# AUSTRALIAN WOOL INDUSTRIES SECRETARIAT INC

**3 May 2020** **AWIS NEWSLETTER** **2019/15**



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## AWIS WOOL MARKET REVIEW

### Week Ending 1 May 2020 (Week 45)

The AWEX EMI finished at 1225¢, after falling a further 47¢ (-3.7%) in Australian currency, and 3¢ lower (-0.4%) in US currency at sales in Sydney, Melbourne and Fremantle in Week 44.

22,904 bales were on offer nationally, compared with 24,974 bales last sale. 25.7% of the offering was passed in after 10.3% of the potential offering was withdrawn prior to sale. 17,021 bales were sold.

AWEX reports that the value of the wool sold was $21.9 million ($1,287 per bale), taking the season total to $1.754 billion ($1,662 per bale). The number of bales sold at auction this season is now 19.2% less than in 2018/19.

Day-to-Day and Sale-to-Sale Changes in AWEX Regional Indicators (Week 44)

| Centre | *Last Sale* | | Day-to-Day Changes (Week 44) | | | Sale-to-Sale Change | Closing Indicator | Sale-to-Sale Changes | |
|---|---|---|---|---|---|---|---|---|---|
| | *Week* | *Indicator* | **Tuesday** | **Wednesday** | **Thursday** | | | US ¢ | Euro ¢ |
| Eastern | *43* | *1272* | -13 | -34 | No Sale | -47 (-3.7%) | 1225 | -3 | -3 |
| Northern | *43* | *1307* | No Sale | -48 | No Sale | -48 (-3.7%) | 1259 | -2 | -2 |
| Southern | *43* | *1250* | -22 | -24 | No Sale | -46 (-3.7%) | 1204 | -2 | -2 |
| Western | *43* | *1358* | -25 | -23 | No Sale | -48 (-3.5%) | 1310 | -2 | -1 |

Merino wools did better than Crossbreds; and the fine Merinos were less affected than the broader Merinos, as occurred last sale. Crossbreds were less affected in percentage terms than were the Merinos.

Movements in currency again played a significant part in the movement of prices at this week's sale, when the US Exchange Rate finished 2.19¢ (3.5%) higher to close at 65.42¢ on Wednesday. It has moved by up 6.8% from the close of selling in the first week of April.

Demand was again dominated by China with Italy and India in lockdown.

In other countries, the South Africa sold 6,226 bales in Part 1 of Sale 26, with the remainder to be offered the coming week. There was no Market Report. However, Cape Wools commented that the market indicator closed down by 7.4% when there was a 3.2% appreciation of the Rand against the US$. 91.7% of the available bales were sold.

Looking ahead, offerings for the coming three sales are expected to range from 25,328 bales to 28,220 bales and to be 10.8% less than in the same period last year. Anecdotal advice indicates that there is an increasing amount of wool held on farm in addition to the increasing stocks in selling agents' warehouses.

| Differences in AWEX MPGs | 18.5 and 22.0 | 18.0 and 22.0 | 17.5 and 22.0 | 17.0 and 22.0 | 16.5 and 22.0 |
|---|---|---|---|---|---|
| North | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG | No 22.0µ MPG |
| South | 101¢ | 155¢ | 224¢ | 331¢ | 436¢ |

| Market Indicator | Changes From | | | |
|---|---|---|---|---|
| | Four Sales Ago Week 40 | Start of the Season | Week 44 Last Year | Season Average to Week 44 Last Year |
| Eastern Market Indicator | -62 (-4.8%) | -514 (-29.6%) | -735 (-37.5%) | -450 (-23.0%) |
| Western Market Indicator | -43 (-3.2%) | -571 (-30.4%) | -783 (-37.4%) | -502 (-23.8%) |

