

LIFTING OF CHINA'S BAN ON SA WOOL BRINGS WELCOME RELIEF FOR LOCAL INDUSTRY

By Keolebogile Digoamaje

Agri SA and the National Wool Growers' Association of South Africa (NWGA) are pleased to learn that the South African government has secured the agreement of the government of China to lift the ban on South African wool exports.

The ban jeopardised more than 35,000 jobs and an additional 4,500 seasonal jobs. With more 70-80% of South Africa's clip exported to China annually, the impact of the ban could have been overwhelming.

These organisations extend their deepest gratitude to the Minister of Agriculture, Land Reform and Rural Development, Thoko Didiza, and Minister for Trade, Industry and Competition, Ebrahim Patel, as well as the Directors General of these departments for their working in securing this relief.

The National Agricultural Marketing Council supported the lifting of the ban as it was in line with the objectives of the Marketing of Agricultural Products (MAP) Act. The Markets and Economic Research Centre (MERC) division provided the following response to the lifting of the ban:

"After a series of diplomatic engagements between South Africa and Chinese authorities, China has opted to uplift the import ban of greasy wool from South Africa. A strong collaboration between South Africa's Wool Growers Association and the Departments of Agriculture, Land Reform and Rural Development (DALRRD), Department of Trade, Industry and Competition (DTIC) and Department of International Relations and Cooperation (DIRCO) has yielded to this positive development for the domestic wool industry.

More importantly, is that the lifted ban is without the imposition of any additional conditions, which implies the health certificate that was used since 2019 is unchanged, a move that will accelerate the resumption of wool export to China. China is the single most important market for South Africa's greasy wool, and access to this export market enables South Africa to keep nearly 3900 people employed throughout the export value chain of wool. At present, the industry has about 6000 large-scale farmers and roughly 43000 communal farmers collectively owning 15 million sheep and producing an average of 44 million kilograms of wool per annum, which is valued at more than R4.38 billion".

The ban had a more severe impact on the communal farmers who tend to rely on wool as one of the main sources of livelihood. Under normal circumstances, these farmers tend to feel the effect of the waiting period from the time they deliver their wool to brokers and other buyers to the time when they get paid. As such, the ban had added a shock, which might have led to other farmers selling live sheep as a buffer. In this regard, these farmers will be quite relieved by the new developments on the export ban and are surely looking forward to the 2022/23 shearing season with a bit of optimism. However, the fight to improve biosecurity and minimize the effect of the diseases in the livestock sector must remain a priority".

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