

**COMMARK/TEBA LESOTHO WOOL MARKETING  
AND MENTORING PROJECT**

**EVALUATION OF THIS PROJECT  
BY  
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**PATERSON AGRI-SERVICES**

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## CONCLUSION

This project has had an incredibly positive impact on improving the status of the shearing sheds of some licensed traders as well as improving the asset value of the participating farmers and it is therefore highly recommended that the project continues to be supported by ComMark and Teba for at least the next year so that the sustainability of the positive results are ensured.

### 1) INTRODUCTION

Intervention into a production/marketing process within an underdeveloped country is a challenge especially where the farmers are widely dispersed and the road infrastructure is very poor. Attempting to make a difference in a period of 3 years is a huge challenge, especially if the support services that brought about the difference have to be removed after such a short time. This evaluation of the project is therefore made with the preconception that withdrawal from the project is premature after only three years of intervention. However, the effort, expectation and planning to intervene effectively in merely three years is commendable.

The evaluation of the effectiveness of the project was based on:

- i) The documentation supplied by ComMark. A summary of these reports is presented in appendix 'A'.
- ii) Discussions with the management of Mngcunube (the implementing consultants) regarding the Livestock Database Report.
- iii) The operational area in the Lesotho highlands was visited and numerous sheds and sites were visited. This program is presented in appendix 'B'.
- iv) People involved or related to the project were interviewed in the operational area. These interviews are summarised in appendix 'C'.
- v) Other people who could contribute to a better understanding of the success of the project were interviewed in Maseru or by phone. A summary of these interviews is presented in appendix 'D'.

The information contained in these appendices is a vitally important part of the evaluation of the project and just consideration should be given to the contents of these appendices.

## 2) IMPACT OF THE PROJECT

The impact of the project is made through an evaluation of the records and secondly by an evaluation in the field. When evaluating the records it is worth noting the words of F.A.Hayek, the Nobel prizewinner for economics.

“The curious task of economics is to demonstrate to men how little they really know about what they imagine they can design”.

The Teba team and particularly the management of Mngcunube and their own team appreciate the implications of this statement and have gone to extreme lengths to ensure that the Database is a true reflection of the actual results. In the words of the Mngcunube management (L.Kew) “the Database is the best guide the project has” and “it is essential to their function to have it correct”.

In discussing the Database with their data analyst/statistician (W.van Aswegen) in Bloemfontein, who is responsible for developing the results in a formal manner, his comments were “ Because the data is retrieved from 4700 farmers, who all participate at different levels, the values can be under or overvalued. There is not continuous participation as you would see on one commercial farm. The data is basically ‘flooded’ because of this ad hoc participation by farmers. The only way this data can be realistically evaluated is by using unit data sets. Eg. Take 100 farmers and follow them through the whole rigorous process”. It is not possible to carry out this process within the time frame of this evaluation but it is recommended that allowance be made for the team to produce these results. The statistician did emphasise that the very positive trends in the data is as accurate and complete as possible under the circumstances.

The result of this is that the impact of the project, as detailed in the numerous reports available, is extremely difficult to verify. However, through visiting offices, shearing sheds and animal health sites and tracking the data retrieval system from source to databank as well as interacting with as many individuals as possible at these places and elsewhere, it is possible to build up a level of credibility for the whole project. This credibility is then extrapolated to the database. In which case the majority of the data is accepted as being reliable and thus a true reflection of the impact of the project. Of particular importance is the professional manner in which the records have been developed allowing cross referencing at any point in the enormous chain of records. The system of data collection has been thoroughly checked by myself from original collection to final documentation. Apart from a few anomalies, which were immediately rectified by going back to the basic data, the data is accepted as a true reflection of the impact of the project.

## **2.1. Impact of the project on a farmer level.**

### **2.1.1 Farmer participation, direct and indirect.**

There were 4776 actual farmers participating in the project in September 2006 which was a considerable increase from the 116 in September 2004 and the 2885 in September 2005.

Sheep from numerous farmers were observed at the shearing sheds. In most cases the owners were not available to be interviewed because the sheep are brought to the shed by the herders who are as young as six years old. However, the enthusiasm of the participants, to being serviced at these sheds, was obvious.

A number of farmers who were not having their sheep shorn at the sheds were visited at their Kraals. One farmer in particular, who had been crippled in a mining accident, was having his sheep shorn outside his hut where some fencing had been quickly erected and some plastic placed on the ground to shear the sheep on. There was dirt and dung on the plastic and the quality of shearing was 'terrible'. What was important was that the sheep had obviously suffered seriously from scab in the past. The farmer confirmed that he had attended the local animal health site run by the Teba team and his flock was now totally clear of scab. He also confirmed that in the future he would be having his sheep shorn at the Teba shed (Frasers). Up until now he had been selling his wool to unlicensed traders. A quick estimate of the financial advantage that he would gain by shearing with the licensed trader indicated a cash advantage of at least R15 per head.

From the upward trend in farmer participation and from the trend amongst non participating farmers to want to participate (as found in the field) the number of participating farmers should increase considerably in the future.

At this stage it is impossible to estimate the number of farmers who indirectly benefited from the program except to state that many farmers who do not use the shearing sheds of the licensed traders do use the health services provided by Teba. This was confirmed by many people interviewed.

The bottom line is that the project has resulted in an exceptional improvement in the number of farmers using the licensed private sector traders, which is a primary objective of this project. The traders themselves could not give me figures regarding the increase in farmer participation but the sheds belonging to Dr Moteane had been closed until the intervention by Teba in 2004 after which all present participants at his sheds could be attributed to the Teba project.

