



8 May 2006

## We want better wool marketing? Just ask growers

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Dear Sir,

Woolgrowers, Paolo Zegna di Monterubello, Laurence Modiano and marketing leader Michael Kiely “Keeping wool cool” (The Land letters 4.5.06), have one thing in common; we all want a better marketing effort for wool.

Zegna has called for “urgent action to save the wool industry from its very deep identity crisis”. Modiano says “professionally managed promotion” is urgently needed. Kiely says woolgrower efforts will be wasted while demand was missing.

Woolgrowers pay a compulsory 2% levy to improve their profitability. So why not ask growers directly if they want to fund marketing activities? Why not ask growers directly how much they want to allocate from their levy to fund marketing activities?

Every 3 years a Woolpoll is held to determine the level of compulsory levy by woolgrowers. The next Woolpoll is due this November and will cost woolgrowers \$800,000.

This Woolpoll must give woolgrowers the choice to answer the questions;

1. How much levy? (with zero always an option)
2. How much levy for marketing?

Previous Polls in 2000 and 2003 have failed the industry by creating confusion in the application of levy funds between research and marketing. For example in Woolpoll 2000 the successful 2% Levy Option papers stated “Areas of investment could include product and industrial marketing”. Yet despite this direction, the Board of levy recipient Australian Wool Innovation have been confused by the Statutory Funding Agreement in the application of the Funds. Marketing and Promotion have consistently been under funded and poorly utilised tools to increase profitability.

It seems amazing that last year red meat producers (including woolgrowers who are sheep meat producers) were asked to vote on increasing promotion levies to fund Meat & Livestock Australia. The question was specific and the answer was clear; More levy for Promotion and Sam Neill does the rest.

Why are woolgrowers different? Why do we need 2% of the levy for Research? AWI must not again waste grower’s \$800,000 on this year’s Woolpoll by continuing the funding confusion between research and marketing. Give growers the choice to decide; How much levy? How much levy for marketing and promotion?

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