

# Social pressures likely to reshape Australia's woolgrowing industry over the next 25 years

Roger Wilkinson  
Department of Primary Industries, Victoria  
P.O. Box 3100, Bendigo Delivery Centre 3554  
roger.wilkinson@dpi.vic.gov.au

Prepared for Future Woolsapes National Forum, July 2004

## Summary of key points

- The demographic structure of Australian woolgrowers has changed dramatically over the past 25 years. The number of woolgrowers decreased steadily until 1991, when the rate of decrease began to slow. The average age, relatively constant until 1991, has now begun to increase.
- There has been an ongoing decrease in the number of younger woolgrowers (younger than 50) but no corresponding decrease in the number of older woolgrowers.
- The average age of woolgrowers varies widely across Australia: below 50 in the rangelands, between 50 and 55 in the open country of the major high-rainfall woolgrowing areas, and 60 or older in the hill country and close to the capital cities.
- The number of woolgrowers is expected to continue to decline gradually, while the average age is expected to increase to a peak around 2016 or 2021 and then start to decrease. After 2011 the baby-boomer farmers will start to retire, resulting in a gradual decline in the average age.
- More farm children will migrate to the cities, partly in response to the cost-price squeeze, but mostly because of greater social, economic and cultural opportunities in the city.
- Fewer woolgrowers will be able to retire and hand their farm to a child. Many will have no children wanting to farm and will choose to retire on the farm, often because selling the farm would be such a wrench. Labour-saving tools will help them to stay in woolgrowing. Other baby-boomers will retire to woolgrowing from careers in other occupations.
- Women now expect more from a marriage or relationship. They want emotional commitment and often their own career. It will become more difficult to sustain a marriage in isolated areas.
- Demand from urban Australians for land in the more attractive and accessible areas will increase and its price will rise. This will restrict the capacity of many woolgrowers to increase scale to maintain competitiveness. The result in these amenity areas will be an ageing woolgrower population and a non-commercial woolgrowing future.
- Some urban people (mainly the elites at this stage) are trying to reclaim their lost link with the land. The Slow Food movement, concerns for food safety, and the proliferation of farmers' markets are evidence. These trends are clearly apparent in food, but not yet in fibre. It may be possible for wool to capitalise on these trends.
- Rising concerns about animal welfare are a natural result of ethical concerns moving beyond people to animals. Farmers will have to do what is in the best interests of their stock, not just their own best interests.
- Shearing sheds will need to be upgraded to provide a comfortable and safe working environment for humans and sheep. If this becomes law, some small-scale woolgrowers will leave the industry.
- There will still be demand for shearers and shedhands. In commercial woolgrowing areas, as large farms swallow small ones, the labour supply will tighten. Travelling teams will return.
- Computer technology will increase the information available to woolgrowers, no matter how isolated they are. However, there will remain a need for professional advisers to help interpret it.
- Australia's body of woolgrowers over the next few decades will be increasingly diverse.
- Entry to woolgrowing will be spread across all age groups, with mature age entry driven by factors as diverse as following a passion for woolgrowing through to rescuing the family farm as parents age and can no longer cope.
- There will still be wool grown in amenity areas, but it will be fragmented in small flocks.
- Commercial wool production will be concentrated in the pastoral country and the high-rainfall, open country, where the number of farms will keep reducing and their average size will keep increasing. Services will continue to decline and families may have to decide between moving away from services so they can buy land cheaply enough to stay viable, or moving closer to services and accepting that they will not be relying solely on farming for their income.

## Introduction

Australia's woolgrowers are operating under a variety of social pressures. Some of these pressures are reshaping the whole farm sector and affect woolgrowing as much as any other agricultural industry. Other pressures are reshaping the wool industry in particular. First I discuss recent demographic trends among Australia's body of woolgrowers and project those trends into the future. Then I describe the various social pressures that appear to be influencing woolgrowing families, now and over the next 25 years. Finally, I summarise the likely characteristics of the next generation of Australia's woolgrowers.

This paper is informed by comprehensive research conducted by the Victorian Department of Primary Industries into the changing demographic characteristics of Victoria's woolgrowers over the past 25 years and projections of those changes into the future (see Barr, Wilkinson, & Karunaratne 2002, Barr, Wilkinson, & Karunaratne 2003, Wilkinson 2003, Wilkinson, Barr, & Karunaratne 2002, Wilkinson, Barr, & Karunaratne 2003). Our demographic analysis is based on data obtained from the Australian Bureau of Statistics, which conducts Australia's Census of Population and Housing every 5 years. Census data from 1976 to 2001 were used. Because "woolgrower" is not a classification used in the Census, we selected woolgrowers by using the occupational classification of "farmers and farm managers" combined with the industry classification of "sheep farming". We think this is a close approximation to "woolgrowers". The census category of "Sheep farming" means sheep only, and not sheep in combination with other industries such as cropping or beef. We consider that there is a close match between "sheep" farmers and "wool" farmers, because most lamb and sheep-meat production is a by-product of other types of farming, such as grain growing. In 2001–01 only 15% of farms in Australia that produced some prime lambs received more than 30% of their income from prime lambs (Connell, Hooper, & Helali 2002, p. 12). I have presented Australian data in this paper where possible, but in some cases only Victorian data have been available to me. Historically, the Victorian and Australian patterns of woolgrower demographics have been similar.