### **2.1.2 Improvement in the yield and quality of wool and mohair by participating farmers.**

There has been a slight increase in the quality of wool and a similar sized decrease in the quality of mohair since the inception of the project.

Improvement in wool quality due to improved breeding as a result of the introduction of superior rams by the Teba team is a long term factor which is only likely to be noticed in a few years time.

Apart from breeding, the quality of wool and mohair shorn at the Teba sheds is the result of a fairly complex interaction of events.

Improved quality should come from better sheep and goats brought to the shed, better training and better shearing and classing. Regarding wool, this improvement is positive but with mohair is slightly negative. This could be due to new smaller farmers using the sheds and therefore bringing their generally inferior stock, alternatively the bigger and better farmers are probably taking their superior sheep to government sheds and bringing their inferior stock to the private sheds. This is probably done to obtain cash flow until the government pays them out at a later date.

From visiting a number of government sheds it was obvious that the sheep brought to their sheds were of better quality than those delivered to the private sheds. However, the problems often referred to as being common to the government sheds were also obvious. These included overcrowding in the sheds, possibly inferior classing, long waits by herders with having to return home with their stock or overnight at the sheds and then the usual long wait for payment. The norm for payment is stated to be from three to six months with sometimes a wait of up to a year.

The three private sheds visited were exceptionally clean and efficiently run with good control on shearing and classing. This must contribute to improved quality but the result is confounded in the process described above.

The animal health component has had an incredible impact on the productivity of the stock and likewise must have an impact on the wool yield and quality but this impact is impossible to measure because farmers using the health service often still use alternative shearing to the private licensed sheds serviced by Teba. The impact of the project on yield and quality is therefore confounded with a number of immeasurable factors but what must be accepted is that the huge reduction in scab, directly attributable to the Teba project, must result in more and better quality wool no matter where it is shorn.

### **2.1.3 Building asset value in sheep and angora stock.**

The most outstanding result of the project is the increase in the asset value of the stock of participating farmers. This amounts to over R65 million in total and over R13,000 per participating farmer. This is due to an increase in reproductive rate and reduction in mortality due to the animal health component of the project. Of concern is the relative constant size of the flocks from inception to the present i.e. The number of small stock units per farmer has remained constant at 58 over the period of intervention. With the impact of reduced mortalities and increased reproductive rate this number would be expected to increase. The reasoning by the statistician regarding this anomaly is due to the ad hoc participation by farmers which no doubt applies to this data as well as other data. I find this an acceptable explanation.

#### **2.1.4 Increase in farmers gross margins.**

The farmers gross margins have been improved considerably through the animal health intervention and to a far lesser extent due to increased income from their wool and mohair sales.

Gross margin is usually defined as the income minus variable costs. As the farmers have very few variable costs other than those incurred in the health and shearing program these are taken as the total variable costs. The income is calculated from the sale of wool and mohair as well as the estimated increase in asset value based on reduced mortality and increased reproductive rate. The actual figures for 2005 regarding these parameters have been summarised in appendix 1 and the basic information is as follows:

Income:

Wool: R516,120  
Mohair: R202,488  
Reduced mortality: R23,208,242  
Increased lambing: R16,892,105  
Total : R40,818,955

Variable costs: R204,812

Gross margin: R40,614,143

In 2004 the return on the farmers investment per R1 had increased to R114 and within a year had increased to R185 (2005).

These figures appear to be exceptionally high and must be clarified.

It is estimated that the annual cost to the farmer per small stock unit(ssu) should be R13 based on recommended veterinary and shearing costs. At this cost level multiplied by the stated return of R185 per R1 invested the return per ssu per year is estimated to be R2405, which is ridiculously high.

The points made by their statistician (Appendix 4) that due to the farmers not having continuous participation in the project these types of estimates cannot be made. The data that can be used to clarify this is the basic data where it is stated that the return on every rand invested by the farmers in 2005 is calculated from the total farmer benefit divided by the total farmer cost for that year which is given as R185. This has to be accepted because the farmer benefits come from detailed records and calculations and the total farmer cost is a simple record that is kept in the field and accurately transferred to the database.

It is important to note that the income from reduced mortality and increased reproductive rate only becomes a real income if the increase in animal numbers is actually sold.

The selling of livestock should be a major challenge for the Teba team in the future to ensure that the estimated income becomes reality.

## **2.2 Impact of the project on the operations of particular private licensed traders.**

### **2.2.1 Private sector traders and project sites.**

There are three major licensed private sector traders operating in Lesotho. These are Frasers, Dr Moteane and Mr Telford.

Mr Telford who has 15 sheds was involved in a previous similar project in the lowlands of Lesotho but is not involved with this Teba project. The Teba management have indicated that Mr Telford would dearly like to participate, after seeing the success of the other traders since they dealt with the Teba project, but funding does not exist to include him at this stage.

Frasers have 18 sheds in Lesotho. Three of these sheds are serviced by the Teba team two of which were already operating and the third was opened due to Teba involvement. The spokesman for Frasers made an emphatic plea for Teba to continue their services into the future as well as spread these services to other sheds.

Dr Moteane was previously very involved in the wool and mohair trade but had allowed his service to deteriorate to such an extent that none of his sheds were operational in 2004. Teba became involved with their training and support systems with the result that six old sheds became operational and two new sheds were opened in 2004 and 2005.

