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Wool woes strike fine end of market as prices shorn this season

The demand for fleece is down as the Australian wool season draws to a close this year, with prices continuing to head south.

Last season was one of the worst in recent years for fine wool growers, closing at \$10.66 a kilogram compared to almost \$12 just two years ago.

Elders' Danny Burkett said the decline in China's retail industry, and the shift to synthetic fibre, has hindered demand for what was once prized Australian fleece.

"Probably in the last 12 months, from my understanding, that has flatlined," he said.

"There's probably a few reasons for that, and one of those is the fashion trends of the younger Chinese are moving away from wool."

Mr Burkett said in the last two years, sales had been extremely poor for fine wool growers.

"I'd suggest to think the next 12 months are going to be much better would be a big ask," he said.

WAFarmers president Dale Park agreed, saying it had been a particularly bad season for fine wool growers, with the market hit hard in the aftermath of the European debt crisis.

Europe is the biggest market for finer grade wool, and with Chinese buyers favouring coarser fleece, Mr Park said farmers are left with no market for their fleece.

"It's not been good, and the fine end of the market has really been coming back, so fine wool is really struggling at the moment," he said.

Mr Park said over the past 10 years Australian sheep farmers had moved out of Merino sheep into non-wool varieties.

He said the West Australian flock dropped from around 95 or 90 per cent to about 70 per cent over the period.

"Whereas meat used to be a by-product of the wool industry, unfortunately wool has become a by-product of the meat industry," he said.



<http://www.abc.net.au/news/2014-07-15/wool-woes-as-demand-clipped-this-season/5599566>