



The National Council of Wool Selling Brokers of Australia Inc

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NEWSLETTER

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2020/40

From the desk of Chris Wilcox, Executive Director

- Softer week for Australian wool prices, but signs of improvement
- A report from the IWTO Virtual Roundtable
- AWTA test data down again in November
- Other upcoming industry events



AWTA test volumes down, production outlook obscured by weather, stock holding & shearing delays

The latest AWTA test data shows that wool tested continues to track below the levels of a year ago. The weight of wool tested by AWTA in November was down by 7.2% compared with November 2019. At just 27.2 mkg greasy, the weight of wool tested last month is the lowest monthly total for November in the past 2 decades at least and almost certainly much longer. As noted by NCWSBA President, Rowan Woods, at the IWTO Roundtable on Tuesday evening, shearing has been slowed by wet weather in some areas and a shortage of shearers and shed-hands given the international boarder closures with New Zealand and the closures of state borders, at least until very recently. As well, with wool prices remaining low relative to much of the past five years and with reports of excellent grain crops which are currently being harvested, many growers are in no rush to sell their wool.

Wool tested in four out of the five months so far this season have been below the levels of a year earlier, and the weight of wool tested for the five months to November is 10.3% below year earlier levels. This is very different to the August forecast from the Australian Wool Production Forecasting Committee (AWPFC), which predicted a decline of 1.1% in shorn wool production this season. All states have recorded larger year-on-year declines in wool tests in the first five months than the season prediction from the AWPFC. The Committee meets on 16th December to review its current forecast. It will be a tricky meeting as the Committee will need to make judgements about how much effect the shearing delays and on-farm stocks is having on wool test volumes. One thing is clear from the AWTA key test data – fleece weights are, in general, higher in most states, with the exception of WA.

Further details, including a chart showing the % decline in wool test volumes in 2020/21 to date compared with the current AWPFC forecast for all states, are provided in the week's edition of the *NCWSBA Weekly Newsletter*.

INDUSTRY EVENTS

The **Australian Wool Production Forecasting Committee** will meet on 16th December 2020 to review its current forecast of wool production for the 2020/21 season.

The **2021 IWTO Congress** is scheduled to be held in Kyoto, Japan in May 2021.

WOOL SALES WEEK BEGINNING 7th DEC 2020 – week 24 (roster as at 02/12/2020)

<u>Sydney</u> Tues 8 th Dec; Wed, 9 th Dec	10,088 bales
<u>Melbourne</u> Tues 8 th Dec; Wed, 9 th Dec	23,850 bales
<u>Fremantle</u> Tues 8 th Dec; Wed, 9 th Dec	7,884 bales

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