Sale-to-Sale Changes in Average AWEX Merino Micron Price Guides (MPGs)

| Micron | 16.5 | 17.0 | 17.5 | 18.0 | 18.5 | 19.0 | 19.5 | 20.0 | 21.0 | 22.0 | 23.0 | 24.0 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Since Last Sale | | | | | | | | | | | | |
| Change ¢ | -69 | -46 | -78 | -62 | -63 | -62 | -71 | -76 | -70 | | | |
| Change % | -3.7% | -2.6% | -4.7% | -3.9% | -4.2% | -4.2% | -4.9% | -5.2% | -4.9% | | | |
| Since Start of the Season | | | | | | | | | | | | |
| Change ¢ | -369 | -448 | -543 | -598 | -597 | -615 | -639 | -652 | -651 | -670 | | |
| Change % | -17.1% | -20.9% | -25.5% | -28.2% | -29.1% | -30.2% | -31.5% | -32.1% | -32.2% | -32.9% | | |
| Since Same Week Last Year | | | | | | | | | | | | |
| Change ¢ | -682 | -746 | -839 | -881 | -882 | -883 | -901 | -895 | -886 | -876 | | |
| Change % | -27.5% | -30.5% | -34.6% | -36.7% | -37.7% | -38.3% | -39.3% | -39.4% | -39.2% | -39.1% | | |

Sale-to-Sale Changes in Other Average AWEX Price Guides

| Micron | 25.0 | 26.0 | 28.0 | 30.0 | 32.0 | MC |
|---|---|---|---|---|---|---|
| Since Last Sale | | | | | | |
| Change ¢ | | -17 | -9 | -6 | -5 | -24 |
| Change % | | -2.0% | -1.3% | -1.2% | -1.8% | -2.8% |
| Since Start of the Season | | | | | | |
| Change ¢ | | -496 | -380 | -365 | -318 | -139 |
| Change % | | -36.9% | -36.4% | -43.0% | -54.0% | -14.1% |
| Since Same Week Last Year | | | | | | |
| Change ¢ | | -665 | -641 | -518 | -393 | -250 |
| Change % | | -44.0% | -49.1% | -51.7% | -59.2% | -22.8% |

MC Average Merino Cardings Price Guide

The following tables show the details of this week's sale offering; the expected offerings over the next three sales; the changes in Exchange Rates since the previous sale; and highlights from the February ABS export data.

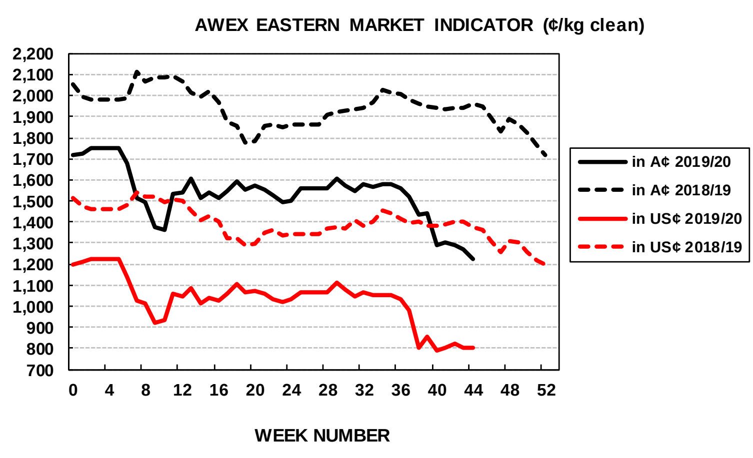
| Details of this Week's Offering and the Comparison with the Previous Sale's Offering | | | | | | |
|---|---|---|---|---|---|---|
| Centre | *Last Sale* | This Sale | | | | |
| | *Offering* | Offering | Passed-In | Withdrawn Before Sale | Re-Offered | Bales Sold |
| **North** | *4,696* | 4,993 | 27.7% | 7.6% | 15.8% | 3,609 |
| **South** | *15,019* | 12,520 | 23.0% | 9.2% | 15.8% | 9,637 |
| **West** | *5,259* | 5,391 | 30.0% | 15.0% | 16.6% | 3,775 |
| **Australia** | ***24,974*** | **22,904** | **25.7%** | **10.3%** | **16.0%** | **17,021** |

| Progressive Changes from Last Year | | |
|---|---|---|
| All Bales | | 1st Time Bales |
| Bales | % | % |
| -42,260 | -11.1% | -15.3% |
| -94,057 | -12.4% | -16.2% |
| -23,089 | -7.7% | -13.3% |
| **-159,406** | **-11.1%** | **-15.4%** |

