

SALES**2011****SALES****New record number of Dohne Merino rams sold on 2011 public sales.**

ALL RAMS ON PUBLIC SALES	2005	2006	2007	2008	2009	2010	2011
Rams sold	1 751	2 011	2 377	2 342	2 386	2 438	2 757
Turnover	R6 993 724	R8 935 018	R13 315 339	R14 456 300	R13 627 232	R14 160 658	R18 846 859
Average	R3 994	R4 443	R5 601	R6 173	R5 711	R5 808	R6 836

With prices of breeding stock and commodities (wool & meat) at highest levels ever, the demand for Dohne Merino rams led to all time new record prices on sales.

With wool and meat prices and the highest level ever the demand for breeding stock has risen to new record levels during 2011. The confidence shown by producers in the woolled sheep industry as well as the outstanding features of the Dohne breed compounded the demand for rams and led to new all time records in terms of numbers sold and turnover attained on public sales. The 2,757 rams sold on the 2011 public sales show an increase of 319 (13%) on the previous year and is the most Dohne rams ever sold on public sales. This is a continuation of the trend over the past ten years and a clear indication that the breed is constantly increasing its market share and that the brand name is becoming more prominent in the RSA. The turnover attained on the 2011 sales was R18 846 859, a massive increase of 34% on the previous year. The average price attained was R6 836, 18% better than in 2010.

The number of rams sold on promotion sales showed a small increase on the previous year. The number sold on production sales however showed a substantial increase of 15% on the previous year. The demand and average price for rams on autumn sales gained momentum on spring sales. Altogether 1 031 rams were sold on autumn sales at an average price of R6 120 per ram as apposed to 1 404 rams sold on spring sales at an average of R7 089 per ram. The sale of stud ewes also showed an increase. Altogether 495 registered ewes were sold on public sales. This is double the number sold on public sales during 2010 and the average price increased by 49%.

The demand for rams was good in all regions of the country, which includes extensive as well as intensive regions. The buoyant commodity prices have increased the viability of woolled sheep farming which led to an increased demand for breeding stock. Even smaller flocks have become more viable as they can be managed more affectively especially in the light of the fact that smaller numbers can be better managed in regions with high incidences of stock theft and predation. The excellent gross margins achieved with woolled sheep flocks, and more in particular Dohne Merinos, which are integrated with cropping enterprises lately, is certainly an option for farmers to diversify with a view to reduce their risk on investments and to increase viability of enterprises. The inclusion of live stock in grain growing regions to balance the various enterprises should therefore continue with a positive spin off on the demand for rams. Sheep numbers continue to increase in communal regions and rams remain in short supply to these regions. Stock losses incurred as a result of an outbreak of Rift Valley Fever over the past two seasons has exacerbated the shortage of breeding stock in the RSA. Commercial ewes are virtually unobtainable and exorbitant prices are paid for any that come up for sale. Despite a shortage of breeding stock all indications are that Dohne rams will remain in short supply in the medium term. Recent results of financial analysis of sheep enterprises in the summer rainfall region (Eastern Free State) has confirmed the excellent performance of Dohne Merinos in the current commercial environment which will further contribute towards an increased demand for the breed. This predicts a good period ahead for ram breeders as well as commercial sheep farmers during a time in which world financial markets are marked by great instability.

Figures 1 and 2 provide a clear picture of the number of Dohne rams sold as well as the average price for which they were sold on public sales over recent years.

