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Wool

Profile of Australian Wool-producing Enterprises

Produced for the CRC for Premium Quality Wool undergraduate program by;
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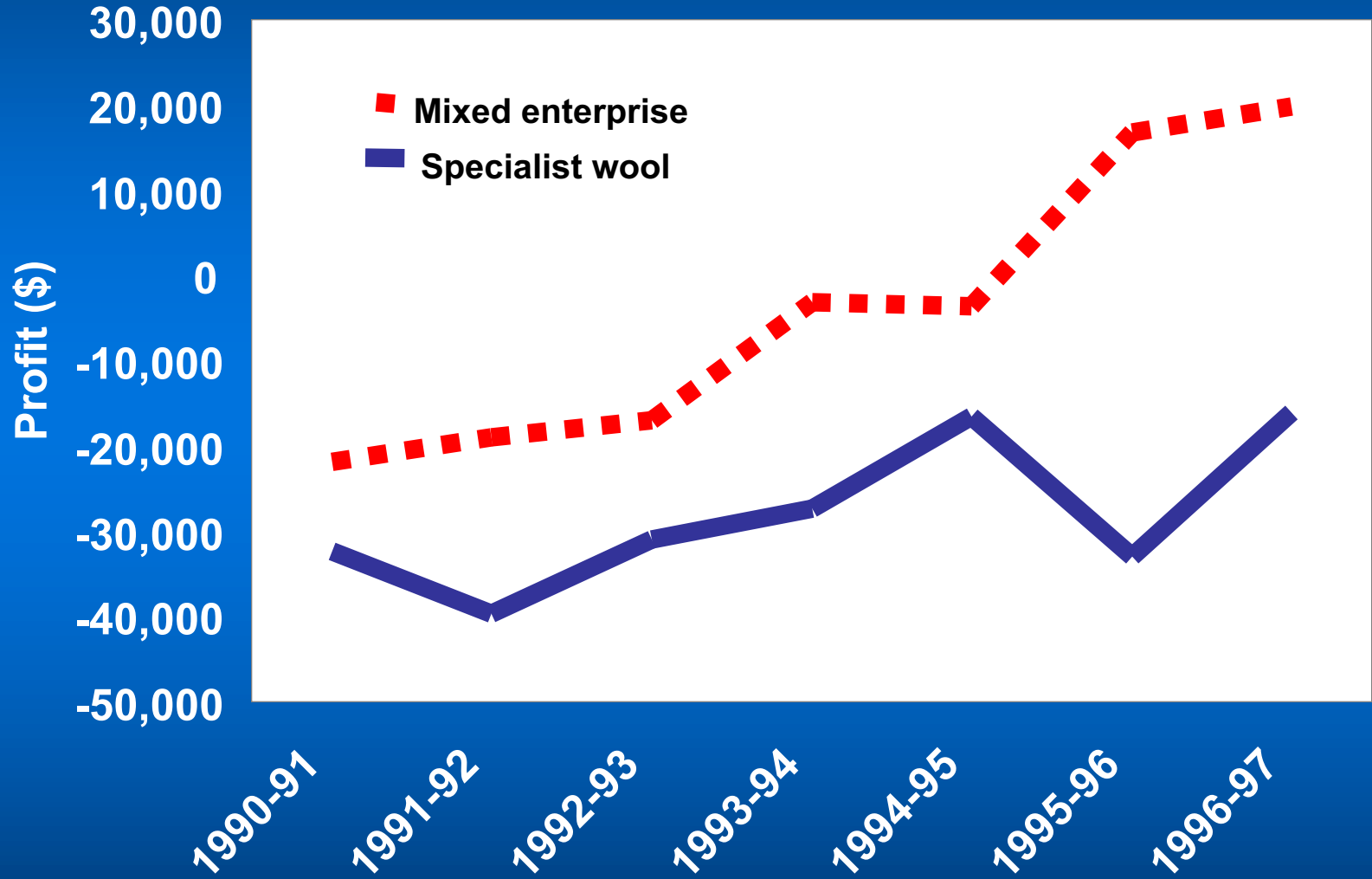
There were 46,300 wool industry farms in 1996-97.

	Specialist Wool	Mixed enterprise
% of farms	27	73
% of wool production	39	61
Source of farm income (%):		
Wool	61	15
Stock sales	26	19
Crops	6	57
Location:		
Pastoral zone	11	4
Wheat-sheep zone	35	73
High rainfall zone	54	23
% operating at profit	28	49

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Farm business profit for all wool industry farms



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Factors affecting profits for commercial wool producers:

Determinants of income	Contribution to variation in income
Clean wool production per hectare	40-60%
Sale price of wool	10-20%
Number of surplus sheep sold	20-30%
Sale price of surplus sheep	5-10%

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Factors affecting profits for commercial wool producers:

Determinants of income

Related factors

Clean wool production per hectare

Cut per head, yield, stocking rate

Sale price of wool

Fibre diameter, staple strength, staple length, vegetable matter content, wool colour, style, types and faults, marketing factors

Number of surplus sheep sold

Lambing rates, flock structure, mortality rates

Sale price of surplus sheep

Liveweight, condition, wool growth, age

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Factors affecting profits for commercial wool producers:

Determinants of costs	Contribution to variation in income
Animal health	10-18%
Feed (incl. pasture improvement)	10-30%
Shearing / crutching	25-30%
Sheep and wool marketing	22-33%
Casual / contract labour	5-10%

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Between-farm variability: South West Victorian Monitor Farm Project, 1996-97

	All farms	Top 20%
Wool production:		
Kg per head	4.9	5.2
Kg per hectare	46.0	55.5
Stocking rate (dse per ha)	11.5	13.2
Net wool price (per kg)	\$4.50	\$4.52
Sheep sale price (per head)	\$18.64	\$20.21
Total cost of production (per kg wool)	\$5.91	\$4.31
Profit per kg wool sold	- \$0.05	\$1.97

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Source: Patterson and Beattie (1997)



Variation between years in the profitability of an individual wool enterprise:

Wool production per hectare:
 $\pm 13\%$

Price received per kg clean:
 $\pm 38\%$

Cost of production per kg clean:
 $\pm 10\%$

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