The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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5th April 2019 2019/13

From the desk of Chris Wilcox, Executive Director

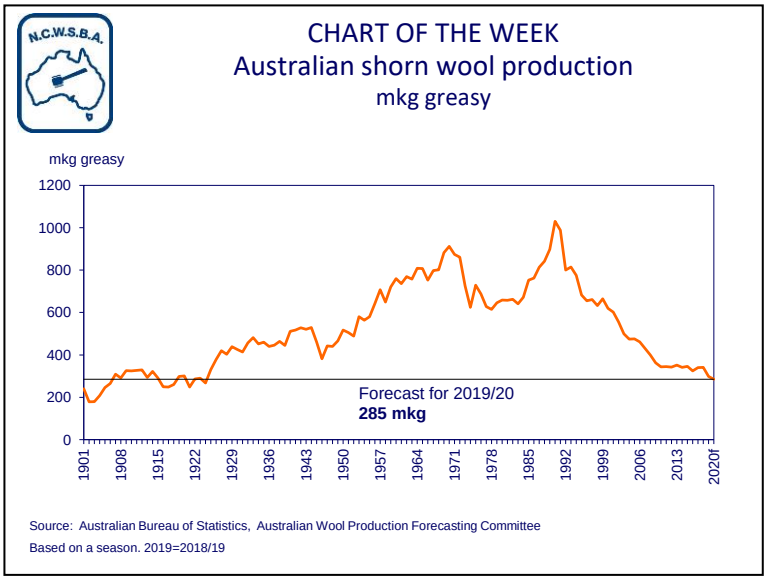


- Merino wool prices slide further
- Australian shorn wool production forecast to fall again in 2019/20
- Wool tests in March down, but by less than previous months
- IWTO releases edition 14 of the IWTO Market Information Report
- Upcoming industry events

It was another week of easing of prices in the **Australian wool market**, due to falls in prices for Merino wool. The **Eastern Market Indicator** (EMI) was down a slight 4 Acents to 1943 c/kg. Following the pattern of recent weeks, it was the lesser quality, drought-affected Merino wools that led the declines. Better quality Merino wool with good additional measurements were in demand. Despite this, the Merino Micron Price Guides fell in the Northern region and were mostly down in the Southern region. They were mostly higher in Fremantle. Crossbred wool prices lifted solidly. The Northern Market Indicator dipped by 4 cents to 1986 c/kg, the Southern Market Indicator was 4 cents lower at 1915 c/kg and the Western Market Indicator was just 1 cent lower at 2095 c/kg. The A$ continued the recent volatile pattern, lifting against the US$ and the Euro, but sliding against the Renminbi. As a result, the EMI was 1UScent higher at 1383 USc/kg and 1 Euro cent higher at 1229 €cents/kg, but was down a little (21 Renminbi) to 9277 RMB/kg.

The Australian Wool Production Forecasting Committee (AWPFC) met on Monday and reviewed its forecast of **Australian shorn wool production for 2018/19**. It also decided in its **first forecast for 2019/20.** The Committee, based on feedback from the state committees, revised its forecast for 2018/19 down further to 298 mkg greasy. This is a 12.7% decline on shorn wool production in 2017/18. It is lower than the 305 mkg greasy that the Committee forecast in November. Seasonal conditions have remained poor across much of south-eastern Australia since November, with many areas in drought. There has been some relieving rain in the past week or so, but this will not prevent a decline in both fleece weights and the number of sheep shorn this season. Some states are expecting significant falls in the amount of wool tested over the next three months to the season end.

The Committee's first forecast for the **forthcoming 2019/20 season** is that shorn wool production will decline again as a result of the drought, causing wool cuts to remain low in Spring. As well, there will be a significant fall in the number of sheep shorn. The Committee predicts that shorn wool production will be down by 4.5% to 285 mkg greasy. As the **Chart of the Week** shows, this is the lowest level for shorn wool production since 1923/24.