At this stage there are 11 sheds being serviced by Teba

Veterinary treatment sites have been established at many villages. Presently there are 102 sites being serviced by the four mentors, 7 field workers and 7 agents.

A very strict program of visits to the sheds and sites is in place where the farmers know the date of each monthly meeting at the sites. These programs are advertised in the sheds and farmers are reminded at their villages of the impending site visits.

The main veterinary treatment offered at the sites is in the form of inoculation and dosing and this is mainly for the control of scab and internal worms. However, while driving with the mentors through the villages, it was very clear from the persistent harassment of the mentors that their services for any form of veterinary treatment was in great demand. A challenge relating to the sustainability of the services into the future was identified.

The mentors are very noticeable from the vehicles they drive and are immediately contacted on arrival at a village while the field workers are generally less conspicuous. It would be a good idea if they could be identified by some bright overalls.

The mentors and most of the field workers have gained huge respect in the villages and sheds they work in by going the extra mile for their 'clients'. This has given credibility to the operations of the Teba team and will no doubt be carried on by the field workers who have seen the value of providing more than just a veterinary service to gain clients.

### **2.2.2 Improved management and skills levels of private traders and employees**

In comparing the private sheds and government sheds it was obvious that the management of the private sheds was far better. This was mainly due to the space available to shear, class, store and bale in the private sheds. The government sheds were far too cluttered to carry out these functions efficiently. This is not a bad reflection on the government sheds because it is a result of them being oversupplied with stock during the shearing season.

The point is that the private sheds are run very efficiently and the owners of the sheds confirm that the input by the Teba mentors and field workers has resulted in excellent standards being attained.

Most of the employees at the re-established and new sheds had little knowledge or skills when they started but were actively mentored by the Teba team and they acknowledge that they are far more effective at their work now than when they started.

From the records of wool and mohair quality it can be said that the wool quality has improved at the Teba sheds but as discussed earlier this is a confounded relationship and would require a detailed investigation to prove that this improvement is a direct result of Teba's intervention. Nevertheless Teba's intervention is seen in such a positive light by the greater majority of everyone interviewed that there cannot be any question about their success.

### **2.2.3 Spill over into sites operated by other traders.**

The interview with Mr David Telford raised some concerns over the involvement of the Teba team in Lesotho. It is appreciated that his remarks could be influenced by previous relationships with the Teba team in the Mafeteng project as well as the fact that the efforts by the team in assisting other private traders develop their businesses is in direct opposition to Mr Telford's business.

He made it very clear that his company is already providing the services provided by Teba including immediate cash payments, veterinary and ram services.

He has 15 sheds covering the whole country and feels there is no need for additional sheds because the country is oversupplied with them already. He also believes that the wool in Lesotho is overclassed and there is no need for additional training in this field. He did admit that the Teba mentors were good at the job they do however misplaced he considered their job to be.

He said that BKB were trying very hard to provide services in Lesotho and this was in contrast to CMW.

He believes that the major improvement in the wool cut will come from the introduction of rams rather than through wool management in the shed. His company already provide 300 rams per year into the country whereas Teba only brings in about a dozen per year. He admits that the Teba project is undermining his business. This is probably through a loss of sheep and goat numbers delivered to his shed which are now going to new or renewed sheds owned by others.

His company is supplying 5000 bales of wool per year to BKB as well as a considerable amount of mohair.

The compulsory dipping fee that private traders are having to pay to government is outdated because there are far more effective remedies on the market which are being used. In conjunction with this cost and the subsidies paid to government sheds it is difficult to compete as a private trader.

### **2.3. Impact of the project on the Lesotho wool and mohair industry.**

#### **2.3.1 Impact on pricing behaviour and service offering.**

In 2005 118 tons of wool were shorn in the eleven sheds serviced by Teba and in 2006 37 tons of mohair were shorn. The majority of this is wool and mohair that was previously taken by unlicensed traders and government sheds. In a country that only produces 2000 tons of wool and 1000 tons of mohair per annum this is a considerable proportion. Of particular note is that this was achieved in a very short period and if the trend continues as detailed in appendix 1 the effect will be much greater over the next few years.

What has been extremely useful and valuable to the farmers is the price information made available at the shearing sheds by Teba. Prices are now transparent.

#### **2.3.2 Increase in private licensed traders channel versus government and unlicensed traders.**

From the data presented in 2.3.1 it is obvious that the private licensed channel of marketing has increased considerably and this gain must have come at the expense of the government and unlicensed traders. From field observations it appears that the unlicensed traders are likely to be affected considerably more than the government sheds because bagged wool is not accepted in government sheds while it is in the private licensed sheds which is the only form of access to wool that the unlicensed trader has.

### **3. Continued support for this initiative.**

This initiative has had an incredibly profound effect on the participating farmers. The total effect can only be evaluated by visiting the sheds and sites, by meeting the mentors and field workers, by discussions with shed managers(government and private), shed workers, participating and non participating farmers, senior government officials(in the field and in Maseru), owners of private sheds and wool and mohair brokers.

At all the meetings every participant gave wholehearted support for the continuation of the project.

In addition, an evaluation of the outstanding records and lengthy open discussions with the Teba team regarding the collection, processing and use of these records gives huge credibility to the initiative.

Of concern to me is that three years is a short period to ensure that everything is in place for the project to be sustained into a long term future and there needs to be additional time with mentors in place to consolidate the program for the future.

Based on this holistic evaluation of the project it is sincerely recommended that ComMark continues to support the program for an additional year.