| Next Sale Offerings and Year-on-Year Differences | | | | |
|---|---|---|---|---|
| Centre | Week 45 | Week 46 | Week 47 | Differences |
| **North** | 4,879 | 5,482 | 6,305 | **-28.6%** |
| **South** | 15,701 | 15,305 | 15,965 | **-5.1%** |
| **West** | 4,748 | 6,050 | 5,950 | **-2.8%** |
| **New Zealand** | | | | |
| **Australia** | **25,328** | **26,837** | **28,220** | **80,385** |
| **Differences** | **-22.8%** | **-19.1%** | **+17.0%** | **-10.8%** |

| Exchange Rates (Reserve Bank) | Last Sale | Day-to-Day Changes Fri | Mon | Tues | Wed | Thur | Sale-to-Sale Change | Closing Value | Season Min & Max Min | Max |
|---|---|---|---|---|---|---|---|---|---|---|
| **United States** | 63.23 | +0.20 | +1.19 | -0.05 | +0.85 | Public | +2.19 (+3.5%) | 65.42 | 55.71 | 70.36 |
| **Euro** | 58.25 | +0.68 | +0.64 | +0.08 | +0.62 | Holiday | +2.02 (+3.5%) | 60.27 | 51.12 | 62.48 |

| Country | % Share of Australia's Wool Exports by Weight of Wool Shipped | | | Year-on-Year % Change July to February | |
|---|---|---|---|---|---|
| | February 2020 | July to February 2019/20 | July to February 2018/19 | By Weight | By Value |
| China | 71.6% | 76.3% | 75.4% | -15.0% | -32.5% |
| India | 7.5% | 6.3% | 6.1% | -12.9% | -29.1% |
| Italy | 3.7% | 5.2% | 5.8% | -23.5% | -39.8% |
| Czech Republic | 8.4% | 3.9% | 4.1% | -20.6% | -38.9% |
| Korea | 1.9% | 2.1% | 2.6% | -33.4% | -44.5% |
| Egypt | 1.4% | 1.2% | 1.0% | +4.6% | -16.9% |
| Thailand | 1.3% | 0.9% | 0.9% | -17.1% | -42.7% |
| Bulgaria | 0.7% | 0.7% | 0.5% | +20.6% | +18.8% |
| **Change all Countries** | | | | **-16.1%** | **-33.4%** |




| AVERAGE EMI | |
|---|---|
| This Year | 1510 |
| Last Year | 1939 |
| 2017/18 | 1739 |
| 2016/17 | 1408 |
| 2015/16 | 1254 |

| THIS YEAR'S EMI | |
|---|---|
| This Week | 1225 |
| First Week | 1723 |
| Low (14/01) | 1225 |
| High (11/01) | 1754 |

| BALES OFFERED | |
|---|---|
| This Year | 1,282,016 |
| Last Year | 1,441,422 |
| Difference | -159,406 |
| % Diff | -11.1% |
| FIRST OFFERED BALES | |
| Difference | -15.4% |
| % of Offering | 89.1% |

| SEASON AVERAGES | | |
|---|---|---|
| Region | This Year | Diff |
| North | 1541 | -440 |
| South | 1489 | -423 |
| West | 1608 | -480 |

| COMPARED WITH WKS 1/2 | | |
|---|---|---|
| Region | This Week | Diff |
| North | 1259 | -500 |
| South | 1204 | -521 |
| West | 1310 | -571 |

| REGION BALES | | |
|---|---|---|
| This Sale: | | |
| North | 4,993 | |
| South | 12,520 | |
| West | 5,391 | |
| Progressive Totals: | | Diff |
| North | 338,676 | -11.1% |
| South | 667,224 | -12.4% |
| West | 276,116 | -7.7% |

**NEW INFORMATION**

| | |
|---|---|
| Wool Production Forecast | *29 April 2020* |
| AWTA Testing Data | *April 2020* |
| AWEX Mulesing Status Data | *Apri 2020* |

