Debt:equity ratio .....	2,60	1,31	1,51	1,35
Shareholders' interest	0,23	0,32	0,30	0,36
Int & leasing cover ..	1,49	1,34	1,74	3,75
Return on cap (%) ..	12,5	9,5	7,4	11,4
Turnover (Rm) .....	402	272	262	294
Pre-int profit (Rm) ...	25,8	14,1	12,3	18,8
Pre-int margin (%) ..	6,4	5,2	4,7	6,4
Earnings (c) .....	423,4	88,6	174,5	576,0
Dividends (c) .....	65	40	40	90
Net worth (c) .....	2 327	2 339	2 486	2 957

A degree of stability returned to the wool industry — and to Gubb & Inggs — in the 1991-1992 season after two years of difficult trading conditions involving excess supply. Coupled with demand problems linked to politics and the economy, the situation was worsened by lack of confidence in official price support mechanism.

Slight improvements were apparent in turnover, working capital and margins. Though turnover increased 12% last year, 1989 sales, which were bolstered by high raw material prices and the weak exchange rate, remain a distant memory. Management is, however, determined to sustain, if not improve upon, the group's export market. Exports accounted for three-quarters of turn-

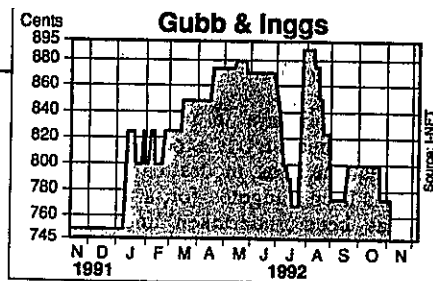
FINANCIAL MAIL • NOVEMBER • 20 • 1992 • 83

COMPANIES FM 20/11/92

over in 1992.

Reduced wool clipping in Australia and increased demand in the second half of 1991 proved useful in reducing the stockpile built up after the Australian Wool Board's cut in floor price in February 1991. By June 1992, 4,8m bales were reduced to about 4m. Gubb & Inggs' own stock, originally cut back by management owing to a lack of confidence in markets when floor prices were abolished, increased by R10m last year.

On the home front, management says, the sharp reduction in the wool and mohair clips because of the prolonged drought in the



eastern Cape will make trading conditions more difficult in 1993. Negative effects have already been seen. The deteriorating market, with reduced supplies in SA, gives rise to uncertainty whether last year's level of machinery usage will be maintained — last year

③ wool + Mohair

R2,5m was spent on fixed assets.

Gearing edged higher to 135% and may deteriorate further as the industry continues to wait for a positive sign from the world of fashion. World wool prices remain clouded by the Australian situation. This volatility makes an earnings forecast for Gubb & Inggs near impossible.

In line with the clothing and textile sector, the stock is underperforming, trading well below NAV of 2 957c at a discount of 74%. At 775c, it appears to have bottomed. Perhaps patient investors should take advantage.

Kate Rushton

## COMPANIES

### SA wool's value plummets 45%

THE market value of SA's wool clip has dropped 45% to R534,6m over the past three seasons, according to Wool Board chairman Hennie Prinsloo.

Commenting in the Wool Board's annual report, he said wool production at the end of this season was 77,8-million kg, the lowest level in 67 years, amounting to a 23% decline over last year's production.

"The SA wool industry was caught up in a spiral of counterproductive circumstances in practically every conceivable field," he said. *BIDAY 14/12/92*

A massive surplus of more than 4-million bales of wool in Australia, coupled with an unstable international economy, led to an overall decline in prices on world markets, according to the report.

In addition, the report said, political instability and drought in SA's wool-produc-

MEREDITH JENSEN

ing areas had put enormous pressure on local industry. *(3) Wool + Mohair*

The Wool Board's net income amounted to R12m as of June 30, down 41% from the previous year. Income for the year dropped off by R13,8m to R60,8m.

"Although wool prices improved by an average 7%, the board's income decreased by 18,5% — a direct result of reduced wool production," Prinsloo said. He said levies had been cut by R14,2m due to the decreased production.

In addition to its existing office at Ilkley in the UK, the world's information hub for the textile industry, the Wool Board opened an office in Tokyo this year.

Prinsloo said it had been a year of disillusionment and he offered no opinion on next season's outlook.

AT IRON WAS THE MOST ACTIVE SHARE BY  
Swiss banker goes public

AGRICULTURE — WOOL & MOHAIR

1990 — 1991

## Supply and demand crisis in wool industry discussed

ACHMED KARIEM

3 Wool  
Lahar

REPRESENTATIVES of the international wool industry met behind closed doors in Johannesburg yesterday to discuss the serious imbalance in world supply and demand. *D. Day 5/9/70*

SA has a stockpile of 220 000 bales, while Australia has 3.2 million bales (half a year's clip).

Australian Wool Corporation chairman Hugh Beggs said at a media conference the industry faced crisis circumstances. Wool farmers faced tough years ahead as the imbalance would technically exist for three to five years.

"Although the imbalance will sort out the industry, prices will not be going up for some time while the costs for farmers will go up," said Beggs.

He said SA and Australia supplied 91% of the wool for apparel and the two countries had to co-operate to face the challenges ahead. The international industry would change the thrust of its marketing efforts by going into unexplored areas involving blends.

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### Wool market prices drop 5%

310 20  
26 ||| 21  
WILLIAM GILFILLAN (3) Wool + Mchair

THE wool market, which was extremely volatile in October, experienced a drop in prices which saw the average market indicator, at 1 098c/kg, 5% lower than September's 1 152c/kg.

However, because of market volatility, closing rates for October were down only 0,5% on September.

The market indicator was also about 22% down on last year, despite offerings in October 1991, at 87 000 bales, being 20% lower than the 109 000 bales offered a year earlier. Wool Board spokesman Johan Bornman said offerings were down because of a decline in local demand, given the state of the textile industry. There was no shortage of local supplies.



# Farmers quit as Big Dry sets in

S/Times 2/12/90

By BILL KRIGE

THROUGHOUT the country despairing farmers are abandoning the soil in the face of a drought which threatens to be as devastating as the legendary Big Dry of 1933.

From Cradock in the southern Cape where Angora goats have sold for less than chickens, to the far Northern Transvaal where cattle have starved to death in the heatwave, the only clouds are dust devils.

"When I was in Wesselsbron (in the western Free State), I was shocked by the effect on people," said Dr Kobus du Toit, chief economist of the South African Agricultural Union.

## Import

"The only thing growing there is the size of the squatter camps. I just don't know what these people are going to do."

The export of last season's 1.4-million ton maize surplus has been halted and plans are being made to import about 500 000 tons of wheat to make up the expected crop shortfall.

The cost in foreign exchange will amount to

hundreds of millions of rand.

In Tarkastad in the Eastern Cape, nine new boreholes have come up dry and water is being trucked in to the village daily from outlying farms.

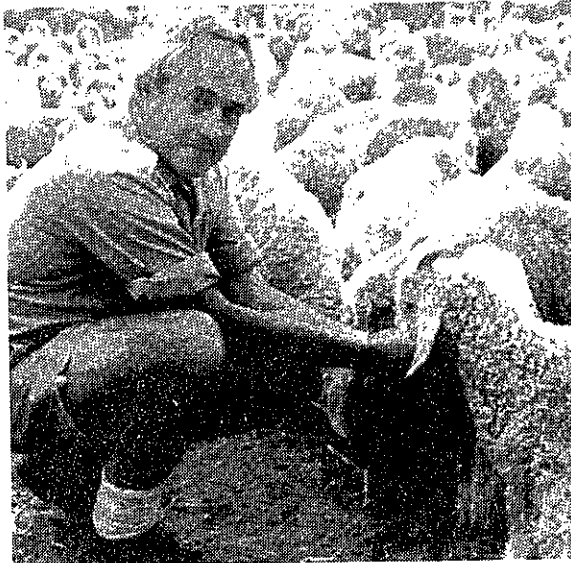
Sheep and goats are being allowed to starve to death in the barren Karoo because farmers are trapped between high feed costs and interest rates and low producer prices.

Everywhere farmers are battling for survival and the trickle of job seekers to the cities could become a flood if the rains stay away.

"We are coming across more and more farmers who have quit and we are very worried. The climate is one of despair," said Dr Du Toit.

In the vital grain producing areas of the western Transvaal and the western Free State, less than 15 percent of the projected maize crop has been planted.

"Farmers are running out of time. If it rains this weekend, they can still go for it — but anything later



DESPERATE . . . the drought and poor world prices have combined to devastate Pieter Michau's farm

than a few days after that and they will have to say goodbye," said Dr Du Toit.

In the south-eastern Transvaal 60 percent of the projected maize crop has been planted, but nothing more will be sown. If farmers there want a crop it will have to be sunflowers — if it rains.

Even if there are good late summer rains the maize crop is unlikely to

reach more than a paltry six million tons, less than half the record.

The manager of the East Cape Agricultural Union, Rory O'Moore, said: "Ninety percent of the region is in a very dry state. In some areas farmers are talking about this being as bad as 1933."

He estimated the region's wool, mohair and meat production had

dropped by 30 percent.

Mr O'Moore will be part of a delegation to see Minister of Agriculture Dr Kraai van Niekerk on Tuesday to discuss the plight of farmers of small stock.

Angora goat farmers, who enjoyed an international boom in mohair three seasons ago, have been hit not only by the drought but by the fickleness of fashion.

Wool farmers too are confronted with international problems — notably huge surpluses baled in Australia which have knocked the floor out of auction prices.

## Disaster

South African Mohair Board chairman Gielie Grobler said the average rainfall for his Jansenville farm was 250mm, but the last seven months had produced just 24mm.

Jansenville was declared a disaster area this week.

Said Mr Grobler: "In addition it's been very hot. The other day the temperature was 43° C. The situation is very serious."



80- 26/11/90 (3 wool 4. Mohair)

# Gubb & Inggs up against it

The depressed state of the wool and hair markets resulted in Gubb & Inggs producing a dismal set of results for the year to June.

In the annual report, the directors say the lack of foreign exchange of certain large users, namely Russia, China and Eastern Europe, resulted in wide-scale cancellation of contracts and orders.

They say that so far this year the level of activity has not increased and that trading conditions appear to be similar to those of the past financial year.

Consequently, restructuring of group manufacturing activities is being investigated and implemented.

The Gubb & Inggs companies are wool and mohair sorters, scourers, carbonisers and combers and recoverers of wool-grease.

In the year to June, group turnover declined 32 percent

Diagonal Street

LYNNE PEACH

from R402,2 million to R272,3 million.

This is not much more than 1987's sales of R270,2 million. Operating profit plummeted 45 percent from R25,8 million to R14,1 million.

After a 39 percent decrease in interest paid from R17,4 million to R10,6 million, pre-tax profit more than halved from R8,5 million to R3,5 million.

Reduced tax benefit resulted in taxed profit decreasing from R10,5 million to R3,8 million.

Losses from associated companies and payment of the preference dividend resulted in attributable profit plunging from R8,6 million to R1,8 million.

Earnings per share were

88,6c — nearly a fifth of the previous year's 423,4c.

The dividend for the year was reduced 38 percent from 65c to 40c. The balance sheet discloses short- and long-term borrowings of R48,8 million, well down from R106,1 million a year ago.

The directors say the decrease is due to steps taken to reduce stock levels. Net asset value depreciated over the year from R23,26 a share to R23,25.

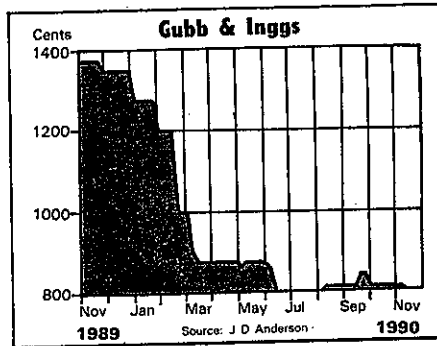
Gubb & Inggs, priced at 800c, is trading on a P/E ratio of nine and provides a dividend yield of five percent.

The thinly traded share has limited short-to-medium-term potential and there seems little point in holding on to it.

COMMENT: Gubb & Inggs' share price has been in a downward trend since the first quarter of 1989 and this year has dropped sharply from R13,50 to 800c.

The price will have to rise above 850c before a trend reversal is on the cards.

FIM 7/12/90



The impact of these conditions on Gubb & Inggs was reflected last year in a 32% decline in turnover. Shareholders also bore the brunt of the group's traditionally over-gearred balance sheet, as the decline in sales translated into a 79% slump in earnings.

Things could have been much worse. With no indication that trading is likely to return to normal in the short term, hatches were battened down and, mainly through tighter current asset management, the total asset base was reduced by more than a quarter. This, in turn, allowed net borrowings (including redeemable prefs) to be reduced from R123m to R63m, with the result that servicing costs of loan funds (also including pref dividends) declined from R19,5m to R12,3m. Yet, even after this reduction, attributable earnings amounted to only R1,8m. <sup>(3) wool + mohair</sup>

The balance sheet leaves one with mixed feelings. While it is true that the ratio of debt to shareholders' funds has halved, it is also true that the debt:equity ratio is still 1,3. This, believe it or not, is the lowest it has been in at least six years — the average for

GUBB & INGGS FIM 7/12/90  
**DEMAND COLLAPSES**

**Activities:** Wool and mohair scourers, carbonisers and combers. <sup>(3) wool + mohair</sup>

**Control:** Merwool Pty 50,4%

**Chairman:** R R Stucken.

**Capital structure:** 2m ord. Market capitalisation: R15,5m.

**Share market:** Price: 775c. Yields: 5,2% on dividend; 11,5% on earnings; p:e ratio, 8,7; cover, 2,2. 12-month high, 1 375c; low, 775c.

Trading volume last quarter, 11 000 shares.

Year to June	'87	'88	'89	'90
ST debt (Rm) .....	63,4	101,9	104,7	47,4
LT debt (Rm) .....	2,8	1,9	1,4	1,5
Debt:equity ratio .....	2,42	3,09	2,60	1,31
Shareholders' interest .....	0,23	0,20	0,23	0,32
Int & leasing cover ..	2,88	2,25	1,49	1,34
Return on cap (%) ..	14,0	11,3	12,5	9,5
Turnover (Rm) .....	270	314	402	272
Pre-int profit (Rm) ...	18,6	22,9	25,7	14,0
Pre-int margin (%) ...	6,9	7,3	6,4	5,2
Earnings (c) .....	464	478	423	89
Dividends (c) .....	60	65	65	40
Net worth (c) .....	1 475	1 950	2 327	2 339

It is a truism of commodity markets that price is usually far more a function of demand than is demand a function of price. That is one reason why a free-market system will usually be more efficient in balancing supply and demand than will the bureaucratic mechanisms of control boards — regardless of how well-intended the objectives of such boards might be.

Applied to the wool and mohair market, commonsense would suggest that when demand collapses, as it patently has done, equilibrium would best be restored by reducing supply and not by having control boards here and in Australia stockpile the product in unprecedented quantities in the hope that things will get better.

The Australian Wool Commission reduced floor prices by an average of 20%. But, as Gubb & Inggs' directors note, "regrettably this had no effect on the unsold stock levels and resulted in continued adverse trading conditions."

FIM 7/12/90

this ratio from 1984-89 having been a whisker short of 3. <sup>(3) wool + mohair</sup>

Gearing at this level can only be justified by super profits; which does not apply to Gubb & Inggs.

Its peak return on total assets over the same period was only 14% (1987), which also gave the highest interest cover — a slender 2,9 times.

Given all this, it is not hard to see why the share has consistently traded below net worth. The smallest discount, 15%, occurred when the price peaked at 1 650c against a 1988 net worth of 1 950c. Since then, the price has come down to 775c and the discount has widened to 67% — not far from its worst level of 75% recorded in 1983.

Brian Thompson

## Wool outlook

Star 16/11/90

not rosy

Wool  
Mohair

**PORT ELIZABETH** — The slump in the wool and mohair markets dealt a severe blow to the pre-tax surplus of BKB (Farmer's Brokers Co-op) in the year to June 30.

Turnover fell nine percent, from R1,66 billion to R1,51 billion. The pre-tax surplus fell from R10,3 million to R5,4 million.

Chairman Piet Marais told the co-op's annual meeting in Port Elizabeth. "The picture is anything but rosy. But there is no reason to lapse into pessimism. It is not the first and most assuredly not the last time that the farmers of South Africa will have to contend with serious setbacks."

At the end of the 1990 summer season, the Mohair Board had about 75 000 bales in stock, nearly a year's production.

World mohair production now exceeds demand by more than 30 percent. — Sapa.

# Falling prices threat to sheep farmers

SHEEP farmers are facing their worst depression in 20 years and at least 25% of farming operations in the eastern Cape districts of Middleburg and Cradock are in jeopardy.

Middleburg farmer Julian Southy said yesterday 30% to 40% of sheep and Angora farmers in the two districts were behind on their Land Bank commitments and 32 out of 120 of these farmers had reportedly put their farms on the market.

International prices for wool, mohair and meat had plummeted this year and drought had hit farmers.

By Dawn 25/10/90  
MATTHEW CURTIN

Farmers were curtailing development, cutting costs and retrenching staff wherever possible but the outlook was the bleakest since the drought 1968 and 1970.

Effective Farming editor Simon Fisk said several years of booming wool and meat prices had come to an end and were responsible for the crisis facing many farmers. Prices had fallen by 30% to 35%.

Investment analyst and farmer David Southy said yesterday inflated world prices were the product of Australian pro-

ducers raising the floor price for wool and mutton too high in the boom years.

Foreign exchange problems facing the Soviet Union and China, the largest markets for wool and meat, had radically cut demand in the last 18 months.

SA Wool Board production GM Dame Visser said that in areas not affected by drought and on farms with careful accounting procedures current prices would at worst spur "belt-tightening".

The slackness in world demand was temporary and price falls had not worked their way through to farmers.

# Forex earnings hit by lower returns from wool, maize

3 wool  
B. W. van der Merwe 31/8/90  
GERALD REILLY

PRETORIA — Substantially reduced returns from wool and maize exports will help keep SA's foreign exchange earnings from agricultural exports to around R4bn this year, according to agricultural authorities.

This compares with the estimated R5,8m earned last year from the sale of surplus farm products abroad.

SA agricultural economist Koos du Toit told Business Day that although exports earned about R2,257bn in the first five months of the year — compared with R1,967bn in the same five months last year — earnings would slow significantly during the rest of the year.

To be taken into account, too, was the fact that instead of exporting surplus wheat this year the small crop had meant the importation of more than 200 000 tons to meet the local demand.

Authorities pointed out the impressive earnings in the first five months of the year could mainly be ascribed to the fact that much of the 4,5-million tons of surplus maize from the above-average 1988/89 crop would have been exported in those five months.

The estimated earnings from total maize exports from the 1988/89 crop was R1,5bn. The surplus from the 1989/90 crop is around 1,2-million tons, so foreign earnings will be sharply down. Earlier this month the Wool Board announced a 15% cut in producers' voorskot prices. This followed a 20% reduction in the floor price of the world's biggest producer — Australia.

There is currently great uncertainty about international wool demand trends and Australian producers have a massive stock pile of 4-million bales. Du Toit said even though earnings from deciduous fruit exports would reach and probably exceed R1bn this year, and wine exports would be buoyant, total foreign earnings would still fall far short of last year's total.

However, the potential for widening markets abroad was enormous and would continue to improve provided the reform programme remained on track. Indications were that trade attitudes, while still fragile, had taken a turn for the better.

Even in the Scandinavian countries, where sanctions had been virtually impenetrable, there was hope of a change — again on condition of reasonable progress towards a new constitution, he said.

I Rebate Item	II			III Extent of Rebate	Annotations
	Tariff Heading	Rebate Code	C. D.		
407.02	"00.00	01.00	08	By the substitution for tariff heading No. 00.00 of the following: Other new or used goods, of a total value not exceeding R500 per person	Full duty  Full duty less 20% "
		02.00	02	Additional goods, new or used, of a total value not exceeding R1 000 per person (excluding goods of a class or kind specified in rebate items 407.02/22.00, 407.02/24.02, 407.02/24.03 and 407.02/33.03)	
407.03				By the deletion of rebate item 407.03.	

Note. — The effect of this amendment is that the duty-free allowance, the flat-rate allowance and the flat-rate allowance for crew members are increased from R200 to R500, R500 to R1 000 and R200 to R500 respectively and that the rebate provision for the importation of a television receiving set as accompanied passengers' baggage is withdrawn.

**DEPARTEMENT VAN HANDEL EN NYWERHEID**

No. R. 1263

8 Junie 1990

**WET OP STANDAARDE, 1982**

**REGULASIES BETREFFENDE DIE BETALING VAN HEFFING EN DIE UITREIKING VAN VERKOOPSPERMITTE TEN OPSIGTE VAN VERPLIGTE SPESIFIKASIES. — WYSIGING**

Daar word kragtens artikel 36 van die Wet op Standaarde, 1982 (Wet No. 30 van 1982), bekendgemaak dat die Adjunk-minister van Handel en Nywerheid, handelende namens en in opdrag van die Minister van Handel en Nywerheid en Toerisme, hierby Bylae 2 van die Regulasies gepubliseer by Goewermentskennisgewing No. R. 999 van 3 Mei 1985 wysig deur die byvoeging, met ingang van die datum waarop die verpligte spesifikasie vir vervangingsremwryfkomponente vir padvoertuie van Kategorie M<sub>1</sub> en N<sub>1</sub> en vir minibusse in werking tree, van die nuwe items wat in die Bylae uiteengesit word.

**BYLAE**

Kommoditeit	Heffings- cenheid	Tarief per cenheid, R
Skyfkussing .....	Asstel	0,06
Remskoen.....	Asstel	0,06

**DEPARTEMENT VAN LANDBOU**

No. R. 1239

8 Junie 1990

**BEMARKINGSWET, 1968 (WET No. 59 VAN 1968)**

**WOLSKEMA. — HEFFING EN SPESIALE HEFFING — WYSIGING**

Ek, Jacob de Villiers, Minister van Landbou, maak hierby ingevolge artikel 79 van die Bemarkingswet, 1968 (Wet No. 59 van 1968), bekend dat —

(a) die Suid-Afrikaanse Wolraad bedoel in artikel 6 van die Wolskema gepubliseer by Proklamasie No. R. 155 van 1972, soos gewysig, kragtens artikels 22 en 23 van genoemde Skema die Bylae by Goewermentskennisgewing No. R. 1391 van 26 Junie 1987, soos gewysig, verder gewysig het in die mate in die Bylae hierby uiteengesit; en

(b) genoemde wysiging deur my goedgekeur is en op 1 Julie 1990 in werking tree.

J. DE VILLIERS,  
Minister van Landbou.

943—B

**DEPARTMENT OF TRADE AND INDUSTRY**

No. R. 1263

8 June 1990

**STANDARDS ACT, 1982**

**REGULATIONS RELATING TO THE PAYMENT OF LEVY AND THE ISSUE OF SALES PERMITS IN REGARD TO COMPULSORY SPECIFICATIONS. — AMENDMENT**

It is made known under section 36 of the Standards Act, 1982 (Act No. 30 of 1982), that the Deputy Minister of Trade and Industry, acting on behalf of and on assignment by the Minister of Trade and Industry and Tourism, hereby amends Schedule 2 of the Regulations published by Government Notice No. R. 999 of 3 May 1985 by the addition, with effect from the date on which the compulsory specification for replacement brake friction components for road vehicles of Categories M<sub>1</sub> and N<sub>1</sub> and for minibuses becomes effective, of the new items set out in the Schedule.

**SCHEDULE**

Commodity	Levy unit	Tariff per unit, R
Disc pad .....	Axle set	0,06
Brake shoe .....	Axle set	0,06

**DEPARTMENT OF AGRICULTURE**

No. R. 1239

③ Wool

8 June 1990

**MARKETING ACT, 1968 (ACT No. 59 OF 1968)**

**WOOL SCHEME. — LEVY AND SPECIAL LEVY — AMENDMENT**

I, Jacob de Villiers, Minister of Agriculture, hereby make known in terms of section 79 of the Marketing Act, 1968 (Act No. 59 of 1968), that —

(a) the South African Wool Board referred to in section 6 of the Wool Scheme published by Proclamation No. R. 155 of 1972, as amended, has under sections 22 and 23 of the said Scheme further amended the Schedule to Government Notice No. R. 1391 of 26 June 1987, as amended, to the extent set out in the Schedule hereto; and

(b) the said amendment has been approved by me and shall come into operation on 1 July 1990.

J. DE VILLIERS,  
Minister of Agriculture.

## Wool outlook favourable

8/10am 11/6/90 GERALD REILLY (3) wool

PRETORIA — The outlook for wool in spite of short-term problems was still favourable, Agriculture Minister Jacob de Villiers said in Port Elizabeth at the weekend.

World trade in wool had gone through a difficult phase in the past year, he said, mainly caused by the absence of Japan and China from the market.

The lack of demand and expanded production had placed prices locally and internationally under pressure.

This season more than 70% of SA production had been sold and the Wool Board expected to pay an "agterskot" of about 5%. SA was the fourth largest surplus producer of wool, representing 18% of SA's agricultural exports.

## Hairy times ahead?

The wool industry — a principal agricultural foreign exchange earner — is in trouble. Export revenues of R865m for the season which ended in May were 12.5% lower than last year. (3) wool

Over the past 13 months the Wool Board has been forced to buy in 220 000 bales at a cost of R250m. The last three weeks of the season were particularly bad: only 13% of the clip offered was sold and the stockpile increased by 50 000 bales.

