



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

Unit 9
42-46 Vella Drive
Sunshine West Vic 3020

Phone: 03 9311 0152
Fax: 03 9311 0138
E-mail: newsba@woolindustries.org
Twitter: @woolbrokersaus

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2017/31

From the desk of Chris Wilcox, Executive Director

- Australian wool market falls then rallies
- Mixed results for trade in raw wool in 2016/17
- AWTA wool tests lift slightly in August
- Inaugural Australian Wool Industry Medal
- FAWO General Meeting - Some Highlights
- Positions at wool industry organisations after AGMs
- NCWSBA Wall Chart for 2017 available
- Upcoming events



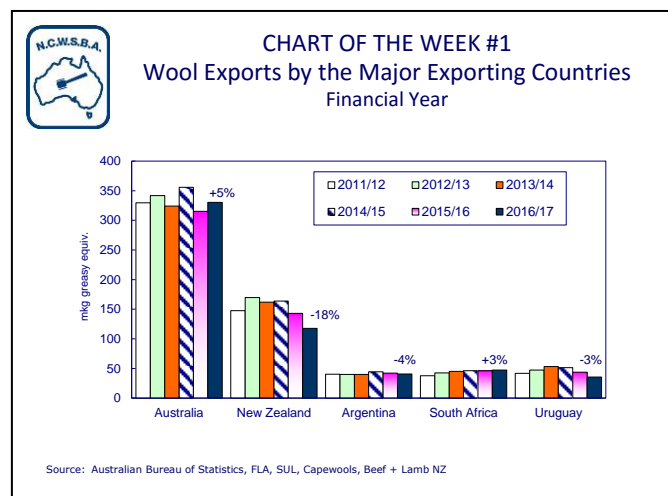
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The **Australian wool market** had a topsy-turvy week, with prices dropping on Wednesday, with some microns falling very sharply, before a solid rally for Merino wool on Thursday. The **Eastern Market Indicator** finished the week at 1558 c/kg, down by 14 cents. Wool of 17.5 microns and finer actually increased over the week and 18 micron was virtually unchanged, thanks to higher prices in Sydney which hosted a designated superfine sale. Broader Merino wools declined by 12 to 40 cents, while Crossbred wools were also down by between 28 and 40 cents. The Merino Carding Indicator fell by 19 cents. The Northern Market Indicator slid by 14 cents to 1558 c/kg, the Southern Market Indicator was down by 13 cents to 1509 c/kg and the Western Market Indicator fell by 71 cents compared with the previous sale a fortnight ago to 1609 c/kg.

The A\$ was a little higher against the US\$ and a little lower against the Euro over the week. The EMI closed at 1240 USc/kg (down 9 US cents) and at 1036 €/kg (down by 19 €cents).

Data on **exports from the five major wool producing and exporting countries** for the full 2016/17 season shows that total exports fell by 3% compared with the 2015/16 level. [The five major wool exporting countries are: Australia, New Zealand, South Africa, Argentina and Uruguay]. This is the second consecutive season that total exports declined and, at 572 mkg, the total export volume was the lowest in the past decade or more.

The **first Chart of the Week** shows the volumes of exports by each country for the past six financial years since 2011/2. As can be seen, exports from Australia and South Africa increased in 2016/17. Of course, these two countries are the major exporters of Merino wool, which saw strong demand throughout 2016/17. In contrast, exports from New Zealand and Uruguay, which both produce mainly broader Crossbred and Corriedale wool respectively, saw export volumes drop as demand dried up. The decline was particularly fierce for New Zealand.



The **second Chart of the Week** shows the trends in exports to the major wool processing countries and regions. Export volumes to all the countries and regions shown were in the red for the 12 months to June

2017, although exports to Europe were only slightly lower. As can be seen, exports to China are firmly on the upswing.

There were some big differences in the export volumes by the five major exporting countries to China. Australia exported 10% **more** wool to China in 2016/17 than in 2015/16 and South Africa exported 3% **more** wool to China in 2016/17. In contrast, New Zealand exported 35% **less** wool to China in 2016/17 than in 2015/16 and Uruguay exported 38% **less**.

AWTA today released **the data on the volume of wool tested in August**. The data shows that the

total weight of wool tested in August was very slightly higher than for the same month in 2016. This brings the total weight of wool tested for the first two months of 2017/18 to 47.13 mkg, up 4.7%.

