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Eyes wide shut

By PAUL HOOPER and BETH JOHNSTON

CONSUMERS must open their eyes to wool because the industry has become a shadow of its former self and failed to excite the consumers it depends on.

This is the blunt warning from one of Europe's most recognised wool processors, Laurence Modiano, in Perth last week to speak at the World Merino Conference.

In a candid interview with Farm Weekly, Mr Modiano, a third-generation wool processor with family company G Modiano, said the wool industry had been "shot to pieces". There and we have to learn to open people's eyes."

Mr Modiano said his company must be commercial to avoid losing business.

"We need to tell the story of wool to sell it and develop closer relationships with customers," he said.

Mr Modiano said AWI had put in a lot of time and money into on-farm research and development, yet Australia had been the country that had seen the biggest decline in quality.

Mr Modiano is a firm supporter of the establishment of an international wool-marketing organisation.

"Growers should vote for a zero per cent levy until AWI can justify money spent and returns."

He was particularly critical of Australian Wool Innovation (AWI), claiming the organisation appeared to have squandered funds with little accountability, responsibility and transparency to woolgrowers.

He said the business model AWI operated under had failed the industry.

"Growers should vote for a zero per cent levy until AWI can justify money spent and returns," Mr Modiano said.

Australian woolgrowers had the option of paying a levy and letting AWI decide how they wanted to spend the money or been a touchy subject for growers and industry members in Australia.

Many woolgrowers believe they have not seen the results of past marketing campaigns reflected in farm gate prices and therefore are wary of the concept.

Wool brokers and specialised micron groups have broken away from more traditional brands like Woolmark, in an attempt to niche-market their line of wool.

Most efforts have been met with a low to zero response in ? "I think wool will become a cottage industry."

If woolgrowers pushed for a zero per cent levy, they should also attempt to rally for a structure including all elements from the industry, he said.



AWGA - News Update

Mr Modiano has doggedly fought for more promotional marketing of wool and is not afraid to lead the industry in the controversial debate for more marketing.

“I think wool will become a cottage industry, but I don’t want it to,” he said.

Wool promotion body Australian Wool Services (AWS) has struggled to keep Woolmark’s falling reputation afloat, with a UK pension fund debt looming overhead.

But Mr Modiano has stood behind AWS’ US\$6.6 million US Test Marketing Project (TMP), which signed two key retailers earlier this year.

The TMP is due to start during coming months in New York, to coincide with the US 2006-07 autumn-winter fashion collection.

“Wool exporters could pay a levy of \$10-\$20 a bale to kick-start wool promotion.”

Source The Farm Weekly.

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