Wool producers Down Under are no better off. Last week the Australian government pulled the rug out from under the Australian

FIM 8/6/90

Wool Corp, the equivalent of SA's Wool Board, which is sitting on a colossal stockpile of 2,8m bales. It was forced to reduce its floor price (the benchmark for international wool prices) by 20%.

The problems of the international wool market can be traced to the drop in Chinese wool imports in the wake of the political crisis that followed the

Tiananmen Square shootings a year ago. Virtually all foreign trade with China ceased. The Soviets, also major wool buyers, have also cut imports in the face of their deepening economic crisis.

Board CE Bertus Olivier believes things are not as bad as they seem. "Wool prices had increased by 130% in rand terms over the past two years. As wool farmers take a long-term view, they can take this price dip in their stride." Moreover, the board has had higher stockpiles — in 1982 it bought in 260 000 bales. Its stabilisation fund still stands at R112m and it has access to soft loans from the Land Bank when it uses wool as collateral, he adds.

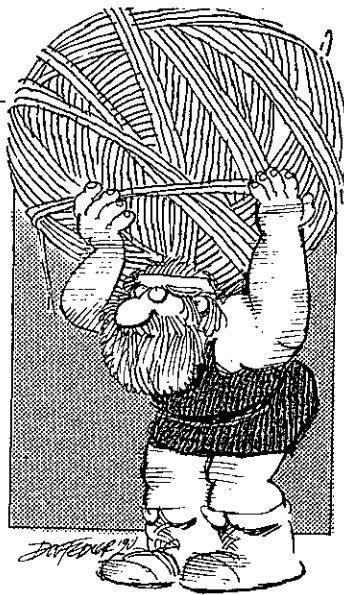
"We did not pay more than the new floor price for our stocks and we've been told the Australian government won't let the price fall further for another two years. While storage and interest will cost us, we won't lose money on our final price. There's no question of the taxpayer bailing us out."

He might be being a little over optimistic. For a start the Land Bank's soft loans are indirectly subsidised by the taxpayer. The worst case situation could see a continuation of plummeting wool demand when the new auction season starts in August.

Meanwhile, the wool price drop could entrench the single-channel wool marketing system until government abolishes control boards. In a recent poll of 30 000 producers, 70% voted for the continuation of the present system. Olivier says the board is funded by a 7.5% levy on sales. The levy in Australia increased this season from 8% to 20%. He's confident the rand price of wool will improve before the next auction on August 28. "The way gold is going the rand could weaken," he says.

Unfortunately, the local textile industry does not stand to benefit. According to the Textile Federation, only 8 000 t of the 100 000 t slip is beneficiated locally. After the recent sharp wool price increases, the blend of wool and synthetics in worsted cloth has changed from 60% synthetic and 40% wool to 25% wool and 75% synthetic.

Romatex director Ernest Wilson, in charge of the Hextex and Veldspun worsted mills, says his customers expect a 20% dis-



(3) wool

count immediately. "But there is no surplus of the finer grades of wool and we've already bought our wool and the new price won't come into affect locally until the new season starts in August. Because of the lead times involved, clothing made from this wool won't be available in the shops until March or April. Besides, a 20% drop in the wool price will

have only a 5%-10% effect on the price of finished products."

Robert Wachsberger, chairman of knitting yarn manufacturer Unispin, says since the mohair price collapse two years ago, the company has marketed mohair-blend knitting yarns to an upmarket niche. "We are certainly going to launch additional wool-rich yarns."

But wool is still too expensive at around four times the price of synthetic equivalents such as acrylic. "It would become a mass product only with a 40% premium on synthetic prices," he says. ■



## SA wool industry shocked by drop in Australian floor price

PORT ELIZABETH — SA wool industry leaders have reacted with shock to news that the Australian government yesterday cut the floor price of wool by 20% to 700 Australian cents.

They say this will have a strong negative influence on SA's wool industry, already hit by low prices, as well on world markets. They warn there will have to be a revaluation of the local price structure.

The decision is also expected to have a strong influence on arrears payments (agterskot) and the determination of the advance payments (voorskot).

### Own Correspondent

to farmers for the next season. (3) wool + Mohair

SA Wool Board chairman Hennie Prinsloo said there was a lot of uncertainty about the next season.

But ACHMED KARIEM reports that knitwear manufacturers yesterday welcomed the cut.

Adonis knitwear chairman Joe Bencen said yesterday wool had priced itself out of the market.

Towles, Edgar Jacobs (TEJ), Cape-based manufacturer of classic full fashion knitwear, did not expect an initial impact because spinners' costs had risen.

## Wool trade 'harmed by price move'

ACHMED KARIEM

INTERNATIONAL confidence in the wool industry worldwide would be harmed by the Australian government's 20% reduction of its floor price of wool to an average of A700c/kg for the 1990/91 season, SA Wool Board chairman Hennie Prinsloo said in a statement yesterday. *B. Day 5/6/90*

A world glut of wool stocks developed when China, the major buyer in the last two years, withdrew from the market due to economic and political problems. *(3) Wool Market*

The Board said the clip realisation of the 1989/90 season had declined by 12.5% to R865m compared to the previous season. Only 70% of the total offering of 640 000 bales of wool had been sold.

The SA wool marketing season closed last week.

Prinsloo said he welcomed the Australian government's announcement that it would sustain the floor price for two years and that the price would not be lowered further.

He said the Australian floor price was currently on about the same level as the SA voorskot (advance) price which was the minimum guaranteed price to the producer.

CA 11/19/90 3 wool

# Shock reaction to Aussie wool price cut

Own Correspondent

PORT ELIZABETH.—SA wool industry leaders have reacted with shock to news that the Australian government has cut the wool floor price by 20%.

They say this will have a marked negative influence on the SA wool industry, already hit by low prices, as well on world markets. They believe some local wool producers may be forced to leave the industry and warn that there will have to be a revaluation of the local price structure.

The decision is also expected to have a strong influence on the payment of arrears payments (agterskot) and the determination of the advance payments (voorskot) to farmers for the next season. (The current season ended yesterday.)

SA Wool Board chairman Hennie Prinsloo said the principle of the floor price system had been violated and trust in the industry dealt a severe blow.

"There will now be complete distrust in the floor price system and the reserve-price system which was supposed to bring stability to the world's wool markets.

"A lot of uncertainty prevails on what the next season will bring. What will happen to the floor price then?"

"We will only be able to compete on world markets and sell the local supply if we reduce our prices as well — and we have been selling at almost floor price, as well at the moment," he said.

"Buyers who have a supply of wool now suddenly find that their stock is 20% cheaper, so they will

also suffer because of this decision," he added.

Prinsloo said the decision to cut the Australian floor price was a political decision.

"The Australian Wool Board fought hard to leave the floor price unchanged — the farmers were even prepared to pay a levy of 25% to keep the floor price at its present level — but to no avail," he said.

"It is a pity that this had to happen, and it will have a marked negative effect on the local wool industry, as well as that of the rest of the world," Prinsloo said.

Cape branch president of the National Wool Growers' Association Lammie Brand said farmers would suffer mostly in the short term and some farmers might be forced to leave the industry.

The market in general could,

however, improve shortly, he said, particularly if the economies of Eastern European countries started improving.

Brand said the local wool price had increased by about 120% over the last few years. Prices have since dropped by about 15% to 20%, which in real terms is not all that bad.

Because the SA wool clip was considered to be of the best classed in the world and of top quality, local supply would always be in demand, he said.

Our Correspondent reports from Johannesburg that knitwear manufacturers yesterday welcomed the cut in the Australian floor price of wool.

Adonis knitwear chairman Joe Bence said in an interview wool had priced itself out of the market.

High prices had led to some knitwear manufacturers using a mixture of wool and other synthetic products.

"The decline in wool prices will have a greater impact on manufacturers using pure wool," he said.

Bence said if the price of yarn remained the same as last year, it would also help to maintain prices at last year's level.

Towles, Edgar Jacobs, (TEJ) Cape-based manufacturer of classic full fashion knitwear, did not expect an initial impact because spinners' costs had risen, especially in the labour field.

However, TEJ chairman Robert Jacobs said he expected yarn prices to drop.

He said the cut meant the public would be able to buy woollen items, which had become a luxury.

(3) wool (78)

# More emphasis on export of manufactured goods

Durr 9/5/90

TRADE and Industry Minister Kent Durr last night emphasised the importance of manufactured goods exports for economic growth.

Addressing the opening of the National Woolgrowers Association Congress in Bloemfontein, he said only 8% of wool production was developed locally into final products for export.

"Exports are regarded as the vehicle to expand the market. Higher added value means larger valuable foreign exchange earnings and potential profit.

"This also opens the way for opportunity in local design and the longer production runs hold the key to higher productivity, lower unit costs and greater competitiveness. These are

## ACHMED KARIEM

all necessary components of a successful export strategy."

The Department of Trade and Industry had drawn up an action programme in order to encourage SA manufacturers to enter the export market, and to encourage existing exporters to increase their involvement in long-term export trade.

The department's new general incentive scheme placed greater emphasis on the export of manufactured goods, he said.

"SA can now look forward to a period of restructuring of exports where there will be a move away from the primary product export syndrome which has been dogging the country since its early economic history."

Wool had been SA's main export for many years, and its export earnings had been surpassed only by gold and diamonds since the development of industries and mining.

SA — with a national stock of 16,1-million head — ranked fifth in the world as producer of wool for clothing and second only to Australia in the production of fine merino wool.

Wool production was 93,2-million kg in 1989, which was 6,5% higher than the previous year.

"Owing to good climatic conditions and the high international wool prices, combined with strong demand, a 5% increase in wool production can be realised.

"The total SA wool income for the book year ending June 1989 was R898,2m, which is 20% more than the previous year," Durr said.

10/10/90  
**Wool price  
down due to  
less demand**

ACHMED KARIEM

AT the end of April, the wool price had dropped by 14,2% to 973,5c/kg from 1135,2c/kg a year ago because of falling demand, according to SA Wool Board economic research expert Wessel Havenga.

About 88% of SA's wool is exported, while 12% is retained for local processing.

Havenga said the price had to come down further to stimulate demand. The international price for wool was set in Australia, he added.

SA Wool Board assistant GM for marketing Fred van Niekerk said only 75% of the wool on offer so far at the Port Elizabeth auctions had been taken up, compared with 95,4% last year. The season ran from September to May.

The percentage sold included 13 000 bales sold at Easter and at last week's auction.

Van Niekerk said 54% of 20 532 bales of merino and other wool was sold at last week's auction while percentage sales on April 4 were 50%.

Agriculture Minister Kraai van Niekerk said high wool prices in the past few years had affected demand for wool and lessened its competitive edge in the textile industry.

The National Wool Growers' Association of SA is to discuss the establishment of a special farmers' co-operative at its 61st annual congress starting in Bloemfontein today.

# Wooltru ahead of sector

Star Finance Staff (3 Wool) 19/2/90  
The Wooltru group has again achieved profitability gains ahead of the retail sector, raising pre-tax income by 40 percent to R124,2 million (R88,6 million) in the six months to end-December.

Further market share gains were achieved during the period, with sales increasing by 27 percent to R1,36 billion (R1,07 billion).

Earnings per share rose by 36 percent to 181c (133,9c), while the interim dividend was raised to the same level to 64c.

Wooltru CE Colin Hall said Woolworths had performed par-

ticularly well on the sales front, raising turnover by 31 percent, while both Makro and Speciality Retail group achieved turnover growth of 23 percent.

Loans and investments had been raised from R38,4 million to R106 million as a result of a R60 million investment in preference shares.

On prospects Mr Hall said that sales for the group during the first seven weeks of the second half were 27 percent ahead of last year, but he warned that this achievement would not necessarily hold for the full six months.

8/04/26/2/90

## Dairy Board lost on exports but gained on imports — De Loor

*Dairy & Milk*  
Political Staff

CAPE TOWN — The Dairy Board exported products at a loss of R611 926 in the 1987/'88 financial year, but imported dairy products which were sold at a profit of R6m, former auditor-general Joop de Loor said yesterday.

The export losses involved R509 608 for butter, R79 818 for cheese and R22 500 for milk powder.

These were written off during the year against the board's stabilisation fund.

The surplus on imports involved R637 583 for butter, R1,99m for cheese and R3,4m for milk powder.

De Loor, whose report was tabled in Parliament yesterday, said the board was compelled to import because a shortage of dairy products arose during the year.

*Wool* (3) *wool* *Chair*

The board had written off bad debts totalling R1,1m, R1m of which was in respect of five fresh milk distributors.

In his report on the Wool Board for the year between July 1987 and June 1988, which was also tabled in Parliament yesterday, De Loor said foreign loans of R290m together with exchange rate losses amounted to R548,3m by the end of June 1988.

"From 1 July 1987 to 19 July 1988, the realised exchange losses increased with R45 447 121 and include approximately R37m arising from officials of the board omitting to take cover adequately against exchange rate losses during the year."

Interest on the foreign loans amounted to R50,3m during the year, De Loor said.

# New World wine auction a pointer to the future

THE results of the first New World wine auction, held recently at Vergelegen, Somerset West, revealed trends which may provide the industry with important guidelines for the future.

While the overall turnover was very satisfactory, many branded South African wines under-performed against the competition. This same weakness in the auction room affected the results of wines in extra-large packaging. Magnums, double magnums and jeroboams did not attract a premium.

Buyers have obviously decided that such "collectors' items" have a limited investment potential and do not feel comfortable paying over the odds simply to own a specially-boxed bottle.

Chardonnay, Cabernet and Cabernet blends still enjoy the lion's share of the deluxe consumer rand. Wines like L'Ormarins, Meerlust and Warwick attracted strong bidding, while almost all Pinotages struggled to achieve prices around the auctioneer's low estimate.

Sauvignon Blancs — even the most

sought-after — failed to gain the same attention as Chardonnays; the market for special botrytis wines also appears to be thinning out.

Gross sales revenue was just under R2m. The overseas wines performed well, with Californian and Oregon producers dominating proceedings.

Dunn Howell Mountain Cabernet 1982 went up to R4 400 a case — very much a market-related price in international terms. Mayacamas Cabernet 1978 averaged more than R1 000 a case and some lots of the Ridge Montebelle Cabernet from the same vintage fetched slightly less than R3 000 a box of 12 bottles.

## Fared well

Some of the Australian wines fared particularly well. The Henschke Hill of Grace Shiraz sold at more than R800 a case, while West Australian producers Cullen's and Vasse Felix averaged between R30 and R40 a bottle.

New Zealand's Kumeu River wines also did well, with Chardonnays at

around the R60 a bottle mark. The famous Kumeu River Sauvignon Noble Dry achieved about R40 a bottle.

There was particularly strong bidding on some of the Chilean Cabernets, where large parcels sold well on account of their quality/price relationship.

In terms of the auction's arrangements, the hammer price on overseas wines accounts merely for the FOB value: duty, handling, shipping and surcharge must be added to these prices to estimate their SA landed costs.

The auction day was unquestionably the gala event of the Cape season. The setting, the arrangements and the auction organisation all set a benchmark that will be difficult to beat.

The next New World wine auction is scheduled for London in 1991.

There is no doubt the concept has been successfully launched. It remains to be seen whether European buyers attribute the same credibility to these wines that they have earned in their domestic markets.

MICHAEL FRIDJHON

B/Dm 2/2/90

③ VHC/LH  
4 wine



## Profits shorn

**Activities:** Wool and hair sorters, carbonisers and combers and recoverers of woolgrease.

**Control:** Merwool (Pty) 50,4%

**Chairman:** R R Stucken.

**Capital structure:** 2,03m ord; 0,75m cum red prefs. Market capitalisation: R25,9m.

**Share market:** Price: 1 275c. Yields: 5,1% on dividend; 15,34% on earnings; PE ratio, 6,5; cover, 6,5. 12-month high, 1 600c; low, 1 275c. Trading volume last quarter, 6 325 shares.

Year to June 30	'86	'87	'88	'89
ST debt (Rm) .....	70,7	63,4	101,9	104,7
LT debt (Rm) .....	4,1	2,8	1,9	1,4
Debt:equity ratio .....	3,17	2,1	3,1	2,6
Shareholders' interest .....	0,20	0,23	0,20	0,23
Int & leasing cover ..	1,4	2,9	2,2	1,5
Return on cap (%) ..	11,7	13,9	11,3	12,5
Turnover (Rm) .....	275,4	270,2	314,0	402,2
Pre-int profit (Rm) ...	13,8	18,6	22,9	25,7
Pre-int margin (%) ..	5,0	6,9	7,3	6,4
Earnings (c) .....	168,5	464,4	477,9	423,4
Dividends (c) .....	35	60	65	65
Net worth (c) .....	1 082	1 471	1 950	2 326

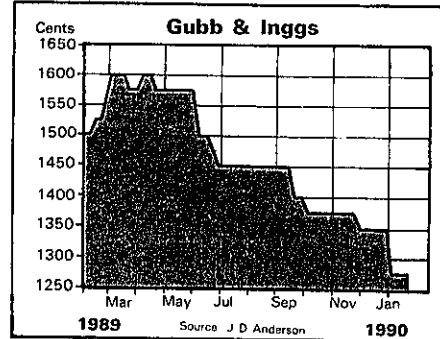
The People's Republic of China usually absorbs a large slice of international wool sales, by both SA and Australia, but last year's events at Tiananmen Square constricted and almost eliminated its wool buying. This in turn profoundly affected the international wool trade. FIM 912190.

It occurred just when Australian production had expanded and both the Australian and SA wool boards have been obliged to buy in about 50% of local supplies to underpin the international price. The boards are now holding large stocks.

As a result, prospects for Gubb & Inggs are less than rosy. Wool and mohair processing volumes have fallen and capacity utilisation has been hit. The interest bill rose last year to R17,4m (R10,2m) while pre-tax income and EPS fell.

This year there should be some help from efficiency improvements after the expansion and modernisation of the plant at a cost of R25m over the past two years. No further

P.T.O



capex should be needed for some time, which should ease liquidity, and, with lower throughput, stocks and borrowings have declined.

MD Philip Stucken is not pessimistic about world consumption of wool this year, particularly as it is likely the Chinese market will return to normal. Meanwhile, he adds, the net interest bill should decline. Once the wool market improves, the group is structured to translate increased volumes into larger profits.

The share price has dropped sharply since mid-1988. It now stands 1 051c below the year-end net worth of 2 326c and is worth watching.

Gerald Hirshon



# Slump in wool price could lead to R43m loss on trading account

AT current wool prices, a R43,1m loss on the SA Wool Board's trading account seemed inevitable because of the price slump of the past 12 months, National Wool Growers' Association president Lammie Brand said this week.

Brand expected the loss also to have an impact on the pool accounts — funds held for payments of the agterskot — bringing the total loss to R64,8m and resulting in a 60% decline to R43,2m (R108m) in the Wool Board's stabilisation fund.

Levy <sup>3</sup>

"Further pool shortages and losses would drain the stabilisation fund completely if the limited demand situation continues during the next season and 70% is sold," he said.

In view of this, Brand also announced the possibility of levy increases to 10% (7,5%) as an interim precaution which could offer a short-term solution.

He also warned wool farmers not to expect price increases in the next two to three years due to the current oversupply of wool and advised them to plan activities around current price levels and against rising costs.

However, despite the decline in world consumption of wool during 1989, local consumption increased by about 5% to 6,9-million kilograms in the year to end-June 1990, Wool Board chairman Hennie Prins-

31/1/91  
MARIETTE DU PLESSIS

loo said in the annual report.

But, the imbalance between demand and supply on the international market also exerted influence on SA's market which, since the end of September 1989, had experienced an unprecedented recession at the weekly sales, Prinsloo said.

While on average 70% of the offerings at the first three sales were disposed of in September 1989, the market indicator reached its lowest level of the season at the end of February and the percentage sales declined to just over 60%, Prinsloo said.

However, local wool production rose by 4% during the past season in spite of poorer climatic conditions and weaker wool prices, while the bales of pool wool offered at the 34 sales held, increased by 5,3% compared to the previous season, he said.

## Contribution

During the year under review, the Wool Board's income above expenditure declined by 27,5% to R30,97m (R42,69m) and income — excluding interest earnings — fell by 14,8% to R73,7m.

The reduction in income was due mainly to the reduced income from levies, caused by the decline in wool prices and the fact that the state terminated its contribution to overseas expenditure.

## New trade possibilities open up for SA wool

A CHANGING international political climate is facilitating the marketing of South African wool in countries which previously would not accept it. *W.M. Prinsloo*

This is the view of Wool Board chairman Hennie Prinsloo, who released his annual report at the congress of the Cape branch of the National Wool Growers' Association in Port Elizabeth this week.

He said contacts established over many years with Poland, Czechoslovakia, Hungary and Romania were being exploited, while trade possibilities in Yugoslavia, the former East Germany and Russia would receive attention in the near future.

The board would in future market its products more aggressively in traditional and new markets through regular visits and publicity drives.

Faster supply of wool to processing plants was being investigated.

### Revival

Experiments in this regard, like placing 5 000 bales of wool in Bremen, Germany, last season, had proved successful, as all stock had been sold.

Prinsloo said clear indications of a revival in the demand for wool were provided in December.

"Although wool prices rose by no more than 1,5% overall at two sales before the Christmas recess, clearances rose to 61,5% on average while after sales of pool stock reached almost 44 000 bales — equal to the combined sales in the first three months of the season," he said.

The board's weekly market indicator reached a seasonal low of 1 357 on November 23 last year — 9,1% below the opening level. It did, however, help raise clearances at the next three sales to about 37,5%.

"It also provided the incentive for a significant increase in the volume of on-line purchases by buyers from unsold board stocks." — Sapa.

# Bad news for wool farmers

By Derek Tommey

SA's 26 000 wool producers face a drastic drop in income in the coming months, but woollen clothing could become a little cheaper. *Star 12/2/91*

Australia said yesterday it was suspending its floor price system and allowing a free market in wool until June 30.

The price is expected to fall sharply. Australian analysts say it could fall by up to 50 percent or more.

The past eight months have been disastrous for the Australian farmers who produce 70 percent of the world's wool.

Buyers have shown increasing reluctance to buy wool at the prices asked, with three-quarters of the latest crop unsold.

The Australian Wool Corporation is sitting on five million bales it was forced to buy and has incurred debts of A\$2,2 billion (R5,6 billion).

The Australian decision will have a drastic effect on the local industry. JC Kievit, the Wool Board's assistant general manager, marketing, said last night.

The situation in SA was not as grave as in Australia. Some 85 percent of this season's clip had been delivered to the board, of which 70 percent had been sold. Some 280 000 bales had been bought in, he said.

Farmers had received an advance payment of 730c a kg and this would remain unchanged until the end of the season in June. But they were unlikely to get a final payment, which totalled R43 million last season.

SA's wool clip last season was worth R861 million.

## Aussie move unsettles SA wool sector

<sup>610 am 13/2/91</sup>  
DURBAN — SA wool growers accused the Australian government of throwing the market into confusion by scrapping the floor price scheme.

National Wool Growers' Association (NWGA) president Peter Kingwill said the Australian decision to suspend the reserve wool price until June 30 had dealt a blow to the SA industry. <sup>(3) Woolf & Meyer</sup>

"That wool prices here will also be adversely affected is undoubtedly true, but to speculate where the market is going to find its level is almost impossible," Kingwill told an NWGA congress.

Sales in Australia have been suspended since February 4 until at least February 25 as a result of the scrapping of the 17-year-old floor price scheme, which currently marks wool at a minimum of 700c/kg.

Kingwill warned that a lowering of the wool price would result in disaster for SA growers unless the SA government contributed to the stabilisation of the industry.

He said government intervention would probably have to be only temporary as wool stocks would quickly become depleted.

Market analysts expect the price of Australian wool to halve to around 350c/kg in an unregulated market.

The SA Wool Board said last month it would market more aggressively abroad, particularly in countries in Eastern Europe which had hitherto been inaccessible.

— Reuter.

## Call for EC rescue plan

ROME — Inkatha Freedom Party president Mangosuthu Buthelezi yesterday asked Italian Prime Minister Giulio Andreotti to urge the EC to consider a Marshall Aid plan for poverty-ridden SA.

In his memorandum, Buthelezi asked Andreotti — whose country currently chairs the EC — to thank the community for its decision to lift restrictions on new investments in SA, and warned of the "radical left" which he said was trying to capitalise on poverty.

Thousands upon thousands of blacks were living in squalor around every urban centre, he said, and they had great destructive potential.

Warning about the rise of the extreme right, Buthelezi said: "Unless we really deal with white fear, we will end up with accomplished change that will be destroyed by events which will make any attack by a Unita or a Renamo on a government seem child's play by comparison." — Sapa. <sup>610 am 13/2/91</sup>



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# 'Severe sag' in local wool market

6/11 am 14/2/91

MARIETTE DU PLESSIS

SA HAD been left with a stockpile of 288 000 unsold bales of wool as there were no buyers for wool at current world prices, a Wool Board spokesman said yesterday.

National Wool Growers' Association (NWGA) president Peter Kingwill said SA's stockpile was mainly the product of an imbalance in supply and demand on world markets, which had led to Australia's 4.8-million stockpile.

"If Australia is to dump its surplus in an uncontrolled way on the world markets, the price will fall dramatically, because the surplus consists of two-thirds of Australia's annual production and equals seven years of SA's annual shearing."

