



12th April 2019

2019/14

From the desk of Chris Wilcox, Executive Director

- Merino wool prices downward trend continues
- Report on the 2019 IWTO Congress: The first instalment
- Edition 14 of the IWTO Market Information Report
- NCWSBA 2019 Wool Broker Award
- Upcoming industry events



Changing Dynamic for Global Wool Industry

Chris Wilcox, Executive Director of NCWSBA, gave a presentation at the **88th IWTO Congress** in Venice Italy on the **situation and outlook for the global wool industry**. The theme was “A changing dynamic”, highlighting the significant divergence between the prices for Merino wool (high) and for broad wool (low) which has been evident in the past 2 years or more. In the past, prices for wool across the micron range moved in broadly the same direction. There has been a fundamental change in the dynamic due to a combination of:

- A different intensity of marketing between that for Merino wool (led by the expenditure by AWI/Woolmark) and that for broad wool (led by the Campaign for Wool).
- Fibre competition seems to have changed, with Merino wool demand seemingly less susceptible to the prices of other fibres, but broad wool demand very much subject to the competitive price pressures.
- Production of Merino wool has fallen significantly since the 2000s and will fall further in 2019 and 2020. Meanwhile, production of broad wool has been steady over the past 15-20 years, or even rising slightly due to the shift around the world to meat sheep and dual-purpose sheep.
- The trend to sustainability has probably had a more significant positive effect on demand for Merino wool than it has had on demand for broad wool. The trend seems to be more relevant to next-to-skin clothing than it does for carpets and interior textiles.

Full details including a chart showing trends in global wool production by micron category are included in the NCWSBA's *Weekly Newsletter* for the week ending 12th April 2019. Available to NCWSBA Members.

INDUSTRY EVENTS

Wool Week is on 22nd-23rd August 2019 in Melbourne at the RACV Club. The **NCWSBA Annual General Meeting and Forum** will be held on 22nd August.

The **Nanjing Wool Market Conference** will be held in Qufu, Shandong on 20th to 23rd September 2019

WOOL SALES WEEK BEGINNING 15th APR 2019 – week 42 (roster as at 11/3/2019)

Sydney

Tues, 16th Apr, Wed 17th Apr 9,992 bales

Melbourne

Tues, 16th Apr, Wed 17th Apr 21,844 bales

Fremantle

Tues, 16th Apr, Wed 17th Apr 10,651 bales

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