



# Wool's increasing affordability

A MAJOR bonus for woolgrowers is that China's surge to become the world's leading wool processor is also improving the affordability of woollen garments.

"Naturally, there is industry concern that China has become the most dominant buyer ever of Australian wool," Primaries managing director Trevor Pedler said this week.

"But China is also leading an international industrial revolution that is making woollen goods more affordable than ever before.

"The combination of these factors, together with a marked increase in consumer demand for natural fibres, and declining raw wool production should keep the price of wool firm and

improving."

Mr Pedler said the shortening raw wool supply and increasing Chinese activity were key factors in pushing the price of an average bale of Australian wool up 23 percent from \$796 to \$977.

National wool offerings for the nine months to the end of March had fallen by 50,000 bales since last year.

## Easter buying offsets big national offering

A SURGE in new orders from China over Easter with exporters meeting prompt delivery orders in April, served to offset a major price slide post Easter despite the bigger offering and soaring Australian dollar.

Primaries marketing manager and director Matt Pedersen said national wool offerings over the next few weeks would be around 12 percent less than for the same period last year.

"There is still some wool on hold but not all of it is for sale, and we are expecting lower auction offerings for the rest of the year, as the drop in raw wool production begins to bite," Mr Pedersen said.

"The recent focus on food shortages because of drought in the Murray Darling Basin has raised community alarm bells – but few people realise that this same area is also responsible for 45 percent of Australia's total wool production."

## Scottish slant

MATT Pedersen of Primaries will leave Perth on May 7 to attend the annual conference of the International Wool Textile Organisation in Edinburgh.

"We will be keen to hear the latest world wool supply estimates in the forecasting sessions, as well as demand trends and the latest manufacturing news," Mr Pedersen said.

# Strong local focus for Ruralco

RURALCO managing director John Maher has reaffirmed a strong corporate commitment to preserving and promoting the local identity and management foundation of its growing national network.

Primaries' Trevor Pedler, Matt Pedersen, and senior marketing staff Tim Chapman and Peter Sheridan attended the first Ruralco national conference in Hobart last week.

Primaries won two of the seven prestigious national awards – for Best Business Unit, and for Best Growth.

"Ruralco sees its future in strong local management and control, but also with growing national strength and international recognition," Mr Pedler said.

Tim Chapman said he was impressed by the interaction of states and businesses at the conference and by the clear progressive direction of the Ruralco Group.



Primaries marketing manager and director Matt Pedersen (left), Primaries managing director Trevor Pedler and Eric Tomlinson with the Ruralco awards presented to Primaries in Hobart.

Highlights had been the success of Roberts Wool Link and the Prime

program, and the national networking opportunities particularly for livestock.