#### **4. Design of such a project extension.**

##### **4.1 Private traders**

The most important part of this intervention is to ensure the processes that have been developed are sustainable. The weakest link regarding sustainability relates to the continued input by independent field workers. If a field worker stops providing his services the project in that area will collapse unless there is a backup system to ensure that the service continues. Without mentors there to ensure this, the private traders must take over this responsibility. At this stage it is obvious that the traders are happy for the mentors to continue ensuring that properly trained field workers are available but the traders must take over this responsibility.

It is therefore imperative that the traders are made aware of their responsibility in this regard once the mentors leave. It must be mentioned that Dr Moteyane was in full support of this and did not see any problem with maintaining field workers.

##### **4.2 Government involvement**

The District Government Officers(DGO's) and the LPMS are in strong support of the project and would like to be more involved. I hesitate to suggest that they take over responsibility for providing trained field workers to service sites and sheds but they do appreciate receiving records of achievements and being continually informed of progress. The Teba team are aware of this and try to comply wherever possible.

It is recommended that even more effort is put into informing government officials of the work the team are doing as it will ensure that government supports them in their efforts.

##### **4.3 Extending services**

The mentors feel that they are at a stage of development where they could extend their services to other sheds and sites. Fraser's have made it clear that they would welcome this as only three of their present eighteen sheds are involved in the project. Dr Moteyane has also emphasised this.

It is recommended that consideration be given to extending the services of the Teba team to include additional sheds and sites.

In a somewhat different line, consideration should be given to increasing the offtake of the increased stock numbers resulting from the improved health services.

## **5. APPENDICES**

### **APPENDIX 'A'**

#### **Review of project documentation.**

The wool and mohair industry is an important sector of the Lesotho economy with almost half the Basotho households involved with small stock. During the last twenty years the production in this industry has dropped by more than half.

Given the positive long-term outlook for the international wool market, coupled with the pro-poor nature of the sector, in 2004 ComMark designed a “making markets work” intervention strategy to help develop the Lesotho wool and mohair industry and halt its decline.

This intervention strategy is based on “improving the performance of private sector traders in wool and mohair”.

The reasoning behind this strategy is a drop in the quality of service by the government agency that provides the largest marketing channel for the farmers products. The government and producers recognise that this arrangement is no longer sustainable and that privatisation of the government shearing sheds is needed.

Presently the government operate 98 shearing sheds while the three private licensed traders operate 34. A third marketing channel is through the unlicensed traders.

Prior to the intervention strategy by ComMark/Teba the licensed private traders classed the wool and sold to brokers. Their service was poor and the prices paid to farmers was not competitive resulting in their sales dropping off significantly and some sheds being closed. The unlicensed traders pay even lower prices than the licensed traders but have flourished, at the expense of the licensed traders, because they do not have the cost of maintaining shearing sheds, nor ask for proof of ownership or pay statutory levies.

The expected improvement in performance of the private sector is based on broadening their services and offering the producers higher, market-related prices for their wool.

The broadening of services by the private traders involves the deployment of mentors by Teba to sheds and sites, to provide an animal health service to producers for a fee, training the field staff of the traders, making available animal health products at a reasonable price, giving a field service to producers where price information is available and ensuring quality control at the shearing sheds.

An overall objective of the intervention is to see that the above services are replicated in those sheds that are not monitored and to ensure sustainability of the program once ComMark/Teba withdraw from the project.

## 1. Summary of reported achievements.

### 1.1 Livestock data report ( 10/03/05)

The achievements in the first year of operation, in terms of intervention and records, are outstanding.

Treated Sheep---46,769  
Treated Goats---8,003  
Farmer participation---1249  
Actual field farmers---994  
Village visits---133  
Flock size---37.4  
Ave sheep treated per village---352  
Recorded sheep---26,286  
Recorded sheep deaths---1527  
Recorded sheep usage---245 (??)  
Recorded sheep sales---370 (Low?)  
Shearing farmers---675  
Treated lambs---15,424  
Ave flock size---38.9  
Ave sheep per hub---6,572  
Shorn sheep---10,862  
Kilograms of wool---15,245(C2-), 10,967(Ah-C)  
Wool returns---R74,595(C2), R137,081(Ah-C)  
Ave returns/kg---R8.08  
Indexed returns---R147,873(C2), R230,297(Ah-C)  
Mortality rate--- 6.7--- 3.3%  
Lambing rate---26.3---58.1%  
Castration rate---0.0---3.2% (Low?)  
Ewes to rams---5.4(Low?)  
Wool quality trend---41.8%( No trend yet)  
Kg wool per sheep---2.41kg (No trend yet)  
Farmer field costs(sheep and goats)---R38,689  
Farmer sheep costs---Shearing-R29,460---Field costs-R33,187  
Ave cost per farmer---Shearing-R48,79---Field costs-R33,39  
Ave cost per sheep---Shearing-R3,03---Field costs-R1,26 (See 2006 report on costs)  
Project costs---R1,166,600  
Total costs---R1,205,913

Comment: (i)Recorded sheep sales are low and with an improved production rate there will need to be greater off-take to ensure that overstocking is not exacerbated.

(ii)Castration rate is low. Why?

(iii)Ewe to ram ratio is low. Why?

## 1.2 Quarterly report (March to May 2005)

For this period 1006 farmers were serviced.

### Sheep.

Ewes---18,975

Male sheep---5665

Lambs---10,613

Died---603

Used---337 (?)

