



Wool & mohair industries in South Africa

A due diligence study on labour practices and sustainability issues



Sheep waiting to be shorn. Photo: Hanne Haslum

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Young lambs. Photo: Hanne Haslum

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Research Advisory panel members included:

Representation from the academic sector, the African Farmers Association of South Africa, Agri-SA, BKB, Cape Wools, Cacadu Development Agency, Eastern Cape Rural Development Agency, Hotelicca Union, Mohair South Africa, Mohair and Wool Cluster, National Wool Growers Association, OVK, South African Mohair Growers Association, South African Mohair Industry Limited and Southern African Clothing and Textile's Workers Union.

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Sheep in the Karoo region. Photo: Hanne Haslum >





Angora goats. Photo: Hanne Haslum



Executive Summary

This 'Due Diligence Study' of the South African Wool and mohair industries supply chains in South Africa was paid for by NORAD and undertaken by Ethical Trade Norway in partnership with its network of member and non-member partners. The Study aim was to identify the risk of labour issues and improve social and environmental conditions in participating companies' supply chains of South African wool and mohair, all the way from farm to processing. Importantly, it also aims to catalyse and effect improvements in the South African wool and mohair industry that benefits both workers and farmers, adding to the work on sustainability that is already being done in and by the sector.

The Study does not purport to be representative of the industries as a whole, rather it is intended to provide an informative 'snapshot' of the industries and some in-depth insights gained from engagement with industry players, farmers and their staff.

The picture emerging from the study indicates that the wool and mohair industry has come a long way in addressing issues relating to fair and ethical, sustainable and humane production. The industries have produced guidelines and started to investigate new technologies to facilitate the transition. The farmers themselves have also started to embrace the changes, though this is not always easy and involves some costs and considerable effort on their part at a time when many of the wool and mohair production areas are grappling with a severe drought and a host of other challenges, not least of which relate to market fluctuations and an uncertain socio-political environment with policy and regulation uncertainty. The key findings of the study are:

South African labour law offers good protection of workers: The legal and regulatory framework relating to labour practices in South Africa is generally in line with both the Ethical Trade Norway Base Code as well as the ILO conventions. In some aspects the South African requirements are more demanding.

Fairly vigorous labour inspection process at commercial farms: The Labour Inspectorate has faced criticism from amongst others the ministry of labour for not fulfilling its duties towards workers. This study, however, had a different experience in its engagement with the Department of Labour inspectors in two centres in the Eastern Cape where staff noted few problems on the farms and expressed confidence in the system. All commercial farmers interviewed during the study and their staff noted that they had been visited by the labour inspector during the last 12 months. This might not be the case in all areas.

Positive employer-employee relationships and compliance with labour law: On the whole the labour relationships on the farms where interviews were conducted appear to be good, certainly much better than what is often highlighted in the media. Both employers and employees on the whole noted that there was mutual respect. Farmer operations visited as well as the processors in the factories generally adhered to the strict labour regulatory code in South Africa.

Unions active at processors and amongst shearers, not on farms: Unions, in particular SACTWU, are active at the processors as well as the wool and mohair brokering firms. There is a collective bargaining agreement between the factories and the workers. On the farms, there is little if any union activity. Farms are remote with a small labour cohort, making it difficult to organize the workers. Shearers, both South African and those from Lesotho, are largely organized through the Hotellica Union which has agreements with BKB and OVK as well as with some of the independent shearing outfits.

Not living wages - fluctuating prices play a big role: South Africa's minimum wage for farm workers is just over R20/hour or R3,500 per month, far below living wage benchmarks. Even though the benchmark does not take into account the provision of benefits like subsidised housing, food provision, subsidised power and water etc, it is clear that many farm workers — including shearers

— struggle to make ends meet. Many farmers say that fluctuating market prices affects their ability to increase workers’ pay.

Increased use of casual workers and “short time”: The drought and uncertainty have placed tremendous strain on farmers and encouraged the use of short-term contract and casual day labourers with fewer permanent employees. The processing operators currently have considerable excess capacity. They are struggling to obtain sufficient volumes of the raw material and sufficient demand for their services. This has led to the introduction of ‘short-time’ to avoid what the management refer to as the ‘more dire’ retrenchment option.

All this does lead to a reduction in permanent employment and the security that should go with this, making workers and their families more vulnerable and with access to fewer benefits. It must be stressed that the alternative for many is no work at all, but the issue is a growing concern across all agricultural sectors in South Africa, not only in the wool and mohair sector.

Generally sustainable veld management, but drought has dramatic effects: Most farmers visited engaged in sustainable, sound practices within the guidelines provided by the industry and the regulations. The official carrying capacity numbers are usually observed or bettered. However, perverse incentives on leased land or where farmers’ tenure is insecure can lead to short-term over-utilization and the degradation of the land (veld).

Most farmers have invested in proper loading facilities, have good shearing and handling sheds and ensure that experienced staff supervise loading. Farmers have also invested in a number of water points for their farms, though the current drought has emphasised the need for additional water points as well as obliged farmers to seek new water sources. Indeed, the drought was noted as a major challenge by all the respondents in this study.

Predators are causing major losses: Predator control is a big issue; some farmers report losses up to 50% of the lambs and kids. The more humane methods of prevention have not been very successful. At the same time the broad, non-specific approaches have resulted in considerable ‘bye-kill’ of non-harmful species. This is an element that is being addressed by the wool and mohair industries with sensitivity related to biodiversity as well as a desire to lesson any cruelty involved, but tackling this still represents a challenge for many farmers.

Castration and on-farm slaughter an issue on some farms: Animals were generally well-handled on the farms visited according to the reported procedures by farmers and workers alike. Yet, two issues emerged; on-farm slaughter and castration.

Several, but not the majority, of the farms visited slaughter the animals on the farm, either by cutting their throats or by shooting them. No one employed a stunning method. Some farmers indicated that if this was a major issue, they would be prepared to change processes or desist from on-farm slaughter. This slaughter is solely for self-consumption by farmers and their workers and is very limited.

Another contentious matter was the means of castrating animals, mainly using the rubber ring, with no anaesthesia provided. Although this is an approved method by the industry, the use of anaesthesia is a measure that would be welcomed by the market.

Productivity targets in shearing could affect animal welfare: Shearers are paid per animal shorn or a combination of a minimum wage, based upon shearing 48 sheep or goats per day, with a bonus for additional animals shorn. This encourages them to move fast to maximise their income. While the improved productivity is not in itself negative, the drive to shear as many animals as possible can result in rougher handling of the animals and more small cuts. BKB is now standardizing on bevelled mechanical shears and supplying and maintaining these to ensure that they are not worn down to sharp points cutting too close to the skin and resulting in more ‘nicks’ and cuts.

Emerging farmers faces additional challenges: The situation on the emerging farmers’ land is different from that on the large, established commercial farms for a variety of reasons, many beyond the farmers’ control. Issues include wages, veld management and animal welfare. These issues are partly related to the lease arrangements that the emerging farmers have with the government. These are time constrained and encourage a short-term, profit maximisation approach. One of the big issues on the emerging farms relates to ritual slaughter of animals for traditional purposes. In general, for emerging farmers who have only recently entered the domain of commercial farmers, the requirements of sustainable production still appear daunting. Yet, a number of them are understanding the need for change and are willing to change their production methods.

Farmers want to meet the requirements of standards, but frustration with differing requirements: There is a growing awareness on the part of farmers for the need to move to sustainable farming practices. Farmers clearly see the benefit of becoming certified to standards such as the Responsible Wool Standard (RWS), ZQ Merino and the upcoming Responsible Mohair Standard (RMS) helping them to meet the requirements of the market concerning sustainability, and ensuring the best price for their product. Yet they expressed frustration with the plethora of initiatives and standards around sustainability issues with the frequent related

farm visits and the additional paper work required. The joint audit process of RWS and ZQ through BKB is an important step to address this.

Systems for ensuring traceability down to farm: For both wool and mohair, there are national systems in place ensuring traceability down to farm via bale number. Unless the wool is certified according to a standard ensuring traceability, it might however be difficult for retailers to get access to information on traceability due to regulations on data protection.



Old poster of categorization of merino qualities. Photo: Hanne Haslum



Introduction

Rationale and Objectives

This 'Due Diligence Study of the wool and mohair sectors in South Africa' needs to be seen in the context of Ethical Trade Norway's broad institutional aim which is to strengthen its members' efforts to promote decent, working and environmental conditions in their supply chains, and to strengthen support for ethical trade in general. The Study is a part of a Due Diligence project aimed at supporting member retailers who source wool and mohair from South Africa. The project is financially supported by the Norwegian Agency for Development Cooperation (NORAD).

The wool and mohair industry, particularly the producer associations such as South African Mohair Growers Association (SAMGA), Mohair South Africa (MSA), Cape Wools and the National Wool Growers Association (NWGA) of South Africa have internalised the rationale for ethical, fair and sustainable production for quite some time. These efforts are already seeing considerable changes for the better in terms of overall farming practices, fair labour relations, environmental stewardship and animal management. Thus, this study occurs in a period that is witnessing dynamic change in production in the industry. Ethical Trade Norway and its members recognise the South African wool and mohair sectors' efforts towards fair, ethical and 'sustainable' production

processes, but seek to support the improvements in the interests of the workers and the farmers and to ensure that the South African wool and mohair that its members source from South Africa meet high ethical standards with regard to labour practices, animal treatment and the environment. The Ethical Trade Norway retail partners are keen to protect their brand reputations against damaging disclosures about unfair or unsustainable practices in their supply chain. Their consumers are increasingly aware of these issues and are demanding more accountability from the brands and retailers that they purchase goods from.

The objectives of the Due Diligence Project include:

- The establishment of some independently produced basic baseline data relating to labour practices, animal treatment, and sustainability elements (water, rangeland (veld) and biodiversity);
- To provide the wool and mohair institutions and key players along the value chain with additional support and impetus to move as rapidly as possible to ethical, fair and sustainable production and to offer assistance to address some of the challenges/impediments;
- To reduce the risks of labour, social, environmental or animal welfare issues on wool and mohair farms emerging in South Africa and impacting negatively on Ethical Trade Norway's partner retailers' business.

< Merino wool. Photo: Karin Wiske

Methodology

Broadly speaking the methods employed consisted of a desktop investigation, consulting the relevant documentation, hereunder national legislation, and semi-structured interviews with key informants: farmers, farm workers, shearers, union representatives and factory workers.

A set of appropriate written guiding questions was developed and vetted by key industry informants. These were not questionnaires per se and were not slavishly followed, but provided a structure for the discussion.

Level of research	Interviewees/organisations	Issues covered
Governmental agencies	Labour Inspectorate	Labour issues and work of the inspectorate.
National stakeholders in research advisory panel	<ul style="list-style-type: none">African Farmers Association of South AfricaAgri-South AfricaBKBCape WoolsCacadu Development AgencyEastern Cape Rural Development AgencyMohair South AfricaMohair and Wool ClusterNational Wool Growers AssociationOVKSouth African Mohair Growers Association,South African Mohair Industry Limited (SAMIL)Southern African Clothing and Textile’s Workers UnionRepresentation from the academic sector	Animal welfare, social and environmental issues in the wool and mohair industries. Perspectives on challenges and solutions.
		Development of the wool and mohair industries, including of emerging farmers.
		Potential value adding to the production of raw material in South Africa.
		National context of wool and mohair producers and of industrial relations.
Factory workers	5	Labour issues
Farmers	27 farmers in the Eastern Cape and 6 in the Northern Cape and Free State provinces	National context facing farmers; i.e. droughts, uncertainty of land regulations, market access (emerging farmers). Perspectives on animal welfare, social and environmental issues on farms.
Farm workers	82	Labour issues and animal treatment.
Transporters	5	Labour issues.
Shearers	36	Labour issues and animal treatment.

The research was conducted over six months and experienced considerable challenges linked to accessing the places of production — farms and factories — to conduct discussions/interviews. The research was conducted at a stage in South Africa when labour relationships are fairly tense, the general socio-political situation is tense and where the issue of farm murders is at the forefront of people’s consciousness in the rural areas.

The approach adopted to addressing the access challenge involved a period of engagement with the industry associations and key players and the establishment of a ‘Due Diligence Research Advisory Panel’ to guide and support the research. Key members of this panel played an important role in facilitating access to the farms. The researchers were assisted to meet the Agri-SA Farm Access Protocol requirements.

Farms were selected from a broad list of farms supplying wool and mohair into Norway, but not on a simple random sampling basis, rather targeted farms were clustered in areas and approaches made through farmer associations.

The process of obtaining the farms on which to interview farmers and workers clearly introduced bias. Farmers had to agree to allow access to their farms and to speak to their workers on the farm. In a sense this was a case of interviewing the ‘willing’ who felt confident about their farming practices. However, it needs to be remarked that the research team was very warmly received throughout and was aware of only one farmer who refused to be interviewed.

The farm visits associated with the Ethical Trade Norway Due Diligence Study were not farm audits for standards. The auditing is a separate process undertaken as part of the ZQ/BKB and the BKB/RWS audit process. During the course of the fieldwork a conscious effort was made to collaborate with this audit process, and the audit data were shared with the research team and has been used to corroborate findings from the interviews on the farms in line with the principle of triangulation.

The support provided by BKB in terms of accessing shearing teams at the start of their work season certainly assisted the research team to engage with and interview a large number of shearers within a short time before

they dispersed to very distributed locations. However, this did introduce another element of bias that the research team sought to mitigate by also seeking out a number of independent shearers working with other shearing groups.

Transport drivers were a very heterogeneous group that included in-house employees as well as driver-owners and drivers for transport service providing companies. This makes any generalizations about the drivers difficult.

The tense labour and socio-economic climate in South Africa caused major challenges in obtaining permission to interview workers on site as this was perceived as potentially de-stabilizing of a fragile relationship. A small number of workers in the processing factories were interviewed away from their place of work at their union office through the good offices of the Southern African Clothing and Textile’s Workers Union (SACTWU). However, even this was limited because of tensions between competing unions that made accessing workers in certain locations during the research period too fraught for the union to assist.

No processors were interviewed in person, but one of the processing companies was kind enough to provide their official response to some of the questions. These were then assessed together with the responses from the union members interviewed.

All respondents were given the undertaking that their particular comments or responses would be kept confidential with no comments attributed to or traceable to them or to farms. The small sample size allowed for content analysis rather than quantitative analysis. **It should be emphasized that the ‘findings’ of this qualitative Due Diligence Study, are not necessarily representative of the situation on wool and mohair farms and factories as a whole in the country or of the situation on other points on the value chains.** The study does however provide a ‘snapshot’ of the industries in South Africa that is believed to provide insight into the industries and can be used to guide support to the industries and advance the confidence of buyers and users of South African wool and mohair products.



Angora goats on irrigated land. Photo: Hanne Haslum

Structure of the Report

The **Executive Summary** and the **Introduction (Section I)** covers the rationale for the study, the objectives and methodology.

Section II of the Due Diligence Study Report outlines a summary comparison between the requirements of the Ethical Trade Norway Base Code, ILO conventions and South African Labour Law, Regulations and Practices.

Section III covers the mapping of the South African wool and mohair supply chains and key stakeholders in the industries in South Africa.

