

The House of Fibre (Pty) Ltd: 1972/012427/07

3 May 2020

Dear The House of Fibre Producer,

Once again, the Management of The House of Fibre wants to thank you for all your support, understanding and loyalty to The House of Fibre in the past few weeks. At least we have a little better news in our correspondence with you this time round.

The wool department successfully offered their first electronic wool sale, after negotiations with SAWAMBA, we can also anounce that the first mohair sale will kick off on the 19th of May 2020. We will offer the first half (even lot numbers) of catalogue B11/19. This catalogue was supposed to be sold on the 7<sup>th</sup> of April. The second half (uneven lots) will be offered two weeks later, on the  $2^{nd}$  of June. (The House of Fibre will account sale each half of the catalogue, a week after it is sold.) This specific catalogue is quite big and with a lot of high-quality clips on. With so much uncertainty in the market, the House of Fibre felt it will be irresponsible to dump such a large quantity of mohair in the market in one go, the reason for splitting the catalogue. This way of reasoning was approved by the other brokers and buyers as well.

There will be only another two sales offered this season after selling catalogue B11/19. One on the 15<sup>th</sup> of June (the 16<sup>th</sup> is a public holiday). The brokers committed to keep this sale open for receival from the 5<sup>th</sup> to the 8<sup>th</sup> of May. We do expect an influx of mohair in the first week of receival and want to avoid a too big sale. In agreement with the decision of the mohair industry the brokers will close receival for this sale when the 150 000kg level, in combination with all brokers is reached. The last summer season sale will close for receival on the 22<sup>nd</sup> of May, offering this mohair as the last sale of the summer season on the 30th of June. There will be virtuously no off season and mohair received after the 22<sup>nd</sup> of May will be prepared for the first sale of the winter season on the 18<sup>th</sup> of August 2020.

The accountant at The House of Fibre, Preston Petersen, handled successfully the influx of requests for prepayments on mohair and wool, we are thankful that we could also help the farmers in these trying times. The technical field officers are also available now to do technical work on the farms. Please remember to prepare for receiving any person from

elsewhere properly. When somebody like your field officer is visiting, the use of masks and frequent washing of the hands are mandatory. The field officer will see to it that he does not carry any contaminated goods, for example kraal manure, from one farm to another.

Please be aware that the winter shearing program will be under a lot of pressure. It is 99% certain that the Lesotho shearers of the individual brokers/ private teams will be not allowed back in South Africa before September/October. That means not enough shearers and classers will be available. Please contact your field officer soon to start planning your strategy. Guidelines to follow is to shear your ewes first and try to postpone any other shearing, to help fellow farmers to shear before the kidding season is starting. The brokers will make up shearing teams of two shearers per team to help alleviate the problem. A classer cannot be guaranteed. The brokers will assist as far as possible. We are all in the same crisis, let us be patient and try to assist each other.

The wool prices maintained the Rand value/kilogram price for all types of wool established before the lock down. We expect the same thing to happen with mohair. The biggest portion of the mohair clip is currently going to Europe, with Italy the main consumer. Although there was a minimum of canceling of contracts from Italy, the market is very unsure with most of the manufacturers also still in lock down. Hopefully we will have a more informed opinion closer to the first mohair sale.

The House of Fibre office and warehouse will re-open on the **5**<sup>th</sup> **of May**. With a receptionist working from home, we request to contact the technical officers working in the warehouse directly on their cell phones as far as possible. (numbers on website)

Greetings and blessings from a still very quiet Port Elizabeth.

Pierre van der Vyver

**General Manager: The House of Fibre**