**IWTO MEETINGS**

| | |
|---|---|
| 2020 Congress - Digital Meeting | *21-23 May* |
| Nuremburg Round Table | *2020* |

**NANJING WOOL MARKET CONFERENCE**

To be confirmed

**INDUSTRY FUNCTIONS and MEETINGS**

**KEY INDUSTRY INFORMATION**

| **PRODUCTION FORECAST** | | *at 29 April 2020* |
|---|---|---|
| **2018/19** | 300 mkg | *down by 12.1% (-41 mkg)* |
| **2019/20** | 281 mkg | *down by 6.3% (-19 mkg)* |
| **2020/21** | 276 mkg | *down by 1.7% (-5 mkg)* |
| **Next Meeting** | | *August 2020* |

**WOOL TESTED BY AWTA** *to April 2020*

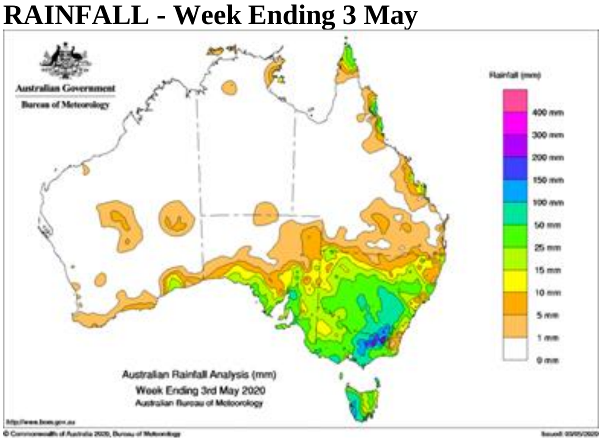
| | **% Change** | **%Share** |
|---|---|---|
| **All Wool** | **down by 5.7%** | **100.0%** |
| Fleece | down by 5.3% | 68.4% |
| Skirtings | down by 8.0% | 17.8% |
| Cardings | down by 5.0% | 13.8% |
| <=13.5 Microns | up by 5.9% | < 0.1% |
| <=14.5 Microns | down by 21.4% | 0.2% |
| <=15.5 Microns | down by 16.8% | 1.1% |
| <=16.5 Microns | down by 13.6% | 5.2% |
| <=17.5 Microns | down by 11.4% | 15.9% |
| **<=18.5 Microns** | **down by 7.4%** | **34.4%** |
| **<=19.5 Microns** | **down by 5.0%** | **54.7%** |
| **>19.5 Microns** | **down by 6.6%** | **45.3%** |
| 19.6-21.5 Microns | down by 1.5% | 21.7% |
| 21.6-24.5 Microns | down by 17.7% | 7.3% |
| **>24.5 Microns** | **down by 7.5%** | **16.3%** |
| >26.5 Microns | down by 5.9% | 11.5% |
| >28.5 Microns | down by 5.9% | 5.7% |
| >30.5 Microns | down by 4.1% | 2.8% |

| **AWTA Analytics** | *1 July 2019 to 1 May 2020* |
|---|---|
| All Wool | down by 5.7% |

| **AUCTION SUMMARY** | *to 1 May 2020* |
|---|---|
| Bales Offered | down by 11.1% |
| First Hand Bales Offered | down by 15.4% |
| Bales Sold | down by 19.2% |

| **ABS EXPORT DATA** | *to February 2020* |
|---|---|
| Weight of wool exported | down by 16.1% |
| Value of wool exported | down by 33.4% |

**RAINFALL - Week Ending 3 May**




There was very good rain at both ends of the week across New South Wales and Victoria; and the farming areas of South Australia and Tasmania.

The Bureau states that Victoria received more rain in the January-April period than in the January-December period last year.