To build on the demographic analysis, we conducted in-depth interviews with selected woolgrowing families to identify social issues affecting succession patterns and explore the forces influencing demographic trends and mechanisms of farm transfer in the Victorian woolgrowing industry. The interviews enabled us to place the bare statistics obtained from the demographic analysis within the context of decisions faced by real individuals and families.

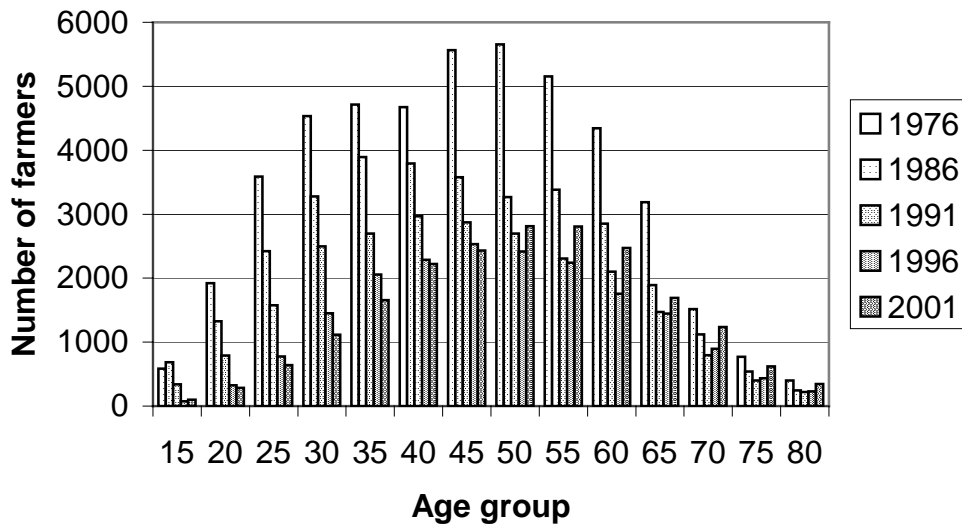
## Current demographic trends: fewer, older woolgrowers

The demographic structure of Australian woolgrowers has changed dramatically over the past 25 years. The number of woolgrowers decreased steadily until 1991, when the rate of decrease began to slow (Table 1). The median age, relatively constant until 1991, has now begun to increase. There seems to be some relationship here: for the average age to remain constant, numbers must decrease; if numbers don't decrease, the average age rises.

**Table 1 Decreasing number and increasing age of Australian woolgrowers**

Year	Number of woolgrowers	Median age of woolgrowers
1976	46,606	48
1986	32,276	46
1991	23,737	47
1996	18,919	50
2001	20,434	53

This relationship is shaped by several social factors. The changing age profile from 1976 to 2001 shows that the greatest decrease in the number of woolgrowers has occurred among the young (Figure 1). There has been an on-going decrease in the number of woolgrowers younger than 50, and those younger than 30 are now rare. Young people, even those raised on woolgrowing farms, are choosing to go farming in fewer and fewer numbers. Their reasons relate not just to the low returns that many children of woolgrowers have observed as they were growing up in the early 1990s, but to the hard and sometimes unpleasant work of sheep farming and the distance from social and educational amenities endured by farmers.



**Figure 1 Australia's body of woolgrowers is shrinking and ageing**

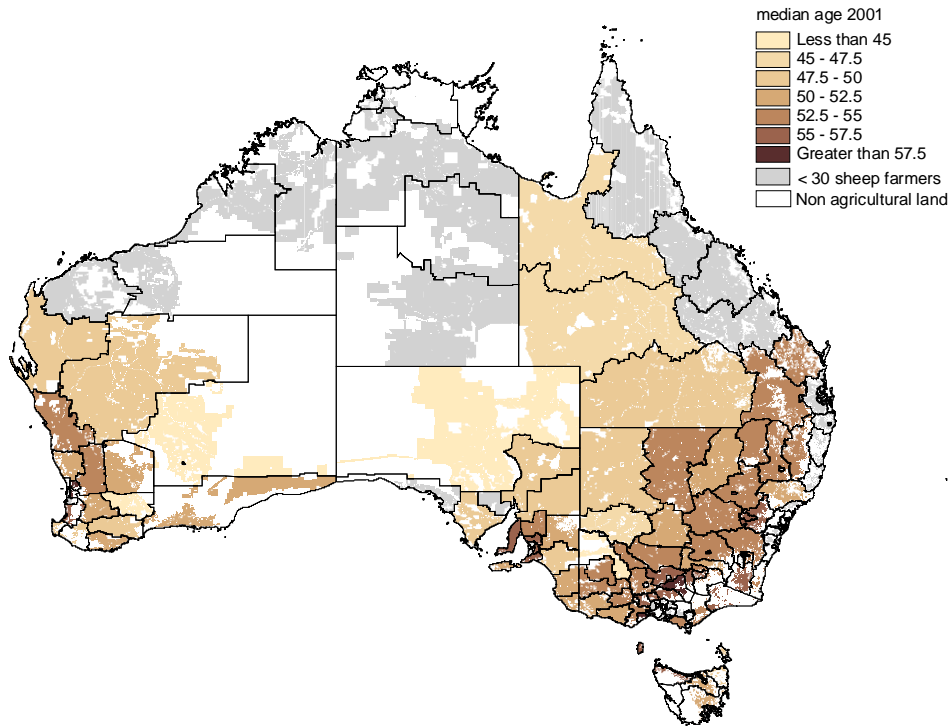
For woolgrowers between the ages of 50 and 64 the pattern is different: between 1976 and 1991 numbers in this age group declined but, since 1991, numbers have increased. This increase is probably due to a combination of older entry to farming after another career and a return to farming as a major occupation after the need for off-farm work has passed. Aged entry or re-entry tends to be more common near major population centres.