SA did not export wool at a loss but indications were that its foreign exchange earnings from wool would drop about 20% this year from R800m in 1990, because of recent developments.

Kingwill said although a surplus of wool did not reflect a healthy industry, SA was dependent on foreign demand since 88% of local production was exported. He said the local market would have to adopt a "wait and see attitude" before deciding on any further price reductions.

The withdrawal of two major buyers, China and the Soviet Union, from the wool market last year, plus uncertainty in Euro-

pean markets over the buildup of Australian stocks, had resulted in a severe sag in the local wool market.

The subsequent 20% reduction in the Australian floor price had destabilised the wool industry, both locally and abroad, resulting in SA's producers' voorskot prices also falling by 15%.

"If there are no buyers for wool at the reserve price set by the Wool Board, the board buys the excess stock, while at the same time still paying the producers' voorskot prices set at the start of the season," he said.

This necessitated additional finance and inevitably resulted in a stockpile if demand tapered off, he said.

For wool to remain a market leader, a 2:1 ratio of wool prices to that of synthetic products was needed and while it currently stood at more than 3:1 the scrapping of Australia's floor price scheme might well create the ideal ratio, Kingwill said.

The SABC reported yesterday that the Natal and East Griqualand Wool Growers' Association would to approach the NWGA with a request to formulate a revolving fund scheme to help stabilise the wool market.

# Garment makers smile sheepishly

By Des Parker

*3 wool  
Mohar  
18/2/91*

DURBAN — The fall in wool prices over the past six months, which led to the cancellation of the weekly auction in Port Elizabeth last week, may be bad news for SA's 27 000 sheep farmers, but it has brought a smile to the faces of fabric and garment manufacturers.

A Hammarsdale textile manufacturer estimates prices will remain depressed for at least two years, which was likely to stimulate production of knitted apparel, such as men's suits and trousers, particularly for export.

Pure wool should also increase in popularity as a fabric for clothing for the domestic market.

Textile Federation executive director Brian Brink says pure wool garments now comprise only 25 percent of all clothing made locally, compared with about 40 percent 10 years ago.

Manufacturers had resorted to synthetic substitutes to offset rising prices.

Stephen Kitshoff, sales director of Hammarsdale-based Mediterranean Woollen Mills, says his firm had reduced its use of pure wool over a number of years to about three percent of its requirements.

It now makes polyester viscose alternatives and acquires some regenerated yarns from used garments.

The company was started 32 years using only new wool.

Hennie Prinsloo, chairman of the Wool Board, which made the decision to stop last week's sale after the key Australian market had suspended its floor price scheme, says wool of all grades was fetching an average of R8,40 a kg earlier this month.

Three years ago, that was as high as R12 or R13.



# Wool Board to meet as Australian prices slump

③ wool + mohair  
6/1 pay 26/2/91.  
MARIETTE DU PLESSIS

THE SA Wool Board has called an urgent executive meeting for today to determine the implications for the local wool market of the 35% slump in wool prices at the first Australian free market wool auctions in 17 years.

No details could be obtained from the board yesterday as all its top members were behind closed doors to discuss the Australian move and to outline a strategy for today's meeting.

Reuters reports that wool prices at the Australian auctions yesterday fell by 35%. The auctions followed the government's decision to scrap the floor price scheme for wool.

The price drop is seen as a result of confusion over the direction the market could take and the absence of Japanese buyers, who normally account for about 20% of Australia's wool sales.

The floor price scheme had, in the

past, fixed the minimum wool price at A700c/kg (US540c) because of low demand.

Reuters said Australia rejected Japan's demand for compensation, following the scrapping of the fixed price scheme.

Australian Prime Minister Bob Hawke's response was: "I don't need any lectures from the Japanese in terms of how to set prices."

Japan in turn responded by only buying 9% of the wool on offer at yesterday's two auctions in Sydney and 2% in Melbourne, brokers told Reuters.

"The Japanese are staying away. Whether they are waiting to see where the price settles or trying to manipulate the market is difficult to say," said Australian Council of Wool Exporters vice president Jim Lillie.

Trading in yesterday's free market

was described as "hesitant and erratic", brokers said.

However, although the average price of wool fell to A454c (US360c), brokers stressed that the first day gave no indication of where the price might settle since, in the absence of the Japanese, growers withdrew about 35% of the wool offered when it failed to reach the reserves they had set.

The Australian Wool Corporation bought unsold wool below 700c — under the old fixed price scheme — amassing a stockpile of 4.8-million bales and debt of A\$2.8bn (\$2.1bn).

Growers who withdrew their wool from yesterday's auction will have to re-offer it for sale at a later date in the free market.

Western Europeans were the main buyers at the two auctions of 26 414 bales, the first since sales were suspended on February 4 pending parliament's decision.

# Wool at 20-year low in free market trading

ROBERT LAING

THE first week of free market trading in wool in 17 years saw its price hit a two-decade low, the Wool Board said yesterday. Despite a 30% drop in the wool price, 70% of the 16 000 bales of Merino and other wool was sold at the Wool Board's weekly auction in Port Elizabeth yesterday.

International prices plunged 35% after Australia suspended the minimum reserve price scheme of the A700c/kg wool floor price on February 4.

The Wool Board's assistant marketing GM Fred van Niekerk said in a state-

ment: "The market indicator dropped by 30% to 947c/kg." This pushed the price relation between wool and synthetic fibre from 2,8:1 to 1,7:1.

He said when similar price levels prevailed in the early '70s, world production fell 30%.

At a special meeting in Port Elizabeth earlier this week, the Wool Board said it would maintain its voorskot to farmers despite the low price, unless government refused to provide supplementary financial aid.

WOOL INDUSTRY

**SHEARING TIME**

Wool + Mohair  
3 FM 22/3/91

Local growers and clothing manufacturers are optimistic about the wool industry despite plummeting prices in Australian markets last month.

The SA wool price plunged to its lowest level in two decades — nearly matching the 35% drop in international prices — after the Australian government suspended its minimum reserve price scheme on February 4. The Australian floor price had guaranteed a minimum A700c/kg to farmers.

From November to January the average wool auction price in SA was 1 406c/kg. Last Friday it was 941c/kg.

According to the SA Wool Board, however, 70% of the wool on offer at the first auction in Port Elizabeth was sold. "We have no clue at what level prices will stabilise but there is a general assumption that they will settle at a higher level than they are now," says the Wool Board's Una Viljoen.

Viljoen feels that the low price may lead to increased exports of SA wool, especially to the Far East.

Japanese buyers, who normally account for one-third of Australia's wool exports, were staying away from Australian auctions because of their fury at the Australian government for abolishing the reserve scheme despite assurances that this would not happen until the 1993 season. Many buyers had been bidding at a reserve price comparable to last season's and were caught by the sharp plunge. "Most of SA's wool is exported to both the Far East and western Europe and the low price should lead to increased de-

mand," Viljoen says.

However, local farmers are justified in being concerned about the drop in wool prices. Though the Wool Board will continue to pay its *voorskot* to farmers up to the end of the season, the board says the stabilisation fund will be maintained only for as long as it holds.

The continued existence of the stabilisation fund was a major item on the agenda at the National Wool Growers' Association congress in Warmbaths last week. "The fund will probably be depleted by the end of the season in June," says Viljoen.

A final strategy towards the stabilisation fund should be thrashed out at the association's central congress in May. Until then, the impact of the Australian move on SA is difficult to determine.

The local clothing industry also hopes to benefit from low wool prices. Several manufacturers believe that the price was artificially high and vulnerable. "Demand for wool products must move up," says Rex Trueform CE Stewart Shub. Rex Trueform is one of SA's leading clothing exporters with an annual growth, Shub claims, of "some 30%-35%. We're hoping a lot more of that will be in wool products."

SA Clothing MD Martin Sternberg says the drop in the wool price was expected and — provided it is passed on from textile manufacturers to the clothing industry — a more competitive local market will develop. "The collapse of the East European clothing industry has resulted in more interest being shown in local manufacturers," he says.

About 95% of SA's wool crop is exported raw to textile manufacturers. The low price could change that. "New government policy

2 wool + mohair FM 22/3/91

now encourages industries to export finished products. That means we could become internationally competitive, and we need the disciplines of international competition in order to supply our local markets at a reasonable price," Shub says.

Aside from the advantage of cheaper suits, growth in the labour-intensive clothing industry should also create more jobs. There's hope that the low wool price could also spark the development of cottage industries similar to the Mauritian jersey sector which is a big consumer of SA wool.

It thus seems that long-term prospects are fairly bright for the wool industry, though farmers may have some belt-tightening ahead of them.

# 4 000 wool farmers 'to quit'

B (van 4/4/71)

③ wool + Mch

UP TO 4 000 wool farmers are set to leave the industry this year as low wool prices, cuts in subsidies and severe drought take their toll, according to a report by the National Woolgrowers' Association (NWGA).

NWGA spokesman Theuns Botha said the situation for farmers in the Karoo and Eastern Cape was getting worse, amid the longest drought in living memory.

A property lawyer in the Jansenville area of the

DARIUS SANAI

eastern Cape said that "one in two" farmers would sell their property now, given the right price.

Botha said high interest rates, reduced government subsidies and the collapse of the wool price — by 39% earlier this year to its lowest real level since the 1930s depression — had all contributed to the crisis, and that the situation was getting worse.

Willowmore lawyer Ste-

ven van der Vyver said farmers in the south-eastern Cape were very depressed. There were numerous properties on the market, "but no-one is buying".

Farming sources estimated thousands of sheep and goats were dying in drought-stricken areas.

"It's a terrible thing for a farmer when this happens, because it means you have literally allowed your animals to die of starvation", said David Pickard-Cambridge, a Karoo sheep farmer.

He added that food for the animals was too expensive to buy and that livestock prices had become depressed by the recent moves by sheep farmers to dump unprofitable wool stock.

Beaufort West farmers want the Agriculture Department to declare the region a disaster area, he said.

New Agriculture Minister Carl van Niekerk plans to visit the drought-stricken areas within the next two weeks, according to an Agriculture Ministry spokesman, and plans were being considered to help the areas.

NWGA president Peter Kingwill said the recent drop in the wool price would only depress farm prices in a year's time.

However, he added, he expected things to get better, describing the situation as a "short term crisis" caused by an imbalance between supply and demand.

Supply in the world wool market had outstripped demand since the closure of the Chinese market after the Tiananmen Square massacre in June 1989.

● See Page 7

## SA wool industry 'still alive' despite gloom

BLOEMFONTEIN — The South African wool industry is not dead and buried, despite the atmosphere of depression that overshadows it.

This message was conveyed by Wool Board chairman Hennie Prinsloo to the 62nd annual congress of the National Wool Growers Association in Bloemfontein yesterday. *(3) wool + mchur*

Prinsloo said the demand for wool at consumer level was extremely good. The wool industry had always been subject to cyclical movements and the present downswing was possibly sharper than had been expected. It could recover just as quickly, he believed.

There was sufficient reason to have full confidence in the wool industry in the long term. Nothing that was worthwhile was achieved without sacrifice, he said.

He believed that the level had been reached in the market from which the industry could build with confidence. *8. Dec 16/59*

Among others, decisions adopted by the congress were:  
 That the state should be asked to put greater emphasis on soil conservation, should it decide to continue with the soil conversion scheme. It was proposed that if it was proved that the scheme prejudiced other industries, it should be stopped;

The principle was supported that the future establishment of funds for the stabilisation of the wool market should be in the form of a revolving fund; and

The SA Wool Board is to be asked, in conjunction with other countries, to look at methods to bring about a measure of world price stability in the wool market, rather than to ask that the international floor price of wool be fixed in a basket of currencies of the purchasing countries. — Sapa.

WOOL INDUSTRY (3) wool + mohair  
FM 29/3/91

## BETTER PROSPECTS

**Prospects** are already looking up for the wool industry following a 3,2% rise in the price and a guarantee from government that will allow the Wool Board to honour its obligations to farmers.

The wool price rose to R9,71/kg at last week's auction in Port Elizabeth, after the Australian dollar strengthened against the rand, to make local prices more competitive.

The board says that if demand continues to rise for the remaining 11 weeks of the marketing season, between 80% and 90% of the wool on offer will be sold.

More good news for wool growers is that government has promised to provide security for the loan the board will receive from the Land Bank so that the board can continue with the *voorskot* payments it had guaranteed to farmers at the beginning of the season. However, the local wool industry will still suffer severe financial losses because the international wool price has dropped below the SA *voorskot* prices for the season (*Business* March 22).

Despite the recent price rise, the board feels prices will stabilise at their current level, which is low enough to increase world demand. Many processors who were forced

FM 29/3/91 (3) wool + mohair

to switch to synthetics by high wool prices in the two previous seasons may soon return to wool. Processors who do not normally use wool may also be attracted to what is now a cheap alternative.

The low price may also bring the USSR and China back into the market. The two countries had purchased 30% of the Australian clip in previous seasons. China withdrew from the market because of internal political turmoil while balance of payments problems caused a reduction in Soviet wool buying.

If the SA price remains competitive, much of this expected foreign interest must surely come this way. ■

Local wool prices up 6,2%

8 1/2 am 24/5/91 PAUL ASH ③ wool + mohair

WOOL prices jumped 6,2% at this week's auction in Port Elizabeth, bringing the Wool Board's market indicator to 1 228c/kg, the board said yesterday.

The upward trend in the wool price at recent auctions has seen the market price improve from 30% below voorskot at the suspension of the Australian floor price early in the season to 7% below voorskot. The Australian market indicator was fixed this week at A\$5,89/kg.

# Big increase in wool exports looks likely

Star 27/5/91

③ wool +Mhair

By Neil Behrmann

LONDON — South African wool exports are likely to increase sharply in the next two years, according to a study by the Economist Intelligence Unit (EIU).

As the fourth-largest exporter in the world, SA's sales will rise to 51 000 tons in 1991 from 43 000 tons in 1990 and only 29 000 tons in 1989, the EIU forecasts.

Annual sales will then average around 46 000 tons in the mid-nineties.

The report says South Africa is at an advantage because its wool prices are more competitive than Australia's and now that sanctions are being lifted the Wool Board can market the fibre more aggressively in Europe.

Britain buys a quarter of SA's wool sales, France accounts for more than one-fifth and Belgium and West Germany are significant importers.

Wool processing centres in Hong Kong and Macau are also keen buyers.

However, it will take a

long time for the international wool industry to recover from the boom and bust cycle of the late 1980s.

"Price prospects of merino wools in the next five years are very poor.

"Given the oversupply position, primarily of Merino type wools, there is no reason to expect prices to rise further under the central forecast."

In dollar terms, prices could fall by seven percent between 1991 and 1995.

A key element in the forecast is the prediction that China's wool imports will not regain the heights seen in 1988.

The main reason for the wool price collapse in the past year, says the EIU, is that China's wool imports slumped to 62 000 tons last year from 188 000 tons in 1988.

The EIU forecasts that China's wool imports will recover slowly from present low levels.

Despite the long-term views of the report, however, wool prices have been rallying in recent weeks because China has begun to buy again.

Dealers say China has imported 10 000 tons of Australian wool each in April and May.

The director of a Japanese trading company's wool department said the purchases were based on shrewd trading decisions. Buyers waited for prices to plunge before entering the market to absorb surplus wool.

But the EIU is cautious about world wool consumption.

It forecasts it will rise by under two percent a year in the early Nineties and will fail to maintain its share of the fibre market.

Imports by the Soviet Union, which accounts for 10 percent of world imports, will also be constrained by economic problems.

Price performance will be largely dependent on the Australian wool industry, the world's largest producer.

The Australian wool clip will slide to 500 000 tons in 1993 from its peak of 723 000 tons in the 1989-90 season and this decline will restore world stocks to 581 500 tons by 1995.



# Wool exports to soar

**Weekend Argus Correspondent**  
**LONDON.** — South African wool exports are likely to increase sharply in the next two years, according to an in depth study by the Economist Intelligence Unit.

As the fourth largest exporter in the world, SA's sales will rise to 51 000 tons in 1991 from 43 000 tons in 1990 and only 29 000 tons in 1989, predicts the EIU. Annual sales will then average around 46 000 tons in the mid nineties.

South Africa is at an advantage because its wool prices are more competitive than Australia, says the report. And now that sanctions are being lifted the wool board can aggressively market the fibre in Europe. The UK purchases a quarter of SA's wool sales, France accounts for over a fifth and Belgium and West Germany are significant importers. Wool processing centres in Hong

Kong and Macau are also keen buyers. The report, however, says that it will take a long time for the international wool industry to recover from the boom and bust cycle of the late 1980's.

Price prospects of merino wools in the next five years "are very poor" says the Economist Intelligence Unit (EIU).

"Given the over-supply position, primarily of Merino type wools, there is no reason to expect prices to rise further under the central forecast," says the EIU.

In US dollar terms, prices could fall by 7% between 1991 and 1995, predicts the EIU.

"While prices of extra fine wool may gain ground because of their relative scarcity, little other improvement is envisaged, over and above some adjustment for inflation."

A key element in the forecast is the

3 wool trade

4 Argus asks 191

prediction that China's wool imports will not regain the heights seen in 1988. The main reason for the wool price collapse in the past year, says the EIU is that China's wool imports slumped to 62 000 tons last year from 188 000 tons in 1988.

Prior to 1988, the wool market boomed because China raised its imports of raw wool and wool tops nearly threefold from 70 000 tons in 1982.

Instead, the EIU forecasts that China's wool imports will recover slowly from present low levels.

Despite the long term views of the report, however, wool prices have been rallying in recent weeks because China has begun to buy again.

Dealers say that the country purchased large amounts of Australian wool, signing contracts to import 10 000 tons in April and May.

# Sheep farmers' profits set to take a dip

③ wool + mhair

Argus 22/6/91

**TOM HOOD**  
Business Editor

**SHORT-TERM** prospects for the profits of sheep farmers are not healthy and average gross margins per small stock unit could drop 42 percent below the 1989/90 season, says the Wool Board.

"This will surely impact on the wool farming community in terms of producers who will have to revert to alternative options. It is expected that production could drop by 10 percent.

"In addition, reduced turn-overs at trade/scouring/top-making level could also affect the profitability of these sectors in the pipeline.

However, in the medium to long term, the damage in trade confidence as a result of the latest price volatility is not expected to affect consumer preference for wool significantly, says the board in a review published in the Textile Federation's newsletter Textile Topics.

Lower costs of wool at spinning level could provide a strong trigger to improve

South African demand for wool, provided the maximum possible benefits are passed down the pipeline.

Problems in the local industry have been precipitated by a global supply and demand imbalance for wool.

This has been created by rapid world-wide increases in production, particularly in Australia, which coincided with substantial and sudden reductions in demand from large buying nations like China and Russia.

The Australian market now operates without a floor, due to the AWC deciding to drop the floor from 870c/kg to 700c/kg, followed by suspension of the floor price scheme entirely under pressure from the Australian Government.

South Africa, being a price follower as a result of its substantial smaller clip, experienced a drop of almost 30 percent in the market in February.

"However, some stability has returned to the market with variations of about 2 percent around these lower levels cur-

rently being experienced on a week-to-week basis," says the board.

"Clearances at auctions have improved considerably to levels currently exceeding 80 percent."

The relatively favourable market conditions are also helping the board to liquidate its stockpile. The stockpile had been reduced to 246 000 bales (including about 41 000 bales of greasy wool equivalent of semi-processed stock) by the end of April, down from record of levels of well over 300 000 bales at the end of November 1990.

The Wool Board's operating funds to maintain the advance payment scheme (or "voorskot") is under severe pressure as a result of this price break, with the average voorskot exceeding the sales value at auction currently running at R305 a bale.

The board says it is investigating several possible alternatives for assistance in bridging this negative cashflow phase until deciding on new marketing arrangements for the 1991/92 season.

## Surplus stocks 'will keep wool market depressed'

*Spain* Own correspondent 13/6/91  
LISBON — World wool production is falling but surplus stocks will continue to depress the market even though demand has made a "remarkable turn-around" because of lower prices, says the International Wool Textile Organisation (IWTO).

It was reported at the International Wool Conference that the overhang of stocks built up under reserve price schemes in Australia, New Zealand and SA would need 5% growth in annual consumption for six years to be absorbed.

Consumption fell last year by 13% to 1.5-million tons against 1990/91 production of 1.9-million tons. Carry over stocks for the 1991-92 year grew by 6% to nearly 2.6-million tons.

This year production is forecast to drop 4% to 1.8-million tons. ③ wool market

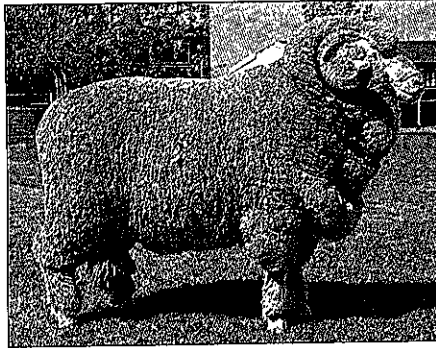
Since the collapse of prices after the suspension of the price reserve system, China and the Soviet Union, whose withdrawal was largely responsible, have returned to the market as buyers.

IWTO statistician Michael Godfrey said between March and May the market saw a turnaround as buyers, in response to lower prices, moved back. But supplies would still stay well above forecast needs of the world textile industry. — Daily Telegraph.

Wool production is up but last year's plummeting world demand, which led to the collapse of the Australian reserve price scheme in February, has caused farmers' receipts to nosedive. Average auction prices for the past season dipped by 33%, according to the Wool Board.

"Our total market realisation for the 1990-1991 season, which has just ended, amounted to R619m, compared with last year's R858m," says the board's Ona Viljoen. "This again was well below 1988-1989 wool sales receipts of R989m."

If inflation is taken into account, wool farmers are even worse off in real terms than these figures show. The board also had to dip



Natural fibres ... baaaad days behind us?

deeply into its stabilisation fund to buy up unsold stocks.

"At the end of November our total (unsold) wool stocks stood at a record 338 000 bales," says board marketing GM Jan Kievit. "Fortunately, since then we have been able to dispose of 245 000 bales. We now have 145 000 still unsold."

The board's bailout of farmers, by buying unsold stock, could have bombed had wool prices kept on dropping. In the process, the board's stabilisation fund has plunged into the red from a surplus of R108m last year.

Fortunately, both for farmers and the board, the clouds are beginning to clear. "Since February and up to the last sale of the season at the end of May, prices improved by 28,4%," Kievit says. "This is because wool has become an attractive alternative to other fibres at these lower prices and this is stimulating demand."

"Increased demand also pushed the percentage of production that was sold to 93% — well up on last season's 70%. Considering that this season's total wool pool offerings of 101,6m kg surpassed last year's by 5,3m kg, or 5,1%, the performance looks even better," Kievit adds.

The outlook for the coming season is that production may drop by 7% to about 95m kg — cash flow problems forced many farmers to slaughter sheep for mutton sales. But world market trends are positive.

"The fact that the Australian Wool Realisation Commission has now placed a floor of 570c/kg under its unsold stock of 4,4m bales is a sign that prices may stabilise at that level," Kievit says. Australian wool prices,

which dropped to 436c/kg after the end of the reserve price scheme, have improved to 560c/kg as of the latest auction on June 28.

Instead of an oversupply of product, cotton producers are squeezed by an undersupply — the result of a bad planting and growing season. A low crop should mean higher prices but the Cotton Board's fixed-price system prevents farmers from benefitting from higher world prices.

The low crop of only 250 000 bales of 200 kg/bale is a significant drop from last year's 308 000. This means that as many as 200 000 bales will have to be imported, at a cost of R215m, says Cotton Board GM Johan Gillen.

"This will be the highest cotton imports in five years. Farmers' gross income could fall from last year's R350m to about R285m this year. But, if we can solve production, pricing and marketing problems, SA may yet produce its optimum crop of about 700 000 bales in this decade."

The board, with the Department of Agriculture, is looking into a new pricing policy for cotton. This year's local price, fixed at R4,72/kg, is well below the current world price of R5,35/kg, thanks to the inflexibility of the fixed-price system. The board hopes to announce the new policy next month.

"Another variable is the possibility that black smallholders may increasingly add to cotton production, especially with the abolition of the Land Acts," Gillen says. On the Makatini Flats in northern Zululand, below the Pongola Dam, about 17 000 ha are being developed for cotton production by black farmers. He says this alone may add about 74 000 bales to total local production.

While wool and cotton farmers are trying to keep afloat, mohair producers are struggling even more. In their case, the twin problems of the savage eastern Cape drought and the collapse in world demand have placed many farmers in jeopardy. The goat population has declined from about 3m in 1988-1989 to about 1,95m now. The silver lining is that this should help the environment, which has suffered through overstocking by farmers.

Mohair Board marketing manager Johan Engelbrecht says production will drop from 12,2m kg in 1988 to a projected 7,4m kg this year. This translates into gross earnings falling from R127m to about R77m.

SA dominates the world mohair market — it provides half the total international production and 99% of the local crop is exported.

"Prices dropped from about R22/kg in 1985 to only R5/kg at the beginning of this year," Engelbrecht says. "Since then, prices have doubled to a current level of about R10/kg, and our unsold stockpile has similarly declined from 90 000 bales in November to only about 4 000 bales now."

As in the case of wool, the general drop in prices has stimulated demand, and mohair yarns are becoming increasingly popular. "Russia and China, especially, have come in as big buyers," he says. ■

Fm 19/7/91 ③ wool + mohair  
WOOL, COTTON, MOHAIR

## SURVIVING HARD TIMES

For the producers of SA's three major natural fibres — wool, cotton and mohair — the prosperity of the past decade is over and hard times are here. However, the markets for all three fibres appear to have bottomed and signs of an upturn are evident.