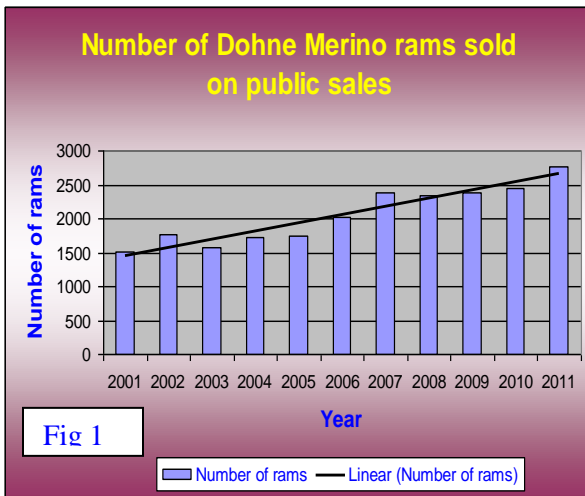


Figure 1. Since 2001 the number of rams sold on public sales has increased by 82%. This is indicative of the tempo at which the brand name has established itself. The rapid growth in numbers sold on public sales together with the massive increase in the average price of rams of 245% between 2001 and 2011 (Figure 2) has increased the viability of both the Dohne stud industry as well as the commercial industry tremendously. There was a marked improvement in the accuracy of selection as well as genetic progress during this period. More traits are to be added to the selection index to further improve the viability of the breed in the not too distant future. As a result of the world wide demand for red meat which is set to continue the demand for

Dohne Merino rams is expected to be maintained and even grow in the medium term.

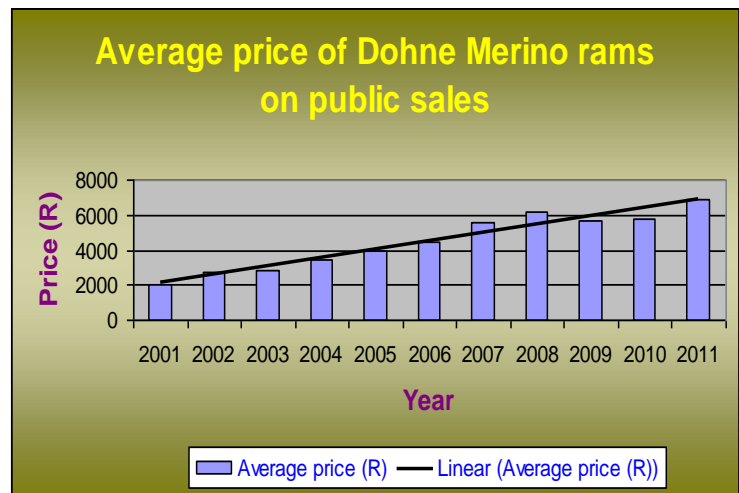


Fig 2

DOHNE MERINO SALES RESULTS - 2011								
National Sale			Promotion Sales			Production Sales		
Number sold	Top Price ®	Average Price ®	Number Sold	Top Price ®	Average Price ®	Number Sold	Top Price ®	Average Price ®
56	72 000	19 661	266	25 000	5 572	2 435	66 000	6 679

PRODUCTION SALES

Ever increasing number of rams sold on production sales leads to new record turnover of R16 262 883 in 2011.

Altogether 2 435 Dohne rams were sold on production sales this year which was 311 more than the previous year and the most rams ever sold on production sales in the RSA. The 2011 turnover exceeded the previous turnover by R4 177 185 (35%) the biggest improvement over a twelve month period ever. This improvement was also a result of a huge increase in the average price of R6 679 attained for rams on sales. This represents an increase of 17% in the average price for Dohne rams. These figures confirm the trend that production sales continue to attract more rams as apposed to promotion sales where numbers have shown a steady decline over the last decade. Increases of these proportions in terms of number of rams sold and turnover is an outstanding achievement and testimony of the confidence that commercial ram buyers continue to show in the breed. The popularity of the Dohne is further enhanced as a result of its performance in the commercial environment. Our members are to be commended for the efficient way in which they continue to produce rams for the industry in an environment which is marked by ever

increasing input cost, huge predation problems and stock theft to mention but a few. As with the previous year, this year was marked by outstanding achievements by our members on production sales country wide. Due to limited space in our Journal we are restricted to listing only a few achievements below.



Top Price Suidplaas 2011

L/R: At Liebenberg, (buyer), Wynand du Toit, (seller) & Frans Hugo, (CMW).