The other social force is the progression of the “baby-boomer” generation. Many members of the generation born in the late 1920s entered the wool industry in their early 20s immediately after the Second World War. This generation was the most populous woolgrower age cohort in 1976. From age 60 onwards these farmers appear to have begun to retire. In 1986 they were replaced as the most populous age cohort by their children, born in the late 1940s. The transfer can be seen in the twin peaks of the 1986 age distribution. These “baby-boomer” farmers, born between 1946 and 1951, have formed the dominant cohort of sheep farmers from 1986 to 2001 as they have aged from 35–39 to 50–55. They are now approaching retirement age. Unlike their parents, members of this cohort are not showing the same inclination to retire. With far fewer of the next generation entering the industry, the choice to retire has become for many a choice to sell the family farm. Many woolgrowers appear to be finding this form of retirement less attractive than the form of retirement exercised by their parents. The baby-boomers herald a transition to a new flatter age profile. Once they have passed through, a decline in the number of older woolgrowers is unlikely (Hugo 2003).

### Variation across Australia

The average age of woolgrowers varies widely across Australia (Figure 2). In the rangelands the median age is relatively young, generally below 50. In the open country of the major high-rainfall woolgrowing areas, such as the Central West and New England regions of New South Wales, the Western District in Victoria, and the South East of South Australia, the median age is between 50 and 55. In the hill country and close to the capital cities, the median age is nearer to 60 years, and in some places over 60.

In the rangelands and the low-rainfall pastoral country, the business scale of the properties is large. The pastoral country is still looked upon as running merinos better than it does anything else. Flocks are large. The only real alternative to woolgrowing, beef cattle, is not suitable for all areas. Many properties are run by a manager, which may go some way toward explaining the relative youth of farmers and farm managers in these areas.



**Figure 2 Rangeland woolgrowers are younger, amenity area woolgrowers are older**

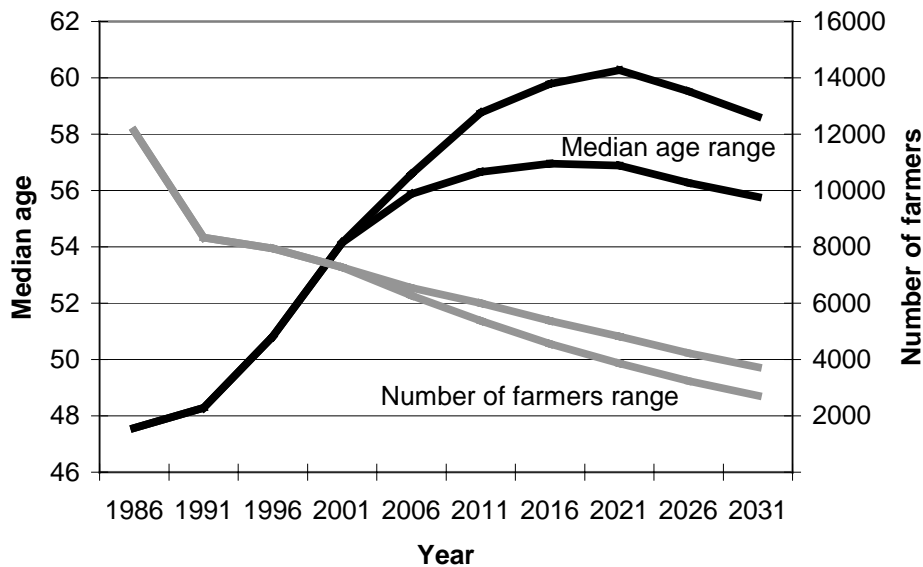
In the hill country along the Great Dividing Range, particularly near Sydney and Melbourne, the woolgrowers tend to be older than elsewhere in the country, with smaller holdings. Environmentally, these areas are very sensitive, being located at the top of their catchments, often in areas with high groundwater recharge. With their undulating topography and extensive tree cover, these areas are aesthetically appealing. Because of the residential amenity, and thus high demand for non-agricultural uses, land is expensive relative to the value of its agricultural production. Areas close to the capital cities may not always have the same natural amenity as parts of the hill country, but do have social amenity from their proximity to the city.

