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Stock and Land

By Deanna Lush

Growers urged to question AWI



AWGA director Chick Olsson.

THE Australian Wool Growers Association is urging farmers to closely scrutinise whether AWI's investment in marketing is delivering them genuine commercial success.

In an opinion piece exclusively for Fairfax Agricultural Media, AWGA director Chick Olsson questions AWI's commercial ability and says it should become more market driven and engaged in competitive behaviour.

Mr Olsson's comments – titled *What have the levies ever given us?* were also approved by European wool processor and former AWI board member Laurence Modiano, who resigned in May 2010 after a disagreement with chairman Wal Merriman on AWI's approach to marketing.

In the comment piece, Mr Olsson said a re-endorsement of the current two per cent wool levy rate was not guaranteed. AWI had to address declining demand and provide more research outcomes by November to ensure a levy reduction or zero vote was not growers' choice.

“What about maybe just giving some of the money back to growers and forcing AWI to be leaner and more commercially focused?” he said.

AWGA also tackled AWI's refusal to fund the second stage of the Information Nucleus Flock because of a lack of commercial outcome.

“Now more than ever we need research focused on sheep productivity, as well as to continue important industry commitments such as sheep flystrike research,” Mr Olsson said.

”Based on AWI's logic of cessation of funding to (the Sheep) CRC for non-commercial outcomes, and further based on AWI's own poor record of commercial delivery, should then AWI also no longer receive any further levy or government funding?

“Has AWI ever in living memory produced one successfully commercial product that has rocked the industry, even after spending over \$500 million in levy and government revenues since 2003?”



AWGA - News Update

He said Mr Modiano's original suggestions for the Australian industry were still relevant and worth pursuing. Some of these included protection of the men's woollen suiting market, including campaigns that have already been developed but are awaiting approval; increased marketing support for broader wool; and increased presence in countries in terms of offices that use the most Australian wool.

But he did heap praise on the Campaign for Wool, supported by HRH the Prince of Wales, saying it was the most outstanding program ever to support the notion of wearing and using wool.

"At a cost of \$900,000 to date, this program represents excellent value in driving international exposure of wool's credentials," Mr Olsson said.

He said of most concern was that Australian wool now only provided 1pc of the world textile market.

"From a destructive reserve price scheme, to a wasteful red dress debacle, to a mad court case against fringe welfare groups, to a futile attempt to ban mulesing, no silliness has been untouched in our history.

"So how will our wool industry research and marketing body react, and how will they plan to convince growers that AWI deserves another \$200 million from the long suffering back pockets of woolgrowers and overtaxed Aussie taxpayers?"