Sold---428

Farmer costs---R33,543

### Goats.

Ewes---1823

Males---548

Kids---1158

Farmer costs---R2232

### Cattle.

Cattle and calves---2452

Small stock equivalent---14,712

Farmer costs---R8,606

Comment: (i) improvement in health of stock due to Veterinary treatment.  
(ii) enthusiastic reception to the introduction of breeding stock.  
(iii) negotiations on wool and mohair prices.  
(iv) training under SAQA conducted.  
(v) operating standards for field workers completed.

## 1.3 Quarterly report (September to November 2005)

Comparing the results of the 2004 season with the 2005 season there was considerable progress.

The number of shearing farmers increased by 40% from 675 to 951.

The number of sheep increased by 64% from 12,153 to 19,908.

The number of lambs increased by 143% from 1,291 to 3,138.

The number of shorn sheep increased by 54% from 10,862 to 16,770.

The total gross income increased by 51% from R218,457 to R329,881.

The total net income increased by 52% from R185,523 to R281,719.

Comment: (i) An increase in the number of sheds serviced from four to eleven.  
(ii) Villages covered has increased to 100.  
(iii) Certificates for SAQA training received.  
(iv) Operating standards for field workers finalised.

#### 1.4 Quarterly report (March to May 2006)

In this report reference is made to the considerable increase in goat shearing, delivery of breeding stock and training as well as the complexity of developing the private licensed sector.

By the end of May, with still a month of shearing to go, 27,000 goats had been shorn relative to less than the 14,000 shorn in 2004.

In April 37 rams and 22 ewes had been prepaid for and delivered.

Training included mohair shearing and classing, maintenance of equipment and veterinary.

Complexities within the project include:

- (i) Frasers under sequestration.
- (ii) Dr Moteane does not wish to proceed with taking on a new mentor.
- (iii) Frasers sheds could be used in preference to Dr Moteane's sheds with possible fatal consequences for the continuation of most of his sheds.
- (iv) If government "lifts it's game" the private sector could lose customers.
- (v) Trained field workers could undermine the private sheds by providing their services at government sheds.
- (vi) CMW is unlikely to become involved in providing services other than being a wool classer and buyer.
- (vii) The formal policy for government to divest itself of shed ownership is only a nominal policy.
- (viii) The advantages of selling through government sheds makes it a formidable competitor.
- (ix) Encouraging government to have a quicker payment turnaround will undermine the role of the private sector.
- (x) The impact of the animal health component of the project is far more significant than the improvement in producing more wool at better prices.
- (xi) Possibly more attention should be given to the sale of the increased stock.
- (xii) Selling stock is fraught with complications.

#### 1.5 Quarterly plus bi-annual report (June-August 2006)

The data in this comprehensive document does not require repeating. It is obvious that the earlier strides forward regarding participation rates and income and cost benefits have continued to move ahead at a considerable rate while mortality and lambing rates have plateaued at reasonable levels. The mohair sector has also shown strong development and no doubt the wool sector will show similar growth once the shearing season is complete.

The reference to the “massive scale” at which this project is operating is significant in particular the point that each trainer/mentor plus field worker deals with 55,600 small stock units each and this is carried out in extraordinary harsh conditions and with very poor infrastructure.

Also of note is the exceptional return a farmer receives for each rand invested. This return is in the region of R100 to R200 per rand invested. There is no reference at this stage to the return on project costs but this appears, from the available data, to be in the order R30 return per rand invested.

The projections to 2009 appear to be based on reasonable assumptions and with the track record of the past two years these projections could be achieved. Once again the main impact coming from increased livestock value rather than wool and mohair sales.

These projections are made accepting that there are threats to the success of the project as detailed in this report. The main threats being from government woolsheds remaining strong, the possibility of losing field workers and thus sustainability of their functions, and the possibility of Dr Moteane reducing his current scale of operation.

#### 1.6 Livestock database report (31 August 2006).

##### 1.6.1 Participation rate.

	01/09/04	01/09/06
Handled sheep	1,611	425,155
Handled goats	45	46,224
Handled cattle	20	819,206
Total SSU handled	2,904	586,613
Farmer participation	58	10,082
Village participation	8	1,677
Sheep per farmer	40	53
Lambs per farmer	9	16
Goats per farmer	5	21
Kids per farmer	1	11
Cattle per farmer	9	4
Ave SSU participation	50	58

##### 1.6.2 Actual numbers.

Sheep	3,222	201,403
Ewes	2,460	118,654
Lambs	278	52,364
Goats	90	21,897
Kids	6	10,016
Cattle	416	9,098
SSU's	6,086	278,041
Sheep deaths	78	4,724

Lambs died	46	1,860
Goats died	16	812
Kids died	0	428
Sheep eaten	17	2,950
Goats eaten	0	56
Sheep sold	24	3,785
Goats sold	0	250
Farmers	116	4,776
Sheep per farmer	?	
Lambs per farmer	?	
Goats per farmer	?	
Kids per farmer	?	
Cattle per farmer	?	
SSU's per farmer	?	
New Farmers per Mth	100-----472-----	10

### 1.6.3 Shearing

	2004	2005	2006
Shorn sheep	12,153	49,185	
Kg shorn	26,211	118,001	
Financial returns	R354,251	R870,371	
Wool price	R13.52	R7.38	
Total indexed returns	R354,251	R1,652,099	
Ave per sheep	R29.15	R17.70	
% better quality	39.88	43.72	
Shorn goats		14,337	38.644
Kg shorn		15,365	36,684
Mohair returns		R202,488	R683,923
Mohair price		R13.18	R18.64
Indexed returns		?	?
Ave per goat		R14.12	R17.70
% better quality		38.48%	31.45%

