



5th October 2018

2018/35

From the desk of Chris Wilcox, Executive Director

- Australian wool prices fall before steadying
- Large drop in total wool tests in September, but superfine wool up
- Seasonal conditions - soil moisture shortfall across much of Eastern Australia
- Dry outlook for next three months
- Upcoming industry events



Wool tests slump in September

The latest data on wool tests from AWTA shows a sharp drop in the weight of wool tested in September compared with September 2017. For Australia, the volume of wool tested were down by 19.2% compared with September last year. While the volumes in September 2017 was up 9% year-on-year, the aggregate for the month this year is well below any year back at least to 2011/12. There were very large drops in wool tested in New South Wales, Western Australia, South Australia and Queensland, with a decline in tests in Tasmania and a very small decline in Victoria. For the first three months this season, the weight of wool tested was down by 11.3% for Australia. This is much more than the current Australian Wool Production Forecasting Committee's forecast of -5.7%. The Committee noted in its release in August that "How the season progresses over the next couple of months will be very important for overall production levels this season." Disappointingly, drought conditions have continued throughout much of New South Wales, Queensland and parts of South Australia and Victoria. As well, production in September would have been adversely affected by the poor seasonal conditions in the previous 9-12 months.

There is a major difference in the change in wool tested in different micron categories. There has been a massive 39% drop in the weight of wool tested between 21 and 24 micron as a result of the drought, which has hit many of the large producing regions of this wool, including the pastoral areas of South Australia and New South Wales and the central west region of New South Wales. 29 micron and broader wool also recorded a 28% drop in the weight of wool tested (although from a much smaller volume) and 25 to 28 micron wool saw a 13% decline in the weight of wool tested.

Further details, including a table showing the weight of wool tested by state for the July to September period from 2009/10 to 2018/19 and a chart showing the change in the weight of wool tested by micron range are contained within the NCWSBA Weekly Newsletter for the week ending 5th October 2018, available to NCWSBA members.

INDUSTRY EVENTS

The **AWTA Annual General Meeting** will be held in Melbourne on Friday, 19th October 2018.

The **IWTO 2018 Roundtable** 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 8th OCT 2018 – week 15
(roster as at 4/10/2018)**

<u>Sydney</u>	Wed, 10 th Oct; Thurs, 11 th Oct	8,905 bales
<u>Melbourne</u>	Wed, 10 th Oct; Thurs, 11 th Oct	17,235 bales
<u>Fremantle</u>	Wed, 10 th Oct; Thurs, 11 th Oct	8,327 bales

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