Section IV provides a summary of labour practices and conditions and sustainability issues in the South African wool and mohair sector. Section IV also addresses environmental sustainability issues as well as animal welfare. This covers the use and management

of chemicals within the industry — on farm and in processing, veld management, water management, GHG emissions and biodiversity and predator control approaches.

Section V addresses the 'good practices' emerging in the industry and approaches that could be used to tackle the main challenges and mitigate risks.

Section VI teases out the major conclusions of the Study and suggests recommendations for progressing the Ethical Trade Norway Project in the wool and mohair sectors in South Africa.

Section VI is followed by end notes and a Reference section.





Analysis of gaps between South African law and practices and Ethical Trade Norway's base code

Labour practices in South Africa are governed by many new laws introduced after the transition to democracy in 1994. Today, South Africa has some of the most progressive labour legislation in the world.

Legislation covers labour in all industries, though wage negotiations and certain agreements are specific to different industries and to different work places. Organised labour has been a part of the Tripartite Governing Coalition in South Africa with the African National Congress. This does not mean that there are no issues or challenges relating to the situation of workers.

The summary presented hereunder is drawn from a sub-report that particularly concentrated upon the comparison between South African law and Ethical Trade Norway's base code, with particular emphasis upon labour elements.

Freely Chosen Employment

All forced labour is prohibited under South African law, and causing demanding or imposing forced labour is punishable by law. (SA Constitution: Bill of Rights — Chapter 2, Section 13, and The Basic Conditions of Employment Act 75 of 1997 (Amend 2002): Chapter 6: Prohibition of Forced labour).

The right to freely chosen employment is fully protected in law and practice in South Africa. Yet it is worth mentioning that the high unemployment rates mean that in practice most low-skilled workers have extremely limited freedom of work mobility.

Freedom of Association and the Right to Collective Bargaining

The right to organize and the right to collective bargaining is enshrined both in the South African Constitution and in labour law. The labour law stipulates (a)ll employees and employers have freedom of association, which means that they have the right to form, join and participate in the activities of registered organisations and they cannot be discriminated against because of membership. Strong trade unions and employer organisations are important for effective collective bargaining.” (SA Constitution: Bill of Rights — Chapter 2, Section 23, and the Labour Relations Act no.66 of 1995 (As amended to 2019): Chapter 2, Freedom and association and general Protection). The right to collective bargaining is also fully protected (SA Constitution: Bill of Rights — Chapter 2, Section 23, and the Labour Relations Act no.66 of 1995 (As amended to 2019): Chapter 3, Collective Bargaining).

South Africa scores 2 (1 being best, and 5+ worst) on the ITUC global rights index and is in the same group as France, Belgium, New Zealand and Taiwan. In general, the maturity of industrial relations varies between sectors. There are still issues with unionisation at farms in different industries. In some instances, this is partly because of scepticism amongst farm owners, and largely because of practical challenges such as long distances and few workers at each farm, making it hard and costly for unions to be organise efficiently.

< Instructions on safe handling of sheep. Photo: Hanne Haslum



No Exploitation of Child Labour

Child labour is strictly prohibited under South African Law. The lower age limit is 15 years old, or over the minimum school-leaving age. No person under 18 years of age can be employed in work (...) *that places at risk the child's well-being, education, physical or mental health, or spiritual, moral or social development*. Employing a child, as well as employing young persons under 18 in hazardous work, constitutes an offence. S (The Basic Conditions of Employment Act 75 of 1997 (Amend 2002): Chapter 6, Prohibition of employment of children and forced labour).

Child labour on farms was an issue in the past, but this has completely changed since the democratic dispensation and the changes to labour law. In certain border industries there have been rumours of the use of child labour, but not in the wool and mohair sectors and not in the areas visited during the research study.

No Discrimination in Employment

South African legislation prohibits discrimination, both directly and indirectly, in policy and practice, (...) *on one or more grounds, including race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language and birth*. (Employment Equity Act no.55 of 1998, Chapter 2: Prohibition of unfair discrimination and The Basic Conditions of Employment Act 75 of 1997 (Amend 2002): Chapter 10: Monitoring, enforcement and legal proceedings). The law also stipulates a responsibility for employers to take active measures to eliminate unfair discrimination in the workplace (Employment Equity Act no.55 of 1998, Chapter 2: Elimination of unfair discrimination)

Despite the fact that South African legislation and regulations address this element, there are some challenges when it comes to the realisation of these targets in practice. For instance, in this study no female farm workers working in the veld were found in the wool and mohair industries. This appeared to be more from their choice than from any inherent discrimination. The same situation was found with the shearers. This is very different from the situation in the wool industry of Australia and New Zealand.

Harsh or Inhumane Treatment

Harassment of all sort is prohibited, and is treated as part of the legal framework to protect against unfair discrimination (Employment Equity Act no.55 of 1998, Chapter 2: Prohibition of unfair discrimination).

Safe and Healthy Working Conditions

South African legislation addresses this issue, as a duty of the employer to provide and maintain (...) *a working environment that is safe and without risk to the health and safety towards the employee* (Occupational Health and Safety Amendment Act, No. 181 of 1993, Labour Relations Act, No. 66 of 1995). This includes providing training to employees on health and safety.

It is worth noticing that this is not always followed up in practice. For instance, 3 of the farms visited in this study had serious defects in this regard as the storage rooms were not kept locked and insufficient protective gear was reported by the workers. A further 5 farms had not provided sufficient training to their staff in handling the chemicals.

All persons residing on farms have the right to, *inter alia*, access to clean water, and the employer shall provide sanitary facilities at the workplace (Land Tenure Security Bill: Notice 1118 of 2010 and Department of Labour, Government Notice. R: 1593, Facilities Regulations, 1988). However, extreme water shortages are prone to curtail access to flush toilets and limit available water for substantial use.

Wages

In 2019 South Africa got a national minimum wage level. The National Minimum Wage Act 9 of 2018 (NMWA) 2019 provides for, among others, a national minimum wage; the establishment of a National Minimum Wage Commission; a review and annual adjustment of the national minimum wage; and the provision of an exemption from paying the national minimum wage.

South Africa's minimum wage for farm workers is just over R20/hour or R3,500 per month. Trading Economics lists the South African Living Wage for 2018 at R6,570. This is across the country and does not take local variations into account or the provision of benefits like subsidised housing, food provision, subsidised power and water etc. Despite these additional benefits, it is clear that the

minimum wage in the agricultural sector is below the calculated 'South African Living Wage'.

Deductions of payment as a disciplinary measure is generally not permitted, with some exceptions strictly regulated by law (The Basic Conditions of Employment Act 75 of 1997 (Amend 2002): Chapter 4: Particulars of employment and remuneration).

Working Hours

An ordinary working week is 45 hours (The Basic Conditions of Employment Act 75 of 1997 (Amend 2002): Chapter 2: Regulation of working time). A weekly rest period of 36 consecutive hours is protected by law. Despite legislation, it must be noted that in practice the number of weekly working hours is sometimes 'stretched'.

This could in some instances be related to the nature of animal farming as such, for instance both farmer and employees will work longer hours if the animals need extra care.

Regular Employment

The labour law protects regular employment as the norm, with strict regulations on fixed term contracts. (Labour Relations Amendment Act Of 2014, Chapter: 9 Regulation of non-standard employment and general provisions). All employees are entitled to a written contract (The Basic Conditions of Employment Act 75 of 1997 (Amend 2002): Chapter 4: Particulars of Employment and remuneration). There are also clear regulations on the use of apprenticeships (Skills Development Act, No. 97 Of 1998: (And amendments) Chapter 4: Learnerships). With regard to formal steps to discipline workers for elements like absenteeism, being drunk at work etc., these are also outlined in the regulations. A graduated, systematic step-by-step approach is required by the farm operation in taking disciplinary measures. At any stage, the worker can, in practice, appeal to the labour inspector offices.

Marginalized Populations

The South African constitution aims at striking a balance between (...) the use of natural resources while promoting justifiable economic and social development (SA Constitution: 1996 24. Environment). It is however worth noticing that the Constitution does not recognize

the separate and specific rights of first peoples. Various indigenous peoples of South Africa have been advocating recognition as indigenous people, in particular land rights.

Environment

The right to a healthy environment is enshrined in the constitution, placing a duty on the state to take (...) *reasonable legislative and other measures that (s)ecure ecological sustainable development and the use of natural resources while promoting justifiable economic and social development* (SA Constitution: 1996 24. Environment).

The National Environment Management Act no.107 of 1998 (NEMA) further details environmental regulation. The NEMA is a progressive environmental management legislation in South Africa and globally. The NEMA is not able to specify how each component of the environment is legislated, as such, a significant amount of environmental legislation stems from the NEMA, including the Air Quality Act and Waste Act, Waste Management Act etc.

Corruption

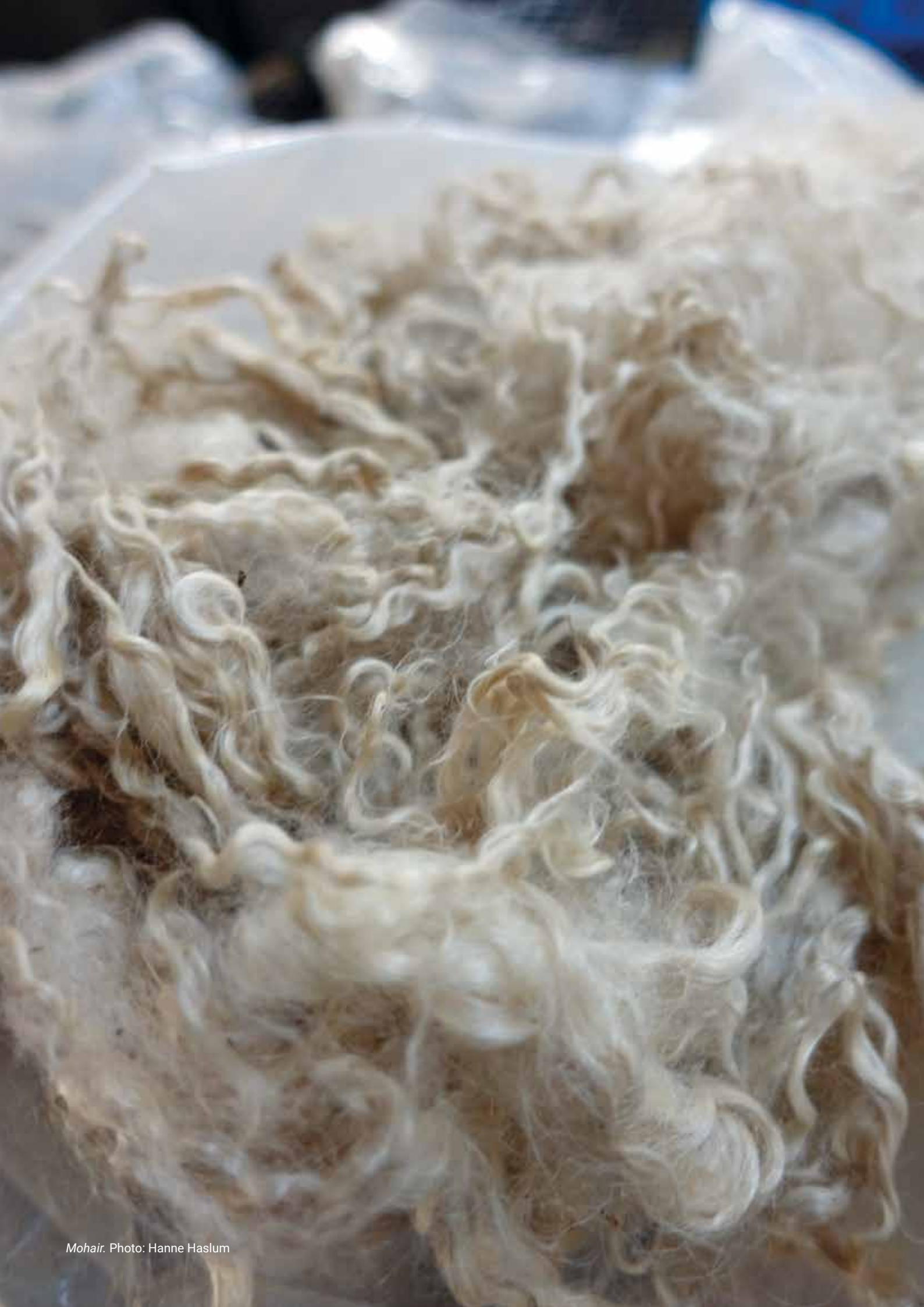
Corruption is covered by the legislation (Preventing and combating of corrupted activities Act. 12 of 2004). South Africa ranks 73 of a 180 countries on the Transparency International Corruption Perception Index.

Animal Welfare

The welfare of animals in South Africa is primarily regulated by two Acts, the Animals Protection Act 1962 and the Performing Animals Protection Act 1935. South Africa scores a D on the Animal Protection Index (A being best and G worst), with score C on the specific indicator related to the protection of animals used in farming.

Specific Farm Worker Rights

In addition, specific legislation protecting farm workers applies through The Basic Conditions of Employment Act 75 of 1997 (Amend 2002). This Act not only ensures compliance with the above codes from Ethical Trade Norway but extensively covers additional farm workers' rights.



Mapping of the South African wool and mohair supply chains

Wool and Mohair Farming in South Africa

Farming in South Africa is not always an easy enterprise. Many would-be farmers lack suitable land for farming and are forced to try to 'make do' on the communally owned areas with all the consequent debilitating challenges. Other farmers who lack suitable land fall back on farming on municipal 'commonages' around the towns and cities. These too face severe management and other challenges. The emerging farmers who have been settled on Government-purchased former white-owned commercial farms also face a particularly acute set of challenges relating to accessing development capital and tenure security. In addition, they share the challenges facing all farmers in South Africa, including the established larger commercial farmers. Foremost among these is the fact that farmers are 'price takers' not price setters, and there is little they can do in this regard within the increasingly globalised market place. The de-regulation of the agricultural sector and the dismantling of the marketing boards removed farmers' collective engagement with retailers and weakened their position. They are very limited in their ability to pass on the ever-frequent increases in production costs. This is particularly acute for South African farmers who frequently compete on the global stage with farmers who do enjoy 'benefits' or subsidies from their governments. Commercial South African farmers do not receive these and even the drought relief assistance has been very limited or totally absent for many. One could summarise commercial farming in South Africa as a 'capital intensive, high risk and low return' enterprise. Previously, appreciation in the value of the land was an important element in growing farmers' wealth.

However, with political and regulatory uncertainty in the current political climate, this is no longer certain, as there is considerable support in some political

circles for the Government to acquire this land without compensation. This threat is now starting to depress land prices, investment in, and commitment to long-term, sustainable farming.

South Africa is officially a 'water-scarce' country and well on its way to being classified as 'water stressed'. The stress is becoming increasingly acute with the emerging effects of Climate Change. Large parts of the country are suffering their second bout of severe drought within a six-year period. Less than 12% of South Africa is suitable for growing crops — because of soil composition and water availability - and only 3% can be considered truly fertile land.¹ This means that agricultural activity is largely dependent upon livestock production. Sheep and goats make up a large component of this. These animals are also largely more resilient in the face of droughts — an increasing Climate Change related spectre in South Africa.