**Looking Ahead**

The Bureau stated on Thursday:

*"* Early May is looking drier than average, with the week of 4 to 10 May likely to bring reduced rainfall for most of Australia.*

** However, May to July overall is likely to be wetter than average for most of the southern two-thirds of Australia."*

***El Nino /La Nina / IOD Update*** *28 April 2020*

The Bureau's outlook is virtually unchanged from the last seven fortnightly updates:

*"The El Niño–Southern Oscillation (ENSO) and Indian Ocean Dipole (IOD) both remain neutral. Neutral ENSO conditions are likely to persist over the coming months, with some likelihood a La Niña-like state could develop in the tropical Pacific Ocean late in the southern hemisphere winter or spring (less than 50% chance).*

*Most models suggest a negative IOD could develop in the Indian Ocean from mid-winter."*

**WOOL PRODUCTION FORECAST** *29 April*

As reported last week, the Australian Wool Production Forecasting Committee. met in a digital Meeting on Wednesday. The State Committees met in the previous week. The impact of COVID-19 was a factor not experienced previously.

The revised forecast is for 281 mkg, 19 mkg (6.3%) less than the 300 mkg in the previous season; and 9 mkg more than the previous forecast in November.

Not surprisingly in the current circumstances, there were considerable differences between:

* Testing data provided by:AWTA which was for 5.5% less wool tested to the end of March and 5.7% less wool tested to the end of April; and
* Auction data provided by AWEX which was for 17.9% less first hand bales offered to the week after Easter.

The difference appears to be largely due to the greater number of bales Withdrawn Prior to Sale this season (11.1%) compared with the full season numbers of 3.7% last year and 2.0% in the year before.

More details are available on Page 7.

**AWTA DATA** *April 2020*

**Bales Sampled / Weight of Wool Tested**

The number of bales and weight of wool tested were down by 8.4% and by 8.0%, respectively in April.

This took the progressive changes since 2018/19 from -5.9% (bales) and -5.5% (weight) at the end of March; and to -6.2% and -5.7% at the end of April.

There is likely to be little difference between the April and end of year data, as 86% of the final weight of wool over the last three years had been tested by the end of April.

The year-on-year month and progressive data for April are reported in the following table.

| YEAR-on-YEAR % CHANGE IN BALES APRIL | | |
|---|---|---|
| **State** (Bales) | **April** (% Change) | **Progressive** (% Change) |
| | | |
| **Qld** | +88.0 | -4.6 |
| **NSW** | -5.5 | -6.0 |
| **Vic** | -8.2 | -7.0 |
| **Tas** | -5.5 | -13.5 |
| **SA** | -16.8 | -7.2 |
| **WA** | -12.0 | -3.7 |
| **Australia** | **-8.4** | **-6.2** |
| **No. of Bales** | **138,701** | **1,464,895** |
| **Weight Tested** | **-8.0%** | **-5.7%** |
| **Current Production Forecast** | | **-6.3%** |

*Please note, the +88.0% for Queensland in April is coming off a low base last year.*

Average tested lot size is 5.6 bales (+0.13).

### Superfine / Ultrafine Testing

1.6% less wool of 19.5 microns and finer was tested in April than in the same month last season, taking the progressive difference to -5.0%.

6.6% less wool of greater than 19.5 microns was tested in the July to April period. The biggest falls were 20.2% between 21.6 and 22.5 microns and 20.5% between 22.6 and 23.5 microns.

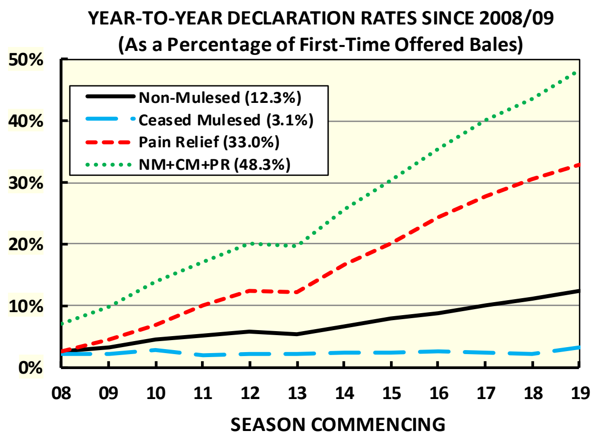
## AWEX MULESING STATUS DATA

*April 2020*

3.5% less bales in April and 1.8% less in the July to April period, were offered at auction with an NM, CM or PR Mulesing Status Declaration than in the same periods last year.

8.3% of all First-Time Offered bales in the July to April period had a NM, CM or PR Declaration compared with 42.9% in the same period last year.

