



31 October 2012

Criticism for AWI promos

THE success of the Campaign for Wool promotions was due to an absence of internal politicking by Australian Wool Innovation.

That's according to European processor Laurence Modiano.

With WoolPoll levy ballot closing this week, the Modiano head and former AWI director in a scathing letter to the media was critical of AWI's No Finer Feeling and Gold Woolmark campaigns but highly supportive of the international generic Campaign for Wool, which promoted wool's attributes.

"In view of the small price gap between superfine and broader wools, I think one would have to conclude that the No Finer Feeling and Gold Woolmark campaigns have failed," Mr Modiano wrote.

"One reason the Campaign for Wool has succeeded is because AWI is providing funds and staff without actually being able to micro-manage or ruin it with internal politics.

The campaign has cost relatively little, thanks to industry support and goodwill connected to its royal patron (Prince Charles)."

Mr Modiano said as a "political organisation" AWI had the "unenviable job of trying to satisfy politicians, downstream industry and, above all, growers."

"It has only one aim: to do what is right for growers."

He claimed AWI was being greedy by asking for a 2 per cent wool marketing and research and development levy.

"Times are getting tougher for everybody. With \$100 million in reserve it should have made the gesture of announcing that a 1 per cent levy would suffice," Mr Modiano said.

"By greedily sticking its hand out for a full 2 per cent it runs the risk of provoking growers' anger and receiving an unpleasant surprise."

The WoolPoll ballot, which closes this Friday, will decide what levy rate growers will pay to AWI's marketing and research activities for the three years from July next year.

AWI chief executive Stuart McCullough said Mr Modiano's comments were "disappointing and confusing given (when Mr Modiano was an AWI director) he presided over the funding approval of all three marketing strategies".

"We will take note of commentary from participating northern hemisphere retailers and brands that are experiencing positive results from these programs," Mr McCullough said.