

TIME FOR A WOOL SUMMIT?

With flock numbers in continued decline, wool prices down 400 cents clean since January this year, and live sheep exports under the spotlight, the Merino industry is now at a more critical stage than it was in the mid-90's.

Des Sheedy said it was time for a Merino industry "summit" to set new objectives and directions for all sectors - wool, prime lamb and live exports.

"All of these Merino interests have operated independently for decades. But the time has come for some serious coordination.

"When you see estimates that more than 50 percent of the Merino ewe flock is now committed to the prime lamb processing industry, the signals must be extremely bleak for the wool industry, the live export industry, and even for the prime lamb industry.

"And when you see the wool price in continued decline, despite the fact that there is about one third of the wool available now than was available at the height of the stockpile era, there needs to be an urgent review of future direction."

Des said he was concerned that diminishing wool

production and market uncertainty was now forcing more industry players out of the game.

"We would not want to see the situation develop where Australia is reduced to one auction selling centre."

Des urged WA woolgrowers to use tomorrow's AWI forum and AGM at the Burswood as a catalyst to urge the mapping of a firm new course for the Merino industry.

"That course needs to address the present state of the ewe flock, the future growth demands of the wool, lamb and live export industries, the potential of new pasture technology - and an accurate assessment of world wool demand and likely price trends.

"There should be massive opportunities to produce Merinos for both wool and lambs, but without direction these opportunities are in danger of being lost."

Des said he believed companies like Primaries were contributing to better marketing and producer advisory systems, but ongoing innovation in this sector, and the will of producers to invest in wool would be at serious risk, if the fundamental problems of the industry were not addressed.



Elizabeth and Brent Ladyman with their new "Moojepin" SRS ram.

SRS/DUAL PURPOSE GOALS AT "WAYNEFLETE"

Elizabeth and Brent Ladyman of "Wayneflete", Katanning, have widened their SRS breeding objectives with the addition of three new sires from "Glendamar" stud in the east, and a \$4,400 ram from David and Sue Thompson's "Moojepin" SRS stud this year.

Semen from the new rams will be used in a cervical AI program to give the breeding program maximum effect.

The Glendamar rams have also come with eye-muscle and other EBV specifications, that will become an important breeding focus for the Ladymans as they seek to increase the meat producing capabilities of their 2,100 Merino ewe flock.

They became interested in SRS sheep about four years ago and asked David Thompson, who is also an accredited SRS classer, to assist with their classing and breeding programme for the "Nardlah"- based flock.

"We are now committed to SRS, particularly with the new emphasis on meat as well as wool," Elizabeth said.

"We accept that we are making a long-term commitment and that we need to buy the outstanding animals when they become available."

Tim Chapman of Primaries who assists the Ladymans to market the Wayneflete wool clip, said it was already showing an exciting SRS influence.

"Brent and Elizabeth are producing wools with outstanding characteristics and they are confident that the wool market will ultimately justify their investment. The new focus on meat as well as SRS wool production will provide valuable future insurance."

CONTRACT PAYOFF FOR RANGEVIEW



Rangeview stud manager Jeremy King.

A decision last January to lock in 25 percent of his wool clip under a hedge-to- arrival contract with Primaries at 1290 cents per clean kilo, has just paid a \$11,000 dividend for the King family of "Rangeview" Darkan.

And with contracts for 1300 cents and 1350 cents still due for November/December, stud manager Jeremy King has used the system to offset the disappointing current state of the wool market. He says using hedge to arrival works well, 'provided you are not too greedy.'

"It is a great idea being able to lock in a wool value so far out when prices are good. On current indicators, anything over 1,000 cents clean is worth securing," Jeremy said.

However with shearing due to start this week, and the market in uncertain mode due to mainly to a rising currency, the marketing strategy for this year's Rangeview wool clip has yet to be determined.

"We will be inclined to sell the oddments and the stronger wool lines and to sit on the finer end of the clip," Jeremy said.

Hedging prospects would be under constant scrutiny through Matthew Pedersen and the team at Primaries, and WoolTrade would again be used to offer selected lines.

"The growing package of services now offered by Primaries is giving us more and more options to secure the best possible income from wool," he said.

"We prefer not to hold wool, and having access to WoolTrade, the Forward Offer Board, hedging and auction, together with Primaries' market intelligence service, makes decision-making considerably easier and safer than it used to be."

Rangeview's wool clip has come back one micron to 19.3 microns over the past five years reflecting the direction of breeding within the Rangeview stud.

"I believe the micron is now where we want it to be, and that future demand for wool will return to the finer end."

Rangeview is already seeing benefits from its purchase of the Amuri Creek Merino stud, Tambellup, and this year's wool clip will be one of the best ever produced.

This year was also the stud's best stud ram sales year for ten years with the average of 95 rams up by \$257 per head, and the top ram selling for \$1,860.

NEW PROFIT RECORD FOR ROBERTS

Roberts Limited of Tasmania, - a major shareholder in Primaries of WA - has reported a record profit after tax to June 2003 of \$7.2 million, up from \$5.4 million last year.

Earnings per share increased from 50 cents last year to 60.6 cents, allowing a fully franked final dividend of 20 cents per share, on top of an interim fully franked dividend of 14 cents.

The company raised an extra \$6 million in capital through a rights issue to existing shareholders and is now well placed for future expansion.

Roberts took a placement of 600,000 shares in national merchandise distributor, Ruralco during the year at a cost of \$1.9 million, and also acquired stockfeed manufacturing interests in Tasmania and real estate interests in Victoria.

Chairman of Directors Andrew Kemp reported to shareholders that the business of Primaries in WA was performing well and that trading in the first three months of the year was ahead of budget and the previous year.

SEMINAR WINNER

Albany client Paul Exton has won the Primaries trip for two to New Zealand for guessing that 780 cents would be close to the wool market indicator at the end of October. Paul made his guess during the Primaries seminar in July and at the end of October, the WMI was 775 cents.

Near misses included Broun Partners of Beverley on 781 cents, A.D. & P.A. Tyson of Kulin and M & B. Errington of Dandaragan on 800 cents, D.P. & W. Wills of Eneabba on 803 cents and Lillybank Past Co., Williams 810 cents.

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