

Free Market Award

The 20th Free Market Award was presented to Pikkie van den Heever on 30 September 1998 at a luncheon at the Sunnyside Park Holiday Inn Crowne Plaza.

Professor Themba Sono acted as Master of Ceremonies while Leon Louw addressed the guests on *Jobs for all: The multiplier effect of free markets*.

Pikkie van den Heever studied law at the University of Stellenbosch and now farms with Merino sheep on the farm Klipkraal in the Northern Cape. Given his dual legal and agricultural background it was not surprising that van den Heever took an active interest in agricultural policy and its economic effects on farmers. He became involved with the National Wool Growers Association (NWGA) in 1990. Frustrated at not being able to convince the NWGA of the need for reforms in the wool industry, van den Heever and a group of like-minded farmers formed Wool South Africa which was dedicated to freeing up the wool market.

From the outset Wool South Africa questioned the value to farmers of the compulsory Pool Scheme method of selling wool. The scheme gave farmers the season's average price for particular classes of wool after deducting its own costs. In practice it proved to be a disincentive to those farmers who regularly produced the highest quality wool. Because farmers were locked into this statutory monopoly they could do nothing to control the steadily escalating marketing costs which eventually exceeded 20% of the selling price of wool. Wool South Africa exposed inefficiencies and corruption amongst officials and called insistently for accountability. The Pool Scheme eventually collapsed and was abandoned in 1993, largely as a result of the efforts of Pikkie van den Heever.

South Africa's enlightened Minister of Agriculture, Derek Hanekom, appointed van den Heever Chairman of the Wool Board in 1996. During his chairmanship van den Heever started investigating whether the benefits to South African farmers of membership of the International Wool Secretariat (IWS) was worth the cost. In order to gain his support the IWS appointed him as one of their directors but he became convinced that South Africa should withdraw from membership. He went on a two month tour to convince farmers that:

- South African farmers should stop supporting the International Wool Secretariat.
- The Wool Board should be abolished.
- Statutory levies on wool sales should be abolished.

Pikkie van den Heever succeeded in persuading the farmers, and all three of these objectives have been achieved. Thanks to the tireless efforts of people like Pikkie, South African agriculture is now amongst the freest in the world. Consumers and farmers are the greatest beneficiaries.