



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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2018/08

From the desk of Chris Wilcox, Executive Director

- Merino wool prices pull back from heights
- Call for nominations for the NCWSBA Wool Broker Award 2018
- ABARES' very positive outlook for wool
- Drought and flooding rain in Queensland
- Upcoming events



Sample article

ABARES' very positive outlook for wool

ABARES, the Australian Government's agricultural forecasting and research agency, released its new five-year forecasts for Australia's agricultural industries on 6th March. ABARES has become very bullish about wool after the price rises in the past 12 months. It now predicts that the EMI will lift from a season average of 1,630 c/kg this season to an average of 1,700 c/kg in 2018/19 and continue to rise to 2,015 c/kg by 2022/23. ABARES says that the predicted lift in the EMI "...reflects strong demand for superfine wool (less than 19.5 micron), but growth in supplies is expected to remain limited" and "...demand for superfine wool is expected to remain strong, supported by income growth in major apparel-consuming regions..."

Despite the continued rise in wool prices, ABARES forecasts that shorn wool production will only increase slowly, from 346 mkg in 2017/18 to 365 mkg in 2022/23. If correct, this will continue the essentially static level of production recorded for Australia since 2008/09, with year-to-year variations largely driven by ups and downs in fleece weights reflecting variable seasonal conditions.

One reason for this only small increase in shorn wool production is that ABARES expects the Australian sheep flock to rise only moderately, to 83 million head by the end of 2022/23. This is up from 73.6 million head at the end of 2017/18. But, more particularly, ABARES expects there to be more Crossbred and meat-breed sheep added, rather than Merino sheep. With higher prices and a small increase in production, ABARES predicts that Australian wool exports will rise to \$4.62 billion in 2018/19, then lift further to \$5.74 billion by 2022/23, up from \$3.62 billion in 2016/17.

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INDUSTRY EVENTS

The **World Merino Congress** will be held in Montevideo, Uruguay on 12th to 14th April 2018. Click [here](#) for details.

The **IWTO 2018 Congress** will be held in Hong Kong on 14th to 16th May 2018. Click [here](#) to register.

The **Nanjing Wool Market Conference** will be held on 11th to 13th September 2018 in Nanjing.

The **IWTO 2018 Round Table** will be held in Buenos Aires on 3rd to 4th December 2018.

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

WOOL SALES WEEK BEGINNING 12th MAR 2018 – week 37 (roster as at 8/3/2018)

Sydney

Wed, 14th Mar; Thurs, 15th Mar 10,546 bales

Melbourne

Wed, 14th Mar; Thurs, 15th Mar 23,591 bales

Fremantle

Wed, 14th Mar; Thurs, 15th Mar 9,757 bales

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