### 1.6.4 Effectiveness indicators

	01/09/04		01/09/06
Mortality rate –Sheep	21.9		3.6
Lambs	58.2		4.9
Goats	26.7		5.0
Kids	55.6		4.3
	2004	2005	2006
Lambing rate—Sheep	31.69	50.46	
Kidding rate	8.5		61.3
Males to rams	8.25	24.16	30.35
Ewes to lambs	8.8		2.3
Ewes to kids	11.7		0.9

### 1.6.5 Cost parameters

Farmer costs-Sheep	R900	R487,246
Farmer costs-Goats	R32	R159,519
Farmer costs-Cattle	R329	R79,458
Total farmer costs	R1,261	R726,223
Ave mthly cost/fm-Sheep	R11.11	R130.21
Ave mthly cost/fm-Goats	R1.80	R158.25
Ave mthly cost/fm-Cattle	R7.48	R36.05
Mthly cost/Sheep	R0.28	R2.42
Mthly cost/Goats	R0.36	R7.28 ?
Mthly cost/Cattle	R0.79	R8.73
Mthly cost/Total	R10.87	R152.06
Project cost	R194,433	R3,963,328
Total costs	R195,695	R4,689,551

### 1.6.6 Benefits

	2004	2005	2006
Wool returns	R354,251	R516,120	
Indexed wool returns	R345,251	R1,297,848	
Mohair returns		R202,488	R481,435
Indexed mohair		R301,498	R382,425
Reduced mortality			
-Sheep	R2,752,347	R12,492,762	R19,726,789
-Lambs	R1,327,027	R7,045,370	R14,472,740
-Goats	R495,456	R2,272,825	R2,529,847
-Kids	R286,742	R1,397,285	R2,701,760
-Total	R4,861,573	R23,208,242	R39,431,136
Increased reproduction			
-Sheep	R1,478,885	R14,851,738	R22,058,597
-Goats	R383,673	R2,040,367	R4,200,102
-Total	R1,862,558	R16,892,105	R26,258,699
Total farmer benefit (shearing, reproduction and mortality)	R7,078,381	R40,818,955	R66,687,391
Wool /farmer	R524.82	R582.26	R594.96
Mohair/farmer		R371	R184
Ave field benefit/fm (mortality and reproduction)	R8,291	R10,688	R13,783

Total benefit/fm (+ wool and mohair)	R8,728	R10,879	R13,992
Benefit/fm cost	R113	R185	R157
Benefit /project cost	R9	R23	R33
Total benefit/ total cost	R8	R20	R27

#### 1.6.7 Projections

	2006	2009
Flock size	198,000	466,000
Wool and mohair returns	R3,149,890	R8,698,000
Total farmer value	R102 mil	R242 mil
Total value per farmer	R27,000	R64,000

## **APPENDIX 'B'**

### **Program of visit to the Teba project**

#### **Monday 6<sup>th</sup> Nov 2006**

Arrive at Wepenaar.

Discussions with Messrs Lyle and Blaker regarding the Livestock Database Report.

#### **Tuesday 7<sup>th</sup> Nov 2006**

Shed 1—Marakabei

Mentor---Frans van Aardt

Owner----Frasers

Shed 2---Mantsonyane

Mentor---Frans van Aardt

Owner----Frasers

Manager---Zacharia—(see interview)

Field worker---Elias---(see interview)

Shed 3----Thaba Tseka

Mentor---Dick Swanepoel

Owner----Frasers

Interview District Agricultural Officer(Thaba Tseka)Mrs Bonang Khooa(see interview)

Meeting with Teba Mentors

Dick Swanepoel (OIC)

Frans van Aardt

S.P.

Johannes van Tonder (Absent)

Evaluate data collection at ThabaTseka office and training and control systems and programs.

#### **Wednesday 8<sup>th</sup> Nov 2006**

Shed 4----- Sinqe river bridge damaged

Visited Mabeleko inoculation site

Visited Kolberg inoculation site

Shed 5---Tsieng. Sinqe bridge damaged by floods last week

Beresi village----visited private shearing (see report)

Shed 6----Khotlo-Ntso  
Mentor----Dick Swanepoel  
Owner-----Dr Moteyane  
Manager---? (see interview)

Shed 7----Khotlo-Ntso  
Owner-----Government

Shed 8---- Thibeli wool shed, Katsi dam  
Owner----Government  
Manager---Mrs Limakatso Ntsatsi(see interview)

Meeting with Dr Moteane--- Did not arrive!

#### **Thursday 9<sup>th</sup> Nov 2006**

Wepenaar----Evaluating Livestock Database Report with Messrs Blaker and Kew.

#### **Friday 10<sup>th</sup> Nov 2006**

Maseru

-----Meeting with Mr Rodney Staples of Frasers (See report)

----- Meeting with Mr Musi Ramokuena of LPMS(Livestock project marketing services)(See report)

#### **Saturday 11<sup>th</sup> Nov 2006**

----- Discussions with Woter van Aswegen re Database(See report)

-----Discussions with Mr Blaker re Database

#### **Sunday 12<sup>th</sup> Nov 2006**

-----Consolidating final evaluation

**Monday 13<sup>th</sup> Nov 2006**

**Phone interviews**

Mr David Telford (Private shed owner)---09266.58860761  
.58990327

Mr Derek Fitzhenry (BKB Durban)----0827740761

Dr Jan van der Westhuizen (General Manager of CMW brokers)—0828534906  
Mr Antonie Geyser (CMW)  
Mr Fink Venter (CMW)

Dr Moteyane (Private shed owner)---09266.22316133  
.62855885

**APPENDIX ‘C’**

**Report on interviews held on site**

1. Zacharia---Manager of the Mantsonyane shed owned by Frasers.

Zacharia was concerned about the Teba contract ending because he relied on the Teba mentor, Frans van Aardt for technical advice and there was a strong relationship between Frasers and Frans. He was determined to encourage Metro to carry on supporting the efforts of Frans.