Gross income from wool sales, mainly exports, has dropped by R370m since 1988; mohair farmers' earnings are down by R50m over the same period and this year's dismal cotton crop of 250 000 bales could necessitate R215m worth of imports to feed local mills. Cotton farmers look set to earn about R65m less than last year.

The misfortunes of the three sectors will cost SA about R635m in lost foreign exchange compared with 1988.

## Advance wool payout cut 20pc

APC 23/8/91

PORT ELIZABETH. — The SA Wool Board has announced that the voorskot for the current season will be on average 20 percent lower than that for the last season. **Wool**

Wool Board chairman Mr Hennie Prinsloo said the new voorskot prices will depend greatly on the type of wool offered by producers.

He said that changed circumstances had forced the board to change its viewpoint on the voorskot.

Among the factors that had to be taken into consideration were high Australian stock levels, poor economic conditions in European countries and the fact that because there was no longer a floor price system anywhere, prices were determined purely by market conditions.

■ The wool industry had noted the 20 percent reduction in the advance price of wool with disappointment,

but the drop was realistic, Mr Peter Kingwell, president of the National Wool Growers Association of SA, said in Bloemfontein.

Mr Kingwell said that any higher price level would only endanger the industry by building up a further debt burden.

A reasonably large amount of wool had been sheared in Australia in the first half of the season, which placed the market under pressure.

Mr Kingwell urged wool farmers not to become pessimistic, as it was generally believed that the wool market would show a reasonable measure of improvement in the second half of the season.

The industry was grateful for the positive developments in Russia. These could mean that Western aid would again be available to Russia, which would enable that country to buy wool again. — Sapa.

③ wool + Mohair  
8/15/91 2/9/91

## Wool marketing season makes a promising start

THE 1991/92 wool marketing season began well with 85% of 12 619 bales of merino and other wool on offer sold at last week's auction in Port Elizabeth, the SA Wool Board said on Friday.

Board marketing manager André van Greunen said buyers had had plenty of time since the close of last season to contract new orders overseas and as a result, good sales should be expected for the next two or three weeks.

Although the voorskot price declined by 20% last week, the weekly market indicator had eased only 2.4% to 1.187c/kg since the

### Business Day Reporter

end of the previous season.

The Australian season closed with the market indicator at A600c/kg and had declined to A516c/kg since the start of wool sales there on June 30.

A total of 9 500 bales of wool will be offered at next week's auction.

③ wool  
**Gubings sees  
income rise**

B/Baw 25/9/91  
PAUL ASH

WOOL processing group Gubb and Inggs (Gubings) has disclosed a rise in attributable income to R3,56m (R1,8m) in its results for the year to end-June compared with the previous financial year. Earnings were higher at 174,5c (88,6c) a share and the group declared a dividend of 40c (40c). Dividend cover was improved to 4,36 (2,22) times. There was no interim dividend.

Operating income before tax rose to R5,23m (R3,55m). Tax relief saw income after tax climb to R5,58m (R3,82m).

Confidence in the international wool market had not yet been restored following the abolition of the reserve price scheme and the subsequent 30% drop in prices, the directors said.

Low demand in the first half of the financial year saw a substantial reduction in stockholdings and borrowings, highlighted in a 30% decrease in interest charges to R7,1m (R10,6m).

The second half saw an improved and highly competitive market.

*Wool Mohair*  
**Wool sales**  
**poor despite**  
**higher prices**

*6/04/91*  
 PAUL ASH

WITH wool prices increasing slightly at last week's auction, the second of the season, SA's wool producers' prospects appeared solid, the SA Wool Board said at the weekend.

Prices were 0,3% higher, and the market indicator closed at 1 191c/kg.

However, only 68,5% of the offering was sold.

SA's market was currently 10% above voorskot price level, leaving room to cover marketing costs.

The voorskot price, determined last month, declined 20% from 1 156c/kg last season to 925c/kg.

Wool board chairman Hennie Prinsloo said recently that the board had had to determine the voorskot price under "unprecedented conditions" including high stock levels and fluctuating market conditions in Australia as well as poor economic prospects in Europe and the Soviet Union.

If market conditions allowed, interim payments would be made to farmers, Prinsloo said.



## COMMODITIES

PAUL ASH

THE link between political turmoil after the Tiananmen Square massacre, rumblings of discontent in the Russian republics and a mutation glut in Australia is a seemingly tenuous one.

These far-removed events, however, nearly brought about the collapse of the Australian wool industry as the world's largest wool producer watched its two most important markets run dry.

Supply rapidly overtook demand as Australia's well-protected farmers continued to supply the market faster than the Australian Wool Corporation (AWC) could snap up the unsold bales from auction.

In February 1991, the

cash-strapped AWC suspended its floor price scheme, then A700c/kg, and prices at Australia's first free auction in 17 years dropped 35%.

As reports of wholesale sheep slaughter filtered out of Australia, SA's 28 000 wool producers were concerned with the effects of the AWC's move on the local industry.

Local prices dropped 30% but the SA Wool Board, which markets various wool products and administers the industry, promised farmers that voorskot payments would be continued until the end of the season.

While the 1990/91 season proved to be less arduous

for growers than expected, prospects for the new season remain bleak.

The low prices are only now affecting farmers, Agri-Africa consultant John Harrison said yesterday.

Until the Australian stockpile, currently 4.4 million bales, is cleared, the market would not improve.

SA's stockpile, at a 300 000-bale high in 1990, is now about 134 000 bales.

Thanks to rising meat prices, prospects for mutation are better than for wool, Harrison said. The large slaughter at the beginning of the year, however, was the result of the continuing drought in the

Eastern Cape and not the falling wool price.

Many of the region's farmers are desperately trying to sell their farms but as long as interest rates remained at current levels, there would be no buyers, Schoombie farmer Andrew van Lingen said.

Local growers were barely hanging on, he said.

Last season, clearance of wool, which is marketed through a single-channel pool system at the weekly auctions in Port Elizabeth, averaged over 80%.

Clearance at auctions this season, which began in late-August, have ranged from 68-85%, a Wool Board spokesman said yesterday.

Troubled prospects are highlighted by the falling market indicator.

In 1990, the indicator's average for the season was R11.69/kg but has fallen to the R10.08/kg level this season.

When Australia dropped their floor price, the Wool Board responded by reducing the voorskot payment

to growers but the wool price settled below the voorskot level.

At the beginning of the current season, the board announced a new voorskot level which was still above the average wool price.

"The board is now committed to paying huge amounts to farmers," Van Lingen said.

### Free-fall

Marketing costs some 20% of the farmer's gross income. A substantial portion of that is the board's 7.5% levy, used for marketing and administration costs as well as to fund the stabilisation scheme.

Van Lingen said the board should stand aside and let the market free-fall and find its own level.

"When something is cheap, people will find a use for it and commit themselves to the product," he said.

The stabilisation fund is now broke, having been exhausted by voorskot pay-

ments last season. Voorskot payments would thus be funded through levies and from a Land Bank loan, a board spokesman said.

This season, the average voorskot payment has been around the R9.25/kg mark.

The 1991/92 clip is expected to drop to 95.6-million kg from 1990's 102.6-million kg.

The board is hopeful, however, that the market would pick up following the return of Japanese buyers to the Australian market.

Japan, which accounted for nearly 20% of Australian sales, had demanded compensation from Australia on forward sales after the floor price scheme was abolished.

However, when Prime Minister Bob Hawke rejected their demand, the Japanese withdrew from the market.

Over 95% of SA's wool is exported raw and semi-processed to textile manu-

# Bleak outlook for wool farmers

facturers in the Far East and Western Europe and the low price could boost export volumes, the spokesman said. Last year, wool exports brought in some R800m in forex.

While SA's warm climate reduces local consumption of wool, the commodity also has potential to provide more jobs through more local processing, Mitchell Wool manager John Whitehead said.

Processing involves the removal of grease from the fibres after which the wool is sent through various combing and carding stages.

### Pollution

Some 65% of the clip is processed or semi-processed in SA before being exported, he said.

Wool processing, which creates large quantities of waste water, had moved from pollution-conscious Europe to the Far East.

But countries such as Japan, Taiwan and South Korea, lacking the space to dispose of waste water, were now looking for more ready-processed wool.

Wool trade  
8/10/21 11/11/21  
down again

Own Correspondent

PORT ELIZABETH —

A fickle wool market at this week's Port Elizabeth sale shed nearly half the gains it made last week. The market indicator dropped 8,3% to 1126c. In Australia the indicator dropped 11,4%. (3) (JCO) + Hophair

At last week's sales the SA market indicator rose 19,5% and the Australian indicator 23%, creating hopes of further improvement.

Demand at this week's Port Elizabeth sale eased, but was still good with 87% of 17 107 bales offered being sold. The merino offering consisted of 12 688 bales comprising 65% long wool, 18% medium wool, 6% short wool and 11% locks.

Except for locks, which gained 6%, prices declined throughout the offering. Those of 20 micron and finer dropped 4,5%, those of 21 micron 7%, 22 micron 10,5%, 23 micron 9,4%, 24 micron 12,5% and 25 micron and stronger 14,5%. Those of bellies eased 4,5% and lambs' wool 1%.

# Drought knocks wool production

③ wool + mohair

Blow 4/11/91.

PAUL ASH

SEVERE drought in the eastern Cape and Great Karoo caused wool receipts to plummet 24,4% from the beginning of May to end September, compared with the corresponding period in 1990, the SA Wool Board said in a statement on Friday.

The net mass of pool wool received into store at Port Elizabeth harbour dropped 30,5% while East London and Cape Town's ports both experienced declines of 25,3% in the amount of Merino and other wool received.

By the end of September, about 20,5-million kilograms had been taken into store compared with 27,1-million kilograms previously.

## Shear

Wool Board spokesman Jan Bezuidenhout said that during the previous season growers had made use of the board's promise to continue voorskot payments despite the collapse of the Australian market, boosting local production. Many farmers sent a second clip to auction.

There was now less wool to shear as a result, he said.

The drop in receipts would have little effect on the market as clearance at auctions had not once reached 100%. The board's stockpile stood at a solid 124 873 bales.

Australian wool prices dropped 8,9% at auctions this week, retracing after last week's 21,3% surge, AP-DJ

reports.

The price volatility has led some observers to cite foul play, accusing market participants of price manipulation.

The wool market indicator, a weighted average of wool types, fell A\$0,48 to A\$4,93/kg of clean wool from last week's price.

The indicator is now 17% below its level at the start of the selling season on July 1, and well down from a year ago when it was supported at more than A\$7/kg by a reserve-price system.

Australian Wool Corporation (AWC) chairman Mac Drysdale said in a statement there was no concrete evidence that market manipulation was causing the current volatility.

Drysdale said he "wouldn't be surprised if there was some small degree of collusion between buyers, but that was an imperfection in any auction market whether it be for property, cars or wool.

"However, there was no evidence of manipulation on the scale that would be necessary to cause the current level of volatility in the market."

Bezuidenhout said prices surged 19,5% in Port Elizabeth in the previous week, following demand from Japanese and European buyers, but the market indicator fell 8,3% to R11,26/kg at last week's auction.

About 87% of the 17 107 bales on offer were sold, the board said.

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# Gubings praises wool price move

PAUL ASH

THE Australian Wool Corporation's (AWC's) suspension of its reserve price scheme was a positive development for the industry, wool processing group Gubb and Inggs (Gubings) directors said recently in the group's annual report.

The suspension in February meant that wool and mohair prices would be governed by free market forces, they said.

A "chronic imbalance" between supply and demand, hampered by the AWC's reserve price scheme, had created huge wool stockpiles.

The absence from the market of China and the Soviet Union, which normally accounted for 20% of Australia's raw wool, coupled with a 60% increase in Australian production, boosted the Australian stockpile to 4.8-million bales, forcing the AWC to abandon its floor price scheme.

For the group, an improved and highly competitive market had been experienced from January to the financial year-end in June, with the group trimming profit margins.

Depressed wool and mohair markets at the beginning of the financial year caused the group to substantially reduce stock holdings, reflected in a 30% drop in interest charges.

Group turnover was R261,9m (R272,3m) with operating income before interest at R12,3m (R14,1m).

Interest paid dropped to R7,1m (R10,6m).

Income attributable to ordinary shareholders rose to R3,55m (R1,78m) and earnings a share climbed to 174,5c (88,6c). Dividend was unchanged at 40c.

The wool and mohair industries were trying to emerge from the difficul-

ties affecting the group's results for the past two years, directors said.

A fashion swing away from mohair followed the demise of the handknitting industry. But increased demand at the end of 1990 for adult mohair at low prices indicated that fashion trends might favour the fibre next year.

18/11/91  
Gubb & Inggs

③ wool + mohair

# Upbeat week for wool trade

517 cm  
25/11/91  
WILLIAM GILFILLAN <sup>3 wool</sup> +mchar

LOCAL wool prices this week rose by 1.2% on the previous week, taking the Wool Board's weekly indicator to 1311c/kg. Against this the Australian wool market, which weakened by 1.1%, closed with its market indicator down on Wednesday at A\$5.53/kg.

This meant SA wool was traded this week at prices 8% higher than those on the Australian market.

A total of 92% of 15 800 bales of merino and other wool changed hands this week on the local market.

The Board said improved interest in Europe's knitwear market resulted in the coarser 25 micron wool being traded at a slightly higher price than 24 micron wool.

## EXECUTIVE SUIT

ISNT THIS THE MORNING  
OUR NEW AD CAMPAIGN  
IS SUPPOSED TO START?



LINDSAY WELLS © 1991 United Feature Syndicate

Star 2111191  
**Trade with Soviets?**

There are clear indications that the Soviets may once again become an important buyer of South African wool after a lapse of about 40 years. A two-person Soviet business delegation, which has completed an intensive investigation of the South African wool industry, has returned to Moscow full of enthusiasm about the quality of the local clip and the desirability of renewing the former wool trading relations. The USSR is the biggest consumer of wool in the world. (3) wool market

## Rise in wool prices and sales

812 11/11/91 PAUL ASH (3) wool + Mohan

WOOL sales picked up again at last week's auction in Port Elizabeth with 95% of the 17 353 bales on offer being sold, the SA Wool Board said on Friday.

The local weekly market indicator gained 6,9% to R12,04/kg while the Australian market indicator was fixed at Aus529c/kg, 10% up on last week.

Prices for most types rose as stronger wool dominated the market. Only 20-micron and finer wool grades experienced lower prices.

The market was still very fickle following the buying frenzy on world wool markets two weeks ago and it was very difficult to make any forecasts, the Board's Ona Viljoen said. "General feeling is that the market will now pick up slowly before stabilising at a higher level."

FM 29/11/91

COMPANIES

③ Wool & Mohair

**Activities:** Wool and mohair merchandising, processing and topmaking.

**Control:** Merwool (Pty) 50,4%.

**Chairman:** R R Stucken.

**Capital structure:** 2m ords; 501 600 cum red prefs. Market capitalisation: R15,2m.

**Share market:** Price: 750c. Yields: 5,3% on dividend; 23,3% on earnings; p:e ratio, 4,3; cover, 4,4. 12-month high, 800c; low, 750c.

Trading volume last quarter, 2 050 shares.

Year to June 30	'88	'89	'90	'91
ST debt (Rm) .....	102	105	47	55
LT debt (Rm) .....	1,9	1,4	1,5	1,1
Debt:equity ratio .....	3,09	2,60	1,31	1,51
Shareholders' interest .....	0,20	0,23	0,32	0,30
Int & leasing cover ..	2,25	1,49	1,34	1,74
Return on cap (%) ..	11,3	12,5	9,5	7,4
Turnover (Rm) .....	314	402	272	262
Pre-int profit (Rm) ...	23,0	25,8	14,1	12,3
Pre-int margin (%) ..	7,3	6,4	5,2	4,7
Earnings (c) .....	478	423	89	174
Dividends (c) .....	65	65	40	40
Net worth (c) .....	1 950	2 326	2 339	2 486

floor price policy and a more normal supply-and-demand situation should follow. Gubb & Inggs's directors welcome this in the latest report and note that the first half of the year saw an improved though competitive market, anticipating better prices for both wool and mohair.

Still, pre-interest profit is down to R12,3m (R14,1m), though attributable income made a marked recovery, rising 48% to R3,5m (R1,8m). While this only takes the group back to 1986 levels, after attributable income reached levels of R8,5m-R9,5m in 1987-1989 — partly on the back of favourable exchange rates — it has impacted significantly on earnings.

**Stocks cut**

The reason for the rise in earnings while profits and turnover are under pressure lies in a 30% drop in interest charges, down to R7m from the year-ago R10,5m. Stock was cut back after management lost confidence in markets early in the year. Capital expenditure remains low. Only R59 000 was spent, just over half the amount spent in 1990.

However, the shares are underperforming, trading well below NAV of 2 486c. When the price peaked at 1 650c in 1988, the NAV was then 1 950c and a dividend of 65c was declared. At year-end NAV was up 27% on the 1988 level and 6,3% on last year, but the share price traded during the year between 750c-800c. With only 2 050 shares traded in the last quarter, compared to 11 000 for the same period last year, the market is showing little interest.

Shaun Harris

GUBB & INGGS

**Cold winds**

③ Wool & Mohair

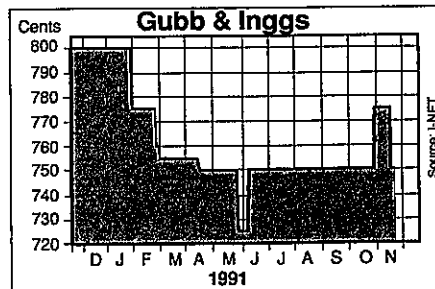
FM 29/11/91

**Though far** from healthy, both the wool and mohair markets seem to be emerging from a particularly depressed period, which saw demand hit rock bottom and stockpiles in both Australia and SA reach chronic levels.

The slightly improved outlook is not yet reflected in Gubb & Inggs's reported turnover, working capital or margins. Results for the 1991 year show turnover down a further 3,7%, to R262m, the lowest since 1985.

It is a far better trend than last year's 32% slump in turnover, which the eastern Cape-based wool and mohair processor put down to a crash in world demand, as the Australian Wool Corp (AWC) cut floor prices 20%, resulting in a stockpile of 4,8m bales in that country.

The AWC has subsequently abandoned its





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## Steady climb in wool price

3 wool prices  
PAUL ASH

STEADY improvement in local wool prices has resulted in the market reaching levels not seen since the Australians suspended their floor price scheme in February, the SA Wool Board said in its weekly review yesterday.

The average price of R11,73/kg realised to date for the current season has passed last season's R11,69/kg average.

The board's market indicator is 34c higher than the R13,50/kg of February 6, the last sale before Australia abandoned its wool scheme. 6/12/91

The market had improved about 31,5% since then, the board said.

More than 96% of the 14 743 bales on offer were sold at this week's auction in Port Elizabeth.

About 19 500 bales will be offered at next week's auction.

This is the last before the Christmas break.

## Plan to boost coffee price

coffee  
PAUL ASH

A PLAN to boost the flagging world coffee price by withholding a percentage of exports was proposed by Columbia during the second day of the International Coffee Organisation (ICO) conference in London yesterday. 6/12/91

"The Columbian plan has tentative support from Brazilian coffee producers, and they are hoping for an agreement by May," I & M Smith director Lionel de Roland-Phillips said.

The meeting ends today.

## Wool exports set for dramatic rise

*B/day* GERALD REILLY *12/12/91*

PRETORIA — The Far East held out prospects for dramatically increasing exports of SA wool, Wool Board chairman Hennie Prinsloo said yesterday. *3 wool market*

In an interview he said one indication was that a delegation of Japanese wool traders would visit SA soon — the first such visit in nine years.

Also it was becoming apparent that prospects for sales in China, Thailand and Malaysia were good.

The board's representative in Tokyo, Ken Osedo, had "remarkable success" in raising the level of Japanese imports of SA wool.

Between January and September this year Japan imported 44 383 bales of SA wool — up 42% on the same period last year.

However, Prinsloo said indications were this year's production would be significantly lower than last year's.

Up to end-November, 25% less wool was received compared with the same 11 months last year, mainly because of drought.

From a low point in October, prices rose by more than 37% by end November to a level of 18% above the average for the previous season.

The price trend together with the smaller offering resulted in higher sales percentages. More than 97% of offerings between August and November — 28,7m/kg was sold.

Sapa reports board public relations head Gerhard Pretorius said interest by the US and the Soviet Union had grown in the past two months.

WOOL & MOHAIR

# Less SA wool exported

SA'S wool exports have dropped by nearly 30-million kilograms since the 1983/84 season to 57-million in the 1988/87 season, but the weak rand caused the value of exports last year to reach a record high of R628m.

Wool Board MD Faan van Wyk said yesterday the drop in export volumes was due to falling herd numbers because of drought and not sanctions. Stockpiles released from the 1982/83 season caused the following season's exports of 85,5-million kilograms.

There were now no stocks left in SA and practically the entire clip had been sold, he said.

The decrease in flock numbers that have led to decreased exports since 1983/84 was due to farmers selling sheep for slaughter because of the high meat prices, he said. Mutton prices increased from 191c/kg in 1980 to 287c/kg in 1984.

Wool production had been declining since the late 1960s when average annual production for the period 1966-70 was 144-million kilograms. For the period 1981-85 annual production was 103-million kilograms, he said.

RICHARD BARTLETT

# Mohair Board posts R23m in back-pay

PORT ELIZABETH — Mohair Board chairman Gielie Grobler announced that back-payment cheques for R23m were posted to mohair producers yesterday.

Grobler said a further R14m would be paid to producers after the stabilising fund had bought unsold stocks that had accumulated since 1986 at the current market value. Producers would be paid relative to their share of the accumulated stock.

Grobler said although the mohair market had not yet recovered fully, prospects were far more promising now than a year ago. — Sapa.

# Wool Board guide book

CHARLOTTE MATHEWS

3 Wool Stars Low

A GUIDE to home industries using natural fibres is being published by the Wool Board in an attempt to promote the sector.

Assistant director, corporate projects, Joy Lewis said: "Besides providing a large number of people with the opportunity to develop their necessary design abilities, the home industries encourage entrepreneurial activity and create much needed jobs."

**ISURE**

## Wool price strengthening

*8 Feb 1951*  
Pretoria Bureau (3 wool)

The average price of wool strengthened for the second consecutive week, the Wool Board announced this week.

The market indicator increased by a percentage point to 1928c/kg. The Wool Board says that, in contrast, the Australian market decreased by 0,1 per cent this week.

Prices for 22 and 24 micron fleece wool rose by 2,5 percent and 1,5 percent respectively while prices for all other categories were mainly unchanged.

Lambs decreased by one percent and locks by 3,5 percent.

Competition was limited and 63 percent of about 10 800 bales of merino and other wool was traded.

# Taxpayers to foot EL's wool handling bill

3 wool  
19/2/87  
20

By GRAHAM LIZAMORE

EAST LONDON — Taxpayers are footing a bill of more than R5 million this year to assist wool farmers to promote their industry and to reduce the cost of handling wool at East London harbour.

According to the Wool Board's annual report, R3 440 000 had been granted by the state to the board for "export promotion" and a further R1 725 000 for "handling costs" at East London harbour.

But the Wool Board's director of wool marketing, Mr J. Z. Moolman, pointed out it had been government policy for

many years to pay an incentive to exporters to stimulate the export of South African goods.

"If taken into account that wool exports last year earned R420 million in foreign currency, a contribution by the government of R3 400 000 is fairly insignificant when compared with what is paid out to other industries," he said.

Mr Moolman said there had been repeated requests at the National Wool Growers' congresses over the past number of years for the government to increase its contribution towards wool exports. This had resulted in the recent appointment of a committee to investigate the matter.

Turning to the state grant for wool handling at East London, Mr Moolman said the amount contributed by government was based on the fact that wool farmers consigning wool to other wool handling centres subsidised handling charges for pre sale and after sale costs in East London. This was the result of the policy that all charges are equalised on a national basis.

He said the infrastructure in East London had an adverse economic ef-

fect on wool handling procedures because the local wool stores had no siding facilities and wool had to be carted by truck from Cambridge, on the outskirts of the city, to the harbour or station.

Container ships did not berth in the port and wool exports had to be consigned to Durban and Cape Town by coaster or to Port Elizabeth by rail. The additional costs were equalised in the shipping tariff, he said.

Mr Moolman said it was important to remember that services rendered on behalf of the wool industry by BKB and the board did not qualify for decentralisation benefits.

However BKB, semi-processors, the board and other organisations created approximately 1 200 job opportunities excluding employment related to the East London harbour and other service organisations in the transport and retail sections.

He said the Decentralisation Board and the government had therefore considered and evaluated the situation and decided to make a contribution towards reducing the handling costs of wool at East London.

## Stickers: printer in court

CAPE TOWN — A Lansdowne printer has pleaded not guilty to publishing stickers bearing a sketch or photograph of the ANC leader, Nelson Mandela.

Mr Allie Parker is also alleged to have printed stickers bearing the words "Release Nelson Mandela".

The case was postponed to February 27. — Sapa

## Gubb & Inggs earnings show a 5% decline

③ wool & Mohair  
CHARLOTTE MATHEWS

GUBB & Inggs posted attributable earnings of R3,4m for the six months ended December — 5% lower than the R3,5m shown for the same period in 1987 — owing to adverse market conditions and bigger interest payments.