The greatest adoption continued to be among the fine wools with 35% of all bales declared as NM being <=18.5 microns and 11% being 19 microns.




## COVID-19

### Remote Bidding

Further steps were taken towards Remote Bidding during the week with further trials and live sales on Thursday.

### Resumption of Sales in South Africa

Sales continued for the second week when 6,226 bales were offered under electronic bidding. 91.7% of the bales were sold.

### Resumption of Sales in New Zealand

I understand that plans are being made to resume sales in the week commencing 11 May.

## OTHER FIBRES

### Cotton Futures Prices

Cotton Futures Prices were positive, over thhe coming 12 months, ranging from +0.9% to +3.0%.

| | **Closing Prices** | | **Diff** |
|---|---|---|---|
| | ***24 Apr*** | **1 May** | |
| **May 2020** | *53.93* | 55.56 | +3.0% |
| **July 2020** | *54.92* | 55.84 | +1.7% |
| **October 2020** | *56.71* | 57.24 | +0.9% |
| **December 2020** | *56.87* | 57.52 | +1.1% |
| **March 2021** | *57.36* | 58.62 | +2.2% |

### Comparative Movements in the EMI and Cotton Futures Prices over the Last 12 Months

The following graph plots changes in indexed values of the EMI and the spot month price for cotton on the New York Futures Exchange since the same week last year (Week 44).

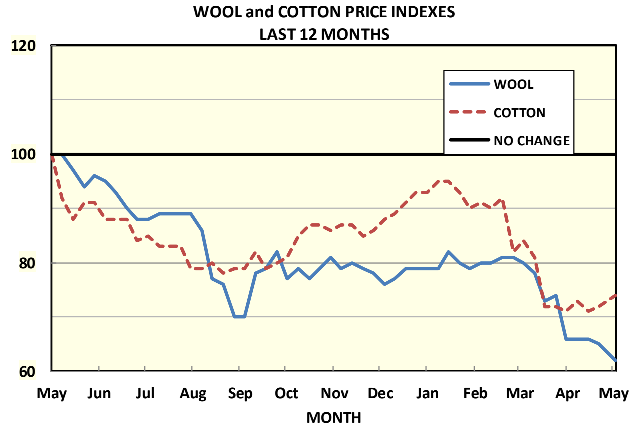
The starting values for the:

* EMI (1960¢) and the;
* Cotton Futures Price (74.78 US¢ / pound)

have been set at an Index value of 100.

All subsequent weekly values for the EMI and the spot month Futures Price have been indexed to the starting values of twelve months ago.

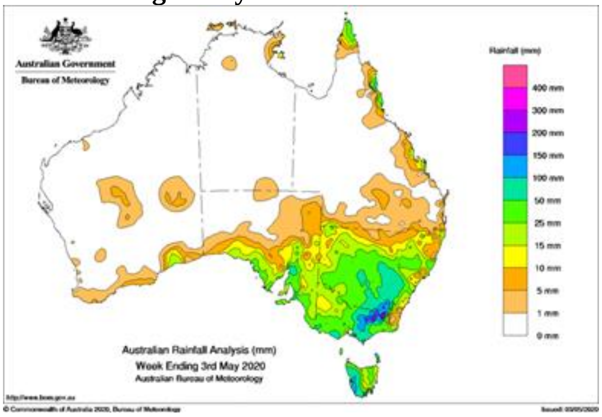
The relative price movements for each fibre have followed each closely over the last 12 months, apart the recent sharp falls in cotton prices.



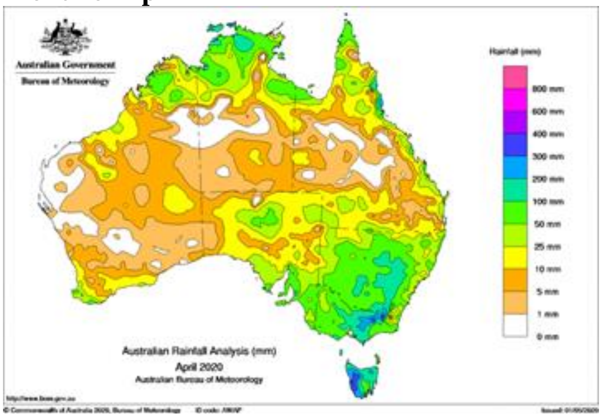
**RAINFALL - Week Ending 3 May**

Rainfall maps follow for the week ending 3 May, for the month of April, for the three months – February to April; and for the three months outlook – May to July.