2. Elias ----Field worker at the Mantsonyane shed.

Elias is very determined to make a business out of providing the veterinary services of a field worker. He has the confidence to be successful and is committed to the job. It was estimated that he will make R4000 clear this month. This is in comparison to an extension officer with the government who earns R1800 per month and the average salary in Lesotho which is stated to be approximately R400 per month.

3. Mrs Bonang Khooa--- District Agricultural Officer at Thaba Tseko.

Mrs Khooa stated that the Teba team was doing a good job. There had been excellent coordination between Teba and the department of agriculture. She would like to see this coordination improve even further. Originally the extension

officers were concerned that Teba would take their jobs but are now convinced that this is not the case and they are quite relieved.

She felt that it was very useful for the farmers to be able to obtain ready cash from Teba by shearing their sheep at 'their' sheds.

It was very clear that she was extremely happy that Teba staff attended the veterinary workshop run by the Department. No doubt this was an acceptance that the Department had something to offer and this should be encouraged amongst Teba staff.

She believed that the work of Teba and the Department was complimentary and for the good of the farmers.

Also the work of Teba tied up closely with the governments policy of privatisation.

She was particularly impressed with Teba employing local Basutho's and training them.

She believed that Teba should remain in the country for as long as possible to ensure sustainability of the project principles.

She would like to strengthen the relationship between Teba and the Department by meeting more often.

Of particular importance to her was to have access to the records that Teba generated showing progress in the field.

#### 4. Beresi village report.

A number of farmers who were not having their sheep shorn at the sheds were visited at their Kraals. One farmer in particular, who had been crippled in a mining accident, was having his sheep shorn outside his hut where some fencing had been quickly erected and some plastic placed on the ground to shear the sheep on. There was dirt and dung on the plastic and the quality of shearing was 'terrible'. What was important was that the sheep had obviously suffered seriously from Scab in the past. The farmer confirmed that he had attended the local animal health site run by the Teba team and his flock was now totally clear of Scab. He also confirmed that in the future he would be having his sheep shorn at the Teba shed (Frasers). Up until now he had been selling his wool to unlicensed traders. A quick estimate of the financial advantage that he would gain by shearing with the licensed trader indicated a cash advantage of at least R15 per head.

#### 5. Mr Maki manager of Khotlo-Ntso shearing shed owned by Dr Moteyane.

Mr Maki stated that this shed had been closed from 1996 until 2004 when it was reopened due to the assistance and encouragement by the Teba team and last year over 4000 sheep were shorn at this shed alone.

He did make a request that twice a year before the shearing season started that Teba hold a workshop on wool classing, shearing and pressing.

He stated that Dr Moteyane visited the shed every week supplying the drugs required by the field worker. It could not be confirmed that Dr Moteyane visited that often.

He also requested that Teba encourage Dr Motenyane to supply them with uniforms.

I promised to supply him with the photos taken of the shed so will need to do this through Dick.

6. Mrs Limakatso Ntsatsi---Manager of the government Thibeli wool shed at Katsi dam.

This shed was well supplied with sheep carrying very good wool but once again the shed was very crowded with shearers, classers, recorders and other staff falling over each other.

Mrs Ntsatsi was very helpful but naturally gave strong support for her own shed. However, she was complimentary of the work of the Teba team because many of the stock shorn at her shed had been treated by the Teba field workers.

7. Dr Moteane---- owner of 8 Teba serviced sheds.

Dr Moteane did not make the meeting that had been arranged by Dick.

## **APPENDIX 'D'**

### **Report on interviews held off site and by phone**

1. Mr Rodney Staples---OIC of wool and mohair for Frasers.

Mr Staples confirmed that Frasers were running 18 sheds in Lesotho.

Since the Teba team had become involved their volumes of stock shorn had risen considerably at those sheds serviced by Teba. He believed the health program had made a huge impact and that this was due to the field workers who had done an excellent job and were highly motivated. Mr Staples found it difficult to handle all eighteen sheds and would rather have the Teba team supervising at the sheds !

He confirmed that the quality of the wool had definitely improved as a direct result of the Teba health program which resulted in far less diseased animals.

The Teba mentors were helping with hands on training in wool sorting and classing.

He was very complimentary of the Teba staff stating that they were always busy. Where there were no sheds they used tents and at the same time encouraged old sheds to be upgraded and get going again.

He stated that it was difficult to actually measure the improvement in wool quality but suggested that I contact Derek Fitzhenry at BKB in Durban who may be able to comment on the change in quality.

It was also important to remember that the government did not deal in coarse wool or black wool whereas they were filling that niche with the support of Teba. He found that the Mentors integrate extremely well with the farmers.

He felt that it was essential that a few roving mentors be maintained in Lesotho to ensure that there was continuity in this excellent program.

Now that Frasers, which had been started in 1877, had been taken over by Metro he believed that Metro would continue to support the present initiative.

