



HD Farmers and exporters delighted by drop in Aussie dollar

BY Lucy Barbour

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The Australian dollar is at its lowest in six months and agricultural exporters are rubbing their hands together.

The dollar fell 4 per cent cent in the past week and is hovering around 90 US cents.

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Grain prices have already risen, and demand for wool and **wine** is expected to increase.

Ron Storey, from Australian Crop Forecasters, says prices across all grain commodities have improved.

"The grain markets have been pretty sick really, with what are very large crops in the northern hemisphere driving prices down," he said.

"So to see some relief like \$8-\$10 a tonne would be good news for the farmers."

Wine exporter Greg Corra, from Wamboin near Canberra, says he's 'elated' at the drop in the dollar.

"You crack the champagne. That's the reaction!"

"I get told many times that Australian wines are expensive in the market and we're seeing so much product out there coming from the South American countries, in particular.

"What do you do? There's very little. You sit back and put your hands under your legs and wait."

For Mr Corra, the drop in the dollar is nothing but good news for his bank account, and he's expecting a 'surge' in demand.

"Basically on a **million** dollar (transaction), every cent it goes down is \$10,000. Every drop is crucial to what you're going to make."

Other sectors like meat and **dairy** also hope the dollar keeps falling, but live exporters are struggling to meet demand for their cattle because of unseasonably cold weather in northern Australia.

Wool prices have been disappointing in the past six weeks because of poor quality, but exporters say the drop in the dollar could help turn things around.

Director of Australian Merino Exports, Chris Kelly, says the fall in the dollar is 'terrific'.

"There's always a lag time in between the time the currency comes down and the actual reflection in the **sale** room," he explained.

"And generally it's obviously a week or two, because 75 per cent of our **business** is done in US dollars to the **Chinese**. And I look forward to being able to pay a little bit more in the auction room shortly.

"Some of the smaller **Chinese** mills are getting out of the **business** and the bigger mills are consolidating, so once this restructure is finally implemented, I think it's going to be healthy for the industry."

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