



The National Council of Wool Selling Brokers of Australia Inc

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NEWSLETTER

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2019/45

From the desk of Chris Wilcox, Executive Director

- Prices in the Australian wool market fall again
- Highlights from the IWTO Roundtable in Queenstown, NZ
- Volume tested by AWTA stabilises in November
- Upcoming industry events



IWTO Roundtable focuses on challenges for broad wool

The IWTO held its annual Roundtable meeting in Queenstown, New Zealand at the start of December. Perhaps unsurprisingly, the difficulties facing the broad wool (or, as they call it in NZ, the strong wool) sector was the major topic of discussion over the two days, although there was also a number of presentations which had more relevance to the fine, Merino wool sector.

Certainly, broad wool (32 micron and broader) is facing severe challenges, with Colin MacKenzie of CP Wool saying that there has been a structural change in carpets, the key market for broad wool. This sector has been attacked by man-made fibre manufacturers with nylon and polypropylene taking over the market, pushing wool out of this traditional market for broad wool. This was likened by the NZ Minister for Agriculture to the challenge that butter faced 40-50 years ago from margarine. Then, margarine manufacturers promoted margarine as a healthy, easy-to-use alternative to butter, and the dairy industry took 30-40 years to respond. Similarly, broad wool hasn't responded to this challenge from the man-made fibres because there has been no funding available (at least in NZ, the largest exporter of this wool) for marketing. There was a general consensus that this marketing needs to resume. It appears that the NZ wool industry is finally working together to address this (encouraged strongly by the NZ Government) and there is talk about re-introducing a levy to fund this marketing.

It seems to me that any marketing effort needs to be coordinated with the British Wool Marketing Board, under the already established Campaign for Wool. It also needs to be a long-term commitment because the benefits won't be seen overnight. I also think that these campaigns need to revolve around the health benefits of using wool in carpets, including the ability of wool to absorb Volatile Organic Compounds (such as formaldehyde, nitrogen oxide and sulphuric oxide) as well as to absorb odours.

Further details are contained in this week's edition of the *Weekly Newsletter*. Available to members.

INDUSTRY EVENTS

The **NCWBA Centenary Auction and Cocktail Reception** will be held in Melbourne on Thursday, 20th February 2020.

The **2020 IWTO Annual Congress** will be held in Tongxiang, China on 18th to 20th May 2020.

WOOL SALES WEEK BEGINNING 9th DEC 2019 – week 24 (roster as at 5/12/2019)

<u>Sydney</u>	Wed, 11 th Dec; Thurs, 12 th Dec	10,792 bales
<u>Melbourne</u>	Tues, 10 th ; Wed, 11 th Dec; Thurs, 12 th Dec	27,734 bales
<u>Fremantle</u>	Wed, 11 th Dec; Thurs, 12 th Dec	9,925 bales

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