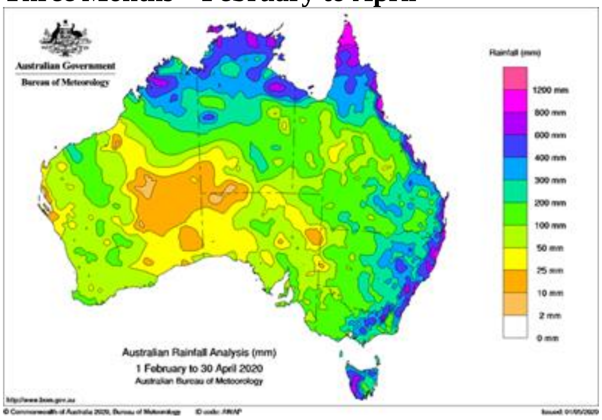
**Week Ending 3 May**




**Month of April**




**Three Months – February to April**




**Three Months Outlook – May to July**

The rainfall outlook for the current three months continues to be good. The Bureau states:

"* *The three months from May to July are likely to be wetter than average for most of the southern two-thirds of Australia (mostly 60–75% chance, greater than 75% chance for the Pilbara, extending into southeast WA and western SA). The likelihood of a wetter or drier May to July is roughly equal across the tropical north, areas east of the Great Dividing Range, and eastern Tasmania.*

* *Similarly, winter (June to August) is also likely to be wetter than average for most of Australia (mostly 65–80% chance, with higher chances in central and inland southeast Australia)."*

**Looking Ahead**

The Bureau stated on Thursday:

*"* Early May is looking drier than average, with the week of 4 to 10 May likely to bring reduced rainfall for most of Australia.*

** However, as mentioned in the previous section, May to July overall is likely to be wetter than average for most of the southern two-thirds of Australia."*

***El Nino /La Nina / IOD Update*** *28 April 2020*

The Bureau's outlook is virtually unchanged from the last seven fortnightly updates:

*"The El Niño–Southern Oscillation (ENSO) and Indian Ocean Dipole (IOD) both remain neutral. Neutral ENSO conditions are likely to persist over the coming months, with some likelihood a La Niña-like state could develop in the tropical Pacific Ocean late in the southern hemisphere winter or spring (less than 50% chance).*

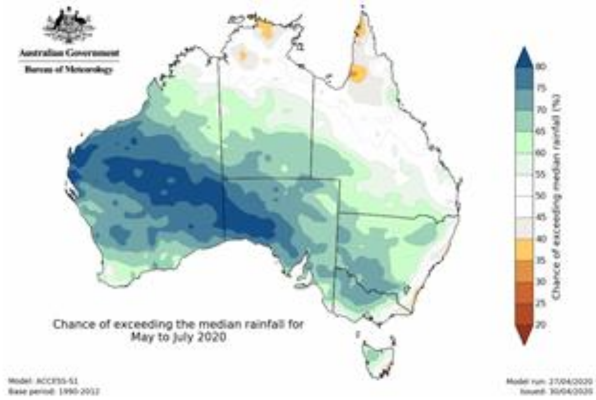
*Most models suggest a negative IOD could develop in the Indian Ocean from mid-winter."*