The company, which buys, processes and markets wool and mohair, showed a 66% rise in pre-tax income to R12,5m (R7,5m) against a 4,4% fall in earnings a share to 165,9c. No turnover figures were provided.



Nevertheless, the company will pay an interim dividend of 15c a share, identical to last year's.

The results have been hit by a 139% rise in interest payments to R8m (R3,4m) because the higher price of wool demands additional funding and the company is paying for a modernisation and expansion programme.

Other factors dragging down profitability were the loss of income from investments compared with last year's R45 000, and the rise in preference dividend payments to R988 000 (R544 000) after an additional issue in the last financial year. *6/Dec 87/87*

Chairman Rudi Stucken said yesterday the absence of income from investments was the result of a time difference since the December rates had not yet been finalised. These would appear in the current results.

Asked what he expected from the current six months, he said: "Peace and quiet. All things being equal — normal demand for wool, good trading conditions and stable prices — we have the facilities to show improved results for the remainder of the year."



# Wool industry's turnover for season reaches R989m

Business Day Reporter  
 3 Wool Market  
 18 Sep 3, 1989

THE wool industry has had one of its most successful seasons ever with gross turnover reaching R989m for the 1988/89 season.

This was 33.9% higher than the previous season's R739,4m.

In its annual report the Wool Board said strong world-wide interest in wool resulted in exceptionally high prices.

The board resolved at a special meeting in May 1989 to speed up repayment of its special loan.

In terms of that decision repayment was to have taken place in three phases. In June 1989 almost half of the loan, R355m, was repaid. At the end of the financial year the balance outstanding was R193,3m.

At June 30, 1989, the Board's state-

ments showed a net surplus of R38,4m after accounting for all revenue and current expenditure (excluding the loan) as well as capital expenditure.

"Wool production increased by about 6.1% to 93,2 million kilograms during the past year. This was the second consecutive year to show an increase in production and all indications are that this trend will continue."

"In August 1988 the Board set the vooorskot price for clean wool at an average of 1 280c/kg. This was 60% higher than the vooorskot price announced before the opening of the previous season."

Because of lively interest in the mar-

ket during September and October, the Board increased the vooorskot price for Merino wool by an average of 21% and that of other white wool types by 18% at the beginning of November.

However, the strong demand continued until the middle of February, which necessitated another increase in vooorskot levels. In March it was increased by 15% and the average vooorskot price for the entire clip then came to about 1 715c/kg.

In April and May the average market indicator dropped to 1 878c/kg and 1 908c/kg respectively. The season nevertheless closed with the market indicator standing at 2 090c/kg.

The year under review closed with a total of 56 767 bales of pool wool in stock

as against 16 420 bales the previous season. This included 37 184 bales offered but not sold at auction. The rest is mainly unsorted Transkei, course and cloured and Karakul wool that could not be offered before the close of the season.

"The past season was characterised by prices rising to virtually unprecedented levels during the first half of the season, levelling off during October only to start rising again shortly before the Christmas recess, it said. This was followed by a period of see-sawing prices."

It said the past season was also characterised by strong consumer demand for wool products. World wool consumption increased by 1% to about 1 869 000 tons.

# Farmers foot bill for Wool Board blunder

By Udo Rypstra

WOOL farmers expect to produce a record R1-billion clip this season, but are angry that less than 75% of the takings will come their way.

They have to pay a 7,5% levy to compensate for the R130-million foreign exchange loss on a R290-million Eurodollar loan to the Wool Board seven years ago.

The levy, to be paid over five years, is in addition to the board's operating costs, usually between 18% and 19% of the annual takings.

## Interest

The board is a statutory body which is not accountable to producers for its actions. It co-ordinates and promotes wool production and marketing, and exercises total control over the proceeds of sales. The proceeds earn interest before they are

disbursed to farmers.

The board pays farmers a voorskot (advance) and an agterskot (final payment) after deduction of administration costs.

In the 1982-1983 year, the board took a R290-million Euroloan and invested it to protect wool producers against unfavourable interest rates.

But the rand collapsed and board executives found that only R150-million of the loan was covered against foreign-currency fluctuation. Cover on the remainder had lapsed through an oversight by management.

The board estimated that it would have to find R130-million in the next five years to cover potential losses. A real R46-million foreign-currency loss was reported early last year.

The Marketing Board,

which investigated the R45-million loss, found no irregularities in administration of the loans, but blamed inefficient management.

Several members of the board's management resigned — with full benefits — last year. Administration of the loan was handed to two commercial banks.

Demand for wool is soaring and the board increased the voorskot last month by 21%. According to board spokesman Johan Gieselbach,

# Wool Board official is sacked 3 wool

Own Correspondent *Stan Myer*

DURBAN — A Wool Board official who lost R45 million to the board through negligence had been dismissed without a "golden handshake", chairman Mr H F Prinsloo said in Durban yesterday.

He told the Natal and East Griqualand congress of the National Wool-growers' Association that the official would, however, be paid his pension fund contributions plus interest.

Mr Prinsloo said the pension would be paid because if it were withheld under current legislation, a court case could result.

The R45 million loss follows a foreign loan of R290 million negotiated in 1982/83 by the board so that local operating capital could be invested at a higher interest rate. A "shrewd" move was applauded at wool congresses at the time.

It followed advice by the authorities and the Reserve Bank and was shortly before the rand collapsed, resulting in an initial R280 million loss.

Management then decided to take out cover against a further depreciation of the rand, but this was never done by the official concerned and the debt rose by a further R45 million to R515 million.

Mr Prinsloo said the official had an impeccable record up to that time and objected to claims made at the congress that the loan was "speculative".

The issue became highly emotive at the congress with some delegates wanting it paid off immediately, but Mr Prinsloo said the current policy of "covering and rolling" the loan was the best solution.

The wool industry is currently going through a boom period and sales are expected to exceed R1 billion this year for the first time.

WOOL + MOHAIR - 1988

**Not too popular**

Farmers' anger over the huge R280m foreign exchange loss incurred by the Wool Board (WB) on a R290m Eurodollar loan taken up in 1982-1983 has turned into more pervasive dissatisfaction with the board itself.

Wool producers are outraged by the iniquitous wool scheme, which, among other things, now holds them liable for the board's forex loss.

In its report on the WB's failure to take forward cover against a potential forex loss (following the collapse of the rand), the National Marketing Council finds the board handled its forex exposure, in the period between 1982 and July 20 1988, "largely speculatively."

With proper controls clearly lacking and the board's top management failing to keep the rest of its members (and producers) informed of its actions, producers now question their "liability" in terms of the Marketing Act.

The loan was taken out without the knowledge and consent of producers (but with the consent of the Minister of Agriculture) and there is a growing feeling that producers are not liable for the loss.

7/10/88 87

7/10/88 87

"The WB is an autonomous statutory body created in terms of the Marketing Act and is not accountable to producers for its actions in terms of the law. By interpretation, the WB itself (although appointed to act in the interests of producers) should be held liable for its actions," says a prominent producer.

According to board spokesman Johan Gieselbach, the WB's current assets (after payment of all proceeds of wool sales to producers), increased from R548m on June 30 1987 to R638m as at June 30 1988. Apart from these substantial assets ("belonging to producers" and made up of cash on deposit, stock and debtors) the WB also owns fixed property worth millions.

Gieselbach says he does not have details of the value of the latter properties, which include the WB's building in Pretoria.

"I feel that the board should sell its assets and use the proceeds to pay these substantial losses. Farmers were not involved in obtaining the foreign loans, nor in the administration that led to the losses," says prominent wool farmer Blackie de Swardt, chairman of the Springfontein Woolgrowers' and Farmers' Association.

But the board is adamant that farmers will be held liable in terms of its levying powers granted by the Marketing Act — a sentiment confirmed by board member Peter Kingwill, president of the National Wool Growers' Association.

But with wool producers prepared to fight the issue, the Marketing Act and the wool scheme could well be facing its toughest test.

The wool scheme also involves a pooling system that allegedly operates against the interests of SA's major wool producers, who specialise in the production of fine wool.

The return on their investments in fine wool production is watered down by the pooling of the proceeds from their sales with those of the large mass of non-fine wool producers.

Apart from receiving lower prices and "carrying" the thousands of smaller producers, the administration of the costly pool scheme involves the payment of annual levies amounting to 18%-19% of gross proceeds for "marketing and administrative costs." And the WB has now slapped a 7,5% levy on producers to pay for its Eurodollar loan and forex loss.

With the proceeds of wool sales totally controlled by the WB, producers often have to wait months before receiving the balance due to them as *middelskot* and *voorskot* payments. Meanwhile, the WB places these funds on deposit and earns interest on the farmers' proceeds.

"I am against this iniquitous socialist system which is imposed on us. The pool system should be voluntary and farmers should be allowed to opt out and market their wool individually. I take the risks, I invest my

money and I should be entitled to get all the fruits of my labours in terms of the free market system," says prominent Harrismith wool farmer Robby Sharrat.

Sharrat adds that 20% of the farmers shipping their wool through Durban harbour produce about 80% of the clip. And, while, under the "old" system, farmers received their cheques within two weeks of sale, those selling in September now have to wait till January for a *middelskot*, while their *agterskot* is only paid after July.



Cathcart wool farmer David Arnold says the WB, as a non-elected statutory body responsible to the minister, should sort out the loan and loss problems with the minister. "This debacle has put a damper on the wool boom," he says, adding that the Marketing Act gives too many powers to the WB.

Maybe the farmers are right and the WB and the Marketing Act do need some revision. But to suggest that government and, by extension, the taxpayer should pick up their forex loss, is inappropriate, to say the least. Nor is selling WB assets to redeem the debt a solution. It amounts to producers selling short their own assets in order to balance their books.

The hard truth is that the WB is a creature born out of SA's protected agricultural environment. Like it or not, it appears SA's wool farmers are stuck with it — unless they choose to register their protest at the ballot box in next year's general election. ■

3wool B/day 28/7/88

**BLOEMFONTEIN** — The findings of the committee of inquiry into possible alternatives to the wool-marketing scheme made it abundantly clear there were no easy answers that would solve all the problems, National Wool Growers' Association (NWGA) president Peter Kingwell said yesterday.

Speaking at the NWGA's congress, he asked for a measure of tolerance of the fact that, because people differed, their viewpoints would also differ, and for an objectivity that placed long-term wool

## No easy answers, says Kingwell

industry interests above short-term personal desires.

Kingwell said: "From this point we can move forward together in the interests of wool."

The dilemma that faced the NWGA was that some wool producers disliked the present scheme because of the principle of equalisation of prices in each season, while others believed the protection, against catching the seasonal

lows in the market, which equalisation of price gave, was indispensable.

□ The pool system with two pool periods within one wool-marketing season should be considered as first priority, a wool marketing committee of inquiry's report said.

The first pool period would expire after the last sale prior to the Christmas recess. — Sapa.

## 1987/88 a bumper year for fine wools

**BLOEMFONTEIN** — The 1987/88 wool selling season was the best in many years in fine-wool producing countries, International Wool Secretariat MD John McPhee said at the 59th congress of the National Wool Growers' Association of SA yesterday.

Trade demand for apparel wools significantly outstripped production for the fourth consecutive season and in 1987/88 exceeded total availability.

Global wool consumption increased by 2,5% in 1987.

Fine apparel wools such as many of those grown in SA had gained from a fashion trend towards a more elegant and tailored style of dressing in soft-handling fabrics, said McPhee.

The last year had also revealed new interest in fibre blends — for fashion reasons rather than price — and opened up new opportunities for acceptance of wool/synthetic fibre blends. — Sapa

## Production in SA 'not at optimum'

**BLOEMFONTEIN** — The SA economy was already "running out of breath" in spite of the fact that production was still not utilised optimally, SA Wool Board chairman Hennie Prinsloo said in his report to the 59th congress of the National Wool Growers' Association of SA (NWGA) yesterday.

Prinsloo, president of the NWGA from 1981-87, was elected honorary vice-president.

He said reliable figures indicated some of the main economic indicators — wholesale and retail sales, car sales, electricity consumption and factory production — were at lower levels than in the first quarter of 1988.

Economic prospects in the major wool consumer countries appeared to be favourable and moderate economic growth was generally expected.

Prinsloo said the decline in wool production of the past four seasons had been halted. Total fleece wool production increased by 1,6% over the 1986/87 season and stood at 87,5-million kg. Clean wool production increased by 2,8%.

High sheep and lamb prices still had a negative influence on wool production, but wool production should increase by a further 2,5% in the coming season.

At current prices, local manufacturers and merchandisers were reluctant to indulge in forward trading with Woolmark products, which could lead to a decline in the availability of wool products at consumer level. Consequently, the prospects of increasing local consumption were not good, he said. — Sapa.

3wool B/day 28/7/88

SA MEGATI

M. A. ...

# Record wool cheque

Bldg 13/6/88

GERALD REILLY

3 WOOL

THE result of an outstanding marketing season was a wool cheque of R740m — 77% higher than wool farmers earnings of R418m the previous season, Agriculture Deputy Minister Kraai van Niekerk said at the weekend.

He said in Port Elizabeth not only did this mean much for the morale of the agricultural industry, but the foreign exchange earned was important in the light of economic conditions.

Van Niekerk said wool's share of the world fibre market was a mere 5% of which SA's clip was a drop in the ocean.

3wool B/day 28/7/88

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3wool B/day 28/7/88

SA MEGATI

M. A. ...



# Wool Board steps in to prop up prices

244  
3 Wool & Mohair

Wool prices stabilised at this week's sale in Port Elizabeth where the Wool Board stepped in to prop up prices. The market indicator dropped marginally to 2208 points from last week's 2211.

Mr Jan Allen, director of marketing of the Wool Board, confirmed that the board had intervened and said this had been done to a small extent only to steady prices.

Altogether 10 777

bales were offered at this week's sale and 80% were sold. The offering was described as a good mixed selection.

Speculation is that buyers have been building up resistance to the exceptionally high prices of the past few months, but there is little evidence of a collapse of the wool market.

The South African Wool and Mohair Buyers' Association chairman, Mr Antoine Houze,

said in a statement it was expected that even if wool prices were to fall over three successive auctions, the average price would still be higher than the average for the season so far, and higher than the average for the previous season.

He said that prices at current levels were unrealistic and should not be taken for granted.

"In the long term, such excessive prices can only be extremely

harmful down the production line, particularly in Europe where there are already signs that manufacturers may be inclined to substitute wool with other fibres," he said.

Mr Houze, referring to a warning issued when prices dropped last week, said: "Our warnings were certainly not to discourage wool farmers from producing more wool — the low South African production is still our number one concern."

## Woolly jumpers

Wool producers aren't usually so optimistic. Projections are for a 56% jump in gross turnover for the production year ending in May from R417m to R650m. Most of the increase is due to exports.

The main reason for the increase in export prices is unflagging international demand for natural fibres, coupled with the effect of the rand's low conversion rate against the wool basket of currencies.

While Australia dominates world wool production — its national herd is above 160m, against SA's 30m — and is constantly increasing output to meet demand, most believe it is unlikely that world production will exceed demand in the foreseeable future.

"The outlook is very positive and we are trying to get more farmers into wool production. While the excellent late summer rains will show positive spinoffs from 1989 onwards, major logistical factors still preventing sharp increases in wool production at this stage are the shortage in breeding stock and the lack of specialised knowledge of the industry in some parts of the country," says Wool Board (WB) spokesman Johan Gieselbach.

The WB has aimed a campaign at debt-troubled maize farmers which seeks to convince them of the benefits of switching to wool and mutton.

The board's concern with increasing production is understandable, notwithstanding the sharp rise in income. In 1987, wool production dropped by 7,2% (to 86,1m kg, from 92,7m kg in 1986) as a result of the drought. At the same time, many farmers slaughtered more sheep due to high mutton prices.

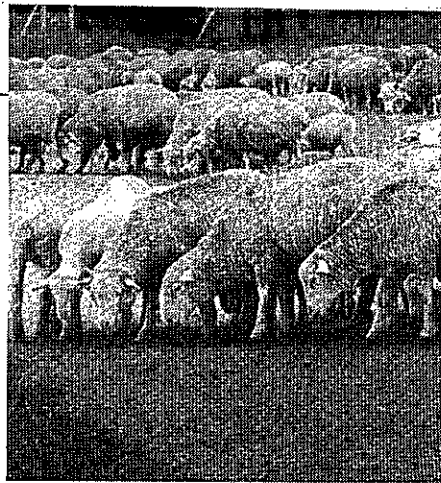
"There is no chance of over-production. It will take time to build up sheep herds, and a switch to wool production in the maize producing areas could substantially add to forex earnings and boost farmers' capacity to survive," says Gieselbach.

Wool and sheep farming would complement maize farming, as surplus yellow maize, which cannot be exported profitably, could be used to grow mutton and wool. By effectively integrating the two methods of farming, roughly 5m sheep could be added to the national herd, claims the WB.

Another advantage is that the 1m ha of cultivated pastures government is trying to promote in the maize areas (*Business March 18*) would be effectively used. Agriculture Minister Greyling Wentzel recently told maize farmers that, should 180 000 ha be converted to grazing, this could carry around 1,1m sheep.

Wool exports are doing so well that the WB, since it first increased *voorskot* prices for the current season by 33,3% last August, has announced a further 25% increase. With 100% of production sold and prices moving up to R35/kg, this year should be an all-time record for the industry.

As a pointer to the sharp jumps in earnings



**Sheep . . . baa-rely enough to go round**

forecast, the WB's report to the annual Agrocon conference in Pretoria on February 16 mentioned possible total earnings for the year of R560m. This has already been revised to R650m. ■

③ wool D/D 12/3/88  
Wool hits record 1 876 cents

PORT ELIZABETH — The Wool Board's market indicator gained a further 50 points at the auction here, to reach a new record level of 1 876 cents a kg.

The wool market has strengthened for ten consecutive auctions as a result of the excellent demand conditions worldwide.

This week's market indicator is 2,7 pct higher compared to the previous week's auction, and 35,5 pct higher compared to the auction of December 2 last year when the market started its upswing.

In Australia wool prices

strengthened by 1,1 pct this week while the value of the rand dropped sharply against the Australian dollar and the wool basket of currencies.

Demand for the relatively limited stocks still remains the most important reason for the high price levels. Prices for fleece wool of 20 and 25 micron rose by up to four pct with 22, 23 and 24 micron fleeces three pct higher.

Prices for fleeces in the 21 micron category remained firm unchanged. Bellies gained approx three pct, while prices for lambs were four pct higher and locks two pct higher com-

pared to last week's auction.

Competition was good and 97 pct of the slightly less than 16 700 bls of merino and other wool was cleared to the trade. In addition 66 pct of the offering of 849 bls of karakul wool was sold.

The highest greasy wool price of R34,05 a kg was paid for two bls of bly wool (18,5 micron, 73 pct clean yield). The wool belonged to Mr S. Knott, Lyndhurst, King William's Town district.

Next week approx 18500 bls of wool will be offered. — Sapa.

D.I.D. 17/3/28  
**Increased**

## **voorskot for wool**

PRETORIA — For the second time this season wool producers are to receive an increased "voorskot" (advance payment).

At a meeting of the Wool Board here yesterday it was decided to increase the voorskot price by 20 per cent to 1185 c/kg from tomorrow.

This means the voorskot will increase by a further R110 million this season. Of this, some R75 million will be paid to producers via interim payment cheques on March 25.

The chairman of the Wool Board, Mr Hennie Prinsloo, said after the board's meeting that the increase was possible because of the strong demand for wool worldwide.

In October last year the board increased the voorskot price by 21 per cent to 973 c/kg (clean) after it was fixed at 800 c/kg in August before the season. The latest increase means there has been a price rise of 48,1 per cent since last August in an effort to pay farmers as soon as possible. — Sapa

# MD says wool today's fashion fibre

10/50  
Daily Dispatch  
Reporter (3)

**GRAHAMSTOWN** — Wool has superceded mohair as the fashion fibre of today according to the assistant managing director of a Port Elizabeth based firm, International Mohair Topmakers (IMT), Mr Mark Oddy.

Mr Oddy was the guest speaker at a meeting of the Carlisle Bridge Farmers' Association.

Mohair prices were falling because fashions had changed, he said.

"People no longer want the fluffy, shiny look. Today the flat, matt look is in. Its back to wool, cotton, cashmere and linen."

Mr Oddy said South Africa produced more than 50 per cent of the world's mohair and was the only country with large stocks at present. Adding that Cape mohair was the best in the world.

"The current demand has been fully supplied. The market is flooded with mohair." In Texas, however, between 80 and 90 per cent of the clip had been sold, he said.

On a brighter note, he predicted that production would stabilise, prices would level out and the demand would improve by the end of the year.

During the mohair boom the wool had been selling at more than R20 a kg. Then, with the collapse of the South African currency and the fall of the rand, South African mohair had sold at "very competitive" prices.

But with the political scene stabilising, the economy was recovering and this contributed to lower prices for mohair farmers, Mr Oddy said.

Mohair was currently selling at R11 a kg and the price could drop even further, he warned.

"Now the Mohair Board floor price no longer applies. We are world-market orientated. It is clear the board is intending to sell the surpluses," Mr Oddy said.

CHE TOOKS 27/9/88  
3 Wool

# Wool Board lost R45 m in forex

## Political Staff

THE Wool Board suffered an additional loss of R45 million on its foreign loans because the management of the Wool Board had not carried out the board's decision in respect of exchange cover on loans, the Minister of Agriculture, Mr Greyling Wentzel, said yesterday.

In a statement, the minister said an investigation conducted by the National Marketing Council had, however, found no irregularities as far as the the negotiation or rolling-over of loans was concerned.

In addition, the formation and redemption of forex contracts, and the handling of funds connected to foreign loans, had been conducted correctly, nor had any commission being paid to any persons or institutions in the negoti-

ation of the loans.

Mr Wentzel said that the additional forex losses had resulted from the management's "inefficient control over the formation and redemption of forward exchange contracts".

He said the Wool Board had already taken the necessary steps to ensure that no further additional losses would be incurred on forex loans.

The chairman of the Wool Board, Mr Hennie Prinsloo, acknowledged that the loss was a serious setback but said that no higher levies would be imposed and the Stabilization Fund would not be affected.

Steps already taken included the taking of full cover on the loan, and for the administration of the loan to be handled by two commercial banks.

Mr Prinsloo said the board still had the original amount of R290 million invested and that

the loss of an additional R45 million meant that a further R130 million would have to be provided for over the next five years for the potential exchange rate loss.

The indications were that the loan would be repaid within the next five years as planned.

Mr Prinsloo said disciplinary action had been taken.

The director: Administration and Finance who was responsible for the routine cover of the overseas loan had acted on his own initiative and allowed almost two-thirds of the cover on the loan to lapse.

He had already left the service of the Wool Board.

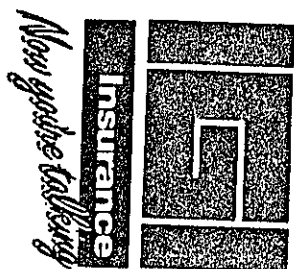
After the discovery of the irregularity, the managing director had accepted full responsibility for the matter and tendered his resignation. This had been accepted.

# Business Day

WEDNESDAY, SEPTEMBER 27 1988

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*3.35000*  
*27/9/88* *8/10/88*

## Wool Board MD resigns because of R45m losses on overseas loans

PRETORIA — Wool Board MD Faan van Wyk has resigned in the wake of the board's loss of an additional R45m on overseas loans. He will remain on, however, until a successor is appointed.

The director, administration and finance, Dick van Zyl has also resigned. The deputy MD offered to resign but the board has decided he should stay on until his retirement.

Agriculture Minister Greyling Wentzel said yesterday the additional loss had come about because management

had not carried out the board's decision on foreign exchange cover.

The minister added that an investigation by the National Marketing Council had found no irregularities as far as the negotiation and rolling-over of loans was concerned.

He said the additional forex losses had resulted from management's "inefficient control over the formation and redemption of forward exchange contracts".

He added the Wool Board had already taken the steps necessary to ensure no further losses would be incurred on forex loans.

Wool Board chairman Hennie Prinsloo, describing the additional loss as a serious setback, gave an assurance that producer levies would not be increased. He said also the stabilisation fund would not be affected.

Prinsloo was reacting to Wentzel's statement.

He said director, administration and finance, Dick van Zyl, who was responsi-

ble for the routine cover of the loan, acted on his own initiative and allowed two-thirds of the cover to lapse without informing the deputy general manager. Van Zyl had left the board's service.

After discovery of the irregularity MD Faan van Wyk accepted full responsibility and immediately tendered his resignation.

This was accepted.

The board arranged for him to stay on, however, until a successor was appointed.

Prinsloo said the Board still had the original amount of R290m invested and the loss of an additional R45m meant a further R130m would have to be provided for over the next five years for the potential exchange rate loss.

GLENN SHELTON reports the controversy over the Wool Board's foreign exchange losses emerged in 1985 when it was found after the crash of the Rand that the board had taken out a loans totalling R290m without taking out cover against foreign exchange losses.

1 0 1

## Fleecing the farmers

The debacle of the Wool Board's (WB) R130m uncovered loss on its R290m Euro-dollar loan (obtained in the 1982/1983 season), has opened angry debate on liability of producers for maladministration by their appointed bureaucrats.

