

3 September 2004

Dear respondent,

**SURVEY ON THE USE OF DERIVATIVES BY SOUTH AFRICAN
AGRICULTURAL CO-OPERATIVES TO HEDGE FINANCIAL RISKS.**

The Department of Business Management, Sub-department Risk Management of the University of South Africa is conducting empirical research on the use of derivatives by co-operatives.

South African agricultural co-operatives are exposed to financial risks such as price risk, currency risk; yield risk and interest rate risk. These risks influence their daily business as well as their profit margins. The survey aims to determine whether or not co-operatives use derivative instruments to hedge against these financial risks.

It will be greatly appreciated if you would participate in this study by taking a few minutes to answer the attached questionnaire. Be assured that all information provided will be treated in the strictest confidence and that your answers will be recorded anonymously. Enquiries concerning the research can be directed to:

Erika Botha
Tel: (012) 429 4931
Fax: (012) 429 4668
E-mail: bothae2@unisa.ac.za

A copy of the research results will be forwarded to you. Your response is required before 5 November 2004. Thank you for your cooperation.

Yours Sincerely,

MISS E BOTHA
UNIVERSITY OF SOUTH AFRICA