



# The National Council of Wool Selling Brokers of Australia Inc

## NEWSLETTER

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2016/32

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

- Australian wool prices lift
- Forecast of Australian wool production for 2016/17
- Winner of the 2016 NCWSBA Wool Broker Award
- NCWSBA Forum – Highlights
- NCWSBA Board of Directors for 2016/17
- NCWSBA Wallchart available now
- Upcoming events

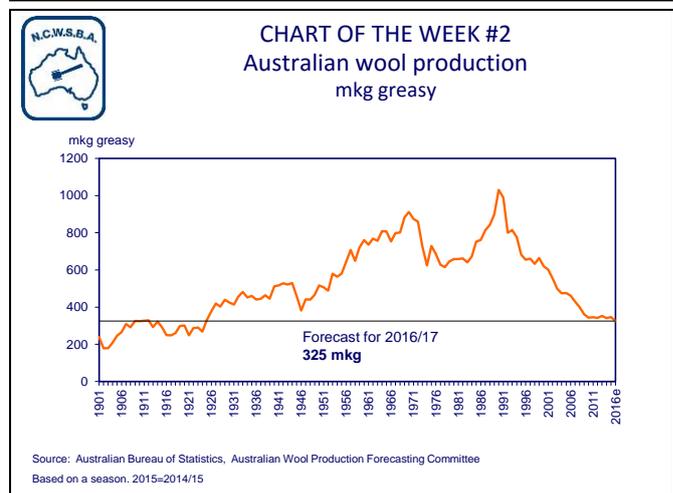
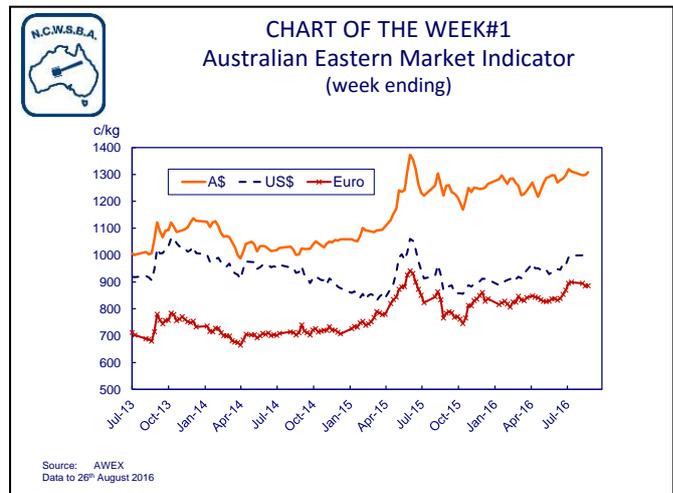


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There were good gains in wool prices across the board in the **Australian wool market** this week. The **Eastern Market Indicator** (EMI) lifted by 10 cents, to 1308 Acents/kg. This follows the 1 cent rise last week. Merino wool prices lifted by between 3 and 15 cents, while the Merino Cardings indicator was up by 2 cents. Most Crossbred prices lifted, with the 28 micron indicator rising by 21 cents. The Northern Market Indicator rose by 13 cents and the Southern Market Indicator was up by 11 cents. There were no sales for the week in Fremantle. A total of 29,543 bales were offered and, with prices rising, the pass-in rate was a low 3.5%. The exchange rate helped support the market, with the A\$ falling by 1 US cents according AWEX. It also fell by 0.5 €cents. The EMI actually fell by 5 US cents to 996 USc/kg but rose by 1 €cent to 885 €cents/kg.

This week's first **Chart of the Week** shows the trends in the Eastern Market Indicator in A\$, US\$ and Euros over the past three years. As can be seen, the EMI in A\$ terms has risen steadily over the past 12 months and is well above the level between mid-2013 to the first half of 2015. The rising trend is less pronounced in US\$ and Euros.