Sheep and Angora goats are largely reared in the dry parts of the country and on commercial farms this is typically pretty extensive farming. Farms are large but mostly with relatively low carrying capacity in terms of livestock. In the areas covered in this Due Diligence Study the carrying capacities varied from 7 hectares per large livestock unit (very good) to 22 hectares per large stock unit (LSU). Generally, sheep are far lighter on the veld (rangeland) than cows (LSUs) and usually measured in most research areas as 0.14 LSU while Angora goats are lighter still at about an average of 0.1 LSU across all ages. Mohair farming largely occurs in areas with low carrying capacity (18-22 ha/LSU), and to enable a decent livelihood farms need to be between 3000 ha and 5,000 ha. This sounds large, but the returns are limited.

Small livestock farming has historically been more rewarding than rearing cows, though small livestock is particularly prone to theft and predators. Considerable areas of the Karoo (the semi-desert areas of the interior of the Eastern Cape, Northern Cape and Western Cape

provinces of South Africa typified by as specific Karoo biomes) are not appropriate for large stock. As the Karoo covers more than 30% (395,000 square km) of the land mass of South Africa, this emphasizes the importance of small livestock like sheep and goats.

Many farmers farm with sheep and Angora Goats as the two animals are complementary feeders — grazers and browsers. Farmers also frequently run a few head of cattle as well, though less in the very dry parts. Angora goats do not thrive as well as merino sheep in the very

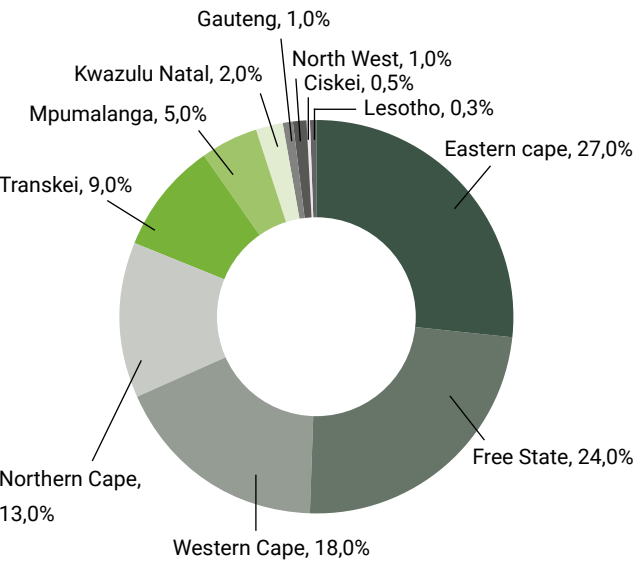
high-lying areas of the country. They are particularly susceptible to the combined effects of wind-driven rain and a sudden drop in temperature. This is more common in the very high-lying areas and Angora goats, who are shorn twice per year, are particularly vulnerable. Sheep in the high-lying areas tend to be shorn once a year and are more resilient. It is also worth noting that the cost of entry into sheep farming is far less than with many other forms of farming, including cattle farming. This is even truer for Angora goat farming.

Map of South African provinces



Wool production and export

Merino production by province



Wool production has a long history in South Africa and was very central to the economy of areas like the Eastern Cape in the early years after settlers arrived in the country and remains so today.

The Eastern Cape is the biggest producer of wool in South Africa, followed by the Free State and Western Cape (see Figure 3.2). The big producer areas in the Eastern Cape include Barkly East, Somerset East, Cradock, Middelburg and Graaff-Reinet.²

Wool is South Africa's sixth largest agricultural export. It comprises about 4% (\$400 million, R6 billion) of the \$10 billion total of South Africa's agricultural exports. Most South African wool that is sold on the market via the auction in Port Elizabeth is Merino wool. Merino sales for this period provided R3.4 billion of the total wool sales

of R4.8 billion. The largest part of the South African wool clip is marketed overseas through members of the South African Wool and Mohair Buyers Association (SAWAMBA). Only registered members of SAWAMBA are allowed to bid at auctions held under the auspices of the South African Wool Exchange. Approximately 60-70% of South Africa's annual wool production is semi-processed in South Africa before exportation, while the balance is exported as greasy wool.

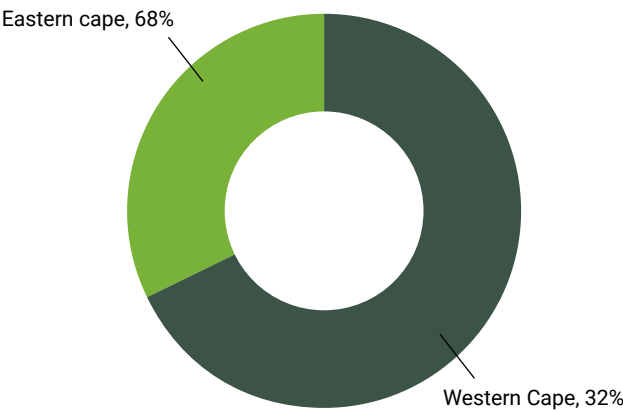
On the global stage China accounted for an average of 62% of global wool imports by value over the past five years and 71% (by value) of South Africa's clip went to China. This dependence on the Chinese market has recently provided a challenge. Early in 2019, following a 'foot-and-mouth' disease outbreak in Limpopo Province, China imposed an embargo on the import of South African wool. This caused considerable stress on the industry and emphasised its high degree of 'exposure' with regard to the potential vagaries of the Chinese market.

Other than China the main markets for South African wool in recent years have been the Czech Republic, Italy, India, Bulgaria, Germany, the US and Malaysia. In light of the recent difficulties with China there has been debate about further diversifying target markets for South African wool.

There is currently very limited 'value adding' activity within South Africa and most beneficiation of the wool is carried out abroad. This is also true for mohair, though semi-processing of mohair happens within South Africa before export, and significant domestic expertise has been lost. While the export of most wool produced in the country is likely to remain the dominant market, efforts to add more value and manufacture more high value wool products within the country could contribute significantly to growing the industrial base within South Africa and to earning greater foreign exchange.

Mohair production, import and export

Mohair production by province



South Africa is the biggest producer of mohair (52-54% of global production) and together with its neighbour Lesotho, is normally responsible for over 62% of global production. Over 90% of globally traded mohair passes through Port Elizabeth (Nelson Mandela Bay). Mohair farming, like wool farming, tends to be concentrated in the dry parts of South Africa and the karoo is a big production area.

Mohair is produced in the provinces of Eastern and Western Cape. Willowmore/Rietbron area of the Western Cape is the biggest producer district of mohair in South Africa (20%), closely followed by Aberdeen and Somerset East in the Sarah Baartman District Municipality area of the Eastern Cape with 17% of national production each. Other important producer areas are Jansenville, Cradock, Murraysburg, Graaff-Reinet, Steytlerville, Beaufort West and Uitenhage.³

Mohair production has dropped to less than a half of what it was 20 years ago. The decrease is a global and South African phenomenon. Informants put this down to a number of factors that included extreme price fluctuations in the last decade, the challenges associated with Angora goat farming — outlined below and the fact that Angora goats require considerable management

effort if losses are to be curtailed and farmers are to remain profitable.

Opinion is divided about by how much production can be increased. Limiting factors relate to issues of theft and competition from game farms, which also increase the number of predators. However, the opinion of specialists within the Eastern Cape Rural Development Agency (ECRDA) as well as the results of the IFAD supported ISASAR Research Project⁴ and the USAID supported SALED Project study⁵ on the economics of mohair farming indicate that by working with emerging farmers and improving their production, doubling current production levels is possible.

Despite being the world's biggest producer of mohair, SA is still a big importer. All of this trade passes through Port Elizabeth which has been dubbed the 'Mohair Capital' of the world. Almost all of the imported mohair, much of which comes from Lesotho — the second biggest producer globally — comes as 'greasy' unprocessed mohair. Some is exported in this form after being sold by auction in Port Elizabeth, but most is at least semi-processed (washed and combed) into tops before being exported.

Between 2012 and 2015 the volume of imported mohair increased from 100 tonnes to slightly over 600 tonnes.⁶ Most mohair imported into South Africa originates in Lesotho in normal periods. However, this has recently been interrupted by an effort by a Chinese Australian businessman working with members of the Lesotho Government to arrange a different process from the wool and mohair auction sales in Port Elizabeth. This has crippled the import of Lesotho mohair into South Africa for two seasons and caused considerable hardship on Basotho farmers. In previous years, imports from Lesotho to South Africa accounted for between 7% and 13% of global mohair traded. Other areas from which mohair was imported to South Africa include the Americas and New Zealand, but these quantities are on average small.

The major export market for South African mohair remains Europe and the United Kingdom accounting for approximately 44% of the exported mohair purchases. However, the largest single country destination for South African mohair has recently been China with approximately 35% in 2015/2016 export figures. Much of this is then manufactured under licence for European and other fashion houses and retailers. The European



Merino wool waiting to be sold at auction in Port Elisabeth. Photo: Hanne Haslum

and UK market has been pretty steady and with an upward trend.

It is difficult to track mohair exports in the official trade data over time as mohair does not have a specific HS code. The best source of data is the industry itself from Mohair South Africa and BKB records.

Mohair fibre prices have been very good over the last 10

years, despite a recent slight dip. Prices have increased in hard currency terms and this has been enhanced further by the decline in the ZA Rand. In 2005 an average price across all grades was just over R78/kg. By 2018 this had risen to over R250/kg. Thus while production volumes have dropped over the last twenty years, with some dips and peaks, income has been increasing.



Young sheep. Photo: Hanne Haslum. Photo: Hanne Haslum

Table 3.1 Production volumes merino and mohair

Province/region	Merino	Mohair
Eastern cape	11414759	1516400
Free State	10098987	
Western Cape	7705485	713 600
Northern Cape	5550267	
Transkei	3734891	
Mpumalanga	2090165	
Kwazulu Natal	728839	
Gauteng	399305	
North West	507429	
Ciskei	281789	
Limpopo	8174	
Lesotho	108547	
Namibia	2516	
Total	42631153	2 230 000

Sources: Cape Wools and Mohair South Africa

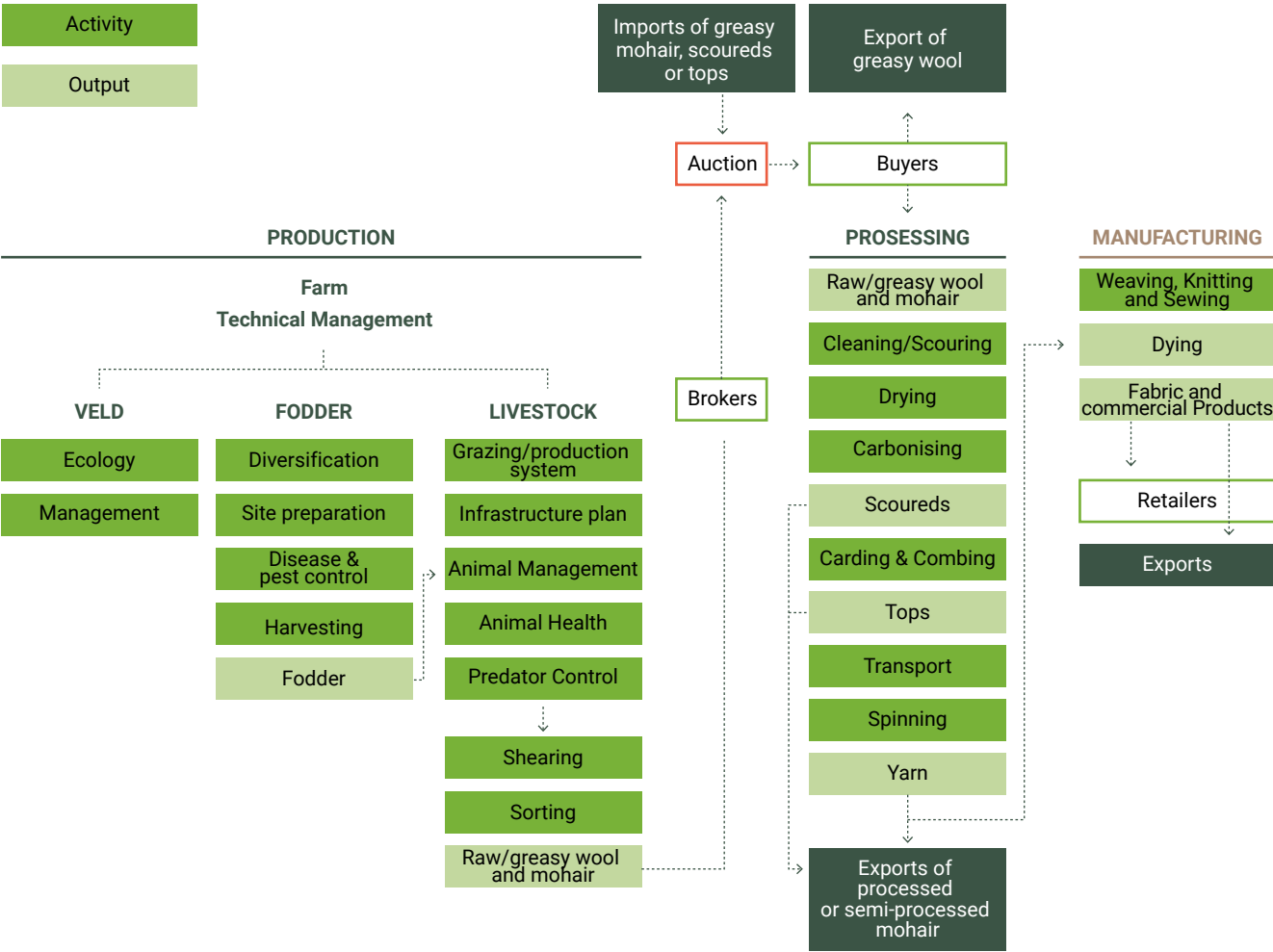
Wool and Mohair Value Chain in South Africa

There are 6000 commercial and 4000 communal woolgrowers in South Africa, producing with approximately 20 million sheep. The emerging farmers produce about 13% of the wool clip. There are approximately 35 000 farm workers on wool farms and 4000 sheep shearers and wool handlers.⁷

For mohair, there are approximately 700 commercial farmers and 300 emerging farmers, producing with 720 000 goats.⁸

Large commercial farmers hire teams of shearers themselves, but smaller farmers can take their animals to central communal shearing points where they are charged per animal. After shearing on the farm wool and mohair is classed according to length, strength and texture. The registered producers have individual producer numbers to trace their wool and/or mohair packed into bales once it has been classed. The smaller producers are obliged to keep records of their contribution to particular bales in order to obtain payment. The bales are then transported, at the farmers cost, by brokers to the auction sale in Port Elizabeth. The traceability system based on bale numbers is further described on page 58.

Figure 3.4
The value chain of wool and mohair in South Africa



Sources: Elaborated and simplified based on data from Cape Wools and the Department of Agriculture Forestry and Fisheries (DAFF). Almost all wool is exported as greasy, while mohair is still processed and in some cases manufactured in South Africa.