In the high rainfall, open country the properties and flocks are larger than in the hill country, but often not as large as in the pastoral country. There are more choices of farming enterprise, including eucalypt plantations, cropping and cattle, as well as wool. This country is less environmentally sensitive than the hill country. Land prices are more closely related to the commercial production potential of the land than in the hill country, but not necessarily the commercial potential of wool.

### Future demographic trends

Our projections show that the number of woolgrowers is expected to continue to decline gradually, while the average age of woolgrowers is expected to increase to a peak around 2016 or 2021 and then start to decrease (Figure 3). These projections are based on our modelling of the continuation of past patterns of entry to and exit from the industry. The ranges indicated in the figure arise from variations in the assumed speed of adjustment. If future adjustment is slow, average age is expected to increase to a greater extent and the number of farmers will reduce more slowly. If adjustment is fast, the median age will not increase as much and the number of farmers will decrease more quickly. After 2011 we can expect the baby-boomer farmers to be retiring, resulting in a gradual decline in the median age of sheep farmers. Because woolgrowing is increasingly a retirement activity, we can expect that many will still be farming in 2021, but their presence will reduce markedly beyond then.

The numbers in the graph are from our modelling of Victorian woolgrower demographics but I expect the pattern for Australia to be similar. The figures include sheep-beef farmers as well as sheep farmers but, again, the pattern would be similar for sheep farmers alone. The important thing about the graph is the likely trends, not the actual numbers.



**Figure 3 Number of woolgrowers will continue to fall, median age will peak (Victorian data)**

The makeup of Australia’s body of woolgrowers over the next few decades will be increasingly diverse. Commercial wool production will be concentrated in the pastoral country and the high-rainfall, open country. In these commercial farming areas, where landscape and social amenity is low, the number of farms will keep reducing and their average size will keep increasing. In the amenity areas, those landscapes with topography, vegetation, proximity to water bodies and access to services and employment, demand for land for uses other than agricultural production will force up the price of land to the extent that many full-time commercial farmers will not remain viable. These areas will be used for “consumption” agriculture: people will consume the amenity as they produce the wool. There will still be wool grown in these areas, but it will be fragmented in small flocks. The people running them will have other incomes.

Several social factors are at work to influence the age and gender of the woolgrowers of the next few decades, their location and their reasons for growing wool. The following sections discuss these factors. Some of the following material is adapted from Barr (2003).

### Youth migration to the cities

It is inevitable that there will be fewer full-time commercial farms. Overall, the terms of trade pressures (or cost-price squeeze) will ensure the number of farms will continue to decline, and fewer farms will produce more and more of the agricultural production of the country. In recent years there has been an average annual 1.5 per cent decline in the number of farm establishments in Australia (Lindsay & Gleeson 1997). Fewer farms means fewer farmers. For the young, this means that there is a place for fewer of them on Australian farms.

The reduction in the entry of young woolgrowers is the normal pattern of structural adjustment in a rural industry, where decisions to leave the industry are concentrated at the point of inter-generational transfer. For today’s young rural people, career and lifestyle opportunities in the city are much greater and more enticing than for their parents. Ironically, successful investment in rural education over the past 30 years has equipped rural youth to be better able to migrate to the cities. The phenomenon of rural youth leaving home and moving to the city is widespread and long-standing.

*One of the problems that is all the time tugging at the heart of the farmer is the absence from the farm of the young man. There are many neighbourhoods in which not one in ten male members of the community may truthfully be called a young man (Bowsfield 1914).*

However, since Bowsfield's day the rate of exit has accelerated. In the past 15 years the number of persons under 25 entering agriculture has declined rapidly. This loss of interest is not strongly related to the fluctuations in commodity prices, but reflects the impact of modernity upon the rural youth population and the availability of educational services (Eversole 2001; Gabriel 2000). The city attracts because of its educational facilities, its social and cultural opportunities and its diverse career opportunities. These attractions are compounded in areas of high landscape amenity where many farms are in a terminal business phase and offer no opportunity for the next generation to achieve a reasonable standard of living.

## Changing meaning of retirement

Retirement is a socially approved period of leisure after a working lifetime. It used to involve a sudden change from full-time work to full-time leisure. Increases in life expectancy, coupled with earlier retirement, have meant that the period of retirement has lengthened recently (Perry 2001). This is not relevant to most farmers as, being self-employed, they have no mandated retirement age. But "retirement" has several meanings for farmers: there is retirement *from* farming, retirement *in* farming, and retirement *to* farming (Foskey 2001).

