

# Changes for wool producers as Tectra cuts service

## **Wool producers could be left in the dark over market prices from next week following Wool Equities sudden decision to close the market information and applied re-search arm of Tectra.**

"The provision of independent market information will no longer be there," Tectra chief executive Richard Gardner told the Timaru Herald last week.

Staff were informed on Monday and Tuesday last week that as of April 30th their jobs, and the extension services of Tectra would be redundant.

"It has happened very quickly," noted Mr Gardner. A buyer is being sought for the training and education arms of the business.

Wool Equities' financial officer James West said that the decision had been made because Tectra was no longer a viable business due to a significant reduction in revenue from industry, notably from Meat and Wool New Zealand.

That had happened in the past month, but Tectra had also received limited commercial backing, he said.

Meat and Wool New Zealand said the decision to reduce funds to Tectra was made as part of the ongoing review of contracted services which started when Meat and Wool was formed last July and that an alternative method of supplying wool market information is being sought.

South Canterbury-based PGG wool marketing officer Tim Black said the loss of Tectra's independent service is bad news for the industry.

"It's definitely a pity to have lost the only national market information provider that was independent.

"People will have to find out what the market is doing now through their merchant or broker and we may see some false quoting," he warned.

Longer-term the move may hasten the trend to wool contracts for the industry. 'It's definitely a pity to have lost the only national market information provider that was independent.

"People will have to find out what the market is doing now through their merchant or broker and we may see some false quoting," he warned.

Longer-term the move may hasten the trend to wool contracts which may not always be in producers' interests, he added. "You may get closer links from the farmer to the end-user but the end-user will always want to buy the wool as cheap as possible." Federated Farmers Meat and Fibre Producers' council representative Alistair Young said the move was news to him.

However, from a personal perspective, the market information service had made little difference to his wool sales in the past.

"My interest (in published prices) was somewhat academic unless I could see factors that were having a significant short-term influence."

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