Stakeholders in the Wool and Mohair Industries of South Africa

Industry associations

Cape Wools was constituted to replace the Wool Board when the industry was de-regulated. Cape Wools is the official industry representative organisation of the South African Wool Industry. It represents the collective interests of the wool producers, wool buyers and processors, wool brokers and traders, small stock breeders, labour and the wool testing group. It promotes the wool communities’ interests within South Africa and internationally. Cape Wools has also produced a ‘Code of Best Practice for Sheep Farming in South Africa’ which guides farmers towards ‘good practice’ in farming.

South African Wool and Mohair Buyers Association (SAWAMBA) represents the wool buying industry in South Africa. Most of the companies belonging to the Association have significant shareholding in local early stage scouring and combing facilities, or are associated with international wool trading houses.

National Wool Growers Association of South Africa (NWGA) has 4,500 commercial farming members and 20,000 communal farming members and has chapters in six provinces. The mission of NWGA is to promote profitable and sustainable wool sheep production. It tries to promote improved policy and legislation affecting wool farmers and to create effective conditions for production. It also seeks to improve the wool market and to build wool farming related institutions.

The South African Mohair Growers’ Association (SAMGA) represents angora goat farmers, and has around 800 members across 10 branches. SAMGA is responsible for promoting the production of mohair, and general farming of Angora Goats, whilst continuously negotiating with government and non-government organizations about issues at producer level like disease control, market development, empowerment, drought relief and input costs.

The Mohair Trust and Mohair South Africa (MSA) were initiated by the South Africa Mohair Growers Association (SAMGA) shortly after the disbandment of the Mohair Board along with the other agricultural boards after 1994. The Mohair Trust’s task was to look after the assets of the industry that had been accumulated during the Board years.

Mohair South Africa, a not-for-profit company forms the executive arm of the industry, and is representative of all the important role players in the industry. It plays a central role in promoting the production, marketing and use of mohair.

The Mohair Empowerment Trust (which is different from the ‘Mohair Trust’) was established in 2010 by MSA. Its vision includes “contributing to the sustainable supply of South African mohair by establishing emerging farmers in financially viable Angora goat farming operations; establishing successful black entrepreneurs and participants throughout the entire mohair value chain; and maintaining and expanding job opportunities for black employees within the operations of the South African mohair industry.”

The principal objective of the Trust is to provide skills development, support, mentorship and assistance to previously disadvantaged and emerging farmers, with the aim of establishing and managing their own agricultural operations as set out in the Broad-Based Black Economic Empowerment Act 53 of 2003. A specific aim of the trust is to assist emerging farmers to start mohair production on their farms. Beneficiaries are given a certain number of angora goats, which they repay from offspring over a pre-determined time period and interest free.

Buyers

Wool buyers include Standard Wool, Modiano, H Dawson & Co, Lempriere, New England Wools, Stucken & Co, The New Zealand Merino Company (NZM), Van Lill Woolbuyers Trust and Segard Masurel. The majority of these are large international companies headquartered in Europe or Australia, with offices in Port Elisabeth.

Mohair buyers include Stucken & Co, South African Mohair Industries Limited (SAMIL), New England Wools, Mosenthals Wool & Mohair SA and SAFIL (bought by Südvolle in 2016).

Stucken and **SAMIL** are by far the largest buyers of mohair in South Africa, and the mohair is very largely auctioned in Port Elisabeth. These two companies also process the fibre and have retained the necessary skill and technical ‘know-how’ that is generally in short supply. In many ways the mohair industry in South Africa could be viewed as a duopoly.

Processors

Gubbs & Inggs is part of the **Stucken Group**, and is the only wool processor in South Africa. They also buy and process mohair.

South African Mohair Industries Limited (SAMIL) is both a buyer and a processor of mohair, as well as other fibres.

Brokers and Traders

BKB is an agricultural company and broker operating within many sectors, and is one of the biggest operators in the wool and mohair industries in South Africa. Headquartered in Port Elisabeth.

‘Oos-Vrystaat Kaap Bedryf Beperk’ (OVK), with subsidiary **Cape Mohair and Wools (CMW)** is a brokers for mohair, wool, game, livestock and real estate. Headquartered in Ladybrand in the Free State.

BKB Pty (Ltd.), OVK and CMW are wool and mohair brokers who offer support services to wool and mohair farmers and support the auction process for wool and mohair (Wool and Mohair Exchange) in Port Elizabeth. They provide a range of services besides the auction and assist small farmers with farmer packs, provide advice on animal treatment and technical information as well as managing the export process. They have shearing teams that provide shearing services to farmers. They also provide payment services to farmers following auction conclusion and track data related to mohair sales. They are central players in the process and monitor market prices and trends and advise the farmers on emerging trends and requirements. They function as something of a ‘go-between’ with farmers and the market.

Blue Crane is a trader located near Somerset East. They buy lots of mohair and some wool from farmers and in turn sell this on. They pay cash to the farmer (largely emerging and smaller farmers) at a reduced price and then profit from the higher prices they receive at auction. The larger producers do not use their services preferring to wait for the auctions themselves.

Other brokers include the independent wool and mohair brokers Quantro Wools and Saunders Bruce & Lapersonne.

Manufacturers

There are nearly twenty manufacturers, but local manufacturing volumes are small with most mohair being exported.

National mohair manufacturers include: Abafazi, Anette Oelefse, Adele’s mohair, Ali-Jean Fibre Design, Cape MoAuctiohair Ltd., Coral Stephens, Elsa Barnard Mohair Carpets, Hinterveld, Jan Paul Barnard, Loubear Mohair, Momentos of Africa, Peta-Lee, Shuttleworth Weavers, The scarf Initiative, Umsobomvu Textiles, Wolskuur Spinners CC and Ivili Laboyo.

Trade unions

The Hotellica Union represents the interests of the more than 4,000 shearers. However, not all shearers are members of the union all of the time. Shearers from Lesotho and South Africa are members.

The South African Clothing and Textile Workers Union (SACTWU) organizes workers in the two processing companies, Gubb and Inggs (Stucken) and SAMIL as well workers engaged by the brokerage firms. SACTWU is the dominant union in the fashion manufacturing industry with over 99,000 members.

Governmental agencies

The Department of Agriculture, Land Reform & Rural Development (DALRRD) provides guiding policy for agriculture in South Africa. The provincial departments engage more directly on the ground, and key agencies like **the Eastern Cape Rural Development Agency (ECRDA)** report to the Provincial Department (DRDAR) in the Eastern Cape. ECRDA provides loans to emerging farmers for equipment and also supports them with technical assistance relating to farm management.

The Department of Labour has established a system of on-farm labour inspection, and has offices located in the major farms in the wool and mohair growing areas. They undertake on-farm inspections relating to labour matters and are a point of call for workers seeking information relating to labour matters or seeking to protect their rights.

The South African Mohair Cluster (SAMC) is an official, non-profit company empowered by the Dept. of Trade and Industry (DTI) to coordinate sector improvement and growth.



Fence surrounding the veld, aimed at protecting the sheep from predators. Photo: Donna Didham

IV

Findings on labour practices and sustainability in the South African wool and mohair industries

Labour issues on farms

There is a fairly vigorous system of on-farm labour practice inspection. Inspectors are expected to visit farms at least once per annum and district offices are open to labour and farmers alike to assist in settling disputes and differences. There are well-established procedures that can culminate in court proceedings, but which are intended to limit the need to go to court to settle matters. In practice very few labour disputes end in court. Both farmers and workers tend to respond to directives from the directors of labour in the regions and the visits by the labour inspectors themselves often result in the resolution of issues.

In general relations between workers and farmers appear to be good and of mutual respect. There is a high level of labour stability. Many of the farm workers have been on the farm for a long time and, in many cases, across generations. This can contribute to a close link between the workers, their families and the farmers. An additional factor relates to the limited options that many farm workers have. Many have a low level of education and do not have high prospects of job mobility.

In addition, fair and sound employment practices are likely to improve worker satisfaction and productivity. As one farmer put it “if you treat people fairly and help them to develop, they tend to treat you fairly” (comment from farmer in Camdeboo area).

The increasing use of ‘casual’ or ‘day labour’ on farms, particularly those near to the towns, has clouded the picture. Whereas farms had 4-5 resident families on the farms in the past, this is now down to one or two and the gap during peak times is filled by ‘casuals’. These workers

are covered by some of the regulations relating to safety, a minimum daily wage as well as the prevention of inhumane treatment, but they enjoy few other benefits that full-time employees have. There are therefore two types of employees emerging in the sector — the relatively poorly paid permanent employees with benefits and some security and the poorly paid ‘casual’ workers with no security and minimal benefits. Importantly, there is little opportunity for the advancement of the casuals as there is no incentive to invest in their training and development, but some farmers noted that they observed the performance of casual workers and would hire them as permanent employees when they needed additional full-time employees.

Employment contracts on farms

On all farms visited, the workers and the farmers (employers) confirmed that all workers had a formal employment contract. This is a requirement under the labour law and something that the labour inspectors look at.

Working hours on farms

In most instances, farm workers reported that farmers did not make excessive time demands on them. However, there were reports by 20% of respondents that they were frequently called upon to work long hours. Of these most reported that they did receive fair overtime pay, but 40% of those who reported that they were obliged to work overtime reported that they did not receive fair overtime remuneration.

Farming is seasonal in nature, thus there are times when all on the farm are obliged to work late. In many



Merino wool waiting to be sorted. Photo: Hanne Haslum

instances flexitime is also applied in line with the needs. However, this is an issue that does present some challenges on a minority of farms. The important element is to ensure that workers are properly remunerated for additional work and that their health and well-being is not prejudiced by excessively long working hours or continuous work without a break. No such cases were encountered during the fieldwork though 20% of respondents complained of long working hours.

Wages on farms

All workers and farmers (employers) interviewed confirmed that workers received at least the minimum wage. Most farmers reported that they paid well in excess of the minimum wage and that this was based upon experience, length of service and skill levels of the workers. However, South Africa's minimum wage for farm workers is just over R20/hour or R3,500 per month. Whether this is sufficient to meet a family's basic needs is debateable. Most families require two income earners

to meet all their requirements. Trading Economics lists the South African Living Wage for 2018 at R6,570 for individuals or R11,300 for a family. This figure is a general one across the country and does not take local variations into account or the provision of benefits like subsidised housing, food provision, subsidised power and water etc. Despite these additional benefits, it is clear that the minimum wage in the agricultural sector is below the calculated 'South African Living Wage'.

However, on more than 60% of the farms workers were reported to receive substantially more than the minimum wage amount based upon experience, skill and the specific job — truck driver, tractor or machine operator. Workers on more than 70% of the farms received additional non-cash benefits. These ranged from a food allowance that included meat and other food rations as well as transport to schools for children of workers living on the farms.

A third of farmers reported that there were fewer families living on their farms. The number of staff has been

reduced and many prefer living in the towns. The smaller staff numbers have had the consequence that when the farming operations require more intense labour, farmers are using short-term contract workers.

In 30% of cases from the survey, the housing provided to workers was free. On the other farms workers were charged a low, subsidised amount. Housing was not complained about by the workers. Just over a 60% of the farms provided free water and over 10% provided free electricity. Where water and electricity were charged for this was intended to ensure the judicious use of these services according to the farmers. The most effective way of doing this was perceived to be a modest charge per unit. Largely the houses had internal water and power but 20 % of worker respondents did not have these facilities. In some locations there was tap water into the dwelling but no flush toilets. Ventilated improved pit latrines were reported on 20% of the farms, but it should be noted that these largely correlated to areas with severe water scarcity and frequent drought episodes. All farmers reported providing pay slips to workers and

this is an element that the labour inspectors monitor. This was corroborated by the workers.

The description above outlines the situation on the larger commercial farms. The situation on the emerging farms is largely different. Here, the worker facilities were not of the same standard as on the larger commercial farms. This can be attributed to a number of factors that include:

- The emerging farmers do not in most cases 'own' the farms that the government has purchased and settled them on. Many are still on a lease system and cannot approach banks for development capital for farming operations and improvements because they do not have the collateral (ownership of the farm) required to obtain a loan;
- The emerging farmers are trying to find their feet and establish their operations and are operating with tight margins. They have very little disposable income for things like worker services;

- The relationship between the emerging black farmer and his workers is not a strictly commercial one. In many instances the workers are often a part of the extended kinship network of the farmer. In addition, as one emerging farmer put it “I am ‘employing’ more workers here than I can afford, but when I discussed this with my workers, the two who had to leave begged me to ‘pay them pocket money’ or at least something and to keep giving them food.”

Pay in the farming sector is very modest, but costs are lower and the additional benefits provided to workers need to be considered as well. As so many farmers noted, “times are very tough and margins are not there, particularly when having to feed animals in this drought”. The farmers are, as noted earlier, ‘price takers’ and have few options that do not include cutting costs like labour when prices drop. The costs of their inputs do not decrease when they obtain lower prices for their product.

Occupational Health and Safety on farms

This is an area that was not well addressed by the overwhelming majority of the farmers. On-farm procedures are not really monitored. Many of the farms visited operate very professionally and most training is provided ‘on-the-job’ to workers by the farmers. The farm does not have the same constraints as a factory environment when it comes to operational safety. Systems on the farms have been evolved over generations. Workers using machinery and equipment were generally trained in-house though 50% reported external specialist training as well. 20% of farms reported that workers had received first aid training. This is something that the industry is addressing and it should be further encouraged. The storage and handling of chemicals like animal sprays was generally well addressed, but there were a number of instances found in which storage control was inadequate (not within a controlled, locked room) and handling equipment and procedures required improvement.

Fire-fighting training was noted in 60% of responses and this is a big issue in some of the areas. Neighbouring farmers assist when a fire occurs and fire-fighting equipment was noted on 60% of farms visited. Not all workers operating tractors or bailing machines had been formally trained. Often the training was provided by the farmer.

The farmer or his spouse was usually the ‘safety officer’ and assisted with minor injuries. In real emergencies – the experience of which were only noted on two farms visited, the farmer would either call the ambulance, where these were operating effectively, or transport workers to the nearest hospital themselves.

No farm visited had developed a Safety Plan or performed a formal risk assessment. Farmers said this was because their main risk was related to fire and accidents and that they knew what procedures to follow. These were simply not formalised as it seemed unnecessarily bureaucratic, but is becoming required to qualify for ‘disaster relief’ support when fire does strike.

Freedom of association and right to collective bargaining farms

Despite the legal protection of these rights, in practice there is little, if any union activity on the extensive wool and mohair farms and no farm workers interviewed during this study were members of a union. The reasons for this appear to be related to the size of the farms, the small number of workers typically employed on the extensive wool and mohair farms, the distance from the major centres and general logistical challenges, including limited connectivity on the farms. Simply put, it is hard to organise on these remote farms where there are few workers and poor roads and communications. Organisation requires a critical mass of numbers and these are simply not present on the wool and mohair farms. Mobilization would need to occur in the rural villages. A fifth of the farmers interviewed responded to the question of union membership of their workers by stating that they did not know if their workers were union members, but that they doubted that they were. Farmers noted that workers could approach the labour inspectors if they were unhappy with conditions and that the minimum wage for the industry was set nationally. Therefore, while in theory workers are free to join unions and engage in collective action, in practice this does not happen.

It is worth noting that there are consultation meetings between the mohair farmers and worker representatives. These are not a substitute for unions, but do provide a channel for communication on issues.

