

Submission to Wool Selling Systems Review

From Alistair McDougall, Woolgrower and Chairman Slamp Pty Ltd.

As Public Officer of Slamp Pty Ltd, and highly involved in the downstream developments from the Robotic Shearing efforts of the 1980 /90's, I feel obliged to make some comment to the Review Panel, regarding the connection between the selling processes available to growers and the current and likely developments in mechanical assistance in wool harvesting.

In the simplest of terms, the first point I wish to make is to emphasise the need to maximise the net return to wool producers from the consumers \$.

Review of the convoluted supply chain from the producer to at least early stage processing is certainly timely and necessary to have any chance of sustaining such an aim. It is improbable that our beleaguered consumers are likely or able to pay ever escalating prices to support the present inefficiencies in that supply chain as a means of increasing producer returns to ensure continued supply. To maintain viability, producers are obviously turning to alternative enterprises (cropping) or self fleecing sheep for meat supply, as compared to sheep for wool or combined wool and meat supply.

The relevance of Slamp Pty Ltd, to production, harvesting and supply of wool to the fibre market is as follows:-

A group of (mostly) producers, including myself, have joined together to try to continue some of the developments from the Robotic Shearing project (UWA - 1980's). As far as I am aware there are no current efforts going into actual shearing by robotic means. However it remains a real possibility for the future.

Our recent developments have concentrated on peripheral (but important) aspects of mechanical supply of sheep to a person for shearing and development of mechanical aids to enable a shearer to shear a sheep whilst standing upright. (Upright Posture Shearing Platform - UPSP)

Approximately 80% of shearing industry related Workers Compensation (WC) claims relate to injury in the "catch tip and drag" portion of getting sheep to the shearing position for bend over shearing.

The shearing industry WC premiums (around 10% plus) are mostly twice (or greater) than the average agricultural rate (around 4.7%). At say 5% greater and at \$6 plus for contract shearing this equals 30c per sheep excess.

Without dwelling on the detail (which is available) the principle achievements of SLAMP, to date are a mechanical-multi station delivery system for delivering sheep safely to a number of operators, as required and a UPSP device that holds the record of 163 sheep shorn in one day with mechanical assistance. ... an industry sized solution rather than a single station product. The delivery system is almost ready for commercialisation.

The current R&D efforts will determine if the same components will also be applicable to many normal husbandry/ handling operations and thereby also reduce unit cost of the equipment.

The next (immediate) R&D step is to develop the current clasping crutching cradle for slewing and delivering sheep safely to a shearer for conventional bend over shearing (as short as 12 months away)

It is the following step of completing development of a UPSP that will be most related to supply chain options and the selling systems review.

To facilitate the introduction of such technology, the need is to maximize the opportunity for competitive sale of the largest lot sizes possible whilst applying Objective clip preparation standards. At present we are locked into separating wool, in shed, at the time of harvesting to best suit the needs of greasy wool dealers/ traders for the purpose of re-blending.

Full scale commercial activity (AWE 1990's) has indicated that superior tops can be made from pre-tested, virtually "all the wool in the bale" preparation - only stains, shanks and obvious out sorts excluded. Other specifications can be applied to suit particular needs, as required.

As growers we have excessive cost with expensive and increasingly unavailable shed staff to try to prepare wool for traditional supply. More than that, almost no opportunity to get genuine processing feedback on at least the biggest of our production lines of wool exist whilst the blending system remains. There is no tangible reward for wool of superior processing attributes. This needs to be coupled with improved, genuine, international trade finance options as distinct from the opportunistic financing provided by dealers and traders.

The need is to address the structural dichotomy/ divide that presently exist between the fibre production and early stage processing. At present, it is extraordinarily difficult for an individual grower to get past the entrenched blending/ dealing trade for either pricing or information feedback reasons.

My key point is to urge the selling systems review panel to consider and include maximum opportunity for genuine competition on the biggest lines of wool possible with the opportunity for genuine rewards from processing quality attributes ... by continuing part ownership at processing if necessary. This would set up the financial basis for fundamentally sound gains in production and supply chain efficiency.

My main reason for writing is to provide first hand assurance to the panel that mechanical and process efficiencies are actively being developed by companies such as ours to help drive wool supply chain efficiency.

Gains in efficiency in the "in shed" preparation of wool for processing are not dependent on the advances in mechanical assistance. (There are others in the industry, who would be better qualified than I, to give such details to the panel)

The important points that I wish to make are that:-

- a) the development is ongoing to make mechanically assisted shearing / harvesting possible

- b) selling systems need to develop to accept such advances and help provide the financial capacity to fund the recapitalisation of wool harvesting in the industry. (... say between \$1-2/hd saving in preparation costs plus say minimum of 30c/hd saving in WC costs)

Selling systems improvements that integrate with such gains are likely to be strongly supported and welcomed by growers.

Alistair McDougall