While WB chairman Hennie Prinsloo confirms the Board still has the R290m loan, that "only a small amount" of it has been repaid and that R150m of the loan is adequately covered, the WB must recover the R130m forex loss from producer members over the next five years.

The R130m includes a loss of R45m incurred through the oversight of an official who failed to take out adequate forward cover, as instructed. Subsequently, WB MD Faan van Wyk and his deputy have resigned.

Although WB officials originally kept producers informed of the Euro-dollar loan, farmers were never given any say in the matter.

As they are now to be held liable for the repayment of the uncovered loss of R130m, as well as the R290m loan, through WB levies on their production receipts over the next five years, the question arises whether they are legally accountable for WB maladministration.

Not so, says Roy van der Westhuizen, past executive director of the Organisation of Livestock Producers.

There is also the question of whether WB officials have the legal right to obtain foreign loans without first consulting farmers on whose behalf they act.

"How can the farmers be held legally liable in both these instances? The loan was obtained without the legal permission of producers, while the loss is clearly not to their advantage. And, if the WB says it acted within its powers as a statutory body, how can farmers be held jointly and severally liable? The principle of collective responsibility might not apply here," says Van der Westhuizen.

He says this could become a test case on the limits of powers exercised by control

boards in terms of the Marketing Act.

Wool producers are already beginning to mobilise opinion against the WB. The chairman of the Springfontein Woolgrowers' and Farmers' Association (SWFA) says its members are not prepared to be held responsible for additional losses on the loan "since weak controls were responsible for the latest losses."

He asks: "What are the views of other wool farmers on the losses and the negligence? Do we just accept it, or do we speak up?"

Clearly, other control boards will also have to take note of the growing dissatisfaction with poor management. Could the furore lead to long overdue changes in the Marketing Act? Perhaps it's too much to hope for.

RM (3) Wool 3/9/83



3 WOOL

B/day

BUSINESS DAY, Wednesday, September 28, 1988

3

## No golden handshakes for Wool Board two

MANDY JEAN WOODS

THE two Wool Board directors who resigned over multi-million rand forex losses will not be penalised on their retirement benefits, nor will they receive a golden handshake, Wool Board personnel services head Johan Gieselbach said yesterday.

"In fact, they will get whatever is due to them at the time of their resignations," he said.

Wool Board former MD Faan van Wyk, who has been employed by the Wool Board for 20 years, had already retired but was working out a three year contract set to end in August next year. He has been asked to stay on until a new MD is appointed, Gieselbach said.

"Naturally he will receive whatever compensation is due to him for his period of service," he said.

Former finance and administration director Dick van Zyl, who resigned in July this year, received normal compensation due to him at the time of his resignation. Gieselbach said the position of Wool Board MD would be advertised "very soon".

# Wool Board steps in to prop up prices

D.P. 6/5758

3 (A) Wool & Mohair  
~~2577~~

Wool prices stabilised at this week's sale in Port Elizabeth where the Wool Board stepped in to prop up prices. The market indicator dropped marginally to 2 208 points from last week's 2 211.

Mr Jan Allen, director of marketing of the Wool Board, confirmed that the board had intervened and said this had been done to a small extent only to steady prices.

Altogether 10 777

bales were offered at this week's sale and 80% were sold. The offering was described as a good mixed selection.

Speculation is that buyers have been building up resistance to the exceptionally high prices of the past few months, but there is little evidence of a collapse of the wool market.

The South African Wool and Mohair Buyers' Association chairman, Mr Antoine Houze,

said in a statement it was expected that even if wool prices were to fall over three successive auctions, the average price would still be higher than the average for the season so far, and higher than the average for the previous season.

He said that prices at current levels were unrealistic and should not be taken for granted.

"In the long term, such excessive prices can only be extremely

harmful down the production line, particularly in Europe where there are already signs that manufacturers may be inclined to substitute wool with other fibres," he said.

Mr Houze, referring to a warning issued when prices dropped last week, said: "Our warnings were certainly not to discourage wool farmers from producing more wool — the low South African production is still our number one concern."

D.O 615788

# Wool prices down by 0,5%

PORT ELIZABETH  
Compared to the previous week's wool sale, the average price at this week's auction here decreased by 0,5 per cent to 2 200 according to the wool board's market indicator.

This was despite a relatively firm Australian market during the past week and a 4% decrease in the value of the rand against the Australian dollar.

Fine wool still fetched premium prices and

③ wool & mohair  
buyers paid up to 3% per cent dearer for 21 micron fleeces compared to the previous auction. Prices for 22 micron fleece wool increased by 2% per cent, while 23 and 24 micron fleeces remained firm unchanged.

Prices for fleece wool in the 25 micron category decreased by 2,5%, while bellies and lambs dropped by 3,5% and 5% respectively.

In Australia the mar-

ket indicator increased by 0,2%.

Competition on the local market was less intense than during the last couple of weeks. In total, 80% of the offering of almost 10 800 bales of merino and other wools was traded. In addition, 84 per cent of the offering of 748 bales of karakul wool was sold.

Approx 9 800 bales of wool will be offered next week. — DDC

1948  
3 wool market

# Wool prices dip slightly

**PORT ELIZABETH** — For the first time since December, wool prices dropped slightly and after this week's sale the Wool Board's market indicator closed at 2211. This is 1,7% down compared to last week. A decline was also experienced on the Australian market where prices dropped by 1,3%.

The biggest price drop was experienced for fleece wool of 22 micron which was sold for 4% less than last week. Prices for 20 and 25 micron declined by up to 1,5% for 24 micron by less than 1%, while those for 21 and 23 micron were up to 2,5% lower. Prices for bellies dropped by 2,5% while locks remained unchanged.

The only price increase was for lambs which sold for 4% more.

Competition was brisk and 94% of the 18 766 bales of merino and other wools offered was traded. The merino offering (12 542) comprised 44% long, 23% medium and 16% short wool as well as 17% locks.

The highest greasy wool price of R32,60/kg was paid for six bales of wool of 18,2 micron and a clean yield of 66%. The wool belonged to Messrs Leon Ontwikkelings, of the farm Uitkyk, in the Somerset East district.

At next week's sale 9 800 bales of merino as well as 750 bales of Karakul wool will be offered.

D.P. 1973/88

# Wool breaks barrier

PORT ELIZABETH — For the first time in history the wool market indicator broke through the 1 900 cents/kg barrier to close at 1 935c/kg at this week's auction here.

This is 3,1 per cent higher compared with the previous sales indicator, and represents an increase of 40 percent since December 2, 1987, when the market started its upswing. This week's indicator is also 27,6 percent higher compared with the first sale of the season when the indicator opened at 1516c/kg.

Prices for fleeces wool of 24 micron showed the biggest increase, followed by 25 micron wool compared with last week. Prices for

20 micron fleeces rose by 1,5 percent and 21 to 23 micron by 3,5 percent. Belles and lambs gained 1 percent, while prices for locks were up to 4 percent higher.

The highest greasy wool price paid at the auction was R30,00/kg for 2 bales of ah wool (17,0 micron, 64 percent clean yield), from Mr W J K van der Walt of the farm Joubertsvlei, Ermelo.

Next week 19 700 bales will be auctioned. — Sapa

D/15 4/3/85

# Mohair<sup>③</sup> course

The Karoo Region will present a four-day Angora goat and mohair course at the Jansenville Experimental Station from March 21 to 24. It is mainly a practical course and will deal with the judging of flock animals and the classing of mohair.

Examinations will be done on both the judging of flock animals (typing and placing) and the classing of mohair. Candidates obtaining 60% will receive a certificate.

Persons who wish to attend this course must make provision for their own accommodation in Jansenville. The course itself is free of charge. Interested persons should apply before March 7 to the Director: Karoo Region, Grooffontein College of Agriculture, Private Bag X529, Middelburg C.P. 5900; telephone: 0483-21113 (ask for Mrs De Kock).

D/D 5/3/88

# New record level for wool price <sup>3 wool</sup>

PORT ELIZABETH — At the latest auction here the wool market reached a new record level when the Wool Board's market indicator closed at 1 826.

This is an increase of 1,2 percent on the previous week's sale. The latest price increase saw the market strengthen for the ninth consecutive auction. Although wool prices in Australia strengthened slightly, the latest increase here can be attributed mainly to the decrease in the value of the rand against the Australian dollar.

However, the main reason for the high world wide price levels remains the good demand for the relatively limited world offering. Prices for merino fleeces in the 22 and 23

micron categories rose by 2,5 and 1,5 per cent respectively, while prices for the most other types remained firm unchanged. Competition was brisk and 93 per cent of the offering of slightly more than 16 300 bales of merino and other wool was traded. The merino selection consisted of 66 per cent long wool, 14 per cent medium, four per cent short wool and 16 per cent locks. The highest greasy wool price achieved at auction was R34,75/kg paid for two bales of ah wool, with a fibre diameter of 17,5 micron and a clean yield of 70 per cent.

Next week approximately 16 600 bales of merino and other wool, and 850 bales of karakul wool will be offered. — Sapa

D/D 26/3/88

## Wool price keeps up the spiral <sup>(3)</sup> wool

**PORT ELIZABETH** — There was no stop to the increase in wool prices and at this week's sale — the last before the Easter recess — the market indicator passed the 2 000 mark to close on 2 048. This is 5,8 per cent up on last week and 94,3 per cent higher than last year.

The sharp rise in prices can be ascribed to the weakening of the rand against the Australian dollar and the increase in Australian wool prices. The fact that both the South African and Australian markets are closing over the Easter recess exerted further upward pressure on wool prices.

The biggest price rise was experienced in fleece wool of 23 to 25 micron which increased by between 7,5 and 10 per cent compared to last week. Prices for fleece wool of 22 micron and bellies were up to 5,5 per cent higher, lambs increased by up

to 4 per cent and locks by 2 per cent.

Competition was excellent and 99 per cent of the 18 910 bales of merino and other wool offered was sold. A total of 883 bales of karakul wool was also offered of which 62 per cent was sold. The highest greasy wool price of R27,80 a kg was paid for eight bales of AH wool of 18,2 micron and a clean yield of 65 per cent. The wool belonged to Mr G B Jacobz of Yweefontein, Estancia, in the Ermelo district.

The following average greasy wool prices were fetched for the most representative types: Class Micron Clean Yield (pct) Price (c/kg) af 19,5 66 2504 am 21,5 66 1556 as 22,5 66 1364 as 23,5 66 1176 bks 22,5 58 1183 cbp 22,0 60 1253 cl 20,0 62 1555

The next auction will be held on April 20 when approx 15 000 bales will be offered. — Sapa





# Advance payments by Wool Board up 64 pc

Daily Dispatch  
Correspondent

PORT ELIZABETH — Advance payments to wool producers by the Wool Board from July 1, 1987, to March 18 this year amounted to R434,5 million for an increase of 64,7 per cent on the R263,8 million paid in the same period last year.

This was shown in the annual report of the chairman of the Wool Board, Mr Hennie Prinsloo, who said this year's amount includes an interim payment of R27 million made on November 20.

Up to March 18 wool delivered to the board declined by 0,5 per cent to 74,8 million kg from 75,2 million last year, while the average greasy advance payment increased by 65,6 per cent to 581,11 cents a kg from 350,92 c a kg in the same period last year.

"The average selling price of the 67,3 million kg of wool sold up to March 18 was 827,27 c a kg. The pool sales totals exceeded the advance payments by some R155 million."

Mr Prinsloo said that, in contrast to the first three months of the season when reasonably large fluctuations were a feature of the market, prices continued to rise after December 1987 and, in January, the market indicator breached the 1 500 level for the first time.

Since then the indicator rose by a further 25,8 per cent to 1 936 at last week's Port Elizabeth sale for an increase of 39,9 per cent since December 2, 1987, for 11 consecutive sales.

He said the rise in wool prices could be attributed to:

- A simultaneous increase in the Australian market of about 28 per cent.
- A decline, in the same period, of 8,5 per cent in the value of the rand against the Australian dollar and an average 8,8 per cent drop against the currencies making up the South African exchange rates basket.

"It is significant that the price rises in Australia took place despite a 4 per cent increase in the value of the Australian dollar against currencies of Western Europe and the United States.

"On the other hand, the Australian dollar depreciated against the yen by 1,5 per cent which probably stimulated the strong Japanese demand for wool, leading, to a large extent, to the exceptional wool price increases."

Mr Prinsloo said the Wool Board would continue to reduce its overseas loan at a rate of R20 million a year. This financial year the government contributed R15,5 million, but from next year the board will have to finance the instalments from its own income.

30006

### WOOL PRICES REACH NEW HIGHS

LAST week's wool auction saw prices firm once again to reach new highs — with the average price increasing by 1,6% compared with the previous week's sales.

The Wool Board's market indicator now stands at 1 804 compared with the 1 776 of the previous week.

"The increase in prices can be attributed mainly to a further weakening of the rand against the Australian dollar and the increase in Australian wool prices," the Wool Board said.

"The biggest price increase occurred in the 24 and 25 micron cate-

#### MICK COLLINS

gories for fleece wool which sold for about 4% higher, while prices for 20 micron fleece wool and finer strengthened by almost 3% compared with last week."

Prices for fleece wool of 21, 22 and 23 micron increased by up to 1,5% and those for bellies and locks by 3% and 2,5%, respectively.

"However, prices for lambs declined by almost 4%. Competition was good and 94% of the 20 302 bales of merino and other wools was cleared to the trade.

D/D 2-7-2/88  
**1,6pc rise gives wool new heights** (3) wool

PORT ELIZABETH — Wool prices reached new heights at this week's auction here when the average price increased by 1,6 per cent compared to last week's sale.

The South African Wool Board's market indicator now stands at 1804 compared to the 1776 of last week. The increase in wool prices is attributed mainly to a further weakening of the rand against the Australian dollar and the increase in Australian wool prices.

The biggest price increase occurred in the 24 and 25 micron categories for fleece wool which sold for about four per cent higher, while prices for 20 micron fleece wool and finer strengthened by almost three per cent compared to last week. Prices for fleece wool of 21, 22 and 23 micron increased by up to 1,5 per cent and those for bel-

lies and locks by three per cent and 2,5 per cent respectively. However, prices for lambs declined by almost four per cent.

Competition was good and 94 per cent of the 2302 bales of merino and other wools were cleared to the trade. A total of 768 bales of karakul wool were offered of which 45 per cent was sold. The merino offering (13809 bales) comprised 64 per cent long, 19 per cent medium and seven per cent short wool as well as 10 per cent locks.

The highest greasy woolprice of R35,46/kg was fetched for a bale of wool (type 50) of 17,4 micron and a clean yield of 68 per cent. The wool belonged to Mr R. D. Sharratt, of the farm Uithoek in the Harri-smith district.

Approx 16300 bales of merino and other wool will be on offer next week. — Sapa

3 wool, 81 days

22/2/88

THE weakening of the rand against the Australian dollar by approximately 2.7% resulted in the average price of wool rising even further at last week's auction in Port Elizabeth.

# Wool prices rising

The market indicator rose by 53 points to close at 1 776 which was 3% up on the previous week, while it was also the highest level ever.

A statement from the Wool Board said: "In Australia, wool prices remained firm, unchanged compared to last week's auctions. The world wide

strong demand for wool is continuing, while the Australian stockpile dropped further to 50 000 bales.

"Compared with the previous auction, prices for 21 and 22 micron fleeces rose by up to 3.5%. Prices for 24 and 25 micron fleeces were up to 2.5% higher, with 23 micron fleeces 6% higher."

Prices for bellies and lambs rose by 1.5% with 20 micron fleeces and locks firm unchanged.

DD.  
Another  
13/2/88  
wool ③  
record  
wool

PORT ELIZABETH — The wool market has had another record week, strengthening by a further 1.5 per cent compared with last week's prices, mainly as a result of the continuous good demand.

However, a decrease in the value of the rand against the Australian dollar contributed to the increase in the average wool price. The market indicator closed at 1 724.

Prices for 22 micron fleeces were 3.5 pct higher than last week, those of 21 and 23 micron fleeces rose by up to 2.5 pct and 24 micron fleeces increased by 1.5 pct. On the other hand, prices for 20 micron fleeces, bellies and locks decreased by 1.5 pct, while 25 micron fleeces closed at 3.5 pct lower.

Competition was good, and 93 pct of the 19 643 bales of merino and other wool was sold. In addition, 40 pct of the 894 bales of karakul wool was traded. The merino wool selection consisted of 64 pct long wool, 16 pct medium, 7 pct short wool and 13 pct locks.

The highest greasy wool price fetched at auction was R34,70 a kg. This was paid for 5 bales of bff wool with a fibre diameter of 19,7 micron.

Next week approximately 22 000 bales of merino and other wool will be offered.  
— Sapa

wool prices  
firm with  
new high in  
indicator <sup>Blaney</sup>

12/18 MICK COLLINS

WOOL prices strengthened at last week's wool sale in Port Elizabeth with the Wool Board's market indicator reaching a record high of 1611.

This meant an increase of 4.5% on the previous week's indicator of 1539 and was 84% higher than the previous season's corresponding auction.

The increase can be attributed mainly to the continuous good demand for wool from the Far East. Prices for 20, 23 and 24 micron fleeces rose by 3.5% compared with last week's auction, while 21 and 22 micron fleeces and locks were 5% higher," a board spokesman said.

"Prices for 25 micron fleeces and bellies shot up by between 7% and 9%, with lambs only 1% higher. Competition was brisk and 99% of the almost 19 400 bales of merino and other wool was sold."

In addition, 41% of the 804 bales of karakul wool was traded. (2000)

WOOL - AGRICULTUR

1987

JAN - NOVEMBER



Prospects  
for wool  
price good

By Frank Jeans

The wool industry is comparatively well off, with no reason for pessimism for the future, says Wool Board chairman Mr P W van Rooyen.

In his statement in the board's annual report, Mr van Rooyen, says, "I am in no way implying that the industry did not have its share of problems.

"However, after a third consecutive record year, this industry is in a strong position relative to others."

Looking at domestic demand, the board expects an improvement in the textile market only taking off later in the 1986-87 season "once economic measures have had adequate time to exert a positive influence on economic growth".

Clothing industry production is now at the same level as in 1977, after dropping by 45 per cent in the past four years.

Mr van Rooyen sees no marketing problems in the season ahead, "and price prospects for wool look good — provided we produce the right types and quality of wool".

The past season saw a 5,5 percent drop to 92,7 million kg in the total wool clip — a decline attributed largely to prolonged drought resulting in deterioration in natural grazing in main sheep farming areas with sheep numbers falling drastically from 26,1 million in 1982 to 21,3 million in May 1986.

Other factors were the high prices obtained by mohair in the past five years. In some areas this led to the expansion of mohair farming at the expense of wool and a considerable increase in mutton and lamb prices.

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Christie's

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# Drought blamed for wool production fall

WOOL production fell 5,5% last year — the result of drought, rising meat prices and increased mohair demand.

Wool-clip earnings, however, rose 6% to R427 as the weakened rand benefited farmers selling at world prices.

Wool Board chairman Pieter van Rooyen says in the board's annual report: "Exchange rate movements once again played a very prominent role — not only in wool prices, but also in the magnitude of the industry's foreign obligations. The sometimes dramatic fluctuations in the foreign value of our currency made heavy demands on the management of the industry."

The annual report for the year to June 30 last year blames the drought for causing natural grazing to deteriorate, with the result that woolled-sheep numbers fell from 26,1-million in 1982 to 21,3-

Industrial Staff

million last year. Rising mohair prices caused some farmers to expand mohair farming at the expense of wool. Increased mutton and lamb prices saw cross-breeding between wool and mutton sheep, and "a large number of merino and other woolled sheep have also been slaughtered".

The report shows that at the end of the financial year, the Wool Board had cash reserves of R208,3m — a R43,8m increase. Main contributors to this improvement were R21,3m from the 5% stabilisation levy, R1,7m profit on the sale of wool stocks, and a R22,9m surplus in the income-and-expenditure account.

The stabilisation fund at the end of the year stood at R127,9m.

# Big maize crop will reap losses

A BIG maize crop will carry with it heavy export losses of up to R450m, agricultural authorities say.

With good rains, a crop of between 11-million and 12-million tons is possible.

If the price is determined on the sliding scale announced last year as a guideline for farmers, an 11-million to 12-million ton crop would realise between R150 and R160 a ton.

However, the final price determination will only be made in April. It is pointed out that an 11-million ton crop

GERALD REILLY

would leave a surplus for export of about 5-million tons.

Based on current world market conditions and the rand/dollar exchange rate, export maize would fetch R163 a ton.

The Maize Board net realisation under these conditions would be about R65 a ton.

The difference between R65 a ton and the local price would be recovered from producer levies.

## AIRLINE MOVEMENTS

Tuesday Air Schedule			Durban to Johannesburg			0700 0935 SA401		
Johannesburg to Cape Town			0700 0800 SA500			0905 1030 SA403		
Dep	Arr	Flight	0850	0950	SA504	1540	1705	SA415
0100	0305	SA395	1000	1100	SA512	1735	2010	SA417
0100	0305	SA397	1155	1255	SA536	1745	2015	SA433
0710	1040	SA301	1600	1700	SA522	East London to Johannesburg		
0730	0935	SA303	1735	1835	SA524	0700	0930	SA400
0930	1240	SA309	2040	2140	SA528	0925	1115	SA481
1145	1350	SA 311	2225	2325	SA594	0955	1115	SA401
1250	1455	SA343	Johannesburg to Port Elizabeth			1050	1450	SA403
1430	1635	SA325	0500	0705	SA481	1635	1755	SA409
1800	2005	SA333	0700	0840	SA401	1725	1955	SA417
1810	2140	SA331	0905	1130	SA403	Johannesburg to New York		
2030	2235	SA335	1215	1520	SA409	1930	0650	SA203
Cape Town to Johannesburg			1540	1805	SA415	Johannesburg to Frankfurt		
0700	1020	SA300	1735	1915	SA417	1800	1100	SA240
0800	0955	SA304	2330	0110	SA495	Johannesburg to London		
1130	1420	SA336	Port Elizabeth to Johannesburg			1845	0700	BA054
1230	1425	SA312	0140	0310	SA496	Now you don't in Gabc DAILY REIU: See Airline Movements for details Air Bots		
1430	1625	SA316	0750	1115	SA481			
1600	1850	SA338	0800	0930	SA400			
1725	2045	SA324	0900	1115	SA401			
1800	1955	SA326	1150	1450	SA403			
1930	2125	SA328	1540	1755	SA409			
2345	0140	SA398	1825	1955	SA415			
Johannesburg to Durban			Johannesburg to George					
0145	0245	SA595	0930	1120	SA309			
0705	0805	SA501	George to Johannesburg					
0800	0900	SA505	1705	1850	SA338			
1010	1110	SA529	Johannesburg to East London					
1300	1400	SA513	0500	0840	SA481			
1530	1630	SA517						
1830	1930	SA521						
2100	2200	SA523						

# 1987 prospects good for wool farmers

CAM + TMB 7/1/87  
3 wool

By AUDREY D'ANGELO  
Financial Editor

WOOL farmers in the Western and South-Western Cape will continue to do well this year and earn valuable foreign exchange, according to Wool Board chairman P W van Rooyen.

World-wide demand for SA wool is still high, and Van Rooyen says in the annual report: "Looking at prospects for the season ahead, no marketing problems are foreseen and price prospects for wool look good — provided we produce the right types and quality."

SA textile and clothing manufacturers complained in the past year that they had to pay high world prices for locally-produced wool.

A spokesman for the board said yesterday: "This is because wool is sold by auction and the weak rand means that foreign buyers, paying in dollars, can afford very high prices by SA standards."

"It is unfortunate that this hits local buyers but that is how a free market works. We cannot very well have two prices — one for local and one for foreign buyers."

He saw no prospect of export demand falling off. Demand for wool was still high and foreign buyers came to this country because the quality was exceptionally good.

Wool production fell by 5% last year, mainly because of the drought.

But higher rand prices meant that the pay-out to wool farmers was R427m — 6% more than the previous season.

In addition, R3,4m interest on agterskot (final) payments was paid to producers.

Discussing prospects on the domestic market this year, Van Rooyen says in the annual report that he expects lack of consumer confidence to keep demand low until towards the end of the 1986/87 season.

He expects the rand to remain weak because of the importance of a surplus on the current account of the balance of payments and the expected outflow of capital which has to be financed from it.

Although this helps exports, the weakness of the rand meant that the board had to spend R19,7m on international promotion in the past year compared with R15,2m the previous year.

# Fears of wool farming collapse

Officials ter cold by main sands of crystals in crystal... Salt and used because ger of being aircraft jet the chem urine thaw faces with flights... Johann South Afr and British flights were off on T after delays minutes. See

DD  
15/1/87  
③ WOOL  
MOHAIR

## No Transkei funeral for ex-PAC man

**Dispatch Reporter**  
EAST LONDON — The family of a former member of the Pan African Congress, Mr Nathaniel Tshutsha Honono, has rejected restrictions placed on his funeral by the Transkei Police and has decided that he will instead be buried in Harare tomorrow.

Mr Honono's body was to have been flown from Harare to Transkei last Thursday.

Restrictions issued by the acting Commissioner of Police, General L.S. Kawe, last week ordered that the funeral be held on a weekday between 10 am and 2 pm, that only an ordained minister of a religious denomination or organisation could officiate, and that no flags, banners, pamphlets or posters could be displayed.

Mr Honono was born in 1907 at Shawbury in the Qumbu district.