Disciplinary procedures farms

For most of the workers interviewed this was not an issue. The issue of damage caused by a worker to specialist equipment or vehicles has on occasion been an issue. Docking a worker’s pay is controlled and, as the attached labour regulations indicate, has to be consented to. Nevertheless, this is an issue that can cause considerable tension (pers. com. farmer in Eastern Cape) and bears further focus.

Young workers/child labour

Child labour is strictly prohibited in South African law. No evidence of the use of child labour was found on the farms visited during this research study.

Freedom of work mobility farms

The right to work anywhere is enshrined in the Constitution of the Republic of South Africa. However, again the practical situation on the ground certainly results in severe limitations on this freedom. No farm operation can bond workers or prevent them from seeking other opportunities elsewhere. Indeed, a number (20%) of farm workers interviewed had recently moved from one farm to another.

In reality, there are a number of factors constraining workers’ ability to move freely. Foremost among these is the fact that most of the workers have very limited education and in a global economy that is increasingly demanding ever-higher skills. Simply put there are not a wealth of choices for most farm workers. The low skill levels make workers more vulnerable, less mobile and less productive. Many workers are also linked to the farms through family ties and these families might have been on the farm for generations.

Root causes - farms

While progressive labour legislation introduced after 1994 have addressed most of the negative legacy of the colonial and apartheid past, it is clear that many of the challenges are not as amenable to change through legislation, and require other interventions at both a state and local, even farming level. The greatest emancipation possible for farm workers would relate

to receiving a decent education and effective skills training. This would encourage more informed engagement around working conditions and allow for greater mobility within farming and into related sectors like agro-industry.

Whilst the strict labour law has had a very positive effect upon the position of workers on farms, it has also meant that the farming sector has shed jobs as the cost structure has increased. It is thus more difficult for poorly educated people in rural settings to find jobs. A report of the Bureau of Food and Agricultural Policy in 2013 found that: “On the one hand, workers cannot survive on a wage of R150 per day; on the other, most producers will go bankrupt if the minimum wage is lifted significantly above R150 per day.” The report states that the idea that the majority of South African producers has deep pockets and can easily afford to pay higher wages is a fiction”. The study also noted that “Supporting farm workers without simultaneously supporting producers will be an exercise in futility”.

Farmers in the wool and mohair sectors are operating in a very challenging economic environment. Margins are tight and the intensive drought conditions of the last six years have made factors even more perilous. On top of this there is a high degree of political uncertainty which discourages long-term investment in people and infrastructure and equipment. This is fuelling the use of short-term contract labour that carries less long-term responsibility. This in turn limits skill development and job security and well-being. The situation is increasingly fraught for worker and farmer.



Mechanical shearing. Photo: Hanne Haslum

Labour issues in shearing

Shearers in the wool and mohair industries do not have the same working conditions across the industry. They also differ from on-farm resident workers' conditions. In effect, they are mostly migrant workers moving from farm to farm. The demand for shearers is high and many farmers struggle to get good shearing teams.

Most of the shearing groups are associated with BKB or OVK, though there are also many small independent groups of shearers. Many of the emerging farmers use the independent shearing groups and try to negotiate a discount in price. Sector specialists in ECRDA have pointed out that this can be counter-productive because the BKB and OVK shearing teams are monitored and adhere to performance standards that minimise the risks of injuries and trauma that impact on productivity. The situation differs between the BKB and OVK shearing workers and the independent shearing groups. BKB and OVK shearers as well as the independent shearing groups would, in the past, be remunerated per sheep or goat shorn. However, under the new wage negotiations, BKB and OVK are changing to a minimum wage plus an incentive for shearing more animals, while the independent groups operate less formally and still generally pay per animal shorn.

BKB is the biggest supplier of shearing teams (70%) in South Africa, and employs in excess of 1,400 shearers. All come through Zastron in the Free State before dispersing throughout the country. BKB has an office and accommodation centre in Zastron. BKB uses recruitment agents, relatives and stock magazines to advertise for shearers.

BKB's shearing workers largely come from Lesotho (70%), with some from the Eastern Cape. BKB have concluded an agreement with the Lesotho Department of Labour and they use recruiting agents in Mhaleshoek, Quthing and other Lesotho highland areas who recruit shearers. Because of the dearth of employment opportunities in Lesotho, the shearers return year after year.

Each BKB team has a team foreman and team members will recommend family members or friends to the recruitment agent and the team foreman. They tend to work in fairly stable shearing groups, but there can be changes if the farm on which they are to share is large or very small or if a member of the shearing group falls ill. There are no women shearers and this is put down to the fact that "women here do not want to shear. It is too physical".⁹ It was opined that this might change in future,

but is not immediately likely. The shearers experience varying levels of comfort and shelter when shearing on different farms, but the biggest complaint by shearers relates to their remuneration which they feel is too low.

Employment contracts shearers

All shearers employed by BKB and OVK are provided with written contracts. As almost all of the shearers with BKB are union members there is opportunity for clarifying all clauses and conditions.

The BKB shearing groups tend to operate for between 9 and 10 months per year. With the wool industry increasingly seeing farmers employing a shearing regime that sees animals shorn every 8 months, this is having the effect of spreading shearing throughout the year, particularly when one considers that goats in South Africa are shorn twice per year.

The shearers are not paid when they are not shearing. They tend to go home to Lesotho or the Eastern Cape or some of the BKB shearers stay in the BKB compound in Zastron. To assist the shearers BKB do maintain payments on the shearer's provident fund and the Unemployment Insurance Fund so that these do not lapse during the two or three months when workers are not shearing.

Working hours shearers

Strictly speaking the shearers are supposed to work 8 to 8 ½ hrs per day. However, because of the incentive to shear more animals for the bonus as well as occasional delays or interruptions in the flow of sheep or goats, the teams frequently work up to 9 or even 10 hrs. However, this is largely elective. As they are frequently not near towns on the farms where they are working they wish to minimise leisure time and maximise work time when on remote farms.

The farmers are supposed to arrange for the steady flow of animals to be shorn as this clearly can impact on the shearers' productivity and income. BKB do compensate the shearers if there are interruptions that result from the farmers' dereliction.

Wages shearers

Up until 2019, shearers employed by BKB were paid per animal shorn. For 2018/2019 this was at R4.72 per animal. This is now changing and shearers are earning

a minimum wage of R283 per day plus a bonus incentive of R4.72 for every additional animal shorn over the minimum wage level of 48 animals per day. Skilled shearers can shear over 90 sheep or 100 goats a day if the flow of animals to them is smooth. Really skilled shearers can go to over 120 sheep or goats a day.

The incentive scheme to shearers to share more animals per day obviously improves productivity and cuts down on the time taken on a farm to shear the flock or herd. However, it can result in animals being handled in too fast and rough a way, as well as raising the risk of ‘nicks’ (small cuts). The shearing team leader and foreman keeps an animal injury Report Book in which injuries are noted as well as the name of the shearer, location and time. BKB has insurance in case of serious injuries. Generally, the farmer or shearing team leader immediately treats the less serious ‘nicks’ and small cuts that do happen. A more nuanced incentives for sharers to balance the number of animals shorn with the absence of any cuts to the animals could prevent this.

The shearers are generally not happy with their remuneration, they feel that their income barely meets their basic needs. For BKB shearers the wages are usually well in excess of the minimum wage. While they do believe their accommodation and services could be improved, the income is their biggest concern.

Occupational Health and Safety shearers

BKB and OVK provide basic equipment for the shearers, and training is provided through the experienced shearers. Little formal training is provided, but shearers and BKB reported that injuries to workers were very rare. Handling the shearing equipment as well as the animals can pose a risk, though this is considered low. In the case of serious injury, the shearer would be transported to the nearest hospital. Some teams keep basic first aid, though first aid training was not mentioned by the shearers interviewed. Farmers and the foreman assist with minor injuries, but there does not appear to be a formal protocol recognised by the shearers themselves. Shearing sheds can be fairly noisy places and the shearers viewed in action during the study did not wear or report ear protection.

A number of shearers interviewed (40%) did complain about facilities on some of the farms and at some of the depots. Some of the complaints related to over-congested sleeping rooms and ablution facilities that were not regarded as satisfactory by some of the respondents.

Freedom of association and right to collective bargaining shearers

Most shearers are members of the Hotellica Union. This membership also serves as the vehicle for collective bargaining. BKB, according to its shearing and management staff, enjoys a constructive working relationship with the Hotellica Union. Clearly, the shearers enjoy full worker rights under South African law, even if some of them are not fully clear about union processes and functions.

Disciplinary procedures shearers

As the shearers are affiliated to the Hotellica Union any disciplinary steps involve their union. The disciplinary regime is similar to workers in other industries and entails a process with clear steps and thresholds.

Young workers/child labour

No instances of under-age shearers was reported.

Freedom of work mobility shearers

While shearers are technically free to leave their employment to seek other work or to engage with other companies or teams of shearers, they, like the farm workers generally, have a very low level of education and would struggle to find alternative employment. The shearers from Lesotho are particularly vulnerable in that their education levels are the lowest found in the group of shearers, and their alternative employment options in Lesotho are extremely limited.

Root causes shearers

The root cause of the problem lies in the shearers’ limited education and narrow set of skills. Despite the fact that there is a healthy demand for shearers, their limited education levels restrict their earning capacity. Shearing is categorised as a relatively low-level skill. The preponderance of shearers emanating from Lesotho who are less secure in their jobs in South Africa and who have very few alternative income opportunities in Lesotho, serves to limit bargaining capacity. In this regard, the union is playing an important role in protecting the workers’ rights under the South African labour legislation. Their role is not obviously very active but it remains important.

Labour issues transport workers

The wool and mohair that is shorn on the farms has to be transported to local depots or to the auction in Port Elizabeth. The smaller producers usually make an agreement with a local small truck owner or have a small pick-up of their own to transport the wool and mohair to the depot. The transport workers in this type of situation are either the farmer himself/herself and a farm worker or a hired driver and labourer through a local service provider. In the former case, the worker involved is covered under the farm worker dispensation discussed above and the farmer is self-employed.

In the situation where a local transport service provider is used, it depends how formal the operation is. For small volumes of wool and mohair to the local depot the transport provider can be a local person with a pick-up truck and a person he pays on an occasional basis. In this instance there are often no formal records regarding labour practices. The payment is a simple agreement between the pick-up truck owner and the casual labourer. With increased traceability, this element will require additional attention, particularly for the emerging farmers.

The larger commercial users will typically hire a more formal transport service provider. In this case the drivers and workers are covered by South Africa’s labour law. Some are on a part-time basis. Many drivers are ‘owner drivers’ and hire one or two workers. This can be on a full-time basis or on a short-term contract basis. The remuneration to ‘owner-drivers’ is based upon what they can charge the farmer/client less their costs of labour and fuel.

Where the driver is a hired worker, (s)he together with the loading and offloading labourers is paid according to their contract with the company owner. This is covered by legislation and the collective bargaining in the transport sector in most cases.

Employment contracts transport

The employed drivers and workers are provided with employment contracts, but this is not true for the more informal arrangements for smaller volumes in the smaller centres and particularly in relation to emerging farmers.

Working hours transport

The ‘owner drivers’ tend to work long hours when the work is available as they are self-employed. They either have full-time worker(s) who are covered by national regulation on working hours, or daily workers. The daily workers are sometimes called upon to work beyond normal working hours.

Wages transport

The ‘owner drivers’ earn what they can through their contract with their client, the farmer. Their arrangement with their workers, often daily hired labour, is only controlled by the national minimum wage regulation. The drivers and workers employed in formal transport companies, as recommended by BKB for instance, are controlled by the sector agreements and national regulation and are unionised.

If the farmer uses his own transport, drivers and workers, then they fall under the on-farm employment agreement like other farm workers, with the difference being that drivers are usually paid more.

It is the less formal arrangements associated with local transport to depots by smaller producers that provide the challenge as the conditions of employment, payment as well as occupational safety elements are arbitrary.

Occupational Safety transport

The situation with officially employed drivers and workers is controlled under regulation and standard operating procedures including working hours, safety and elements are addressed through standard operating procedures within the transport industry. However, as noted above this is not the case with the smaller, less formal operators who often service some of the emerging and smaller farmers.

Freedom of association and right to collective bargaining transport

The formally employed drivers and workers in the transport sector are usually members of a union, unless they are owner drivers. Casual labourers employed by smaller transport operators, often a local person with a pick-up truck, are not part of any union and the freedom of association, while still a right, is not really meaningful.

Disciplinary procedures transport

The situation referred to above equally applies to disciplinary procedures. The formally contracted transport contracting companies follow industry and national procedures when it comes to disciplinary steps. This includes warning and due process. However, the same does not obtain for the less formal local arrangements.

Young workers/child labour

There is no evidence of child labour in the formal transport sector and none was found in the less formal local transport providers.

Freedom of work mobility transport

There is no bonding in the transport sector related to wool and mohair. Practically, with limited employment opportunities in South Africa, many have limited options.

Root causes transport

Vehicles are expensive in South Africa and transport is thus a capital intensive operation. Smaller mohair and wool producers do not individually produce sufficient volumes to justify the use of bigger transport service providers on their own. They can transport their produce to the nearest town and pool with other small producers and then transport the larger volumes to a broker, or request the brokers to assist. The broker-supported transport services tend to be viewed by the smaller producers as slightly more expensive and they often make use of the ‘informal’ transport service providers. These smaller operations operate sporadically, use casual labour and seldom follow the formal industry requirements.

The limited opportunities in the formal sector in South Africa is exacerbating the situation of casual labourers who enjoy few benefits or work-related protection. The authorities tend to investigate issues relating to employment conditions for formally employed workers fairly vigorously, but not for the less formal operations.



Sorting of wool. Photo: Hanne Haslum

Labour issues in processing plants

Labour relations in South Africa at present are fairly tense across many sectors and the same is true for the wool and mohair processing operations. What is more there are competing unions in the industry, particularly in certain locations around Port Elizabeth that are resulting in heightened tensions and greater sensitivities.

Generally speaking, the labour regime within the two processing operations in South Africa, Gubb and Inggs (Stucken) and SAMIL is characterised by the formal industrial set of processes and controls. The workers are unionised and a process of collective bargaining is in place and has considerable precedent. Safety procedures as well as leave and other employment elements are formally concluded and the unions do monitor employment practices and issues emerging through their own hierarchy.

The foregoing is not to suggest that there are not labour issues on both sides — labour and management — that do not cause tensions.

The Gubb and Inggs has approximately 55 workers (workers under the bargaining agreement) and occupies a double storey facility in Uitenhage. The Stucken Group, of which Gubb and Inggs is one component, has in excess of 240 workers. SAMIL has 178 workers all told. Of these 100 are in the Berlin factory near East London. In Port Elizabeth, where the Head Office is located, there are just over 78 workers. The companies have fairly typical organisational structures and follow traditional management systems. Union representatives report few labour problems beyond ‘short time’ and note general compliance and good labour relations.

Employment contracts processors

All workers receive clear employment contracts. Workers serve a three-month probationary period before their permanent contracts are confirmed.

Working hours processors

Working hours are clearly stipulated in workers’ contracts and are subject to union negotiation within the national regulation framework.

