



# The National Council of Wool Selling Brokers of Australia Inc

## NEWSLETTER

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### From the desk of Chris Wilcox, Executive Director

- Australian wool prices stabilise
- **NCWSBA 2016 Broker Award – Applications Close on 1<sup>st</sup> July**
- China raw wool imports decline again in April
- Emergency Animal Disease Preparedness – more projects and activities
- Queen's Birthday Honours list - Allan Farrar
- Upcoming events



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The **Australian wool market** stabilised this week after last week's dip. The **Eastern Market Indicator** lifted by 9 cents to 1279 cents/kg. The largest increases were seen for Merino wool between 18.5 and 23 micron, which rose by between 10 and 25 cents. Prices for broader Crossbred wool and for Merino cardings fell. The Northern Market Indicator lifted by 8 cents to 1300 Ac/kg and the Southern Market Indicator rose by 11 cents to 1266 Ac/kg. The Western Market Indicator finished the week at 1362 c/kg, down by 12 cents on the levels from the last Fremantle sale a fortnight ago. Over the week, the A\$ fell against the US\$ and was steady against the Euro. Against the US\$, the A\$ was at 73.9 UScents last night, down by 0.8 UScents for the week. As a result, the EMI fell by 2 UScents to 946 USc/kg. The A\$ was steady at 65.5 €cents and the EMI rose by 6€cents to 838 €cents/kg.

### **REMINDER:** Applications for the **NCWSBA Broker Award for 2016 close on 1<sup>st</sup> July!**

Sponsored by Fairfax Agricultural Media and AWTA, the Award 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 is the fifth year that the Award has been offered. The Award winner this year will be granted an **all-expenses trip to Istanbul, Turkey, to attend 2017 IWTO Congress in May 2017**. Arrangements will also be made for the Award winner to visit the wool textile industry in Turkey.

I received China's trade data for April earlier in the week from the China Wool Textile Association. It shows that China's **imports of raw and semi-processed wool** in April were 18% below year earlier levels. This continues the run of year-on-year declines in the past seven months. Since October, only February recorded a year-on-year increase in China's raw and semi-processed wool imports. Imports from Australia, New Zealand, Uruguay and 'other countries' all fell in April, down by 16%, 22%, 40% and 16% respectively. Only imports from South Africa increased in April.

For the 2015/16 season to April, China's imports of raw and semi-processed wool were 6% lower than the same 10 month period in the 2014/15 season. Imports from all sources were down for the season to April, led by an 11% decline in imports from both New Zealand and Uruguay. In spite of the strong lift in April, imports from South Africa were 7% lower for the season to date, as were imports from 'other countries'. Imports from Australia were 6% lower than for the same period in 2014/15.

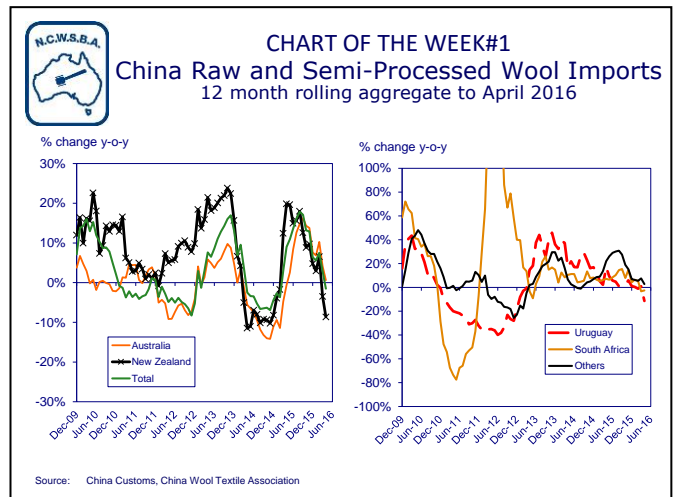
While imports this season to date are well down on the levels in 2014/15, it is important to note that China's imports increased sharply in 2014/15. For the full 2014/15 season, China's imports of raw and semi-processed wool were 14% higher than in 2013/14. In fact, as the first **Chart of the Week** shows, China's raw wool imports are very cyclical. This chart shows the % change year on year of the 12 month

moving aggregate of China's raw wool imports. As the left hand chart shows, China's total imports of raw and semi-processed wool (the green line) rises and falls over an approximately 2 year period. Imports from Australia and New Zealand tend to follow this wave pattern. Imports from other countries are somewhat less well defined, in part because these imports provide alternative 'top-up' sources for China. One thing to note with imports from South Africa is the massive drop and then equally large lift in imports in 2010 to 2012 which was the result of China's ban on imports from South Africa due to the outbreak of Rift Valley Fever then removal of the ban.

As can be seen from the chart, we are well into the downswing in raw wool imports from China. If past patterns are any guide, the current downswing could slow or cease over the next few months and an upswing could begin.

A couple of weeks ago in the *Weekly Newsletter*, I wrote about the work being done by the Federation of Australian Wool Organisations (FAWO) to prepare the wool industry for an outbreak of an **Emergency Animal Disease (EAD)**. The most significant of these diseases is Foot and Mouth Disease (FMD). It is not in Australia and the last outbreak of FMD in Australia was in 1872! In addition to the traceability project I wrote about, there are other activities and projects being conducted as part of the industry's preparation, including those being conducted by WoolProducers Australia and those under FAWO's EAD Research, Development and Extension Strategy (which is funded by AWI). I participated in a workshop yesterday on developing an awareness and information online module for livestock agents and wool broker staff. It was run jointly by WoolProducers and Sheep Council Australia. The workshop set out the key components of the module for future development. One current resource that we looked at was an excellent online information tool that has been developed by the Queensland Department of Agriculture and Fisheries. You can go through the information (takes about half an hour) by [clicking here](#). FAWO's EAD Working Group meets today and will discuss a number of other projects, both those in progress and those planned. These include electronic bale identification projects, the development of a bale sprayer and a project to monitor the temperature in stored wool bales (viruses, such as FMD, denature over time and the time it takes depends on the temperature).

I was very pleased to see that **Allan Farrar's** service to the wool industry was acknowledged in this week's **Queen's Birthday Honours**. Allan was awarded a Member of the Order of Australia (AM). Many of you will know that Allan was Chairman of AWEX, 2001-2010. Prior to that, Allan had a long and distinguished career in the wool broking industry in New South Wales, including a being Vice-President of NCWSBA in the 1970s. On behalf of NCWSBA, I congratulate Allan on the award – it is well deserved.



#### INDUSTRY EVENTS

The **2016 AWIS Wool Week** will be held at the Crowne Plaza in Melbourne on 25<sup>th</sup> & 26<sup>th</sup> August. The **NCWSBA AGM** will be held on Thursday, 25<sup>th</sup> August 2016.

The **Nanjing Wool Market Conference** will be held in Wuxi on 23<sup>rd</sup>-27<sup>th</sup> September. Click [here](#) for details.

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

#### WOOL SALES WEEK BEGINNING 20<sup>th</sup> JUNE 2016 – week 52 (roster as at 16/6/2016)

##### Sydney

Wed, 22<sup>nd</sup> June; Thurs, 23<sup>rd</sup> June 10,681 bales

##### Melbourne

Wed, 22<sup>nd</sup> June; Thurs, 23<sup>rd</sup> June 13,479 bales

##### Fremantle

No sale

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