He graduated with a BA degree from Fort Hare and taught at a number of schools in the Cape.

A friend of Mr Honono's for the past 40 years, Mr R. S. Canca, an Idutywa attorney who is representing the family in Transkei, said yesterday it was sad that Mr Honono could not have been buried, according to his wish, in his homeland.

"Ironically, the government of Transkei, though professing to be fighting for the establishment of a democratic South Africa, has effectively prevented its own citizens from paying tribute to the deceased," he added.

Mr Honono left Transkei in 1962 and went into self-exile and worked at schools in Tanzania, Swaziland and Zambia before settling in Zimbabwe.

## Dispatch Reporter EAST LONDON — The R428 million wool industry is said to be facing collapse unless the Wool Board changes policies which farmers say are forcing major producers out of business.

At a time when wool clips are fetching record prices farmers are turning away from this important employer and foreign currency earner to mohair and meat production.

Wool producers, deeply resentful of the board's "pool scheme," claim it has made wool farming unprofitable and caused a 27 million kg drop in wool production over the past eight seasons.

This drop has occurred in spite of a 752 per cent increase in the wool price over the past 14 years.

The pool scheme whereby the Wool Board sets the wool but pays out a voorskot, middleskot and agterskot — was introduced in 1972.

Producers have also been angered by a R280 million European loan made by the board which has to be paid back by the end of this year. The loan is now valued at about R580 million and farmers could face a gazetted (May 1986) special levy of up to 10 per cent to repay the loan.

Growing dissatisfaction with the Wool Board, often seen by the government as the stop-piece of the control board system, has resulted in a call by the Steynsburg Farmers' Union for a mass meeting at the end of the month.

Mr Briers Bekker, who sits on the wool committee of the Steynsburg Farmers' Union and is one of the organisers of the meeting, said farmers were "extremely worried" about the drop in wool production. In the Eastern Cape the industry employs some 60 000 people and is worth about R87 million.

Mr Bekker said so many big wool farmers in the Eastern Cape and Free State turning were to mohair and meat that the industry was in danger of collapsing.

"Many farmers who produce more than 400 bales of wool are moving into angoras and dorpers because of the pool system and because they don't want to have to pay for the loan which they did not authorise," he said.

When challenged that farmers had, through their National Wool Growers' Congresses, supported Wool Board policies, Mr Bekker said this was not true.

"They imposed the pool system first and then came back to congress — by then it was too late."

This had also occurred with the R290

million European loan, he said.

"According to the Marketing Act they don't first have to get agreement," Mr Bekker said.

A former head of the Wool Growers Auctions, Mr Archie Heppell, also blamed the pool system for the drop in production.

A Border wool farmer, Mr Bruce Burse, claims that the board took 14.42 per cent of his gross marketing expenses.

He said it had become unprofitable for wool farmers to operate within the pool system which he contended was being against all principles of free enterprise.

He said he knew of at least three big wool farmers who had pulled out of wool production while others had cut down on production.



Sorry wrong number... Mrs Thelma Egling on the line to a caller seeking an escort.

## Dig pen

EAST LONDON about double an escort has run into a situation from prospect expected quarter-year-old

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Mrs Egling overwhelmed masculine explained that phone number similar to agency and night had printed.

"I never reach these agencies brisk said. started ringing this morning, stopped all day.

## Skeleton found at Nahoon Point

**Dispatch Reporter**  
EAST LONDON — A human skeleton has been found in a shallow grave at Nahoon Point.

It was discovered by the East London museum's ornithologist, Mr Carl Vernon.

Mr Vernon said yesterday he had been searching for animal remains on top of the cliffs at Nahoon Point when he found the remains of a human.

"I could not establish whether it was male or female, but there was what was left of a pair of takkies and some remnants of clothes," he added.

Mr Vernon estimated, according to the state of the skeleton and the absence of flesh, that the remains had been in the grave for at least five years.

"It could also have been buried 50 years ago. It is difficult for me to give an accurate answer because I did not examine it too closely," he added.

Mr Vernon informed the police of his find and they removed the skeleton.

A mother of two children, Mrs Brenda Thornley, went missing from her family's holiday home in Stirling 13 months ago and intensive searches of bush in the vicinity of the Nahoon beach and river failed to reveal any traces of her.

No comment could be obtained from police yesterday whether there was any possible link between Mrs Thornley



Mr Carl Vernon points out the shallow grave at Nahoon Point where he found a human skeleton.

## Share spree as gold price rises

**JOHANNESBURG** — The soaring gold price set off another mining buying spree on the Johannesburg Stock Exchange yesterday and even London turned a buyer.

Major market indices hit new highs. The market closed in a buoyant mood as the gold price neared \$420 in after-hour dealing in Europe.

According to analysts the metal, having broken through two barriers in a short time, should now stage a fast advance, if the charts are to be trusted.

Analysts are now looking for an all-gold index of 2 200. The index firmed 64 points to a new high of 2 154 yesterday.

The buying rate for

the rand held steady above 48 US cents as the dollar plunged to its lowest levels in more than six years on European foreign exchange markets.

Since December 1 last year the rand has appreciated by 68 per cent against the dollar. But it has, with the exception of the Japanese yen, made little headway against other major currencies.

Compared with December 1, the rand yesterday could buy an extra \$03.1; an additional half a German pfennig; 1.1 more Swiss centimes; less than a whole British penny and 8 more French centimes.

Against the Japanese yen the rand has appreciated by 6.2 per cent. — DDC.

## Officer loved beating singers

**BELGRADE** — A Yugoslav policeman has been suspended for beating an opera soloist because he enjoyed hitting singers, the official press here said.

Goran Gligoric begged Officer Dragan Jevtic not to beat him as he was a singer. After seriously injuring Gligoric, the officer replied: "I love to beat up singers." — Sapa-RNS

## Rare eye weeps: small stones

**DHAKA** — Small stones are coming out of the left eye of 19-year-old Hasnatara Chanda, doctors at a Bangladesh hospital say.

The left eye of the student "showered as many as 170 pieces of transparent, round-shaped, rice-sized stones daily," a doctor said. It is the third case of Ocular Lithiasis detected in the world. — Sapa-RNS

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Boat people eat bodies to survive

# Wool Board's role defended

Wool  
15/1/87

Dispatch Correspondent

PORT ELIZABETH —

The managing director of the Wool Board, Mr Faan van Wyk, has dismissed a suggestion that the industry is facing virtual collapse unless it changes its policies.

Reacting to a report which highlighted falling wool production at a time of record prices, Mr Van Wyk said: "It is tragic that such statements, which damage the image of a proud industry, could be made without any qualification based on correct information."

On the question of the repayment of a \$252-million Eurodollar loan raised in 1982, Mr Van Wyk said it was incor-

rect to say that the loan had to be repaid before the end of the year. There was no stipulation on the repayment date.

None of the loan had been repaid which, like all foreign debt, was subject to the standstill on the repayment of foreign debt. It was up to the government how this should be rescheduled.

Mr Van Wyk dismissed a claim that farmers faced a 10 per cent levy to repay the debt, saying that only five per cent of the special levy approved last year was for this purpose.

However, there had been no decision to implement the levy during the current season. The matter would be discussed at the March provincial congresses of the National Wool Growers' Association (NWGA).

Confirming that the loan presented a problem, Mr Van Wyk said that at present exchange rates, the board faced a potential loss of R236million. Currently the repayment value of the loan amounted to R526million, but the board still had R290 million in hand.

The loan had been made to finance unsold stocks during 1982, when a world slump resulted in half the production being unsold. At the time, interest rates on foreign loans had been six per cent lower than domestic rates.

Producers bore the full responsibility for repaying the loan, he said, but there was recourse to the government for assistance.

Mr Van Wyk confirmed that the loan had not been ratified by the wool growers' association. "It was a commercial decision and congress unanimously agreed with our decision afterwards. The board could not wait to call a special congress."

Commenting on criticism of the pool system, whereby farmers are paid out a voorskot, mid-

delskot and agterskot based on the average price for the season, Mr Van Wyk said the opposition to the system was from a "minority" calling for more flexibility in marketing.

Numerous resolutions had been submitted to congresses of the NWGA, but these were rejected.

Defending the system, Mr Van Wyk said it had been implemented only after receiving the blessing of the NWGA. It had enabled the board to introduce new marketing techniques.

Referring to the move away from wool production, Mr Van Wyk said this was caused primarily by the severe drought and increased meat prices. The swing to mohair was attributable to rocketing prices and not to dissatisfaction with the pool system, which the Mohair Board first introduced.

Dismissing claims that wool production had dropped by 27 million kg in the past eight seasons, Mr Van Wyk said the cutback compared with 1978 levels amounted to 6,1 million kg.

Prices in the last 14 years had increased 196 per cent and not by 752 per cent as reported. "In real terms and excluding mohair, wool prices in the last eight years have increased more than for meat, dairy and cash crop produce."

Yesterday Mr Peter Kingwill, Cape chairman of the Wool Growers' Association and a member of the Wool Board, said many wool farmers were turning to meat production — because it was more profitable — and that the loan repayment problem was causing growing concern among farmers.

See also pages 8, 9.

# Wool prices hurt by stronger rand

3 wool

16/1/87

**PORT ELIZABETH** — The strengthening rand has hurt the wool price. At the first auction of the new year here, the average price decreased by almost 3 per cent compared to the closing sale in December.

South African wool prices have now been squeezed down by almost 10 per cent against the Australian dollar. The large exchange rate fluctuations since December 10 have in parallel boosted Australian wool

prices by two per cent. Demand at the opening sale after the Christmas recess was firm, and 93 per cent of the more than 23 000 bales of merino and other types were sold, and 86 per cent of the 907 bales of karakul wool.

Prices were generally 3 per cent lower for most types. The drop for 22 micron fleeces and lambs was up to 2 per cent, while 25 micron fleeces were down 3,5 per cent.

The merino selection

was favourable, and consisted of 65 per cent long wool, 16 per cent medium, 6 per cent short and 13 per cent locks. Average prices for greasy wools under headings Type, Micron, Clean Yield (per) and Price

Type	Micron	Clean Yield (per)	Price (c/kg)
AM	21,5	66	657
AS	23,5	66	543
BKS	22,5	58	512
CBP	22,0	60	500
CL	20,0	62	600

Next week a total of 22 600 bales of wool will be offered. — Sapa

# Farmers, board to lock horns soon?

3 wool  
20/14/11/87

Dispatch Reporter

EAST LONDON — Wool farmers are expected to converge on Steynsburg at the end of the month in what is expected to be a major confrontation between farmers and the Wool Board.

The meeting will be held at the Steynsburg City Hall on January 29 and follows reports of increasing dissatisfaction among farmers over the board's pool scheme which they claim is forcing major producers to change from wool to mohair and meat production.

This has resulted in a huge drop in production and fears that the wool industry could collapse.

Farmers are also fearful that they might have to pay for a European loan which the Wool Board made due for payment in October this year.

A 10 per cent special levy gazetted last year, sparked fears among producers that it might be imposed to pay back the loan.

The organiser of the Steynsburg meeting, Mr Briers Bekker, called on farmers to turn out en masse in a show of strength against both the pool scheme and the foreign loan.

Mr Bekker said the general manager of the Wool Board, Mr Faan van Wyk, had agreed to sit on a panel and would answer questions put to him by farmers. Also on the panel would be the chairman of the National Wool Growers' Association, Mr Peter Kingwill, and a Mr Van Ginkel-Venter, representing the wool trade.

There would be an open agenda so farmers could ask as many questions as they liked, he said.

A mini-Merino competition is to be held directly after the meeting.

# Major wool <sup>(3) wool.</sup> men outvoted?

## Dispatch Reporter

EAST LONDON — The drop in South African wool production should be seen against a backdrop of rising discontent among major wool producers who claim they are outvoted by small producers.

According to the farmers' publication, Karoo Agriculture, about 29 per cent of wool farmers produce more than 80 per cent of the total wool clip.

The Wool Board recently referred to the increasing discontent as emanating from "a minority calling for more flexibility in marketing".

However, it appears this "minority" is producing the bulk of South Africa's wool.

It is also these large producers who are moving away from wool and into mutton farming because they feel they are being dictated to by farmers who run sheep as a sideline.

According to figures quoted in Karoo Agriculture, there are about 20 000 small farmers producing an average of 1 000 kgs and about 10 000 large farmers producing about 8 000 kgs of wool annually.

A member of the Steynsburg wool committee, Mr Briers Bekker, said it

was this imbalance that was causing farmers to lose confidence in the industry.

He said the pool system was accepted by the 20 000 farmers who run wool sheep as a sideline because their financial return from wool was small.

However, he pointed out that these farmers had the same vote at congresses, as those who specialised in wool sheep, often on a massive scale.

This means that a fruit, crop or meat farmer who runs a few head of sheep in the North Western Cape has the same voting powers as a farmer who runs sheep on thousands of hectares where no crops can grow.

Wool farmers claim the pool system has destroyed the profitability of their industry, forcing them to look at alternatives like mutton — which has been fetching high prices for a long time. The marketing costs of mutton were also lower, Mr Briers said.

Major wool producers wanted their money — minus a levy for the stabilisation fund — paid out to them immediately it was sold and not after several months which forced them to seek credit from banks to survive.

## Interest in meeting

EAST LONDON — The announcement of a meeting between farmers and the head of the Wool Board at the end of the month has created considerable interest among wool growers from all over South Africa.

One of the organisers and a Steynsburg wool committee member, Mr Briers Bekker, said yesterday he had received calls of support from farmers in all wool producing areas.

"Although many won't be able to attend because of the distances involved, it seems we can expect a lot of farmers."

Mr Bekker said the meeting would be vital to those farmers who wanted to discuss their resentment of the pool scheme with the head of the Wool Board, Mr Fanie van Wyk.

He stressed it would not be the number of farmers that turned up at the meeting but the quantity of wool they represented that was important.

The meeting starts at 9 am at the Steynsburg Town Hall on January 29. — DDR



(2 WOOD) DA 24/1/87

# Wool policy change backed

## Dispatch Reporter

KEI ROAD — Demands for a new, more flexible policy for wool producers will be read at the planned mass meeting at Steynsburg at the end of the month.

Wool farmers met at Kei Road to discuss a new dispensation for wool farmers. The scheme was mooted by a member of the Kei Road

Farmers' Association (KRFA), Mr Bruce Bursey, who believes it will stop the drift of big wool producers away from wool farming.

The plan calls for the adoption of the traditional public auction system for wools that have been objectively measured.

The pool scheme would be retained but it

would remain the producers' choice whether to support the pool scheme or the public auction system, which Mr Bursey said suited the larger specialist wool farmers.

Mr Bursey warned that unless production increased, South Africa's importance as a wool producing country would fall.

# 500 wool farmers expected at mass meeting

Dispatch Reporter

QUEENSTOWN —  
About 500 wool farmers are expected at a mass meeting in Steynsburg today.

The opening address at the meeting, organised by the Steynsburg Farmers' Union, will be given by the managing director of the Wool Board, Mr S. P. van Wyk, from Pretoria.

Many farmers are angry with the Wool Board and the "pool scheme" which they allege could drive the wool industry to a collapse, having already caused a 27-million kilogram drop in production over the past eight seasons.

The pool scheme, whereby the board sells the wool but pays out a voorskot, middelskot and agterskot, was introduced in 1972.

Wool producers are also concerned about the repayment of a R290-million loan from Europe, which because of the current value of the rand amounts to about R580 million. They fear a levy of 10 per cent will be imposed on farmers to repay the loan.

Mr Van Wyk's address will be followed by a panel discussion.

A 90-minute question-and-answer session is due to follow this.

# 300 reject Wool Board's system

DD  
20/1/87  
3 wool

## Dispatch Reporter

**EAST LONDON** — A motion rejecting the Wool Board's pool system was passed yesterday at a meeting arranged by the Steynsburg Farmers' Union wool committee, attended by about 300 farmers from 31 wool producing districts.

The meeting in the Steynsburg town hall, which attracted farmers from as far away as Frankfurt in the Free State and Kei Road, also appointed eight farmers to meet the Minister of Agriculture to request his intervention in the repayment of a R580 million wool loan.

The farmers expressed dissatisfaction with the pool system and the repayment of the loan from Europe, which has escalated from R290 million to R580 million because of the drop in value of the rand.

In a statement, the chairman of the Steynsburg wool committee, Mr Deon Lategan, said that after much discussion and questioning (with a panel comprising members of the Wool Board and a retired wool marketing man) a

clear motion against the existing pool system for the marketing of wool was accepted with only six votes against and four abstentions.

"The wool committee of Steynsburg requests other producers of wool to support them at the coming National Wool Growers' Association congress," he said.

"The meeting appointed eight farmers to meet the Minister of Agriculture to request his intervention in the repayment of the wool loan." The minister can postpone the repayment.

A member of the panel at yesterday's meeting, Mr Van Ginkel Venter, a retired wool marketer, said that steps had to be taken to promote wool growing in South Africa.

He suggested that farmers should receive a full, single settlement after the wool sales instead of the existing voorskot, middelskot and agterskot payment system.

"Markets and services which overlap should be de-regulated and removed, and these areas should be privatised."

Mr Venter said that state and semi-state institutions should be replaced immediately and the international wool price should be stabilised. South Africa should look for co-operation with other wool producing countries.

The opening address at the meeting was given by the managing director of the Wool Board, Mr S. P. van Wyk, from Pretoria, who said that the main emphasis of the board was to promote an increase in the production of wool.

He warned wool farmers against pulling out of the wool trade, even though the price of meat was so healthy, because the long term prospects of wool were better than any other farming market.

Most other agricultural products had to compete with a worldwide glut.

## Traffic bid advertised

**EAST LONDON** — The municipality has advertised for objections to a decision to close the counter at the traffic de-

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6/2/57 B Day  
③ Wool Market

## Average price of wool steady

WOOL'S average price remained unchanged at this week's auction in Port Elizabeth.

The Wool Board's market indicator closed at 876 points and, despite the unchanged local price, a depreciation in the rand caused prices to decrease by 1% in foreign terms.

Sharp exchange-rate fluctuations between the Australian dollar and the rand of 3% to 4% during the past

three weeks had a depressing influence on the market.

This led to an easing in demand and only 91% of the 23 000 bales was cleared compared with 97,5% the previous week.

After this week's sale the average greasy wool price for pool wool was R4,74/kg.

About 23 600 bales will be offered next week. — Sapa.

# Taxpayers to foot EL's wool handling bill

3 wool  
19/2/87

By GRAHAM LIZAMORE

EAST LONDON — Taxpayers are footing a bill of more than R5 million this year to assist wool farmers to promote their industry and to reduce the cost of handling wool at East London harbour.

According to the Wool Board's annual report, R3 440 000 had been granted by the state to the board for "export promotion" and a further R1 725 000 for "handling costs" at East London harbour.

But the Wool Board's director of wool marketing, Mr J. Z. Moolman, pointed out it had been government policy for

many years to pay an incentive to exporters to stimulate the export of South African goods.

"If taken into account that wool exports last year earned R420 million in foreign currency, a contribution by the government of R3 400 000 is fairly insignificant when compared with what is paid out to other industries," he said.

Mr Moolman said there had been repeated requests at the National Wool Growers' congresses over the past number of years for the government to increase its contribution towards wool exports. This had resulted in the recent appointment of a committee to investigate the matter.

Turning to the state grant for wool handling at East London, Mr Moolman said the amount contributed by government was based on the fact that wool farmers consigning wool to other wool handling centres subsidised handling charges for pre sale and after sale costs in East London. This was the result of the policy that all charges are equalised on a national basis.

He said the infrastructure in East London had an adverse economic ef-

fect on wool handling procedures because the local wool stores had no siding facilities and wool had to be carted by truck from Cambridge, on the outskirts of the city, to the harbour or station.

Container ships did not berth in the port and wool exports had to be consigned to Durban and Cape Town by coaster or to Port Elizabeth by rail. The additional costs were equalised in the shipping tariff, he said.

Mr Moolman said it was important to remember that services rendered on behalf of the wool industry by BKB and the board did not qualify for decentralisation benefits.

However BKB, semi-processors, the board and other organisations created approximately 1 200 job opportunities excluding employment related to the East London harbour and other service organisations in the transport and retail sections.

He said the Decentralisation Board and the government had therefore considered and evaluated the situation and decided to make a contribution towards reducing the handling costs of wool at East London.

## Stickers: printer in court

CAPE TOWN — A Lansdowne printer has pleaded not guilty to publishing stickers bearing a sketch or photograph of the ANC leader, Nelson Mandela.

Mr Allie Parker is also alleged to have printed stickers bearing the words "Release Nelson Mandela".

The case was postponed to February 27. — Sapa

# Wool up again

27/2/87

PORT ELIZABETH — Good news for the country's wool producers is that the price of wool rose by more than five per cent during the past month, the Wool Board said yesterday.

At the first auction of the month the market indicator stood at 876 cent per kg and it closed at 923 on this week's sale. This price increase occurred in spite of a stable exchange rate market, which means that wool import countries have now started to pay more for wool.

The sales percentage remained high and 95 per cent of this month's offerings was sold. At yesterday's auction 99 per cent of the total offering of 18 700 bales was traded amidst excellent competition.

The following average greasy wool prices were obtained for the most representative types of wool:

type	micron	clean yield (pct)	price (c/kg)
af	19,5	66	770
am	21,5	66	682
as	23,5	68	582
22,5 w	58	64	617
60	537		
cl	20,0	62	611

Next week approx 18,600 bales will be offered. Sapa

3  
Wool Mohair

# Kiwis make sure of their SA goats

NORMAN SHEPHERD

THE future of the SA mohair industry is being endangered by a group smuggling angora goats and breeding material out of the country.

One group is using every means available — including artificial insemination, and splitting, freezing, multiplying, exporting and transplanting embryos — to set up a similar quality mohair source in New Zealand.

The group aims to control the price of quality mohair and ensure supplies to the world's top fashion houses in case sanctions cut off SA supplies.

The embryo transplant process is a way of overcoming the costly and lengthy quarantine periods required by New Zealand disease control laws.

Australian Barry John Murchie said he came to SA last year to scout for suitable goats for export.

He said he had shelved his plans after criticism from the Angora Goat Stud Breeders' Society of SA.

But he said the controller of the scheme, Dennis Walter Tindall, took the plans further, using Zimbabwean

Roy Ashburner and his SA son-in-law, Richard Rogers, who has power of attorney in SA for Tindall.

While they were still on friendly terms, Tindall, of Tindall Investments, sent Murchie a telex saying it was "evident embryos could not be resold and the need to float a public company was necessary to cover the \$5m costs."

The telex also mentioned protocol requirements regarding embryo re-

ports and Zimbabwe trade clearance. In a later letter (dated November last year) freezing chambers, recipients and a merger with food group Martech Holdings are mentioned.

Murchie said Australians and New Zealanders were vying to replace SA in the supply of quality mohair because SA goats' hair contained about 1% of kemp or waste whereas these two countries' goats contained about 20% and it was difficult to breed out.

3 WOVEN

WEEKEND POST, APRIL 18, 1987

Bunnies' fur spells warmth for frozen lassies

# Rabbit wool new sideline for mohair farmers

By JENNY CULLUM

FLUFFY white rabbits could become a farming sideline providing export revenue for the Eastern Cape if a plan by an Adelaide farmer and his wife works out.

Angora goat farmers Mr and Mrs Mark White, of the farm Lemoenkraal, have added Angora rabbits to their farming enterprise and have already achieved their first success on the export market. Now they are launching a campaign to get more farming families interested in the bunny business.

## They're turning out profits from Angoras — and not just goats

Mr White has 800 rabbits on his farm and his first experimental export wool shipment of 200 kilograms was sold recently at R70 a kilogram. He hopes that if other farmers grow and market the rabbit wool, group shipments of a ton and more can be sent to markets in Europe.

Angora rabbit wool, prized for its softness and warmth, is used either pure or blended with natural or synthetic fibres. It is used mainly for medical and thermal underwear and for fashionwear such as sweaters, gloves and scarves.

After starting with 10 rabbits as a sideline for his wife, Anne, four years ago, Mr White became interested in their possibilities and built a shed with room for 2 000.

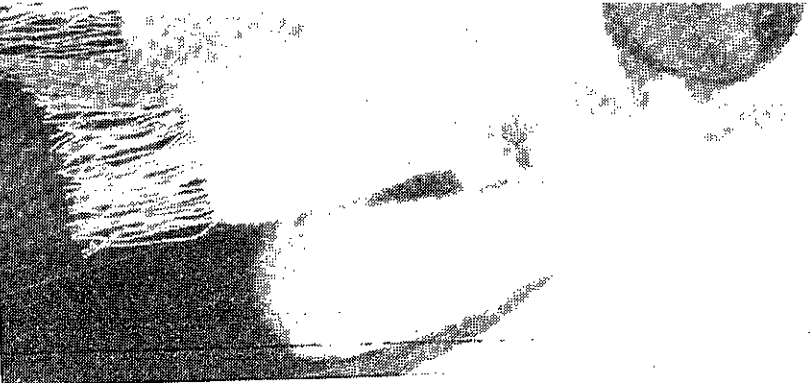
The rabbits are shorn four times a year with clippers similar to a barber's, and produce from 1 000 to 1 200 kilograms of wool a year. Their reproduction is rapid — they can produce 25 offspring a year and have a lifespan of about five years.

"The Karoo is ideal for Angora rabbits, which produce a first-grade wool at a rapid rate. "We have had no problems with diseases or feeding and I am very hopeful that this can develop," said Mr White.