Retirement from farming used to involve passing management of the farm to a child. The baby-boomers born in the late 1940s, for the past 20 years the most populous age cohort among woolgrowers, generally took over management of their farms in an orderly transition from their fathers. Given the reducing attractiveness of the farm lifestyle to many young rural people, fewer and fewer of the current generation of ageing woolgrowers will enjoy the luxury of handing on their farm to their children. For them, retirement from farming will involve the sale of the farm, something that is, for many, unpalatable. Many woolgrowers know nothing else but farm work, their whole identity is around being a farmer. For them, life without farming is life without identity, and they are frightened of dropping dead if they retired. For farmers without off-farm interests or hobbies, the only reason for slowing down is decreased physical capacity to work. The one thing that makes retirement socially acceptable to woolgrowers, a child wanting to take over the farm, is denied them. So they choose to retire in farming.

Reduced inter-generational transfer is one reason why the age at which woolgrowers retire appears to be rising. Another is the proliferation of labour-saving tools such as 4-wheel farm "bikes", which have been praised by some ageing woolgrowers I have interviewed for allowing them to retain enough mobility to keep working. Another boon for ageing woolgrowers is the hydraulic wool press. Not only has it provided cost savings through enabling heavier bales to be pressed, but it also makes pressing wool easy for older farmers. My own father (who is still an enthusiastic woolgrower at 81 and shows no signs of retiring) reckons his hydraulic wool press has given him a few more years of usefulness in the shed. Eventually, failing health and mobility will force these woolgrowers to retire. What then? The future of their farm will depend on the kind of landscape in which it is situated. In commercial farming areas, the farm will probably be bought by a farm business that can afford to expand. In amenity areas, all kinds of futures are possible.

Then there are those who retire to farming. Adding to the large "installed base" of baby-boomer commercial woolgrowers over the next few years will be other baby-boomers retiring to sheep farming from careers in other occupations. In 2001, members of this cohort were aged between 50 and 54, nearing the age of early retirement. In 2021 they will be aged between 70 and 74, an age at which many current woolgrowers are still working hard, actively managing their farms. While many lifetime commercial woolgrowers in this cohort may well have retired by then, many of those who had retired to woolgrowing may not be ready to leave their farms. Some of them are likely to be "frustrated farmers" who pursued a career in another occupation while harbouring a desire to go farming. The relentless cost-price squeeze leaves room for fewer and fewer farmers every year but, while it provides an economic incentive for farmers (and particularly their children) to leave the land, it does not necessarily remove the emotional attachment to the land. These retirement farmers are unlikely to give up their farms easily. Improvements in life expectancy and labour-saving devices will allow them to keep farming for longer, if that is their wish.

## Women's changing expectations

The role of farm women has changed radically in a generation. Fewer and fewer farm women identify with the once traditional role of "farmer's wife" and increasingly are likely to identify as a joint farm

manager or as having an occupational life separate from the farm business. It has been estimated that women number 40 per cent of farm business partners and 32 per cent of the farm paid workforce. Many women work off the farm to support farm family living standards. This trend is a reflection of social trends beyond agriculture and has been well documented by a number of Australian researchers (Alston 1995; Argent 1999; Gaurnaut, Rasheed, & Rodriguez 1999; Nelson 1999; Oldrup 1999). This change in women's roles has had some profound impacts upon the process of structural change in agriculture. The increasing participation of farm women into the non-farm workforce outside farming has in some areas reduced the pressure for structural change in agriculture by alleviating the need to increase farm income through farm business expansion.

Today's successful farmer must pay greater attention to relationship issues. The change in women's roles extends beyond the workplace into family and relationship expectations. De-traditionalisation of marriage relationships is a feature of the modern Australian farm family. Just as in urban Australia, women's expectations of marriage relationships are greater than they were a generation ago. The alternatives to continuing in an unsatisfactory marriage are more socially acceptable now (Wolcott 1999). Marriage as an economic contract has been replaced by marriage as an emotional relationship, recognition of the crucial role healthy relationships play in personal wellbeing (Weston 1999). Fewer women on farms are today willing to endure what they consider to be an unsatisfactory relationship or family lifestyle (Dempsey 2001). In a study of farm families in the early 90's, farm women's lack of satisfaction with the marriage and family relationships was the greatest predictor of farm business failure. This was more important than farm size or profitability (Barr 1999). Thus farm adjustment patterns were, in part, being driven by pressures for relationship adjustment within families. The implication of this is that the successful farm business management team today has a greater need to develop the skills of communication and teamwork within the household than may have been the case a generation ago (Kilpatrick & Bell 2000).

The development of careers for women over the past generation has increased the difficulty of the modern young farmer in finding a partner. The need to consider dual careers in relationship establishment may lead to new patterns of migration as aspiring farmers seek to accommodate the needs of potential partners who do not wish to adopt the traditional role of farmer's wife. The premium that must be paid to purchase a farm within commuting distance of major centres in part reflects the proximity to employment and social amenities for members of the farm household and the attractiveness for prospective partners.

A major source of permanent migration to farms in the commercial farming areas is through marriage. The traditional sources of partners in service industries in small regional towns will be further depleted as services concentrate within the major regional centres. With the closure of small schools and downgrading of hospitals, and the exit of banks and other services, there are far fewer service sector employment opportunities for women. Partnerships will increasingly be made outside the district, and this will entail the negotiation of the changing expectations of women for career and access to services. There is likely to be an increase in the level of commuter farming and dual-household marriages.