He commented that the Teba mentor Johannes van Tonder had done an excellent job in the field and had really assisted him.

All wool and mohair from Frasers was delivered to BKB while the government sheds sent their wool to BKB and their mohair to CMW.

2. Mr Musi Ramokuena---Livestock Project Marketing Services (LPMS).

Mr Ramokuena was concerned that LPMS are the licensing authority for shearing sheds and that Teba had consulted with the Department of agriculture instead of with LPMS when erecting tents to shear. He believed that there should be better contact between the Teba team and LPMS.

He has seen many projects of this nature come for three years and after leaving they are not sustained. The strategy of the team should change to work much closer to the government departments to ensure sustainability.

There is a strong need for private traders to provide immediate cash to farmers, provide drugs at the sheds and provide market information. There must be continuity of these services by the traders and he hoped that metro would continue. The farmer needs everything 'under one roof'.

He felt that the field workers would be helped by government to access loans from the bank if they needed it to get going in their businesses.

He felt that it was good that Teba was involved with training but that this needed to be coordinated with government.

3. Mr Woter van Aswegen---Data analyst/statistician for Mngcunube.

Mr van Aswegen was extremely helpful in coming to terms with the verification of the enormous database. Even though the database I had been presented with was so large there was a huge amount of basic data not presented that was available on their main database. After seven days spent investigating the database(5 days prior to arriving on site and 2 days on site) and still not being able to verify some of the data I had to resort to discussions with Mr van Aswegen in Bloemfontein.

He clarified the situation by stating that there are 4700 farmers registered as participants on the project but that their participation was not continuous. That is the data came from ad hoc participation and statistically the data was therefore 'floored'. The only way to verify data so that it is statistically sound is to use unit data sets and follow them through from beginning to end. This is probably the process that Mr Kew will have to follow in developing the MSc thesis he is working on relating to this project. As stated, an evaluation of this whole project will probably take the work of ten PhD students rather than my inputs of a few days.

He made it clear that when dealing with one commercial farmer with 1000 ewes it is a simple process to follow the logic through from beginning to end but not in this case. As a result some data may appear which is undervalued or exaggerated. He did assure me that the trends presented are correct and as accurate as possible under the circumstances.

4. Mr David Telford (Private shed owner)---09266.58860761  
.58990327

The interview with Mr David Telford raised some concerns over the involvement of the Teba team in Lesotho. It is appreciated that his remarks could be influenced by previous relationships with the Teba team in the Mafeteng project as well as the fact that the efforts by the team in assisting other private traders develop their businesses is in direct opposition to Mr Telford's business.

He made it very clear that his company is already providing the services provided by Teba including immediate cash payments, veterinary and ram services.

He has 15 sheds covering the whole country and feels there is no need for additional sheds because the country is oversupplied with them already. He also believes that the wool in Lesotho is overclassified and there is no need for additional training in this field.

He did admit that the Teba mentors were good at the job they do however misplaced he considered their job to be.

He said that BKB were trying very hard to provide services in Lesotho and this was in contrast to CMW.

He believes that the major improvement in the wool cut will come from the introduction of rams rather than through wool management in the shed. His company already provide 300 rams per year into the country whereas Teba only brings in about a dozen per year.

He admits that the Teba project is undermining his business. This is probably through a loss of sheep and goat numbers delivered to his shed which are now going to new or renewed sheds owned by others.

His company is supplying 5000 bales of wool per year to BKB as well as a considerable amount of mohair.

The compulsory dipping fee that private traders are having to pay to government is outdated because there are far more effective remedies on the market which are being used. In conjunction with this cost and the subsidies paid to government sheds it is difficult to compete as a private trader.

5. Mr Derek Fitzhenry (BKB Durban)-----0827740761  
To call back.

6. Dr Jan van der Westhuizen (General Manager of CMW brokers)—0828534906  
Mr Antonie Geysler (CMW)  
Mr Fink Venter (CMW)  
To call back.

7. Dr Moteyane (Private shed owner)---09266.22316133  
.62855885

The discussions with Dr Moteyane were comprehensive and are summarised here.

- The Teba team are doing an excellent job.
- The project is worthy of continuation.
- The effort must be spread further through the country.
- The financial return to farmers has improved considerably.
- The farmers are being kept in touch with the market.
- The mentors are excellent communicators and have a good attitude.
- The mentors have settled in well into Lesotho communities.
- The injection of improved genetic material is valuable.
- Teba has the ability to assist with this.
- It was ambitious to believe that this project could be completed in three years.
- 5 years would have been more realistic.
- He is spreading to other areas with two new sheds being built.
- He may also be taking over sheds abandoned by Frasers.
- Mentors have done a good job and can now move into other areas.
- Allowance should be made to leave one mentor to ensure continuity.
- He should be linked to a Lesotho trainee mentor.
- Teba introduced transparency of prices.
- Even he was reluctant to do this but it has paid off in turnover.
- The workers at the wool sheds have benefited from Teba's involvement.
- The shearers and classers have improved through direction and training.
- The local people have been given employment.
- The field workers will be sustainable.
- Replacements will be found easily by the shed owners.
- The field workers do financially well out of their work.
- They work near home.
- There may be a temporary set back with Gov't supplying free products.
- Competing with subsidised government sheds is difficult.
- There is a risk in trading due to the cost of sheds and cash advances.
- Teba needs to communicate more with the traders (NB).
- Good classing is important.
- It is convenient for him to sell through CMW but BKB are also good.