

Challenges don't clip McBride's wool plans

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AJ & PA McBride director Keith McBride with daughter Rebecca. Inset, chief financial officer Nathan Wessling. Picture: Picture: Jacqui Bateman

ONE of the nation's largest woolgrowers, the McBride family in South Australia won't let declining wool prices, bushfires and COVID-19 shake their belief in its 'big future'.

AJ & PA McBride has set itself a new stretch target to spin more wool than ever before, about 10,000 bales of wool clip.

Currently, this figure is inching closer to 7600 bales of wool clip.

The business started in 1920 primarily as a wool producer, and today owns 1.3m hectares of land across 10 properties in SA and Victoria covering production of wool, sheep meat and beef, grain and hay, wine and grapes alongside an investment in rural and commercial property.

Late last year, the business spent \$80m on one of Victoria's biggest rural land deals – the purchase of its Telopea Downs holdings on the SAVictoria border.

Chief financial officer Nathan Wessling, who has been with the group for more than 20 years overseeing its strong growth in the past decade, said the business hopes to achieve its target by 2030.

"We are currently at 1.5m kilos of wool, so this is about getting to the 2m mark," Mr Wessling said.

"We see a big future in wool despite the ongoing challenges of drought, bushfires and the 30 per cent wool price crash we saw in March last year after COVID-19 put a stop to consumer shopping and spending.

"But we have seen a surge now and we continue to have a lot of faith in wool."

AJ & PA McBride, which employs 90 staff and has 110 shareholders (all family members), reported total revenues of \$34.7m to the end of June and a net profit after tax of \$3m, according to documents lodged with the corporate regulator, ASIC.

It is now looking for 10 new staff.

When the price of wool crashed in the early 1990s, the business decided to diversify into other agribusinesses.

Since then, Mr Wessling said the business has doubled its cattle herd.

"Last year, we derived 30 per cent of our income from wool, 30 per cent from meat and the rest from other investments," he said.

"Most of the other investments are passive with wool being our focus as prices begin to stabilise."

The Australian Wool Exchange Eastern Market Indicator (EMI) fell 32c to close at 1,277c/kg on Friday.

In October 2020, the group, chaired by Keith McBride, sold its Faraway Vineyard and associated water licenses for \$2.3m.

Mr Wessling also won an Industry Leaders Fund scholarship in 2020 for a course at the Melbourne Business School which he said will help raise production capacity within the business.

Applications for this year ILF round of scholarships towards local or international studies close on May 31.