The **Australian Wool Production Forecasting Committee** (AWPFC) released its updated forecast of **shorn wool production in Australia** for 2016/17 on 19<sup>th</sup> August. It predicts that shorn wool production will be 325 mkg greasy, the same level as its estimate for the 2015/16. The new forecast for 2016/17 is higher than its previous forecast of 320 mkg greasy released in April, while the Committee's estimate of 325 mkg greasy for the 2015/16 season is also higher than the estimate of 322 mkg greasy made in April. There has been widespread and good rain throughout Australia since April. As a result, the Committee considers that average wool cut per



head in 2016/17 will increase in 2016/17. The Committee expects this to offset a decline in the number of sheep shorn in 2016/17. I have attached the Committee's Media Release to the email with this week's *Weekly Newsletter*. The second **Chart of the Week** shows Australian shorn wool production since the start of the 1900s. As it shows, the current forecast of shorn wool production is at the lowest level in 90 years.

The **2016 Wool Week** was held on Thursday and Friday last week in Melbourne. The **NCWSBA Annual General Meeting and Forum** was held on Thursday morning, with 32 people attending. The NCWSBA President, Simon Hogan, gave his report to the NCWSBA AGM on the activities of the NCWSBA in 2015/16. Simon noted the extensive work done by NCWSBA on behalf of its members and the services provided to members in 2015/16. This included submissions to the Wool Selling Systems Review and the two Reviews of the National Wool Declaration, representation on the FAWO China-Australia Joint Working Group on and FAWO's Emergency Animal Diseases Working Group, training for members on compliance with Australian Competition Law and the regular market information and industry update in the *Weekly Newsletter*. The full President's report is attached to this week's email.

The highlight of the Forum were the presentations by the three Finalists for the **2016 NCWSBA Wool Broker Award**.

The photo shows the three Finalists (from left to right):

Dale Bruns (AWN, Victoria)  
Lachlan Sutton (Elders, New South Wales)  
Robert Calvert (Roberts Wool, Tasmania)



The three Finalists gave their presentations to the NCWSBA members and the three members of the independent Selection Panel – Charlie Merriman (WoolProducers Australia); Ian Ashman (General Manager, AWTA); and Annabelle Beale (Fairfax Agricultural Media). The three presentations were diverse, interesting and excellent. The Selection Panel commented that the presentations by the three Finalists demonstrated ***“...the complexity of modern day woolbroking and the detailed skill set needed to do this job effectively.”***

On the basis of the applications, feedback from referees and the Finalist's presentations, the Selection Panel considered their decision during the day, with the Winner announced at the Wool Week Dinner, which was held that evening (Thursday, 25<sup>th</sup> August) at AERIAL at South Wharf in Melbourne.

The **Winner** of the 2016 NCWSBA Wool Broker Award is **Lachlan Sutton of Elders**.

In making their decision, the Selection Panel noted that the panel found the calibre of all three presentations to be excellent. It also found it difficult to separate the finalists and that all would be very worthy winners. The Panel noted that some of the most pleasing aspects from the finalists were:

- their obvious passion and dedication to the wool industry
- and their commitment shown in providing outstanding service to their grower clients
- the work that each is doing to educate the next generation of brokers; and
- the high quality of both the written submissions and the presentations.

The Panel believed that Lachlan best met the assessment criteria. In particular, Lachlan impressed the Panel with his innovative approaches to marketing at a local, state and national level and his ability to introduce new tools and techniques to assist his clients to get the best possible financial returns. Lachlan will now go to the International Wool Textile Organisation's 2017 Congress which will be held in Europe in May next year. All travel, Congress and Conference fees and accommodation paid thanks to sponsorship by AWTA and Fairfax Agricultural Media. Visits to mills will also be included. Congratulations to Lachlan and to the other Finalists, Dale and Robert.

In addition to the presentations from the three finalists for the Award, **Matt Thomas, the 2015 NCWSBA Broker Award winner**, gave an interesting presentation on his experiences in attending the IWTO 2016 Congress in Sydney in April. Matt will also be attending the Nanjing Wool Market Conference on 24-25 September as part of his Award and will see a number of Chinese wool textile mills prior to the Conference.