Wages processors

The workers interviewed expressed the desire for more pay as the major issue in their working lives. However, job security was also perceived as important. The South African Government Gazette of 6 September 2019 formalised the outcome of the National Textile Bargaining Council deliberations with a minimum wage for Grade 1 employees in the wool and mohair textile processing industry of R45.92 per hour and R53.75 per hour for Grade 5 employees. This translates to R368 and R430 per day on full-time or approximately R8,100 and R9,400 per month. This is considerably more than the minimum wage for farm workers, though farm workers do get benefits and the factory workers tend to have higher education and skill sets.

The industry is going through particular challenges at present including shortages of raw material (wool and mohair) to process. There is processing over-capacity. The processing companies introduce measures to lower costs, one measure being ‘short time’, where the working hours per week are curtailed and costs associated with labour are reduced. This has the effect of reducing the workers nett income and can cause hardship. Some workers recognise the pressures, but the union felt that ‘short-time’ is not a new phenomenon that is only linked to the current difficulties in the industry. Workers interviewed did note that they were happy to have a job in an environment of very low employment opportunities and thus able to provide for their families. Yet, ‘short time’ causes considerable difficulties for workers as it reduces income while they are unable to claim compensation from the Unemployment Insurance Fund (UIF). ‘Short time’ is explained by management as a means to preserve the operation and avoid large retrenchments within a difficult operating environment. Workers also noted that there are high expectations of the companies in terms of “providing jobs for more young people in our community”. In the current environment the tension between providing decent jobs with a decent level of income and providing more job opportunities for the unemployed is stark. This is not unique to the wool and mohair processing industry, but exists across industries in South Africa.

Occupational Health and Safety processors

Both the employer and workers reported that all standard procedures to ensure worker safety were in place in line with national regulations. Targeted workers had been trained in first aid, and safety equipment was provided. Workers had been trained on-the-job and

through specialist training programmes conducted away from the processing plant. The practice meets national requirements.

Freedom of association and right to collective bargaining processors

Workers in the industry are unionised and collective bargaining is the norm. The workers expressed satisfaction with the process.

Disciplinary procedures processors

Disciplinary procedures are well established within the industry and accepted by management and labour. The workers reported that this was generally well handled and was not an issue. The union shop stewards generally handled disputes through established procedures and workers felt that this operated well and was a vital union function. Workers also noted that the labour inspectors played an active role in investigating the conditions in the work place to ensure compliance with national regulations.

The employer response on the working relationship with the workers was non-committal. They deferred to the worker opinion and would not make comment on whether the relationship was positive or not. The workers reported a generally good relationship between workers and the employer. However, some noted that they sometimes did have tension with a particular supervisor whose attitude was ‘rough’.

Young workers/child labour

There is no evidence of under-age workers in the wool and mohair processing industry.

Freedom of work mobility processors

There is freedom of work mobility in the sense that no worker is bonded to the employer. However, within the South African context, the limited availability of other job opportunities means that in practice, this right is limited.

Root causes processors

Broadly speaking the high unemployment level in the country and the disparity in wealth are major causes of tension. South Africa has experienced de-industrialization over the last one-and-a-half decades that has seen many jobs shed. This has happened in an environment when the population growth rate, while generally on the descent, has grown at between 1.5% and 1.2% between 1995 and 2015. With regard to the current work-seeking population it should be noted that the population growth rate between 1970 and 1995 is more relevant. In this period the population growth rate ranged between 2.6% and 2%.¹⁰ There are thus more people chasing fewer job opportunities.

Relatively low levels of education and skills within the industrial sector also limits competitiveness and industrial growth.

The current low levels of product to process is impacting negatively on the companies and their workers. When there is sufficient production of the raw material, then the processing operations can operate on full time and even expand employment opportunities.

Employment opportunities in the industry as a whole, including within the processing factories, is related to world demand for wool and mohair and, specifically for South African wool and mohair. Expanding world demand leads to growth in the sector and more job opportunities. Political and regulatory uncertainty also present a constraint on growth in the sector. If this certainty and stability are provided, there will be greater investment in sheep and goat farming and more product for the factory operations to process, thus stimulating growth in employment opportunities. The farmers and processors alike would like to produce more, but the conditions, including certainty, security of investment and increased global demand for the products need to be in place.

The skill levels of the local workforce and productivity are also elements that require additional effort. Wages can and should be increased as an opportunity of advancement for workers and because of inflationary increases in living costs, but the industry can only do this if overall productivity of labour, management and capital is improved.

Environmental issues

Use and management of chemicals

While the wool and mohair farming operations are not particularly intensive users of chemicals and toxins, pest sprays and chemicals are used. On most farms the application and storage of these is well managed. However, on quite a number of farms the processes are not well controlled. The farmer associations and some of the chemical companies are advising the use of less persistent and harmful substances, but the management regime for these could be improved with more on-farm education and a clear link to powerful incentives. In the processing factories the chemicals are strictly controlled and disposed of in clearly regulated and documented processes. This does not mean that the process is without challenges. Disposing of the effluent from the sludge ponds is a challenge that is still being addressed. Generally, there is a move towards biodegradable chemicals and alkylphenol ethoxylates (APEO) free processes and compliance with the EU ‘REACH’ regulations which were adopted to improve the protection of human health from the risks that can be posed by certain chemicals. It also promotes alternative methods for hazard assessment in order to reduce the level of animal testing of these substances.

Veld management

Veld management is an increasing concern as the transformation of the natural vegetation or the over-intensive use of this reduces resilience to climate change, can result in long-term changes in the grass and bush types and have implications for future carrying capacity and the value of the land.

The old government-supported extension and regulation systems have largely broken down. This means that in practice farmers can run too many animals - over the official limit - with consequent damage to the veld. It is to the credit of the farmers interviewed during this research that this is not common practice on the large commercial farms. Many of the larger farmers are currently leasing land from other land owners and running stock on this leased land. While the official stocking levels on these farms form the basis of the rental amounts, the temptation for the farmer renting the land is to exceed these limits. Even running a small number of animals above the official carrying capacity can result in significant income advantage in the short run. This degrades the veld and the capital value of the

farm. Again to the credit of the farmers interviewed during this research those renting land were aware and averse to this practice.

There are many sound regulations applying to farm land and attempts to ensure good stewardship of the land include farmer (owner) responsibility for ensuring the removal of alien invasive species that generally impact negatively on biodiversity, indigenous species as well as upon available water. The regulations also cover elements like erosion. This move towards regulating good stewardship of the land is progressive and to be welcomed. However, the enforcement of these new approaches and the level of support for implementing them is very limited.

Yet, there are still several perverse regulations applying to farm land. The example of dams and erosion control is one of these. ‘Accelerated soil erosion’ constitutes a serious threat to the environment and the long-term productivity of the land. It is the removal of soil as a result of man's use of the land in ways that are maladjusted to the natural environment. Soil is eroded in three ways, i.e. through surface (or sheet) erosion by wind, through surface erosion by water and through donga or gully formation. Gullying is the spectacular kind of erosion, but surface erosion is the more insidious and destructive form, since its action in removing soil in thin layers is not easily observed and is usually only noticed when it is far advanced . Gully erosion is the direct consequence of, and can only be controlled by preventing, surface erosion; gully erosion accordingly is usually the first warning that an advanced degree of surface erosion has been taking place over a much greater area.

Farmers used to implement their own erosion control measures and create frequent small dams in the erosion gullies to slow water flow rates and allow for sedimentation build-up, essentially topsoil. However, there are now restrictions on excavations on the farm which restrict this function and many farmers are too wary of prosecution to do this. This is having the unintended consequence of limiting erosion control in some of the steeper locations.

Water management

There are strict laws on water uses in South Africa and farmers have been legally prosecuted for flouting them. Drought is the single biggest challenge mentioned by farmers during this research study. Most farmers fear that the droughts are becoming more frequent and



Portulacaria Afra, also known as *Elephant bush* and *Spekboom*. Photo: istock.com

severe. Feeding animals with bought feed is a very expensive exercise and can spell financial ruin for a farmer. The farmers who grow their own fodder are increasingly turning to more efficient irrigation systems and processes where loss due to evaporation and wind are minimised. There are many robust and efficient systems coming onto the market. Control over water system fault losses are, with new technologies and due care, being improved. All wool and mohair farmers are now very water conscious, both those who irrigate lands for feed and also those who only service water points for their livestock.

The removal of water-thirsty alien invasive plants, and even some 'indigenous invasives' like the Acacia Karoo tree in some parts plays a major role in water management.

Where possible, reservoirs and small dams are being well lined and at times covered to prevent water loss. New technologies and water management approaches can still advance efficiencies considerably. This is all

seeping into the public debate and popular magazines are publicising lists and tables that outline the volume of water required to produce different agricultural and other products. This includes rearing animals for meat and fibre. In this regard, sheep and Angora goats are more water efficient than many other forms of farming.

Veld management and fire regime

Besides stocking levels, erosion control and water management, the other key determinant of veld condition over time is the management of fire. Fire setting is not possible in many of the wool and mohair areas, but where it is used it should be controlled. Farmers engaged with during this study generally understood this. Fire from lightning is a natural phenomenon, but farmers have a system to address this by banding together to fight the fires before too much vegetation is lost. The over-frequent use of fire in areas can, like overgrazing, result in vegetation type change and see the predominance of less palatable and valuable plants. A Chief Fire Officer

is appointed for each district and oversees compliance issues, training, equipment and claims.

GHG emissions

According to studies, animal agriculture is responsible for 14-18% of global Green House Gases (GHG) emissions. This is largely due to the Methane emitted by ruminants like cows, sheep and goats. However, compared to other animal farming (e.g. cattle), the wool and mohair farms are not big emitters of greenhouse gases.¹¹

The biggest sources of emissions from wool and mohair farm operations probably emanates from the fire regime used on some farms to stimulate grass growth. This is not practised on all or even most farms and even those who do burn are generally conservative in doing so and do not burn frequently.

The other sources of GHG emissions on wool and mohair farms in South Africa relate to the use of vehicles on the

farm and to transport produce to markets, the use of grid power to pump for irrigation and animal use as well as for domestic purposes.

Emissions from the processing factories that use grid power from the national energy company, ESKOM, are high because of the coal intensive energy production employed by the national utility. The coal used has a high sulphur content and is particularly damaging.

Biodiversity

There are two big biodiversity issues that relate to the extensive wool and mohair farming sector in South Africa. These are the transformation of the natural resource base — the rangeland and the management of predators.

Most wool and mohair farming occurs in the dry western parts, but some farms are located in the 'Albany Thicket' Biome area and were carved out of the thicket

in the previous two centuries. This entailed the loss of considerable biodiversity and the loss of many ecosystem services including water retention. Biodiversity loss not only occurred in terms of plant species (flora), but also invertebrates and megafauna. While this happened many years ago and the situation is more stable now, biodiversity loss as well as landscape transformation remain concerns.

Farmers interviewed for this study appear to be conscious of the natural environment and the importance of a sound ecosystem. A particularly striking example of this is the involvement of farmers in the Graaff-Reinet, Nieu-Bethesda, Cradock and Pearston areas in the Mountain Zebra Camdeboo Protected Environment (MZCPE) Conservancy which was declared in 2016 in partnership with South African National Parks.

Predator control is an issue that has more prominence in common perception. Merino sheep and Angora goats are susceptible to four or five predators, depending on the particular area in which the farm is located. These predators, often termed “vermin” by the farmers include: Jackals (*Canis mesomelas*); caracal (‘rooikat’, caracal caracal); black eagle; bushpig; and even baboons. Crows are also having an impact on kids and lambs. However, it is the jackal and caracal that account for the big losses. None of these is species in danger of extinction, indeed the Jackal and caracal (‘rooikat’) have increased greatly over the last 5-10 years in many areas. This seems largely, but not exclusively, related to an increase in the number of farms that have converted to game farming as well as the lower levels of control of predators in many areas. Because of fragmentation between the 9 provinces in South Africa and the lack of a coherent national approach to the management of problem animals the predator issue still looms large.

Small livestock farmers identify the game farming industry and the nature reserves as ‘pools of predators’ which attack their livestock and hence their livelihoods. Farming with small kids and lambs is described by one of the farmers as “providing jackals and rooikat with a ‘take-away’ food outlet”. Several sheep farmers in the mountains noted that they had game farm neighbours, often foreign-owned, and one farmer noted that “visitors to the game farms might relish the sound of a jackal cry in the evening when seated at the fireside, but to me it is chilling”. Without controlling the numbers of jackal

and caracal, a farmer can suffer debilitating losses and go out of business. Poisoning and gintraps with metal teeth were widely used in the past. This is no longer the case and an on-going debate within the country on the control of problem animals continues.

Farmers interviewed used box traps, ‘soft gin traps’ as well as hunting dogs and professional night hunters. Some farmers felt that the investment in jackal-proof fencing was an effective though expensive measure to control losses. However, many noted that animals like warthogs created holes in fencing and these holes were quickly exploited by jackals to attack their small livestock. Electronic motion detectors linked to wireless media are also utilised on some farms, but these are expensive and restricted by mountainous terrain and connectivity. Losses reported by farmers varied widely according to location. Some farmers incur costs associated with losses and attempts to control losses of up to 500,000 rand per annum.

Many new and innovative control measures are being investigated, but the debate is far from over. Farmers generally understand the need for humane methods, but some point out that the consequences of and suffering from a jackal attack on a lamb or kid can be horrific. They also point out that not having effective control measures can equal crippling losses and the end of production. In 2009 the Livestock and Wildlife Working Group on Damage Causing Animals was founded in Port Elizabeth to provide a united platform for liaison and coordinating predation management activities of the livestock and wildlife ranching industries. The organised livestock industries (NWGA, RPO & SAMGA) and the wildlife ranching industry (WRSA) united to find practical solutions for reducing the negative impact of predation. In 2010 the group was renamed the Predation Management Forum (PMF).

The Nelson Mandela University in Port Elizabeth conducted a world first Scientific Assessment to guide the way forward and set the stage on improved policy formulation and management of livestock predation in SA, thereby reducing conflict around this issue and contributing to sustaining both agricultural production and biodiversity.

Animal welfare

Humane handling and treatment of animals has become an important global issue. Purchasers of high quality products in many parts of the world — notably Europe and the United States — do not want the production of the good they purchase to entail suffering for animals or people. The ‘expose’ of the treatment of Angora goats on a mohair farm in South Africa by People for the Ethical Treatment of Animals (PETA) over a year ago resulted in the undertaking by a number of high-profile international brands and retailers not to use mohair in their products. This has had only a marginal impact upon mohair sales, but this sort of issue can have negative image consequences for those operations still using mohair and for the industry as a whole. The PETA ‘expose’ was not an accurate representation of the industry as a whole and was not an honest process. However, it did send a warning that the industry needs to heed.

Farmers interviewed during this research study, together with the far more numerous farms assessed in terms of the RWS audit (80 of which were scrutinised during this research study), were conscious of the requirement for humane handling of the livestock. Issues related to on-farm slaughtering for self-consumption and castration did however emerge.

Animals in the veld

Animals in the veld require sufficient water, protection from predators as well as ready access to shelter in case of wind-driven rain and cold. In addition, the veld should be as free of noxious plants and substances as possible. It is the farmer’s obligation, as well as in his self-interest to protect his animals from these threats.