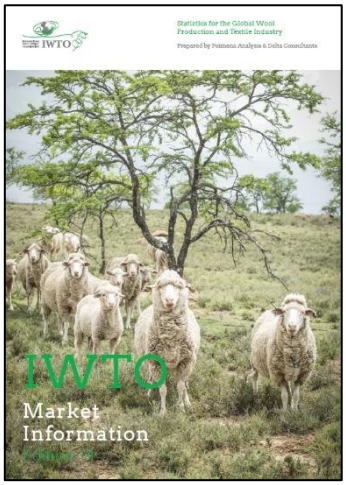
The declines come despite the long run of high prices for Merino wool prices and is the direct result of the drought. In some regions, the drought is reported to be the

worst in living memory. It will take some years for Australian wool production and sheep numbers to recover once the drought breaks. The Media Release with the new AWPFC forecasts is included in the email with this week's *Newsletter*.

AWTA released the data on wool tests for March on Monday, just in time for the national meeting of the AWPFC which drew on the wool test results. The weight of wool tested in March was down 3.7% compared with March 2018. This is a smaller decline than the 5.5% year-on-year drop in February and the 12.2% fall in January. New South Wales, South Australia and Western Australia all recorded year-on-year declines for the month, by 11.5%, 5.0% and 1.8% respectively. Victoria, Tasmania and Queensland all saw a lift in the weight of wool tested, with Tasmania up by 19.7% and Queensland up 18.9% year-on-year. The increase for Victoria was a modest 1.8%. This smaller monthly decline for Australia meant that the weight of wool tested for the 2018/19 season to March was down by 10.3%.

As with previous months, there were large increases in the weight of wool tested of 18.5 microns and finer, with 16.5 micron & finer up by 74% for the month. In contrast, the weight of medium micron Merino wool continued to fall sharply: 21.6 to 22.5 micron wool was down by 39%.

Edition 14 of the **International Wool Textile Organisation's Market Information Report** has just been released. It is the definitive source of statistics on the global wool industry, with data tables on global sheep numbers and wool production, wool prices in the major producing countries, prices and production of other fibres, trade in wool products (from raw wool to finished garments and carpets) as well as data on retail sales and key economic indicators around the world. The report includes a review of 2018 and an outlook for 2019, as well as summary of the key statistical trends.



It is free to IWTO Members, which includes NCWSBA members. It is also available to non-members at €500. ***Please contact me at chris.wilcox@ncwsba.org or 0419344259 for details on obtaining your own electronic copy.***

REMINDER: CALLING FOR NOMINATIONS – NCWSBA WOOL BROKER AWARD 2019

The **NCWSBA Wool Broker Award for 2019** recognises excellence in wool broking by a younger member of our industry – be it client servicing, auctioneering, innovation or other aspects of wool broking. This year's Award winner will be granted an **all-expenses paid trip Tongxiang in the Zhejiang Province, China to attend the 2020 IWTO Congress in May 2020.** Arrangements will also be made for the Award winner to visit the wool textile industry in China.

The Finalists for the 2019 Award will be profiled in Sheep Central online news website in the lead up to Wool Week and the NCWSBA Annual General Meeting on 22nd August. This year's Award winner will be announced at the Wool Week dinner to be held in the RACV Club Dining Room in Melbourne.

Nominations are open for the 2019 NCWSBA Wool Broker Award. Closing date for nominations is Friday, 21st June. Please contact me for an application form – chris.wilcox@ncwsba.org or call me on 0419344259.

INDUSTRY EVENTS

The **IWTO 2019 Congress** will be held in Venice on 9th to 11th April 2019.

Wool Week is on 22nd-23rd August 2019 in Melbourne at the RACV Club. The **NCWSBA Annual General Meeting and Forum** will be held on 22nd August.

The **Nanjing Wool Market Conference** will be held in Qufu, Shandong on 20th to 23rd September 2019

WOOL SALES WEEK BEGINNING 8th APR 2019 – week 41 (roster as at 4/3/2019)

Sydney	
Wed, 10th Apr, Thurs 11th Apr	6,836 bales
Melbourne	
Wed, 10th Apr, Thurs 11th Apr	20,978 bales
Fremantle	
Wed, 10th Apr, Thurs 11th Apr	10,898 bales

Information in the Weekly Newsletter is intended to provide general information only and is not intended to constitute advice for a specific purpose.