



20<sup>th</sup> July 2018

2018/24

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

- Strong rise in the premiums for Non-Mulesed wool in 2017/18
- AWI 2018 Breech Flystrike R&D Technical Update – some key results
- Australian lamb slaughter hits 50-year highs in May, lamb prices hit record levels
- Upcoming events

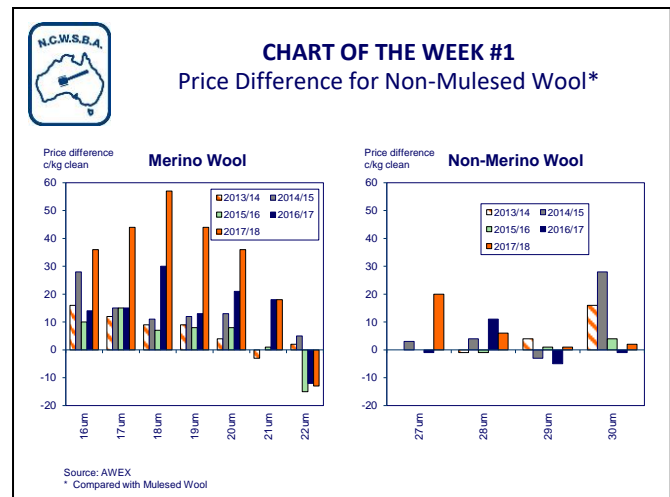


This week's edition is focused on the issue of **flystrike and mulesing status of wool**. AWI held its bi-annual Breech Flystrike RD&E Technical Update on Tuesday this week in Sydney. I attended the meeting and there was some interesting information presented to the over 120 people who attended.

First of all, AWEX this week released data showing the average **price differences paid** in 2017/18 for wool with the various **mulesing status**, compared with previous years. The data shows that the premiums paid for non-mulesed Merino wool at auction in 2017/18 lifted sharply compared with the 2016/17 season. AWEX says that on average there were premiums of 40 to 50 cents/kg for non-mulesed Merino wool of between 16 and 20 microns. This is up from between 15 and 30 cents in 2016/17 and much higher than for any of the previous three seasons. The highest premium was for 18 micron wool, which recorded a premium of 57 cents/kg on average over the season.

As AWEX says in its media release sent out yesterday (Thursday), the average masks some of the much higher premiums that were achieved for finer non-mulesed Merino wool of 100 cents/kg & more during the season. As volumes of Non-Mulesed Merino wool lift and demand for this wool continues to grow, these premiums can be expected to lift even further in coming seasons.

For higher micron wool, particularly Crossbred wool, the premiums are more variable, although there are some statistically significant premiums. The first **Chart of the Week** shows the price differences for non-mulesed wool in 2017/18 compared with previous seasons.



The AWEX media release includes data on the price differences for wool that is mulesed with pain relief (PR) and wool from properties what have ceased mulesing (CM). These results are more variable, but still generally show a premium for PR and CM wool. You can see the full AWEX Media Release by clicking [here](#).

AWI's investment in **Breech Flystrike RD&E** covers five areas:

1. **Breeding & Selection** – long-term sustainable solutions to reduce the risk of breech flystrike
2. **Breech Modification Alternatives** – breech modification alternatives to reduce reliance on mulesing
3. **Improved Management Practices** – improved managements practices to advance lifetime welfare
4. **Wool Industry Training and Engagement** – adoption of best practice strategies to improve the lifetime welfare of sheep and reduce reliance on mulesing
5. **Supply Chain Engagement** – international and domestic stakeholders support the Australian wool industry

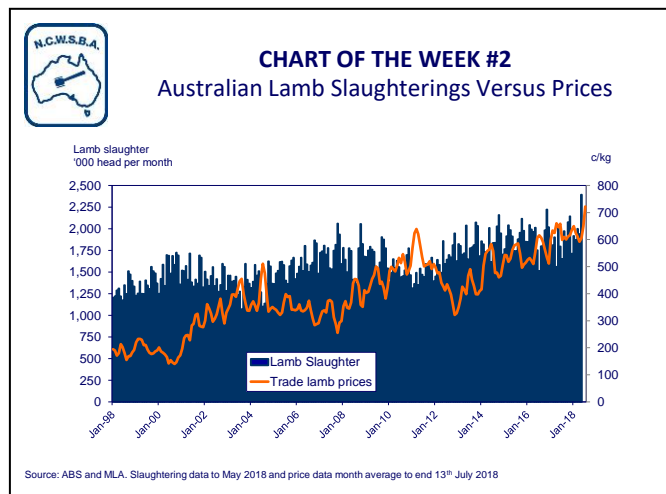
There were presentations covering research, development and extension activities across all five areas. Some highlights were:

- There has been good genetic gain since research started in 2009, with significant improvement in some risk factors through breeding, notably a reduction in wrinkle in medium micron. However, Dr Forbes Brien said that it will take 15-20 years to breed in a high level of resistance to breech strike (i.e. address all the various risk factors). It could be faster but that would be at the expense of productivity of the sheep.
- There has been some progress with the ultimate aim to develop a vaccine against flystrike, but there needs to be several other steps before that can be achieved, including gene mapping and understanding the interaction between the sheep and the fly. The timeframe could be five years or so. **The researchers are asking for help – they are looking for woolgrowers across Australia who are willing to trap and collect 30 adult blowflies on their property for use in their research. If you know of woolgrowers who can help, contact Dr Trent Perry at the University of Melbourne at [trentp@unimelb.edu.au](mailto:trentp@unimelb.edu.au).**
- There was a particularly interesting report on a Pain Relief Study done by Dr Alison Small of the CSIRO. This study looked at the relative effect of Tri-Solfen and Illium Buccalgesic analgesics on the welfare of lambs that are mulesed. The team used a combination of measuring chemical levels that indicate stress and pain, as well as physical observation of lambs in the field after mulesing. They compared each analgesic on their own as well as a combination of Tri-Solfen and Illium Buccalgesic, as well as lambs which were mulesed with no analgesic. Each were compared with a control group of lambs which were handled but were not mulesed.

The study concluded that the use of the analgesics either on their own or in combination improved the welfare of lambs undergoing surgical mulesing. The Buccalgesic had the longer lasting effect compared with Tri-Solfen, but Tri-Solfen was faster acting. The best result was seen with Tri-Solfen and Buccalgesic in combination.

Meat and Livestock Australia (MLA) reported this week that **lamb slaughter in Australia** for May hit the highest monthly level in almost 50 years. There were a total of 2.39 million head of lambs slaughtered in May, up 17% on the May 2017 level. On-going dry and drought conditions in many parts of Australia, notably in New South Wales. This is the highest monthly total of lamb slaughter since October 1970. It is interesting to note that in 1970 there were around 171 million head of sheep, compared with the current level of around 72-73 million head. While the dry conditions have encouraged turn-off, there has also been a sharp lift in productivity of sheep in Australia.

While lamb slaughterings hit highs in May, it has done little to dampen lamb prices. MLA data says that lamb prices in Australia this week hit the highest levels on record. The second **Chart of the Week** shows the trends in monthly lamb slaughter and in the prices for trade lambs in Australia since January 1998.



## INDUSTRY EVENTS

The **NCWSBA AGM and Forum** will be held on Thursday, 23<sup>rd</sup> August 2018 in Melbourne as part of the **2018 AWIS Wool Week**.

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

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

**THE AUSTRALIAN WOOL MARKET IS IN RECESSION.**

**SALES RESUME IN THE WEEK BEGINNING 6<sup>TH</sup> AUGUST 2018.**

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