### Amenity demand for land, water and landscape

Australia is urbanising at an accelerating rate. In 1920 there were 20 Victorians for every farm in the state, by 1970 the ratio had risen to over 50, and today the ratio is 175 Victorians for every farm in the state. Modelling of the potential future adjustment of agriculture suggests that this ratio may approach 400 by 2021 (Barr et al. 2000). Urban people are gradually losing their familial connection with the land: fewer and fewer urban families now have relatives who live on farms. Agriculture is losing its exceptionalism. Farmers no longer occupy a special place in society; farming is no more the basic occupation on which all other economic pursuits depend for raw materials and food. It is inevitable that the social and cultural influence of the farming way of life on Australian life and social values in general will diminish.

The ever-increasing proportion of Australians who are urbanised is responding to this trend in two main ways. One is by expressing their environmental preferences by demanding more from rural land and water resources than simply agricultural production. Multiple functions include improved protection of old-growth forests, improvements in the quality and quantity of water supply, improved health of riverine habitats, "clean" food and landscape amenity (Cocks 1999; Ellyard 1998).

The greatest influence of urban environmental preferences on the agriculture sector is in the high price of land in the more amenable and accessible parts of the rural landscape. Land that is close to major urban centres, has good views, is close to water or has a benign climate attracts migrants from the towns. Research in the United States has shown that landscape amenity was the best predictor of rural area population change (McGranahan 1999). In landscapes with few redeeming amenity characteristics, agriculture remained the dominant economic activity and population decline was the norm (McGranahan & Beale 2002). In these areas agricultural businesses are in competition with each other in the quest for land and increased productivity.

In districts where there is amenity demand for land, higher land prices restrict the capacity of many agricultural businesses to increase scale to maintain competitiveness. Despite the high prices, some farm businesses do manage to purchase additional land. The business risk of this path is high. Rural counsellors say one of the major reasons they have clients is the decision by some farmers to pay too much for land (Madden 1996). Another option is to sell the land and purchase in another area where land prices are lower. For most farm families this is an unattractive option. The common choice is to continue farming in the current location. Other paths to productivity that do not require land purchase may be explored. Improved grazing management or irrigation development is commonly considered. Younger farmers will take off-farm work. Older farmers with high equity in their business can absorb the declining terms of trade. Their easiest course of action is to remain in farming for as long as they are healthy and able to enjoy it. Of course, there is little real hope of passing on the farm to the next generation. These latter choices inexorably drive the path of farm adjustment towards an ageing farm population and a non-commercial agricultural future. Amenity pressures are likely to increase over the next 25 years as the number of retired people increases. The coastal farming communities in northern New South Wales have already been transformed by this form of migration, well before the baby-boomers start to retire.

### The symbolism of consumption

The other urban response to the increasing disconnection between rural and urban Australia involves attempting to rebuild a cultural connection with the land and its primary producers in a symbolic way. There are signs that, even as urban people lose whatever knowledge they might have had about agriculture, their concern about agriculture's impact on their lives is growing. Much of it involves a community response to the increasing industrialisation of food production, processing and marketing. Commencing with the urban elites and intellectuals, this community backlash is now spreading wider. The international Slow Food movement is about bringing pleasure back into the preparation and eating of food, making food less of a commodity. (I read an article in a recent issue of the movement's magazine that described and celebrated the differences in the sounds made by various varieties of potato as they are cooked.) Concerns for food safety are becoming manifest in public unease about Genetically Modified foods. There is tremendous symbolism in food: once you have put it in your mouth it becomes part of you, so of course people are going to demand purity in their food. The rapidly growing phenomenon of Farmers' Markets is a result of a quest for greater authenticity in one's food, a search for a more intimate connection between the consumer and producer of the food.

These trends are clearly apparent in food, but not yet in fibre. Whenever I go bushwalking, my woollen "long johns" and singlets look daggy and "retro" compared with my friends' fancy synthetic apparel (which is trumpeted in the manufacturers' catalogues as "technical" when it probably has fewer beneficial technical properties than wool!). And bushwalkers are supposed to be getting closer to nature. Wool is starting to be promoted as outdoor recreational wear with technical properties but its market share is small. Cotton, as the major competitive natural fibre to wool, is in a difficult position because its heavy reliance on pesticides and irrigation water mean that it is perceived as being environmentally unfriendly. The market trends evident in the food industry give wool a definite opportunity, as long as the wool industry is able to ensure that the sheep are being treated humanely.

### Concerns for animal welfare

People's ethical concerns are widening. An ethic of concern for the welfare of fellow humans has existed for a long time. Beginning with the Magna Carta, which forced King John to recognise the rights of the English barons in 1215, the legal enshrinement of this ethic spread slowly wider through the centuries. It was not until the 20th century that laws were passed that recognised the rights of women and native peoples. Modern ethics go beyond concern for fellow humans to concern for the integrity of the entire natural environment. Humans become a part of this environment, no longer

separate from and superior to it (Nash 1989). Under such an ethic, decision-making moves from an economic to an ethical base, so that decisions are made on the basis of a wider morality rather than narrow self-interest.