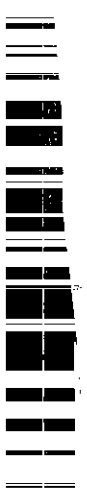
"It is a fibre in competition on world markets with wool, mohair and nylon and although the price and demand may fluctuate, in the long term it is likely to prosper. It has been around for 100 years."

Mr and Mrs White have already visited Germany on a research trip sponsored by the Department of Trade and Industries. "We visited farms and manufacturers and came back convinced there was a good chance of a long-term stable market with realistic returns on capital," said Mr White. He estimates that only about five tons of rabbit wool are sent overseas from South Africa and believes that if the quality is good, all wool produced could be absorbed by export markets.

Not the Easter bunny but an Angora rabbit doe and offspring at Mr MARK WHITE'S farm, Lemoenkraal, near Adelaide.



... the soft, white wool is turned into high-fashion in West Germany.





# R10m foreign exchange lost in wool earnings

## Drop attributed to decline in production

By GRAHAM LIZAMORE

**EAST LONDON** — South African wool producers earned almost R417 million in foreign exchange during the past season, but this is nearly R10 million less than the previous marketing season — a drop which the Wool Board blames on a decline in production.

The drop in the wool farmers' earnings comes at a time of excellent demand for South African wool overseas.

A Wool Board spokesman, Mr Gerhard Pretorius, confirmed the decrease yesterday, and said the fall in earnings could be blamed on a drop in production.

He said that since the previous season, wool production had declined by 7,2 per cent, to 86,1 million kg — the smallest clip in 62 years.

He said that although the higher prices for mohair, mutton and lamb, as well as the national grazing strategy, had had an impact on production, there was no doubt that the severe drought since 1983 was the most important factor.

He said the wool industry alone had lost more than R100 million in income as a result of the drought this past season.

Mr Pretorius said that as a result of the prolonged drought and deterioration of grazing in the extensive small stock areas, sheep numbers could still decline unless good rains fell.

However, he pointed out that the introduction of small stock farming in the traditional grain producing areas of the country could result in an increase in sheep numbers.

This, he said, meant that wool production will not vary much from the 86 million kilograms over the next season.

He said as far as wool prices were

concerned, an increase of approximately 10 per cent could be expected if the present economic conditions in the country continue, and if the good demand for wool remained at its present levels.

He said considerably lower world stocks and intensive wool promotion efforts by the International Wool Secretariat could also contribute to a price increase in the future.

The announcement comes after the Auditor-General's report yesterday, in which it was disclosed that the South African Wool Board faced a potential foreign exchange loss of R340 million as long ago as June last year.

In 1982/83 Euro dollar loans to the value of R250 million were negotiated abroad.

A further R40 million was also raised during 1983/84.

However, the fall in the value of the rand meant that by June 1986 there was a potential loss of R337 788 820 million.

The Auditor-General's report, as well as the Wool Board's own admission of reduced production and sales, has led to sharp criticism by leading wool farmers who have attacked the Wool Board's pool system over the past months.

Some 400 farmers warned the Wool Board at a meeting at Steynsburg earlier this year, that the pool scheme was forcing major wool producers out of the wool farming.

This, the farmers said, had led to the decline in wool production.

## Payout from pools increases by R5m

Dispatch Reporter

**EAST LONDON** — Despite a decline in production, the nett payment to producers from the 1986/87 pools will amount to approximately R360,7 million, which is 0,65 per cent more than the R355,5 million paid out during 1985/86, according to a spokesman for the Wool Board.

The spokesman, Mr G. Pretorius, said this increased nett payment could be attributed mainly to an increase of 3,6 per cent in clean wool prices, and a decrease of 17,2 per cent in pool deductions, as a result of a change in the policy as regards the administration of the wool industry's foreign loan.

He said approximately R26 million will probably be paid out to farmers at the end of the month, as a final payment.

Mr Pretorius said that during August last year, the Wool Board determined the voorskot price at 600c/kg (clean).

This was 14 per cent higher than the previous season. During March

1987, the board increased the voorskot to 720c/kg (clean) and middleskot payments to the value of R55 million were made to farmers.

After the first sale of the season, the market indicator opened at 940, but declined continuously until February, mainly as a result of the appreciation of the rand by more than 20 per cent during this period, he said.

The full downward effect of the rand appreciation, however, was countered by the continuous increase in world wool prices.

Since February, the value of the rand remained firm and the surge in demand for wool caused the South African market indicator to reach new record levels.

During April the market indicator recorded a new high of 1 149.

The average market indicator for the season was 921, compared with 919 for the previous season.

As regards wool sales, a total of 99,6 per cent of the offering of 84,8 million kgs of wool was traded, he said.

3 wool  
DD 4/6/87

By JENNY CULLUM

## SOUTH AFRICA'S multi-million-rand mohair industry is being threatened by agents illegally exporting live goats, embryos, semen and even ova to Australia and New Zealand.

This was revealed at the 44th annual congress of the South African Mohair Growers' Association (Samga) in Port Elizabeth yesterday.

South Africa is by far the world's biggest mohair producer and also leads competitors in the quality of the product. The industry has its headquarters in PE.

Mr Peter Cawood, chairman of the Angora Goat Stud Breeding Society and an executive member of Samga, told the conference of the threat to the South African industry of a full-scale "poaching" exercise mounted by Australia and New Zealand to get Angora goat breeding material out of South Africa illegally.

He said the first shipment of breeding stock arrived recently at New Zealand's quarantine headquarters. The stock was exported after being secretly taken out of South Africa to a "staging post" set up by New Zealand in Zimbabwe.

Mr Cawood said it was illegal to export any form of breeding material from South Africa and the animals being taken out had no registration or veterinary clearance.

Stakes were high for clandestine agents because of the great demand for South African breeding material, he said.

Angora goats were being re-sold for high prices in other countries after being taken out by unscrupulous agents.

Because of high mohair prices in the past few years, other countries were entering the market. They were not concerned with the

quality of the product and the industry as a whole.

A sector in New Zealand was conducting a large-scale operation to breed from South African sources. These combines were interested only in "making a quick buck", Mr Cawood said.

New elements in New Zealand and Australia were producing, through cross-breeding, a very low grade of mohair. This "rubbish" was sold at a lower price and was detrimental to the whole industry.

South Africa had no objection to other countries entering the market and producing good quality mohair.

"But the best mohair from Australia is not even near the worst we have."

"New Zealand and Australia are trying to poach our best animals and sell them at a tremendous profit."

"They are doing this for personal and political gain."

Because of the expansion of South Africa's mohair industry, all good breeding stock was needed in the country and it was vitally important to protect the country's own interests.

At the congress, delegates passed a resolution asking the authorities to confiscate the possessions of people directly or indirectly involved in the export of Angora goat breeding material.

● The R200 million annual mohair clip is produced by about 7 000 farmers, 80% of whom are centred in the Eastern Cape and Karoo.

# Foreign threat to SA mohair

6/16/82  
Cawood

W.P.

# Prinsloo warns on wool production

7/8/87 3wool DD

The swing towards Angora goat farming, cross-breeding for the sake of meat production, and the application of the national grazing strategy continued to exert a negative effect on wool production, Mr Hennie Prinsloo, chairman of the South African Wool Board, said in his report to the 58th congress of the National Wool Grower's Association of South Africa in Bloemfontein.

Total production of merino wool, other kemp-free wools and coarse and coloured wool decreased by 6,9 per cent to 83,6 million kg. The karakul clip that had stabilised around the 3 million kg level in the past three seasons, dropped by more than 16 per cent to 2,5 million kg.

Mr Prinsloo said the effect on local wool prices of the hardening of the rand was neutralised by an improvement in international wool

prices. It looked as if this tendency would continue for the remainder of 1987.

Mr Prinsloo said the declining trend in wool production posed a real danger for the marketability of the South African clip in some countries. If the trend continued the possibility existed that some of the traditional buyers may be enticed away to larger markets, such as that of Australia.

The development of the local wool-textile industry is currently one of the Boards' priorities, said Mr Prinsloo.

Not only are would-be entrepreneurs and existing factories assisted with technical and other help to expand their processing units, but special attention is devoted to labour-intensive industries in an effort to establish this industry on a sound basis in South Africa.

Development of this industry holds benefits not only for the consumption of wool; it is also of great importance in creating job opportunities in South Africa.

The Voëlvlei Farmers' and Wool Growers' Association, in the Mossel Bay district, received the Bennie van der Merwe Floating Trophy at the opening of the congress. The trophy is awarded annually to a sub-branch of the NWGA which has best promoted the woolled sheep industry in the past year.

The Voëlvlei sub-branch has 63 members, of whom 92 per cent annually classify their young ewes to improve breeding.

Out of possible 100 points, Voëlvlei received 60,4 in the competition. Second was Caledon with 54,5 and third Bredasdorp, winner in the previous two years, with 51.

**FARMING  
ON  
FRIDAY**  
Edited  
by  
**FRED  
CRONEY**

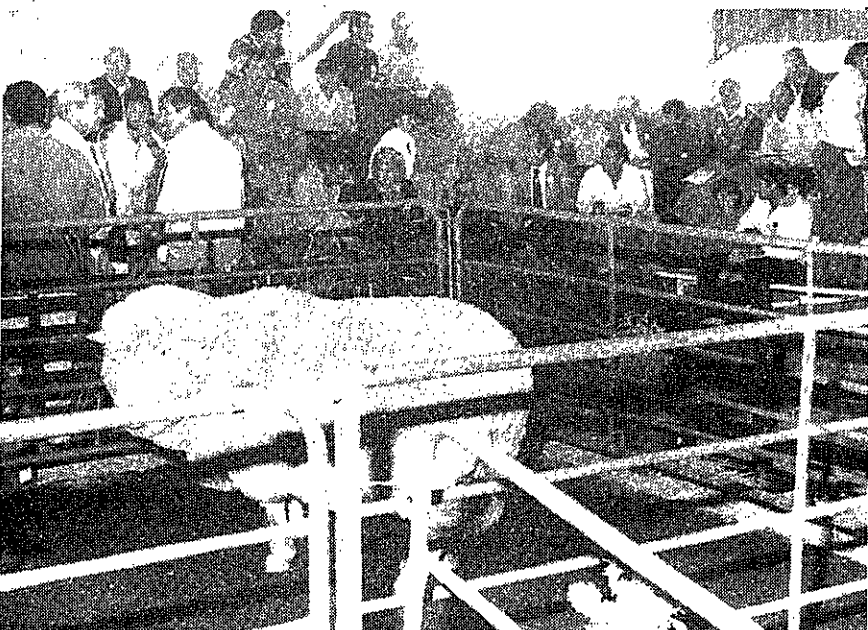
## Market trends

Almost 2,1 million tons of fresh fruit and vegetables to the value of R706 million were sold on the 14 national fresh produce markets last year. The Johannesburg market handled the largest volume, 28% of the total. The biggest other markets were Cape Town (17%), Pretoria (16%) and Durban (11%).

The most important produce sold during 1986 was: (R million) potatoes 197, tomatoes 107, apples 53, onions 44, bananas 38, oranges 30, cabbages 16, peaches 16, grapes 15 and pineapples 13. These represent nearly 75% of the total turnover of all fruit and vegetables sold on the national markets.

The highest average value per ton of vegetables (collectively) was obtained on the Durban market, R311 per ton, against R302, R296 and R293 per ton at East London, Cape Town and Klerksdorp respectively.

In the case of fruit the highest average value per ton (collectively) was realised on the Johannesburg market, R559 per ton, followed by R555 per ton at Durban and R524 per ton at East London.



Buyers surround a pen during the 50th anniversary sale of Dohne Merinos bred by the Dohne Agricultural Centre at Stutterheim.

## Getting together on assistance of debts

Farmers fearing sequestration or any form of legal proceedings for the recovery of debts must apply immediately for financial assistance, said the president of the SA Agricultural Union, Mr Kobus Jooste.

Mr Jooste was addressing a meeting of the national assistance advisory committee in Pretoria where he assured farmers that everything was geared to assist farmers who were in financial trouble with the minimum of delay.

"This is an unprecedented attempt in the history of agriculture where everybody works together to assist the farmer financially.

"Agricultural co-operatives, agricultural

credit committees under the chairmanship of magistrates, the directorate: financial assistance, the Agricultural Credit Board, the Association of Law Societies of the RSA, the Defence Force and the Department of Agriculture and Justice have joined forces to make the scheme operate smoothly," Mr Jooste said.

He urged farmers not to put off applying for aid as certain prescribed legal procedures must be observed before funds are released.

Applications should be filled in on standard forms available at magistrate's offices, he added.

He warned that farm-

ers who were waiting for the first spring rains to decide whether they needed assistance that they might find that their applications were too late for this season.

"The new planting season is around the corner and farmers should immediately after their crop realisation assess their financial position in order to apply for aid if necessary," he said.

## Maize: less for more

The more maize farmers produce, the less it seems they will be paid per ton because of a surplus on world markets. And that's despite a projected "moderate" increase in price facing local consumers next April.

So, the word from Maize Board chairman Hennie de Jager to farmers is simply — produce less maize.

Mr De Jager projected net producer price of maize in the new season decreasing "sharply as producer deliveries increase and larger quantities must then be exported.

"The implication of this for the producer is that marginal land will have to be withdrawn from maize cultivations and that farmers must consider the situation carefully before planting maize on a large scale."

According to the board, the net producer price for a delivery of 6 000 kt of maize is expected to be R260 a ton for white and R255 a ton for yellow maize.

As the quantity increases, the price drops in stages until, for a delivery of 12 000 kt, the farmer will get only R155 a ton for white and R150 for yellow.

He emphasised that these figures were indicators and that the final prices would be set next April.

## Farms sold

Two irrigation farms belonging to Mr du P. Hattning were sold by public auction at Cradock for R520 000. The farm Heatherton is fully scheduled for irrigation for 38 hectares while Josefsdal is scheduled for 61 hectares.

The purchaser was a Mr Holtzhausen from Addo and the sale has still to be confirmed. The farms are situated seven kilometres from town.

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SUPPLEMENT TO DAILY DISPATCH

on 27/8/87

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## WOOL FARMERS GET VOORSKOT INCREASE

THE Wool Board has increased the voorskot (advance payment) wool price for the 1987/88 season to an average 760c/kg.

This means wool growers will receive 40c more than the increased voorskot of last season. Compared to the season's original level, the average increase amounts to almost 160c, or 27%.

Board chairman Hennie Prinsloo said yesterday percentage increases for the almost 1 400 varieties of wool will vary

Business Day Reporter

considerably according to market performance of each over the last three seasons.

The increase for merino fleeces will vary between 8% for over-strong wool to 46% for fine wool, and other white-woolled breeds between 16% and 27%.

The first auction of the new season will be held in Port Elizabeth next Wednesday.

## Fine time for fibres

Wool and cotton farmers are in line for bumper export earnings this year following soaring world prices for their produce.

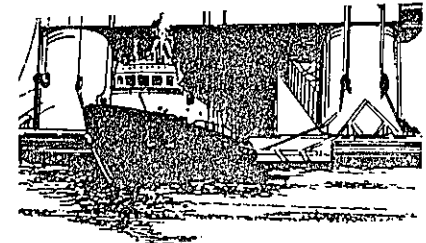
Changing world fashion trends towards finer fibres and cashmeres are pushing fine wool prices ever higher, while a surge in demand could double cotton farmer's gross income over the previous year.

In all likelihood, the only "loser" will be the mohair industry, where the swing towards finer fibres has caused a slump in demand for coarser fibres which make up around 50% of total production. Nevertheless, industry income should at least equal last year's R158m — but well below the R186m earned in 1985.

In contrast, cotton and wool farmers are in the pound seats. However, industry spokesmen caution against too much euphoria — a sharp upward cycle, they point out, is usually followed by equally sharp downward correc-

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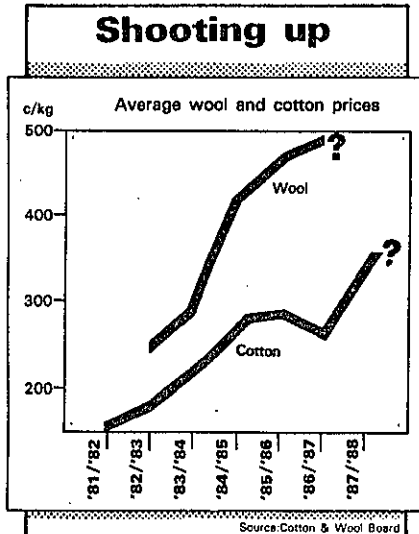
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Peter Cheales SGB (2) 02

tions. Moreover, consumer resistance invariably accompanies strong price surges.

"World cotton prices have surged to their highest levels so far this year. Against last year's average rand equivalent world price of between 205c/kg-210c/kg, prices are now in the region of 415c/kg. While last year farmers grossed R225m from their 234 000 bale crop, this should increase to R400m this year," says Cotton Board manager Johan Gillen.

Earlier forecasts for a 330 000 bale crop have now been downgraded to 300 000 bales — 28% up on last year — notwithstanding a 44% increase in plantings. The February-March heatwave apparently put paid to hopes for a bigger crop.



It might be tempting, but Gillen cautions western Transvaal maize producers against jumping too quickly on to the cotton bandwagon. While world prices look set to stay high for at least the next year, cotton demands constant high temperatures during its 150-day growing cycle. A sudden cold snap could ruin the crop.

Nevertheless, he expects a "huge increase" in plantings which will start on October 15. This could well lead to a 500 000 bale 1988 crop, weather permitting. "The local ginnery industry does not have the capacity to handle more than this tonnage, so a higher crop could also create problems," Gillen notes.

Expanding ginnery capacity is a costly business, and would only be undertaken if there was a constant, assured higher annual crop.

A 500 000 bale crop could force the export of some 80 000 bales, but world demand for cotton is running at around 10m bales in excess of current production levels. Prices, therefore, should remain high. In addition, hand-picked South African cotton is cleaner than most and commands higher prices.

Again Gillen warns: "This is a once-in-a-lifetime situation — until major producers like Russia, the US, Australia and South American countries increase their plantings

next season to meet the higher demand."

Fine wool producers, meanwhile, are looking forward with anticipation to this week's first seasonal sale at Port Elizabeth. If it follows the Australian pattern, where prices firmed from A\$8,29/kg to A\$9,45/kg in the three weeks since their auctions started, local prices will also surge strongly. The Aussie wool surplus has already dropped from 900 000 bales to 300 000.

"World demand for fine wools is excellent. The Japanese are buying strongly while the possibility of a Persian Gulf war also underpins commodity demand," says Wool Board (WB) GM Faan van Wyk.

Based on the world price, the WB has raised average *voorskot* prices for the season by 27% net, with the fine wool *voorskot* jumping by 48%. The world trend towards finer fibres, a shortfall in surplus stock and production and strong buying by futures investors who bought forward during the past season in anticipation of the fashion swing, have combined to push up world prices.

"Following last year's successful season, when we sold 99,6% of the total clip and producers grossed R417m, the current price outlook points to gross earnings of some R500m this year," says Van Wyk.

Meanwhile, the WB's campaign to increase wool production in the maize area is being undermined by high mutton prices. Cash-strapped farmers are jumping on the mutton price bandwagon rather than taking the longer-term view of waiting for wool to accumulate on their sheep.

Mohair producers, on the other hand, have been advised to batten down the hatches until the world's fashion tide turns again. While 70% of the better quality clip was sold, demand for coarser fibre is sharply down. Fortunately, farmers are protected against the buffeting of the market by a very strong stabilisation fund built up from a 5% levy on gross sales during the good years.

With current surplus stocks standing at 3,25m kg, and no significant market changes expected in the coming year, producers will have to "sweat it out."

## MANUFACTURING STATISTICS

### Eating maketh man?

Strange things are happening to the South African ethos this year — if the latest available manufacturing statistics for food, beverage and tobacco products from the central statistical office are anything to go by.

Production to end May of boerewors and biltong is down by 23,5% and 21,9% respectively over 1986, while more Russian sausages were made than in the same period over the past two years. Vodka figures are up, too — which obviously tells you something.

The image of the *ware Suid Afrikaner* as a red meat man has definitely taken a knock. Beef production has declined steadily since 1985 while poultry, at 44 329 t for the five

28/8/87  
FM

# Wool price drops 4,8% at auction in PE

3 wool 49/89  
Stacy

PRICES eased at the second wool auction of the season in Port Elizabeth yesterday.

The average price dropped by 4,8% compared with the first sale, and the market indicator closed at 1442c/kg. A statement from the Wool Board

MICK COLLINS

said this was still 26% higher compared with the last auction of the previous season.

"The decrease can be attributed to

the strengthening of the rand, as well as an adjustment in rand prices in sympathy with the downward trend of prices in Australia during the previous week."

The highest price of 1005c/kg was paid for three bales of hogget wool.

12/9/87  
3 wool

# Wool price down 6pc

PORT ELIZABETH — At the latest wool auction this week, the average price dropped by 6,8 per cent compared to the previous week's sale, the South African Wool Board reported yesterday.

The board's market indicator closed at 3 343 compared to last week's 1 442.

The decrease is regarded as an adjustment after the high price levels at the start of the season. It is now evident

that the high prices during August were caused by forward sales during the June/July period. The relatively limited stocks contributed in the sharp price increase during the opening weeks of the current season in Australia, and South African prices rose accordingly.

Since the previous week's sale the value of the rand decreased against the Australian dollar, which supported rand prices to an extent.

Competition was very good and 95 per cent of the slightly more than 8 700 bales of merino and other wool was cleared. The merino selection consisted of 69 per cent long wool, 17 per cent medium, five per cent short wool and nine per cent locks.

A record greasy wool price of 22,27c/kg was paid for one bale of a piece with a fibre diameter of 17,6 micron. This wool came from the Eis estate in the district of Komga. — Sapa

GUBB & INGGs

## Export growth

**Activities:** Buying, primary processing and marketing of wool and mohair.

**Control:** Merwool holds 50,4% of the equity.

**Chairman:** R R Stucken.

**Capital structure:** 2m ords of 50c. Market capitalisation: R2,3m.

**Share market:** Price: 1150c. Yields: 5,2% on dividend; 40,3% on earnings; PE ratio, 2,5; cover, 7,7. 12-month high, 1650c; low, 635c.

Trading volume last quarter, 2 900 shares.

**Financial:** Year to June 30.

	'84	'85	'86	'87
Debt:				
Short-term (Rm) ..	19,9	74,4	70,6	63,4
Long-term (Rm) ...	2,1	4,3	4,1	2,8
Debt:equity ratio .....	1,3	3,6	3,0	2,4
Shareholders' interest	0,25	0,18	0,22	0,23
Int & leasing cover .	1,3	1,2	1,3	2,7
Debt cover .....	0,11	0,05	0,06	0,21

### Performance:

	'84	'85	'86	'87
Return on cap (%) ..	10,1	10,5	12,6	13,1
Turnover (Rm) .....	122,6	246,6	275,4	270,2
Pre-int profit (Rm) ...	6,6	12,6	12,6	17,4
Pre-int margin (%) ..	5,4	5,1	4,6	6,4
Taxed profit (Rm) ....	1,8	2,1	2,6	9,3
Earnings (c) .....	90,8	122,4	168,5	464,4
Dividends (c) .....	26	30	35	60
Net worth (c) .....	823	1 021	1 181	1 475

**Rising trading profits** and a controlled interest bill took Gubb & Inggs into its fourth year of growth as earnings soared 175% for the year to end-June.

Turnover, subject to the vagaries of fashion, fell marginally to R270m (R275m) as the demand for mohair dropped off, although wool sales remained strong. Pre-interest income rose 36% to R18,6m, with margins rising from 5% to 6,9%.

Reduced borrowings of R66,2m (R74,7m) and lower interest rates saw the interest bill fall by 36% to R6,5m. Gearing has dropped from a peak of 3,6 in 1985, but at 2,4 still looks excessive and could rise once the disproportionate increase in creditors is paid off on overdraft. Creditors have risen 152% to R22m from R8,8m, with stocks increasing 55% and debtors shrinking to R32,7m (R45,3m). Chairman Rudi Stucken says that creditors, primarily the Wool and Mohair boards, will be paid on overdraft.

In keeping with the group's objective of consolidating its position in the processing and marketing of wool and mohair, Gubb & Inggs has embarked on a R16m modernisation and expansion programme to im-

prove efficiencies and to keep pace with overseas standards.

The expenditure should further sweeten its already light tax bill. This programme will be financed through the issue of 1 000 of the unissued cumulative redeemable preference shares to raise R10m. As in the similar 1986 issue, the shares will be taken up by the Industrial Development Corporation. After the 71% increase in dividends, shareholders are unlikely to see the same rate of increase in the current year, as dividend cover has been extended to cover financing of the assets involved.

Stucken says he is confident that the present level of earnings can be maintained as demand for wool remains good. Volume growth will be achieved through lifting the share of the total clip. Although exports account for 85% of group sales, Stucken says sanctions are not unduly worrying, Gubb & Inggs exports to a wide spread of countries and is not heavily exposed to the US market.

A "comfortable" currency hedge is maintained. The rand's weakness against a basket of currencies continues to ensure the international competitiveness of South African wool. Stucken says, however, the plunge of world stock markets has raised concern about consumer spending in textile markets.

The company's biggest strength is its vigorous trading capabilities in export markets. At 1150c, the share yields 5,2% on dividend against the sector average of 4,8%.

Kay Turvey