Clearly sufficient feed, particularly in times of stress, birthing (lambing and kidding), drought or particularly cold weather, is a necessity. In tough times associated with drought and when animals are vulnerable through shearing or lambing, additional feed to bolster them is usually provided for short periods by the farmer, but with the current drought this is becoming more of the norm over longer periods and is costly. This is an example of how Climate Change is impacting negatively on farmers in the ‘South’. It squeezes the farmers and all the related elements of farming including workers.

Farmers interviewed in the colder areas, noted that they also herded their animals into shelters if there was a likely combination of wind, rain and a sudden

drop in temperature anticipated. Angora goats lose condition if they are kept in sheds for too long. It is best to supplement feed with high calorie mixtures and then return the animals to the veld as soon as possible. This is the strategy reported by several of the farmers interviewed.

At all times animals need to be treated with respect in a way that minimises trauma. Animals in serious trauma in the veld require prompt treatment and in some cases euthanasia. When terminally ill or injured, swift humane euthanasia is required. All farmers interviewed as well as the audit reports from the BKB/RWS process met these requirements. Reports from BKB indicate that the situation on the ZQ farms is in line with this finding. Several farmers noted that it was in their self-interest to do this as their stock was their livelihood and needed careful tending.

Handling and Loading

All farmers interviewed in the study reported having at least one loading ramp. 20% mentioned having mobile loading ramps. Animals were only loaded by experienced staff supervised by the farmer or a senior, experienced staff member.

All farmers interviewed expressed a strong aversion to the use of prodders.

Shearing

When shearing an animal, it has to be immobilised. This involves the use of the shearer’s body, usually the knee. All animals feel a degree of trauma during shearing, but one farmer likened it to a child’s reaction to its first haircut. However, animals are stressed and do suffer fairly frequent minor cuts and ‘nicks’. As mentioned above, incentives related to number of animals shorn without cuts could help address this. Severe cuts are less common but also occur occasionally. Most farmers and some of the shearers are adept at inserting stitches when necessary. Farmers interviewed as well as the shearers and BKB reported few serious injuries, but fairly frequent ‘nicks’ requiring the use of cleaning and antiseptic.

The shearers generally preferred the use of the mechanised shears on farms where there was power as it was faster, though some farmers with power preferred the use of hand shears. The advantages and disadvantages of the two methods deserve further investigation and discussion.

Injury management

Injured animals are usually treated by the farmer and the shearing supervisor or team leader. If the injuries warrant it, the animals are kept under close observation in a separate 'hospital' enclosure near the main dwelling. In the case of more seriously injured or sick animals, the farmer will consult a veterinary practitioner (vet). Modern communications technology, where connectivity exists, can greatly assist remote diagnosis and treatment. Animals are valuable and are looked after as well as possible by the farmers interviewed. All communicable diseases are recorded with the State Vet.

Slaughter procedures

On a few of the larger commercial farms there was on-farm slaughter of excess or old animals for self-use and staff. The methods varied from a bolt or shot to the head to slaughter by knife to the throat. Several farmers made the point that transporting animals to an abattoir where they could pick up the trauma of many slaughtered animals as well as the death smell was more traumatic. Where an animal is seriously injured and in pain or severe distress that is not likely to respond to treatment, the farmers usually shoot the animal to end its misery. This is only done where there is no other option, and reluctantly. This is in line with the RWS and ZQ Standard requirements.

A number of emerging farmers noted that they had

traditional methods of slaughtering animals in line with their belief system that includes the use of traditional slaughter as a means of communicating with their departed ancestors as well as solidifying social cohesion within the extended kinship network.

Several of the larger farmers stated that, if this was a big issue, they would readily cease on-farm slaughter or use a stun bolt. The real challenge in this regard as mentioned earlier lies with the emerging farmers and traditional practices, but even on these farms, practices could be changed. According to the Norwegian Animal Welfare Alliance, slaughtering without anaesthesia would be considered unacceptable my ethical consumers. This issue deserves a constructive exchange of views between the farmers and the market representatives and further research.

Castration and tail docking

Methods employed in the castration and tail docking of animals is a sensitive issue. Tail docking is largely viewed as a disappearing practice and most of the farmers engaged with in this study recognise that it is not acceptable in the market. Castration methods is an element that requires additional focus. Most farmers use the rubber rings approach as they feel that this is the least traumatic and risky process. ZQ Merino's research into some form of accompanying anaesthesia would make this more acceptable to the market, but must be practicable and affordable for general acceptance.



Feeding of orphan lambs. Photo: Hanne Haslum



Newly shorn sheep. Photo: Hanne Haslum



Traditional windmills provide energy used for water pumps. Photo: Hanne Haslum



Good practice and suggested solutions

Good practice for on-farm labour processes – potential improvements

It represents good practice that many farm workers noted that their employer was fair and farmers expressed the opinion that if one treated others fairly, they were more likely to treat you well. Farmers and workers do spend much of their waking time working together and this, over time, leads to close relationships not often seen in other industries. Yet, where possible the relationship between farm employers and the farm workers should be contractually as formal as possible.

Assisting farmers in meeting the ethical requirements of the market is key to market access and a better price for the product, which again should have a positive impact on the workers. The easiest way to do this is through certification. The RWS and the ZQ standard already represent good practice for merino production, and the upcoming RMS will do the same for mohair. ZQ in addition provides the opportunity for growers to enter wool supply contracts and achieve price stability for their wool in contrast to exposure to market volatility, which should have a positive effect on farm workers' wages as well. The South African wool and mohair farmers appear to be more than willing to meet these requirements.

Formal training of farm workers is key in addressing job security and skills development, which would address the limited freedom of work mobility both for permanent and contract workers. Incentives to farmers and workers that relate to the length of the working relationship – including in terms of a positive story to aid marketing in more lucrative markets – should be investigated. These could be associated with a small price premium in the market for their products, or tax concessions from the government.

The pressure on wool and mohair farming operations in South Africa limits opportunities for employer and employee alike. With less pressure and more time and resources, the farmers and farm workers from a number of farms could engage through a forum to explore issues that divide them or hinder production and security and seek solutions. The idea of a 'farm-compact' between farmers and farm workers should be further explored. There are already consultation meetings between the mohair farmers and worker representatives. These are not a substitute for unions, but do provide a channel for communication on issues which could provide as a starting point.

Retiring farm workers often face financial difficulty when they have to rely exclusively on the State Pension Scheme. Farmers also noted the difficulty and one wealthy farmer went as far as purchasing an additional farm for his retiring workers to settle on in their old age. Not many farmers can afford this, but a system that provides some form of additional (to the State Pension Fund) income security for retiring farm workers is something that should be further investigated. This could be partly subsidised by the state and by farmers and the workers themselves.

Good practice examples related to education for farm worker children were noted during the fieldwork. Supporting quality education for farm worker children could make an important contribution to farm worker well-being. Several farm workers mentioned their children's advancement prospects as of major concern. The previous 'partnerships' between farmers and government in the construction and operation of farm schools was a model that should be re-explored. During the fieldwork we found only two operating farm schools. These were of high quality, and represent very good practice.

A troubling issue that emerged from interviews with farmers and some workers related to a high level of social breakdown in many rural communities and families, including a high level of alcohol abuse. This seems to affect men the most, but several farmers mentioned that there were also women with this problem. Alcohol abuse is also frequently linked to family violence and to destitution. This is a very large challenge as it appears to be widespread and social services in support of people with substance abuse problems in the rural areas is extremely limited. Government, in partnership with organised agriculture should look to establish support networks for rural workers and employers and peers should be educated to support them. There are potential good practice lessons to be learnt from the wine and fruit and vegetable industries in South Africa where this problem has been noted.

Generally, one of the most positive change elements that could impact positively on farming operations and working relationships on farms would be an increase

in demand for South African wool and mohair and the maintenance of good prices. An environment of political and regulatory clarity and certainty would certainly enhance the prospects of greater investment into the wool and mohair farming sectors in South Africa.

Good practice for shearer labour matters - potential improvements

In general, educating and up-skilling the shearers during the non-shearing periods would reduce their vulnerability and provide greater opportunity. Formally linked, accredited training with realistic assessment and recognition of on-the-job performance and learning could go a long way to providing the shearers with more recognised skills and make them more employable and efficient. The industry is doing this, but the programme needs to be further supported and rolled-out more

vigorously. Shearer training is provided by NWGA through qualified and experienced shearer instructors. The content is in line with international standards, and the training is accredited with the SA Qualifications Authority (SAQA). However, few of the shearers interviewed at BKB or independently reported that they had been formally trained or received any certification as of yet.

The BKB shearing team informed that they took account of ‘glitches’ and delays on the farm that limited the shearers opportunities to shear at least the minimum wage number of 48 animals per day. This would be a good element to include in the contractual agreement with the shearers and should entail the farmers paying a slight premium for the animals shorn if they cannot provide a steady stream of animals for shearing. The facilities for housing shearers on some of the farms were very poor. Many farmers did provide acceptable accommodation and services, but some did not. Where this is the case, caravans could be used to at least provide a basic level of accommodation for shearers when they are on the farms. The facilities at the depots where shearers congregate need assessment.

Good practice for transport workers – potential improvements

The transport component of the wool and mohair value chain is the smallest in terms of value-add. It provides a challenge in that the formal, larger transport providers typically have diverse businesses in which the transport of wool and mohair is a relatively minor component. Most challenges with regard to labour practices in this sector relate to the less formal, local small operators owning a small pick-up truck with which they could transport the production of smaller producers to local markets at a relatively low price. Prohibiting the use of these informal service providers would only serve to further marginalise poor rural people with some initiative and provide support to the more formal and large operations.

Rather than excluding the smaller, less formal service provider, the small operators should be supported to understand what the formal requirements are and to meet as many of these as they can. The farmers can encourage them to transform as much as possible so that

they, the farmers, can move into the market for fair and ethically produced products while still providing these small operators with custom.

Good practice for workers in processing plants – potential improvements

The biggest current labour-related issue in the processing plants relates to ‘short-time’. Where at all possible this should be avoided and only employed in the case of crisis beyond the control of the processors.

Additional skills training for the factory employees would also serve to make them more efficient and readily employable.

An industry-wide insurance scheme that targets stable workers over time through setting aside funding during the non-crisis periods for a ‘short-time’ insurance fund that would partially cover the gap between workers’ normal full-time employment package and what they receive during ‘short-time’ could be investigated to reduce worker hardship during the ‘short-time’ periods.

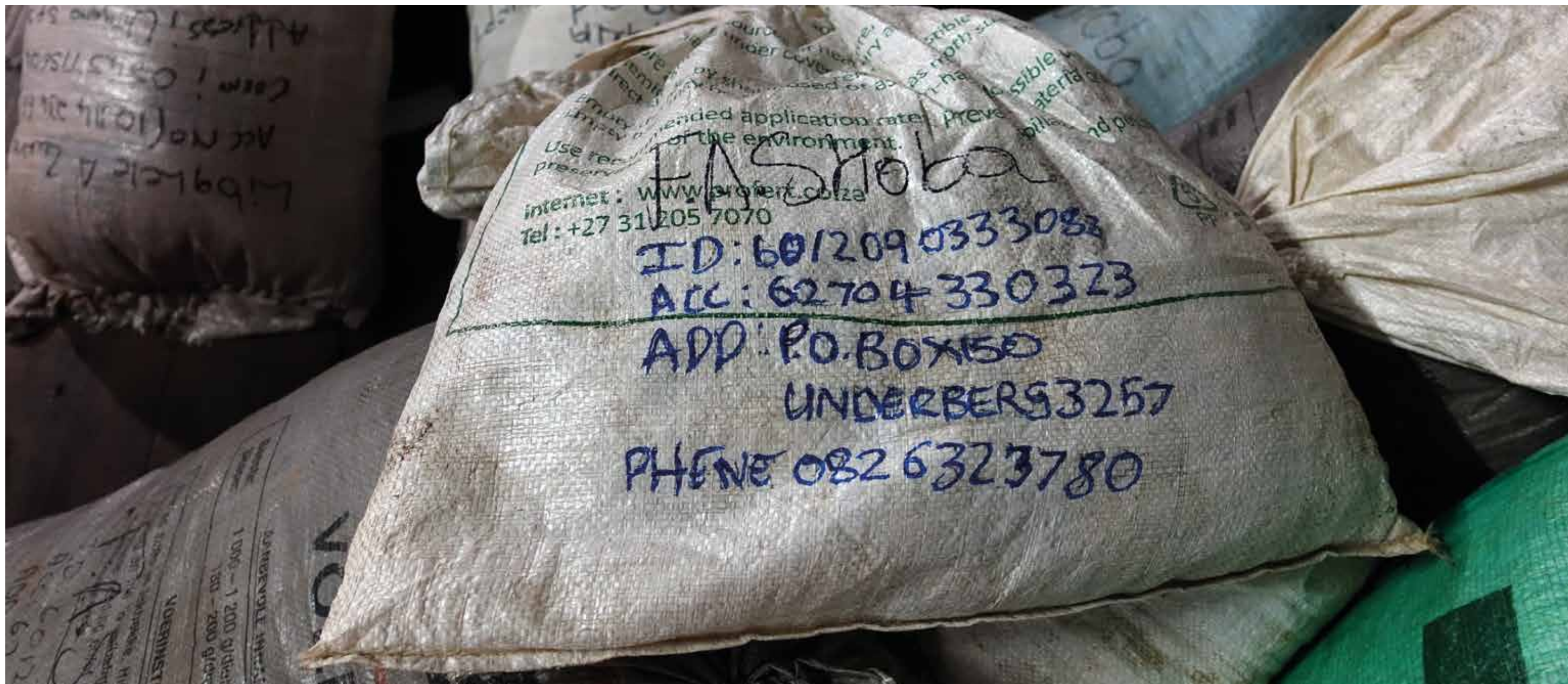
Good practice for animal treatment and handling – potential improvements

The altering of the incentive to shearers to include reward for animals that are not ‘nicked’ or injured during shearing to balance the need to share as many animals as possible per hour is probably one of the major changes that could be introduced to reduce animal trauma. Best practice would be to have a system in place to match shearer to sheep. If supervised, the shearer who is causing injury can be identified and stopped for warnings or training. This is required within ZQ and RWS.

Use of mechanised versus hand shearing is a debatable issue. Further research into the advantages and disadvantages of the two methods with a set of industry guidelines could help. Farmers have their own preferences. Some felt that the mechanised equipment allowed for swifter shearing and fewer injuries, others felt that there were more severe injuries



Dried out dam in Graaf-Reinet. Normally this dam provides drinking water to around 35 000 people. Photo: Chris Wilken



Small bag of wool with bale number. Photo: Hanne Haslum

from the mechanical shears. Other opinion was that the hand shears resulted in more serious cuts. BKB has now standardised on bevelled mechanical shears and provides and maintains the equipment themselves with a view to limiting injuries from sharp, worn equipment.

Most farm workers had only received on-the-job training in terms of handling animals. Additional, 'recognised', short-term training courses that demonstrate 'good practice' handling and provide farm workers with a certificate could improve animal handling procedures further and serve to advance the recognised abilities of workers. This training should concentrate primarily on the practical techniques of animal handling, but should

also provide explanations relating to the reasons for the particular approaches and the reasons for the change in the approach.