No longer will farmers be persuasive when they claim that it is in their own best interests to look after their stock, they will have to do what is in the best interests of their stock. Freshly shorn sheep dying from cold is now barely acceptable to the public, whether it occurs in July or January. Before long it will be completely unacceptable. Farmers will no longer be able to shrug it off as “one of those things”. If sheep freshly off-shears can’t be sheltered adequately, then whatever shearing procedure is used will need to involve leaving more wool on them that is left currently. There is a need to develop a comb that will leave some wool on the sheep and still allow shearers to shear a decent tally.

Marking and mulesing of lambs will also come under greater scrutiny. Attempts to counter public opposition to mulesing by evoking images of fly-blown sheep and claiming that mulesing is a lesser evil will no longer be successful. The issue is not that urban people don’t understand the realities of farming and need to be educated, it is that urban people have a different perception of what is “reasonable” and their perception is no more right or wrong than anyone else’s. Their circle of ethical concern has widened. So, when urban people object to mulesing, it is not because they are ignorant of the reality of flystrike, it is because they see mulesing as cruel.

### Occupational Health and Safety consciousness

If governments get serious about Occupational Health and Safety in the wool industry they will achieve similar results (but perhaps not quite so drastic) to the effect that the compulsory introduction of stainless steel milking equipment had on the dairy industry in the 1960s. Many small-scale dairy farmers, particularly those who were advancing in years, decided that the benefits for them of staying in the dairy industry did not warrant the expense of installing stainless steel equipment. Most of them either retired or, if they kept the farm, went into beef cattle. For the larger-scale dairy farmer, installing stainless steel was just another cost of staying in the game. The same thing could happen in the wool industry. Australia’s woolgrowing country abounds with rough 2-stand shearing sheds that haven’t been replaced or upgraded in decades. The kind of eating, washing and toilet facilities that city workers take for granted are almost non-existent in many of these sheds. On a small farm, that is already barely viable, a legal requirement to upgrade the shearing shed facilities would be viewed by many small-scale woolgrowers as an imposition so unreasonable that it would turn many of them into beef cattle farmers.

On commercial woolgrowing properties, upgrading of the shearing shed will be essential, whether or not it is required by legislation. In the past, sheds have often been designed by academics and professional engineers, rather than the people who have to work in them. They may have been cheap and easy to build but they were often inefficient and rarely provided a comfortable and safe working environment (for humans or sheep). The working conditions of cropping farmers have improved markedly over recent decades: no self-respecting cropping farmer nowadays would spend the day in a tractor without an air-conditioned cabin. Yet the working environment of the shearing industry worker has hardly changed over a long time.

### Changing labour supply and demand

It looks as though there will still be a strong demand for shearers for some time yet. The recent withdrawal of support for Shear Express is yet another indication that mechanised shearing is a long way off. Even chemical shearing has only a small niche. But where will the shearers and shedhands come from? A major component of the labour supply for the woolgrowing industry in the past has been the small-scale or beginning farmer who obtains off-farm work shearing and crutching. In commercial woolgrowing areas, only the large farms will be able to keep up with the need to expand the farming operation to keep up with the cost-price squeeze. There will still be small-scale woolgrowers whose farms are not viable and who need off-farm work in shearing sheds to earn a decent income. There will still be a demand for their services in small and medium size sheds. But the piecemeal nature of their labour supply may not be compatible with the demands of the increasingly larger commercial farms.

As farms get larger, their shearing sheds will need to get bigger. Shearing teams will get bigger and travel further in pursuit of runs of large sheds, in a return to the large travelling teams of the past. The forestry industry does not employ local people to plant and prune their trees, they bring in contract

gangs, often from hundreds of kilometres away, depending on whichever contractor has tendered the lowest price. Something similar is likely to happen in the wool industry. Owners of large properties may well have to clear the junk out of their shearers' quarters. This time, the shearers and shedhands will demand better facilities. This is likely to happen whether shearing becomes mechanised or remains manual.

## Enterprise alternatives

The wool industry has experienced a productivity increase over the past 25 years of only 0.6 per cent per annum (Knopke, O'Donnell, & Shepherd 2000). Other rural industries have achieved better productivity gains. Clearly the wool industry has been falling behind in competition, not against other wool growers, but against other fibres, both natural and artificial, and other rural industries.

One interpretation of this is that is a reflection of the culture of the industry. For example, the McLachlan report into the wool industry in the 1990s contained whole pages emblazoned with phrases about the need for a massive culture change in the industry (Australian Wool Industry Future Directions Task Force 1999). The decline in terms of trade for woolgrowing has been smaller than in cropping. But productivity increases have kept croppers ahead of the cost-price squeeze. In versatile areas, there has been a shift from wool production to cropping in response to the opportunities for productivity gains in cropping (Connell, Hooper, & Helali 2002). However, if the main limitation to productivity growth in the wool industry was a lack of a culture of innovation, then we would expect to see wool producers remaining complacently in their industry. Instead, we see a migration of woolgrowers to an industry typified by innovation. Of course, many specialist wool producers are unable to make a switch to cropping because of the nature of their land. They remain as wool producers in an industry that, by its very nature, seems to offer fewer opportunities for productivity growth.

