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Chick's parting shot to AWI

AUSTRALIAN Wool Innovation should work towards survival without the current wool levy, retiring AWI director Chick Olsson said this week.

Mr Olsson retired this week after five years on the board, with three years of his term remaining. He said he would take a year off, "quietly enjoy the good things that have been achieved" and perhaps return to university study.

Mr Olsson said he had been an absentee farmer for seven years and three months ago became chairman of Queensland community television station, 31 Digital. His family's business was also "on a mergers and acquisitions trail over the next couple of years".

Mr Olsson said he was elected to the AWI board in 2007 with New South Wales processor Roger Fletcher after growers became concerned about AWI's huge expenditure on research and development at the expense of marketing.



"It (marketing expenditure) had virtually stopped and demand for wool was plummeting, as was the sheep flock.

"The biggest catalyst was the protection of surgical mulesing of course," he said.

Mr Olsson believed AWI's marketing campaigns were partially responsible for the current prices, but were also the industry's only chance to maintain wool prices.

With the Eastern Market Indicator at 1388 cents a kilogram at an Australian-US dollar exchange rate of 110 cents, Merino ewe prices up from \$30 in 2007 to \$140 now and a growing flock, "there is not much else anyone can do really," he said.

However, there were still things that AWI could do, including setting goals and timelines to wean itself off the wool levy, he said.

"If prices stay high, I think AWI is doing such a good job and we are going to have more efficiencies, I think we have to start talking about possibly reducing the levy.

"I think it could be something as a reward we give back to growers for their eight years of contribution to AWI," he said.

Despite supporting AWI's leveraged marketing strategies, Mr Olsson said it was not wise for AWI to believe it had to spend its growing surplus over budget, currently estimated at \$18-\$20 million.

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