**Top price ram R66 000 –
production sales 2011- Suidplaas
Dohnes, Protem**

- Altogether 40 production sales were conducted country wide this year compared to 38 the previous year.
- Wynand du Toit of the Suidplaas Dohne stud achieved the highest price on production sales this year. He sold a ram for R66,000 on his production sale and the buyer was At Liebenberg of the Amajana Dohne stud, Kroonstad. The Suidplaas Dohne stud once again staged the biggest production sale this year when they sold 230 rams at an average of R6 914 per ram.
- Thirteen of our members averaged more than R7 000 on production sales for rams during 2011 and twelve members sold rams for averages higher than R6 000.
- Freddy and Mark Schmidt of the Kromspruit and Stromhoek Dohne studs, Memel achieved the best average price on production sales when they sold 50 Dohne rams for an average of R11 720 on their annual production sale and the top price was R26 500. They also sold 52 registered ewes for an average of R3 368 per ewe.
- Julius Beukes of the Bessiesfontein Dohne stud, Ladysmith recorded the second highest average price on production sales when he sold 52 rams at an average of R9 082.
- Hoffie Basson of the Goudklip Dohne stud, Malmesbury achieved the third best average price on production sales when he sold 62 rams at an average of R8 577 per ram on the Bassoon Bros. annual production sale in August. The combined average of the sale was R8 497 for 92 rams sold by Hoffie and Lammie Basson. Hoffie also recorded the second highest price (R42 000) for a ram on production sales. The buyers were Hermanus Kitshoff and Sons of Malmesbury.
- The third highest price (R35 000) for a ram on production sales was attained by Koenas v/d Westhuizen on his annual production sale and the buyer was Rossouw Cillié of Laastedrift Bdy., Ceres.
- Altogether 490 registered ewes were sold on public sales which was double the number sold the previous year. The average price was R2 375 per ewe.

We extend our congratulations to all our members on these fine achievements as well as to those whom we did not mention in this report. As mentioned before, to repeat these achievements require remarkable efforts and we are

confident that our members will be up for the task during 2012. Against the background of a buoyant demand and good prices for rams which is expected to continue for a while we urge members not to offer sub standard breeding material for sale in order to boost numbers. We call on members to act responsibly and with a great deal of integrity when producing breeding material as we need to protect the brand name at all cost.

PROMOTION SALES

Number of rams remains constant – turnover and average price up.

Altogether 266 rams were sold on promotion sales this year. The average price was R5 572, 19% better than the previous year with a turnover of R1 482 152.

Top price R Cillié 2011



Top price on 2011 promotion sales - Ceres Topvee - R25 000

L/R: Piet Moller, (buyer),
Rossouw Cillié, (seller) &
Johan Hanekom, (Stud
Master).

- Rossouw Cillié of the Matroosberg Stud, Ceres achieved the best average price for rams on promotion sales this year. He sold 24 rams on the Ceres promotion sale at an average of R10 391 per ram. This was also the second highest average price for rams on a public sale (national sale excluded) this year. The top price was R25 000 also for a ram of the Matroosberg Stud at the Ceres sale and the buyer was PJ Moller, De Vlake, Ceres. This was also the highest price for a Dohne ram on promotion sales this year.
- The three Dohne sellers on the Ceres promotion sale (Rossouw Cillié, Matroosberg Stud, Koenas v/d Westhuizen, Towerland Stud and Marcellene van Rooyen, Mullersvlei Stud) attained the best average price on promotion sales for 34 rams at R8 522 per ram.
- Stephan Mouton of the Olyvenbosch Dohne Stud, Eendekuil achieved the second best average price on promotion sales. He sold 40 rams on the Piketberg sale at an average of R7 594 per ram with a top price of R19 000.
- The East Cape club sale at Elliot produced the third best result on promotion sales for 2011. Cecil v/d Merwe of the Hencil Stud, Barkly East and Boet Steenkamp of the Olea Stud, Barkly East sold 24 rams at an average price of R6 708 on this sale.

The year 2011 has been somewhat different to the previous two years. During the past year we had excessive rain in some regions which also brought some diseases and stock losses whilst the biggest part of the country suffered a drought during the previous two years which also led to stock losses. Our members however continued to produce rams of outstanding quality for the market despite these setbacks and for that they deserved to be congratulated. We also congratulate those whom we have not mentioned in this report with the knowledge that they will continue to produce rams for a market which continues to grow. Grain prices have improved substantially during the past twelve months and together with good wool and meat prices the small stock industry is set to expand and prosper during the coming year.