



AUSTRALIAN SUPERFINE WOOL GROWERS' ASSOCIATION INC

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PRESS RELEASE

New Marketing Opportunities for Superfine Wool

Many Australian Superfine Woolgrowers Association Members have expressed concern at the direction that the wool market is heading and believe that there must be a better way of selling raw wool and marketing at all stages through the pipeline to final retail customer. ASWGA have devised a plan which it is believed will give growers an opportunity to market their wool in new and innovative ways which have the potential to improve returns as well as open up new markets.

Research has shown that there are many woollen garments on sale at present that purport to be superfine merino which contain fibre outside the superfine range and definitely unsuitable for customers who expect soft light garments that may be worn next skin. This is damaging to our image and needs to be addressed.

The current system of selling encourages blending to achieve an average specification or type. The aim is to source wool to a specification worked back from the weaver or knitter using wools of known superfine types and from recognised superfine properties to a very strict specification for the end product. Research has proven that this approach will have superior results and guarantee customer satisfaction while at the same time enhancing the reputation of Australian superfine wool.

Product will be strictly controlled through the pipeline using only specially approved processors with a reputation for excellence and reliability.

The aim is to support this approach through branding using the Association's established registered Trade Marks.

Over a number of years ASWGA has researched, developed and tested in the market place a suitable brand in conjunction with Australian Wool Services which the Association hopes to promote as a quality symbol.

A survey of ASWGA members last year showed that two thirds were keen to see the development of new market opportunities through supply chain activities to both improve their returns and to guarantee a higher quality garment for customers.

AWI recognising the need to find innovative and new opportunities to market the increased production of superfine wool have provided a consultancy to firstly demonstrate that such a project is feasible and then to develop the outline of the proposed Business Plan.

Wool will be sourced directly from the farm on a contract basis using the existing brokers. The auction system has failed to give growers a stable market and is subject to price fluctuations which are unacceptable to all. Volatility of price and reliability of supply are two of the major criticisms that we constantly receive from our processor members globally. Most agricultural products have developed mechanisms to remove these fluctuations but wool has lagged well behind. Most Agricultural crop and Vegetable growers and many meat producers now have the ability to sell their

produce on a forward contract and it is now common practice for these producers to refuse to plant without a contract in place.

This plan is ambitious and forward thinking and is not confined to ASWGA members and all high quality superfine wool producers are welcomed to become involved.

A series of three meetings in specialist superfine growing areas is being planned at which the AWI Consultant Frank Kisvarda will explain the proposal in detail.

All interested superfine growers producing superfine wool 18.5 microns and finer are urged to attend these meetings. The purpose of the meeting is to gauge support for the proposal.

Dates:

Yass **27th March 2006 Soldiers Club at 2pm**

Hamilton **4th April 2006 The George Hotel at 8pm**

Armidale **10th May 2006 Armidale Ex-Services Club at 1.30pm**

Tasmania **3rd May 2006 Venue to be announced**

Further Information:

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