The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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From the desk of Chris Wilcox, Executive Director

- Down and up for prices in the Australian wool market
- Australian wool exports up in September
- NZ, South African and Uruguay wool exports fall in September
- National Wool Declaration - statistics and encouraging growers to declare
- Women & Leadership Australia scholarships – limited number available
- Upcoming events

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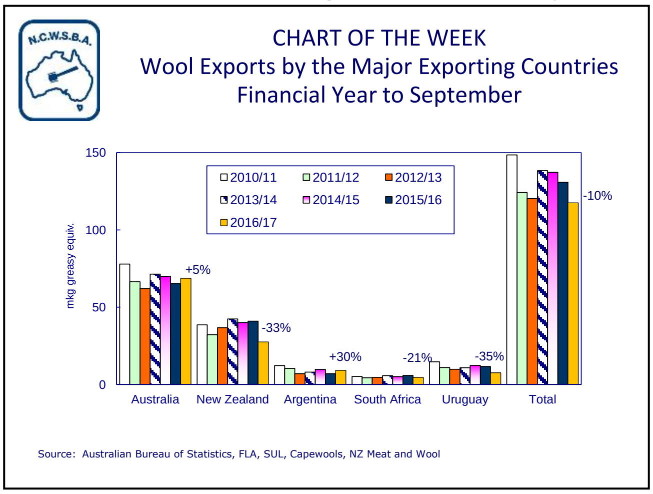
It was a topsy-turvy week in the **Australian wool market** with prices dropping sharply on Wednesday before staging a rally on Thursday. There was a relatively large offering of 47,139 bales, although this was 4,000 bales less than indicated in the roster from the previous Thursday. Perhaps the prospect of a 50,000+ roster for the week held the market back on Wednesday, with prices for all microns falling significantly in all three selling centres. Prices generally rebounded a bit on Thursday and the **Eastern Market Indicator** finished the week at 1290 c/kg, down by 13 cents. The A$ was slightly higher at 76.7UScents and 1.1 €cents lower at 70 €cents. In the wash-up, the EMI was 8 UScents lower to 989 USc/kg but 15 €cents higher at 914 €cents/kg.

The latest data from the Australian Bureau of Statistics on **Australia's wool exports** shows that Australian wool exports jumped in September by 20% in volume terms and by 23% in value terms compared with September 2015. The leap was driven by a sharp increase in exports to China, the Czech Republic and Italy. Some other major export destinations recorded falls in exports. For the 2016/17 season to September, Australia's exports were 5% higher by volume and 6% higher in value terms than for the same three months in 2015/16. The table below provides the % change in exports to the major destinations for September and for the first quarter of the 2016/17 season, as well as the total by volume and value for the first quarter.

Table: Australian wool exports by major destination country

% change on year earlier	September 2016		Season to September 2016		Total for 2016/17 season to September	
	Volume	Value	Volume	Value	mkg greasy	$million
Total	**+20%**	**+23%**	**+5%**	**+6%**	**68.6**	**621.2**
China	+24%	+28%	+7%	+8%	50.7	452.0
India	-3%	+3%	-16%	-12%	5.2	47.6
Czech Republic	+31%	+49%	+50%	+56%	3.7	30.4
Italy	+45%	+37%	+14%	+26%	4.1	48.1
South Korea	-22%	-24%	-23%	-7%	1.5	12.9
Malaysia	-60%	-69%	-38%	-49%	0.6	4.1
Egypt	+5%	+16%	-23%	-21%	0.7	7.2
Taiwan	+31%	+37%	+0.3%	+5%	0.7	5.7
Others	+15%	-10%	-18%	-25%	1.5	13.2

While Australia's wool exports jumped in September, exports from some of the **other major wool exporting countries** continued to drop sharply for the month. **New Zealand's** wool exports, which have fallen every month since January, dropped by 34% in September, largely due to a 49% drop in exports to China. Uruguay's exports also fell by around a third in September compared with September 2015, with exports to China plummeting by 74%. South Africa also suffered a significant 21% drop in exports for the month, although its exports to China rose a slight 2%. In contrast, Argentina's exports lifted by 49% in September compared with the same month a year earlier. This increase was driven by an 80% jump in exports to Europe. As the **Chart of the Week** shows, exports from the five major wool producing and exporting countries fell by 10% in the first three months of the 2016/17 season to the lowest level on record. This decline came even though Australia's exports were up by 5% and Argentina's were 30% higher. Large declines in exports from New Zealand, Uruguay and South Africa overwhelmed the increases in the other two countries.



The Mulesing Status data for October from AWEX shows that the share of bales offered with a **National Wool Declaration** (NWD) was again at just under 60% for the month. 27.7% of all bales offered had a Pain-Relief declaration, the highest on record. 8% of bales had a Non-Mulesed declaration and 3% had a Ceased Mules declaration.

I have been involved in the **review of the NWD** being conducted by AWEX's Industry Services Advisory Services Committee (ISAC). One topic we have discussed is encouraging producers to use the NWD and declare their wool. This is important not only for the Mulesing Status declaration but also declaring contact with shedding breeds. It is just as important for producers with Crossbreds or other breeds as it is for those with Merinos. Broker staff are important in encouraging producers to use the NWD and declare their wool. Brokers are also vital in helping producers to complete the NWD correctly and accurately – you are most in regular contact with producers. Help the industry lift the NWD adoption rate and improving the accuracy in filling in the NWD.

Women & Leadership Australia (WLA) has limited funds still available to be allocated this calendar year (2016) for women in the farming and agriculture sector to access part-scholarships to undertake a range of leadership development programs commencing in 2017. WLA is a national initiative committed to supporting the presence of women in business and community leadership roles (see http://www.wla.edu.au). Grant applications are open for women at three levels: Senior Management and executive level ($8,000 part-scholarships); Mid-level ($4,000) part-scholarships; and Aspiring talent ($3,000 part-scholarships). **If you or your staff are interested, expressions of interest are required by 15th December.** I have attached details as a supplement to the *Weekly Newsletter*.

INDUSTRY EVENTS

The **AWI AGM** will be held in Sydney on 18th November.

The **AWPFC meeting** will be held on 14th December, with a state round of meetings in the fortnight prior.

The **IWTO Wool Roundtable** will be held in Biella, Italy on 28th-29th November.

The **IWTO 2017 Congress** will be held on 3 to 5 May 2017 in Harrogate, North Yorkshire, UK.

WOOL SALES WEEK BEGINNING 14th NOV 2016 – week 20 (roster as at 10/11/2016)

Sydney
Wed, 16th Nov; Thurs, 17th Nov — 12,413 bales

Melbourne
Wed, 16th Nov, Wed, 17th Nov — 28,577 bales

Fremantle
Wed, 16th Nov; Thurs, 17th Nov — 9,041 bales

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