The **Australian Wool Industry Medals** were awarded for the first time at the Wool Industry Dinner last Thursday (24th August). There were 11 Medals awarded in recognition of men and women who have made an exceptional and sustained contribution to the Australian wool industry. The recipients came from all sectors of the industry, from wool industry leaders such as Robert Ryan OAM (wool broker and past FAWO Chairman), Barry Walker OAM (woolgrower and GIC Ltd chairman), David Ward OAM (past AWTA Managing Director) and Wal Merriman (Chairman of AWI), to those who have served the industry 'behind the scenes', including Athol Frederick (Landmark wool broker, Bendigo), Nan Allison (AWH administrator) and Robert Carter (wool classing lecturer from WA). A full listing of the inaugural recipients can be seen at <https://www.fawo.org.au/news/fawo-news/131-inaugural-australian-wool-industry-medal-recipients-announced>. I look forward to new nominations coming forward for the Medal for 2018.

The **FAWO Annual General Meeting** was held last Friday, which I attended. There were interesting presentations by Dalena White, the Secretary-General of IWTO, and by Peter Ackroyd, President of IWTO. Dalena outlined IWTO's activities in recent months, including a synopsis of the 2017 Congress in Harrogate earlier this year. She also noted that the Wool Roundtable this year will be held in Cape Town, South Africa on 6th to 9th December. The program includes 1 ½ days of conference activities and a visit to a wool and sheep property. Peter Ackroyd gave a presentation on the Campaign for Wool and the events planned this year in the UK between 7th and 22nd October. *If you would like a copy of Peter's presentation, please send me an email at chris.wilcox@woolindustries.org.*

There were a number of changes to the office bearers of the various industry organisations at last week's AGM. The names of the **new Presidents and Vice Presidents** are shown in the next page.

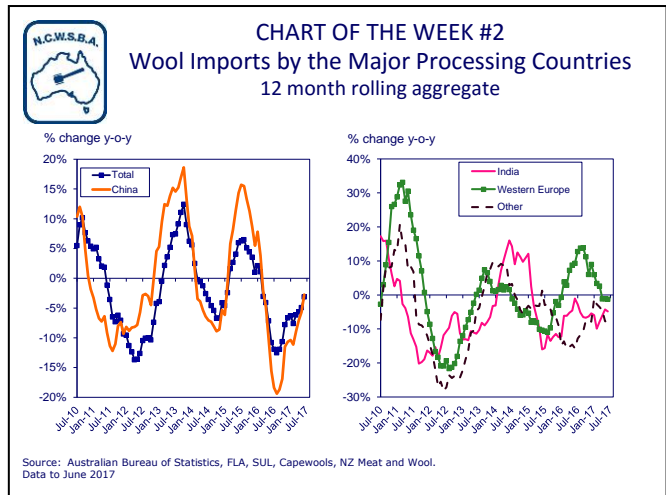
REMINDER: The 2017 Wall Chart from the National Council of Wool Selling Brokers is now available. Free to NCWSBA members, this A2 printed Wall Chart has graphs showing auction volumes and prices, market indicators, and Australian wool production and exports as far back as the 1979/80 season. It provides an interesting discussion point for broker staff and clients. **Send me an email at chris.wilcox@woolindustries.org stating how many you would like and the delivery address.**

INDUSTRY EVENTS

The **2017 Nanjing Wool Market Conference** will be held in Tongxiang, China on 17th to 18th September 2017.

The **AWTA Annual General Meeting** will be held in Melbourne on Friday, 20th October 2017.

IWTO Roundtable in Cape Town, South Africa, 6-9 December 2017



WOOL SALES WEEK BEGINNING 4th SEPT 2017 – week 10 (roster as at 31/08/2017)

<u>Sydney</u>	Wed, 6 th Sep; Thurs, 7 th Sep	10,960 bales
<u>Melbourne</u>	Wed, 6 th Sep; Thurs, 7 th Sep	23,563 bales
<u>Fremantle</u>	Wed, 6 th Sep; Thurs, 7 th Sep	8,349 bales

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

Presidents and Vice-Presidents of Australian Wool Industry Trade Organisations for 2017/18National Council of Wool Seeling Brokers of Australia

President: John Colley
Vice President: Rowan Woods
Retiring President: Simon Hogan

Federation of Australian Wool Organisations

Chairman: David Michell
Vice Presidents: Michael Jackson
Retiring President: Robert Ryan

Federation of Australian Wool Organisations

President: Matt Hand
Vice Presidents: Tim Marwedel
Stuart Clayton
Retiring President: Chris Kelly

Private Treaty Wool Merchants of Australia

President: Neville Armstrong
Vice Presidents: John Sugars
Retiring President: Ben Litchfield