## Improved communication technology

Communication technology will improve, and will help alleviate some of the isolation that commercial woolgrowers will feel, as their farms enlarge and the services withdraw from nearby small towns to the more distant regional centres. Calls will continue for rural telephone lines to be upgraded to better handle the increased computer traffic. Not all this traffic will be for business purposes. With the reduced number of young women in rural areas, single male farmers may well need a high speed internet connection to search for potential partners outside their local area.

The wool industry is not the speediest to adopt information technology. Fifteen years ago I was involved with a survey on the information needs of cotton growers in northern New South Wales and southern Queensland. Having grown up on a woolgrowing farm, I was struck by the vast amount of information the average cotton grower used and the technology they used to obtain it. Weather forecasts came in by fax whenever they were requested. Computers were increasingly being installed on cotton farms, and a computerised information service had been proposed.

The volume of information available to woolgrowers continues to explode. Computer technology makes it available to growers, no matter how isolated they are. However, information alone is not a sufficient basis on which to make complex management decisions. There will remain a need for professional advisers to help woolgrowers interpret the information. The dairy industry has recognised this need and been active in establishing industry-funded extension programs. The wool industry may need to follow their lead.

## The new generation of woolgrowers will be older and more diverse

Entrants to woolgrowing are no longer predominantly young people; they are now spread across all age groups. The median age of entrants has increased. The traditional form of entry to woolgrowing through an informal father-to-son farm apprenticeship that starts immediately upon leaving school is no longer the norm. Today, mid-life entry, often after a significant non-farm career, has become more usual. This is driven by factors as diverse as following a passion for woolgrowing by independent purchase of a sheep property through to rescuing the family farm as parents age and can no longer cope. It is not easy to tell whether or not, in a given family, this form of inter-generational transfer will occur. Sometimes children who have settled in the city with professional jobs and have said all their adult lives that they will never return to the farm, actually do so when their ageing parents die or announce that the family farm will be sold. And, even if this does not actually happen, some parents harbour a wish that it will (Vanclay 2004).

A related phenomenon has been observed in Scotland, in which rural migrants return to the land of their youth in later stages of their working life (Stockdale 2002). It is likely to occur in Australia and will increase in importance. This return of the middle-aged to the farmland of their youth will often be part of the wave of wider amenity migration, rather than a decision based upon the opportunities offered by the family farm. Many of the returning children will have no need to rely on the farm for much of their income. If they choose to remain in woolgrowing, it may not be in a major way. Such returns will be more likely in closer-settled and high-amenity agricultural regions. In these areas, these changes have the potential to create patterns of farm gentrification. In other, less attractive, regions the young will not return in large numbers and population decline will accelerate.

In the high-amenity areas, entry to woolgrowing will often involve the independent purchase of a woolgrowing property. Many entrants will have had a previous professional career and may obtain non-farm work as telecommuters. Few will expect to hand their property on to their children. Many of them will not be dedicated to wool. Their decision about whether to continue to grow wool will be based on its compatibility with their lifestyle choices. Because farms in high-amenity areas will remain small, the number of woolgrowing farms in these areas is not expected to decrease to the extent that it will in commercial woolgrowing areas. The number of woolgrowing farms in these areas may even increase: our projections for Victoria show that such an increase is likely. The volume of wool coming from these areas may well decrease.

In the less attractive, low-amenity areas, including high-rainfall and pastoral country, commercial woolgrowing will still be viable. Entrants in these areas will probably have a farming background and may have inherited the property. They are likely to be as highly educated, with transferable professional qualifications, as entrants in the high-amenity areas. Their partners will often have their own career. Services, including health care, education and opportunities for employment and social interaction, will continue to decline in this country. This will become a major social concern for families in these areas. They may have to choose between moving away from services for the sake of being able to buy cheap enough land to be able to expand their farm to keep it viable, and moving closer to services but needing off-farm income because they cannot afford to expand their farm. In these areas, the decision to stay in wool production will be a commercial decision based upon the relative returns from alternative enterprises.

To characterise a woolgrowing area as exclusively “commercial” or exclusively “lifestyle” is of course an artificial distinction. In reality, many woolgrowing areas contain components of both features. Characterising a woolgrower as growing wool for only commercial reasons or only lifestyle reasons is equally as artificial. Woolgrowing is for many people simultaneously more than a business and more than a lifestyle.

## Acknowledgments

I would like to acknowledge Neil Barr, Komala Karunaratne, David Marland and Ivor Duffield for contributing to the analysis and interpretation of the trends discussed here. They should, however, be absolved of all blame if any of my predictions do not come true.

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