Dr Charles Milne, the Chief Veterinary Officer for Victoria, was the keynote speaker at the NCWSBA Forum. Charles gave the NCWSBA members an insight into the impact **an outbreak of Foot and Mouth Disease** could have in Australia based on his personal experiences with the UK outbreak in 2001. He noted how quickly the virus spread in the UK from just one property (a piggery feeding swill). Within three days of detection there were over 200 farms across Great Britain affected. Hundreds of thousands of livestock were slaughtered to stop the spread and bring the outbreak under control. Charles noted that if there was an outbreak in Australia, the lack of clinical symptoms of FMD in sheep is likely to cause wide spread of the disease before it was detected. He said that as traceability of sheep in Australia “is poor”, rapid identification would also be hindered. He noted that it was for this reason (among others) that the Victorian Government has just announced that electronic ear tags will be mandatory in Victoria. ***I have a copy of Dr Milne’s presentation. If you would like a copy, please contact me.***

Michael Jackson (Managing Director of AWTA) gave a presentation on the **financial results for AWTA** for 2015/16. These will be released publicly after the AWTA AGM on 14<sup>th</sup> October. Michael also spoke on the **Australian Wool Education Trust** which is supported by initial funding by AWTA and AWI. It aims to provide wool-related courses and education through universities, TAFEs and, more recently, fashion colleges. Mark Grave (CEO of AWEX) gave a presentation, updating the meeting on **AWEX’s activities and financial results** for 2015/16, while David Cother of AWEX presented on the developments with **electronic identification of wool bales (eBale)** and notably a large scale trial which will be conducted in Western Australia soon.

The **NCWSBA Board for 2016/17** was announced at the AGM. The Directors for 2016/17 are:

Simon Hogan (Elders)	John Colley (AWN)
Andrew Lindsay (RuralCo/Primaries of WA)	Alistair Calvert (RuralCo)
Robert Ryan (Australian Wool & Pastoral Agency Ltd)	Stephen Keys (Landmark)
Geoff Clark (Quality Wool)	Rowan Woods (Jemalong Wool)
Emma Reynolds (Michells; Independent Director)	

Michael Sugars retired at this year’s AGM. Michael has been a member of the Board since August 2010, first as the representative for South Australia and, more recently, as the Independent Director representing the smaller brokers. On behalf of NCWSBA, I would like to thank Michael for his commitment to NCWSBA in the past six years. At the Board meeting on Thursday afternoon, the **Board re-appointed Simon Hogan as President and John Colley as Vice-President.**

**REMINDER: The 2016 Wall Chart from the National Council of Wool Selling Brokers** is now available. ***If you didn’t collect copies at the NCWSBA AGM and Forum last Thursday and haven’t already asked for copies, send me an email at [chris.wilcox@woolindustries.org](mailto:chris.wilcox@woolindustries.org) with your address and how many you would like for your office.***

#### INDUSTRY EVENTS

The **Nanjing Wool Market Conference** will be held in Wuxi on 23<sup>rd</sup>-25<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.

The **IWTO 2017 Congress** will be held in May 2017. I will keep you posted about the location once it has been advised by the IWTO Head Office.

#### WOOL SALES WEEK BEGINNING 29<sup>th</sup> AUGUST 2016 – week 9 (roster as at 25/8/2016)

<u>Sydney</u>	
Wed, 31 <sup>st</sup> Aug; Thurs, 1 <sup>st</sup> Sep	13,602 bales
<u>Melbourne</u>	
Wed, 31 <sup>st</sup> Aug; Thurs, 1 <sup>st</sup> Sep	17,161 bales
<u>Fremantle</u>	
Wed, 31 <sup>st</sup> Aug; Thurs, 1 <sup>st</sup> Sep	11,345 bales

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