The whole issue of on-farm slaughter of animals needs further exploration between the market and the farmers. This will be a particularly acute engagement between the emerging farmers and the market. Real, bottom-line considerations need to be discussed and agreed if emerging farmers and the market are to come to some accommodation on this matter. The processes of on-farm slaughter on the existing commercial farm suppliers into the Norwegian market also deserves further scrutiny and discussion. Most farmers are prepared to adapt and

indicated during the interviews that this was not a major issue for them, but the issue of double standards between the established commercial farmers and emerging farmers will emerge as an anomaly.

The issue of castration methods is another unsettled matter. Clearly, the objective is to employ methods that cause the minimum pain, discomfort and danger to the animal. There are three methods of castration typically employed. Surgical castration, the use of an elastrator band around the neck of a kid's scrotum and the Burdizzo emasculator (bloodless clamp). The mohair industry "Sustainable Mohair Production Guidelines" and the Wool Industry Code of Best Practice provide

clear information on the approaches and good practice examples. Yet, pain management (through some form of local anaesthesia or ointment) is an element that should be introduced by the industry if it wishes to continue to target the high-value markets of Europe where this is likely to become increasingly demanded. The collaboration between NZM and Numnuts on research and development collaborations to identify solutions for castrating with pain relief is promising in this regard.

The fact that merinos in South Africa have been bred to eliminate the need for mulesing constitutes in itself good practice, and certainly assists the export of wool from the country.

Good practice and potential improvements for veld management

Almost all of the farmers interviewed and those assessed during the audit process by ZQ/BKB followed general good practice in terms of managing their farms and the veld. However, this is always open to improvement. Issues relating to the emerging farmers and those farming on the commons are related to the fact that the farmers don't own the land. The former commercial farms bought by government are provided to the emerging farmers on a lease basis. This encourages a short-term approach to maximise the benefits from the land — frequently at the cost of soil and general farm quality. It also restricts the farmers investment in the farm as (s)he cannot use the land as collateral for development capital. This is a matter that the Government of South Africa should be encouraged to address as it is resulting in the depreciation of the capital — the long-term productivity of the farm.

There is also room for improvement on some leased land on which the lessee runs livestock. Several farmers pointed out in discussion that this can lead to situations of over-use and lack of due maintenance or upgrades to facilities and farm infrastructure. In this regard, the strict enforcement of carrying capacity limits is required.

Unfortunately, the farm extension and monitoring systems have largely broken down. Given the dispersed nature of the farms in the wool and mohair industry, the limited knowledgeable manpower available and the costs associated with travelling to the remote farms, an investigation of the use of drones to monitor stock numbers and veld condition should be considered and discussed with the producer associations. One would have to obtain the approval of farmers, but those objecting would probably need to be flagged for physical on-farm visits.

Conservative stocking levels and the appropriate mix of animals on a farm is crucial as well as sufficient watering points for livestock. Where fodder is grown, the use of improved irrigation methods to reduce water loss as well as observing the sensitivities around wetlands is good practice. This again is generally the case, but not always with the emerging farmers who need assistance in this regard. The drought is also putting increased pressure on the commercial farmers who are having to seek out new water sources and run water a long distance. Most farmers reported that they used a combination of measures when drought conditions struck. These typically included lowering stock levels, by shedding older animals more early than is normally the case and also feeding more. These constitute 'good practice' in terms of animal welfare and veld management, but implies great costs for the farmers.

The on-farm issue of predator control is challenging. Clearly, there is a need for predator control, but which methods are acceptable and effective is contentious. The first line of defence should be prevention. Good, jackal-proof fencing can be effective in certain areas, but is less so in areas where there are warthogs and bush pigs. Beyond this, the more targeted an approach is, the better. Thus, poisoning and gintraps are both cruel and frequently result in 'by-kill' of non-problematic animals. The National Environmental Management: Biodiversity Act (NEMBA) restricts poisoning, trapping and hunting of animals and prohibits hunting with dog packs. Hunting of threatened species by any means without specific approval is prohibited. Snaring is also prohibited. Acceptable methods used by farmers include the use of professional hunters, guard dogs, donkeys, protective collars, scent collars, bell collars, motion sensing transmitters on a number of flock or herd animals combined with a mobile phone. Loud noises, lights etc. linked to motion detectors as well as powerful scents can be used with some initial success, but the predators soon adjust and the methods need to be rotated frequently. The advantage of the motion sensing transmitter and mobile phone device is that it can assist in not only limiting predator activity, but also stock theft. However, it is limited by connectivity and the local terrain. A combination of measures tends to be the most effective.

There is an on-going process of exploration around this issue. The Wool and Mohair Industries are both members of Predation Management Forum SA with the Red Meat Industry and Wildlife Ranching SA. An extensive training programme by experts is undertaken in SA with producers and farm workers attending. 27 Monitor farms are included in the program to inform the training programme on best practices. A code of best practices for predation management is available on their website.

particularly ticks. However, frequent burning can impact on the grass composition and soil. In the higher-lying areas the farmers did not burn at all and even in the lower areas there was very limited burning, but where this is deemed necessary, frequent burning should be avoided.


The growing of Spekboom (Portulacaria Afra) can play an important part in both climate change mitigation and adaptation. It is an indigenous plant that thrived in the Albany Thicket Biome, but also further to the West in less dense stands. It provides good feed for animals in times of drought and does not burn. It is also very good at sequestering carbon dioxide.

Good practice on the use of renewable energy for pumping and domestic purposes was noted on several farms. There are now well-developed price-competitive and robust solar systems that can limit the use of grid power or diesel generators. Old-fashioned windmills is another source of renewable energy. Windmills used to be ubiquitous throughout the wool and mohair growing areas of the country and were virtually the symbol of the Karoo. These are now perceived as expensive, labour intensive and costly to maintain. However, if the cost of maintenance of the windmills can be kept modest, more farmers would repair them. With such a high level of unemployment in the wool and mohair production regions and the country as a whole, there is an opportunity to establish training courses and support centres for young unemployed entrepreneurs to develop repair facilities where parts can be repaired or made and from which mobile groups of 2-3 partners could service windmills. This will have the multiple benefits of addressing unemployment, providing a competitively-priced service to farmers and using GHG-emission free wind power that has a long history in the wool and mohair growing areas.

Good practice and potential improvements for Climate Change Mitigation

Most problematic in this area is the use of fire. Besides being useful to stimulate palatable growth in certain areas, fire is also useful in limiting parasite numbers,

Global good practice



The example of the 65 farmers in the Graaff-Reinett, Nieu Bethesda, Cradock and Pearston areas who have joined together and partnered with the South African National Parks to establish a 286,434 hectare protected environment, the 'Mountain Zebra Camdeboo Protected Environment' (MZCPE) to protect the 'Maputaland Pondoland Albany biodiversity hotspot' provides

a global 'good practice' example of farmers protecting biodiversity. The farmers have signed-up to a binding set of rules in terms of their farm management regime. The agreement goes beyond the biodiversity focus and includes fire, socio-economic, heritage and tourism elements. Further details and the Management Plan can be obtained from <http://www.mzcpe.co.za/>.

Good practice and potential improvements for Climate Change Adaptation

The conservative use of farm land with suitable stocking levels and the eradication of invasive alien plants is a sound adaptation measure. The fire regime on a farm also links to climate change adaptation. Keeping good ground cover remains a basic measure.

The establishment of more water points on farms as well as careful attention to water infrastructure is a good practice. Many of the wool and mohair farmers are already extremely water sensitive and carefully maintain their water systems. Where farmers are irrigating for feed – and many are unable to do this in the current drought conditions – improved low-water loss solar systems are now available. These can ‘pay’ for themselves in a short time and contribute to general sustainability within the industry.

It is worth noticing here that many of the requirements and guidelines for ‘fair, ethical and sustainable production’ make good commercial sense for farmers facing the effects of climate change. The IFAD-supported ISASAR Project noted that the sustainable environment (‘greening’) practice elements in most label-driven screening processes overlap considerably (over 80%) with the steps and actions required to build resilience to the effects of Climate Change.

Good practice and potential improvements in traceability of wool and mohair

The fact that there is a system in place for tracing wool and mohair back to the farm via the bale number constitutes good practice, and is an important element for international buyers.

Many farmers embrace the requirement of traceability and take pride in producing in a fair and sustainable way. BKB has been investigating the use of blockchain technology to facilitate tracing fibres along the value chain. This holds tremendous potential and could be instituted very soon with support. It would constitute good practice and simplify verification. However, it will

need to be applied along the entire value chain including the manufacturing of the final product.

Certification standards

There are several certification standards relevant for South African growers of wool and mohair, including the Responsible Wool Standard, ZQ Merino, Nativa and shortly also the Responsible Mohair Standard. The scope and requirements of the standards vary, but they all provide good practice guidelines for many of the issues raised in this report. While all include requirements on animal welfare and land management, ZQ has been the only standard addressing labour issues on farms. Similar requirements are now being included in the RWS and RMS, and in Nativa. Accreditation to all the standards are based on different kinds of audits. All ZQ audits are performed by an independent third party auditor, while RWS audits allow the group model by square root, being a mix of third party audit and internal inspections.

When an audit has findings, these are raised as corrective actions with the growers that must be addressed to achieve certification. NZM and BKB have partnered to reduce audit fatigue and are performing both ZQ and RWS audits at the same time whenever possible.



Instructions in BKB’s warehouse. Photo: Hanne Haslum

ZQ Merino

ZQ Merino is a substance brand developed by The New Zealand Merino Company Limited (NZM) in 2007 to satisfy consumer expectations regarding wool fibre integrity and quality. ZQ addresses animal welfare, land management as well as social responsibility, and ZQ certification ensure full

traceability down to farm. Importantly, ZQ provides the opportunity for growers to enter wool supply contracts and achieve price stability for their wool in contrast to exposure to market volatility.

Website: <https://www.discoverzq.com/>

Summary of ZQ audit findings in South Africa 2017-2019

151 ZQ on farm audits

3 average findings per audit. The audit findings primarily relate to lack of documentation including health & safety, land environment plans and recording treatments.

2% of findings related to labour issue. There were 7 instances of insufficient employee contracts.

Most common findings

- Not having appropriate health & safety (of people) systems in place, in particular not having written plans and a lack of hazard signs around the property.
- Not having a written farm environment plan
- Not recording animal treatments.

The New Zealand Merino Company is participating in this Due Diligence Project, and has agreed to share the ZQ audit findings from South Africa.

Responsible Wool and Mohair Standard

Both the Responsible Wool Standard (RWS) and the upcoming Responsible Mohair Standard (RMS) are developed by Textile Exchange. Textile Exchange is a global non-profit organization aimed at minimizing and even reversing negative environmental and social outcomes of the global textile industry. As of today, RWS addresses animal welfare and land management, but social requirements will be included in the updated RWS and RMS standards to be released in 2020. RWS certification ensures traceability throughout the value chain.

Website: <https://responsiblewool.org/>

Nativa

Nativa (formerly ‘Organica’) is a label developed and owned by the French company Chargeur Luxury Materials. The Nativa protocol addresses animal welfare, land management and corporate social responsibility, guaranteeing quality and traceability of wool fibers across the value chain.

Website: <http://www.nativapreciousfiber.com/en/>

Conclusion and recommendations

The wool and mohair industries in South Africa have made considerable strides in addressing issues relating to fair and ethical, sustainable and humane production. The industries have produced guidelines and started to investigate new technologies to facilitate the transition, as well as offering training to both farm-workers and shearers. The farmers themselves have also started to embrace the changes. This Due Diligence Study can contribute in an important way to the process of moving further along the road to fair, ethical, humane and sustainable production. This is how it was viewed by most of the farmers as well as other stakeholders engaged with during the limited study. Importantly however, rather than creating new initiatives, the project should seek to complement, support and strengthen the ongoing efforts by the industry and local stakeholders with a long-term perspective on sustainable improvements.

Upon consideration of the risks and good practices available, and based on input from the industries themselves, the project should consider the following interventions to support and improve sustainability within the wool and mohair industries in South-Africa.

1. Use funding to seek financing from other institutions in order to maximise impacts on crucial elements. The available funding for interventions in this particular project can be used as 'co-financing' to encourage other potential support for key elements in addressing fair, humane and sustainable production.
2. Collaborate with the industry associations to support and strengthen training to farmers to 'navigate' the requirements and processes associated with meeting the welter of sustainability standards.
3. Support education of emerging farmers and farmers on the commons on sustainability and the link with resilience and access to markets.
4. Work with ECRDA, extension workers and wool and mohair industry structures to prepare a pilot group of emerging farmers to produce mohair and wool in line with the standards and to meet the requirements of a commercial user of their product. This would serve as an example of inspiration for other emerging farmers.
5. Encourage skills training programmes for both farm workers and factory workers in the processing operations to create greater efficiencies and productivity in the industries and to contribute to strengthening workers position by making them more sought after. The actual training of farm and factory workers cannot happen within this project period, but the wool and mohair industry associations and institutions are already supporting the skills development of farm workers. A skills development training project can be designed for wool and mohair processing factory workers for the roll-out of the actual training to occur in the 2020-2021. Committed support for this roll-out from the relevant Sector Education and Training Authority (SETA) and others should be secured.
6. Support the BKB and industry efforts towards greater coherence and consolidation of on-farm audit processes. Opportunities related to group accreditation for standards, particularly for emerging farmers, should be supported as a measure to reduce the costs associated with standard accreditation. Ethical Trade Norway could assist by lobbying the market in support of the BKB and industry efforts to obtain market agreement for 'group accreditation'.
7. Facilitate the engagement and look at establishing feedback loops between the market and the producers on core issues relating to sustainable and fair production to achieve mutual understanding and consensus. This could be enhanced through a yearly on-line contact meeting between producers and company representatives and facilitated by Ethical Trade Norway.
8. Support the efforts within the industry to explore effective and humane ways of dealing with predators by providing the interface between the producers and the market requirements.
9. Assistance to develop an example of a 'farm compact' between farmers and their workers that clearly outlines relative responsibilities and conditions applicable to the parties to advance fair, ethical, humane and sustainable production, could greatly assist the industry and all concerned.



List of acronyms

AFASA	African Farmers Association of South Africa
Agri-SA	Agri-South Africa
BKB	The Department of Agriculture, Land Reform & Rural Development
DALRRD	The Department of Agriculture, Land Reform & Rural Development
DRDAR	The Eastern Cape Province Department of Agriculture, Land Reform & Rural Development
DTI	Department of Trade and Industry, Government of South Africa
ECRDA	Eastern Cape Rural Development Agency
ITUC	International Trade Union Confederation
MSA	Mohair South Africa
OVK	Oos-Vrystaat Kaap Bedryf Beperk
SAMC	South African Mohair Cluster
SAMGA	South African Mohair Growers Association
SAMIL	South African Mohair Industries Limited
SACTWU	South African Clothing and Textile Workers Union



End notes

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⁶ See note 3.

⁷ Numbers from the National Wool Growers Association of South Africa (NWGA).

⁸ Numbers from the South African Mohair Growers’ Association (SAMGA).

⁹ Personal comment BKB Shearing Organiser

¹⁰ World Bank Statistics, July 2018.

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