

# What the wool grower/breeder looks for

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Mr Geoff Fisken  
Lal Lal Estate

# History

Lal Lal Estate was first settled by my great great grandfather Archibald Fiskin in the mid 1840s.

Originally run as cattle property, it supplied fresh meat to the large mining townships of Ballarat and Buninyong.

Sheep were first introduced to Lal Lal in the late 1800s and have been run there ever since.





# Background

- Lal Lal Estate is a family owned and run property 20 km south-east of Ballarat.
- The property covers 2200 ha of country, varying from rich volcanic soils to lighter granite soils.
- The property is carrying 11,000 fine wool Merino sheep as well as 1000 head of cattle, and some cereal cropping is carried out.
- Lal Lal is managed by me, with one full-time employee and one part-time employee.
- We also have a joint venture with blue gum plantation operators.
- We lease purpose-built dams for fly fishing and have day tourism farm visits.



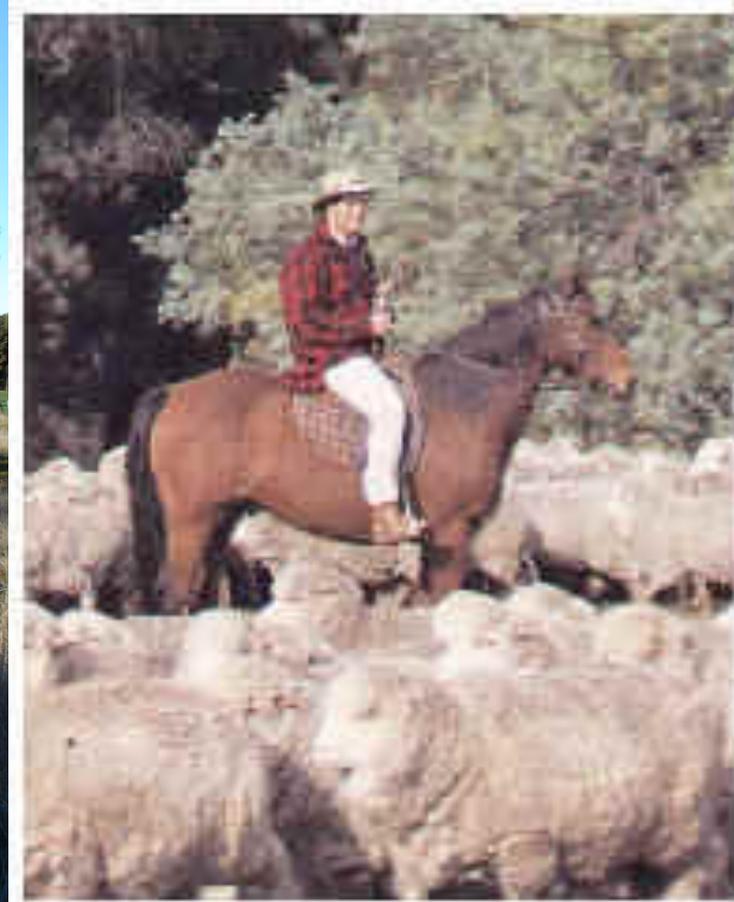
# Decisions relating to enterprise mix

A large flock of sheep is gathered in a field, with a dirt road in the foreground. The sheep are mostly white and some are black. In the background, there are several trees, including a large, thick-trunked tree on the left, and a range of hills under a clear blue sky.

- In 1983 a full-farm financial analysis was done.
- Fine Merino wool was seen as the most profitable business at the time and over a significant period of time.
- We saw the future in apparel wools.
- Lal Lal is ideally suited, both climatically and environmentally, to producing high-yielding, clean, fine wool.
- We already had the infrastructure in place and the management skills required to attain our goals; our goal being producing 60,000 kg of 19-micron wool.

# Enterprise mix 1990-2006

- In 1990 Merino sheep and wool were 80% of our total income.
- Now, in 2006 Merino sheep and wool are 55% of our total income.
- Because of the reduction in wool prices a greater emphasis was placed on widening our enterprise mix.
- In 2000 we shored 15,000 sheep and produced 65,000 kg of 18.7 um wool. In 2006 we shored 11,000 sheep and produced 40,000 kg of 17.9 um wool. We believed the future was in finer wool and the market was telling us this.
- Low wool prices are forcing people out of wool growing and into other commodities such as prime lambs and cropping. Sustained poor wool prices will seriously damage Australia's ability to maintain wool production in the long term and therefore have a dramatic effect on world apparel wool markets.





# Is the wool industry a sunset or sunrise industry?

The ability of wool producers to remain viable will dictate the wool industry's survival as a major player in apparel and fashion markets.

The cost price squeeze on growers is well and truly on, and the decreasing popularity of wool growing as a career of choice is of particular concern.

The major incentive for growing wool comes down to profit drivers:

1. price
2. productivity
3. cost.

# The future

- Closer links between designers and growers so both understand each other's business.
- Marketing wool - Is the auction system in its present form the best way to exchange our raw product?
- Are there too many interests in fibre-to-fashion?
- Should growers retain ownership of the fibre further down the pipeline?