**May to July Map**

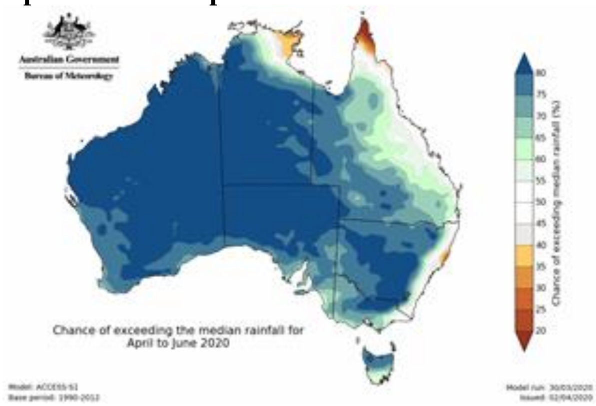
Chances of exceeding the Median Rainfall:

| | |
|---|---|
| Dark Brown | 20 to 30% |
| Mid Brown | 30 to 35% |
| Light Brown | 35 to 40% |
| Light Grey | 40 to 45% |
| Clear/White | 45 – 55% |
| Light Green | 55 – 65% |

Note, a 50% probability indicates the "normal" Median rainfall.




**April to June Map**



## ABS EXPORT STATISTICS *February 2020*

It is important to note that the ABS reporting periods of February, and July to February, were before the full effect of COVID-19 on buying and exporting activity is expected to be apparent in export data.

Australia exported 21 mkg of wool valued at $229 million in February, taking the progressive totals to 153 mkg, (-16.1%) and $1,648 million (-33.4%).

Exports to China were down by 32.9% in February and down by 15.0% in the July to February period. They accounted for 71.6% of Australia's exports in February and for 76.3% in the year to date.

India and Italy retain their positions as Australia's second and third most important destinations by weight for Australia's wool exports, with 6.3% and 5.2%, respectively, of Australia's wool exports going to these countries in the year to date.

83.7% of Australia's exports of wool of 19 microns and finer went to China and 4.7% went to Italy.

Australia exported wool to 22 countries in February and to 27 countries in the July to February period.

**EXPORTS JULY TO FEBRUARY 2020**

| COUNTRY | VALUE | | WEIGHT | |
|---|---|---|---|---|
| | % of TOTAL | CWLY (%) | % of TOTAL | CWLY (%) |
| **China** | 73.1 | -32.5 | 76.3 | -15.0 |
| **Italy** | 7.3 | -39.8 | 5.2 | -23.5 |
| **India** | 6.6 | -29.1 | 6.3 | -12.9 |
| **Czech** | 3.4 | -38.9 | 3.9 | -20.6 |
| **Korea** | 2.6 | -44.5 | 2.1 | -33.4 |
| **Egypt** | 1.6 | -16.9 | 1.2 | 4.6 |
| **Thailand** | 1.1 | -42.7 | 0.9 | -17.1 |
| **UAE** | 0.7 | 86.1 | 0.3 | 80.2 |
| **Taiwan** | 0.6 | -44.8 | 0.6 | -18.8 |
| **Bulgaria** | 0.6 | 18.8 | 0.7 | 20.6 |
| **UK** | 0.5 | -32.8 | 0.3 | -23.1 |
| **Germany** | 0.4 | -15.3 | 0.4 | -7.5 |
| **Japan** | 0.4 | -66.1 | 0.3 | -57.3 |
| **Malaysia** | 0.4 | -61.3 | 0.5 | -50.3 |
| **USA** | 0.2 | -52.1 | 0.2 | -37.6 |
| **Totals** | **100** | **-33.4** | **100** | **-16.1** |
| **Actual Data** | ($mill) | | (mkg) | |
| **This Year** | **1,648** | | **153** | |
| **Last Year** | **2,473** | | **182** | |

CWLY = Compared with Last Year

**DIAMETER DATA – JULY – FEBRUARY 2020**

| COUNTRY | PERCENTAGE SPLIT | | | | |
|---|---|---|---|---|---|
| | <=19 | 20 - 23 | 24 - 27 | >=28 | Total |
| **China** | 54.5 | 34.6 | 7.0 | 3.8 | 100 |
| **India** | 28.8 | 57.3 | 9.6 | 4.3 | 100 |
| **Italy** | 44.6 | 54.6 | | 0.8 | 100 |
| **Czech** | 40.1 | 30.8 | 12.4 | 16.7 | 100 |
| **Korea** | 25.4 | 74.6 | | | 100 |
| **Egypt** | 62.4 | 37.6 | | | 100 |
| **Thailand** | 22.5 | 72.4 | 4.2 | 0.9 | 100 |
| **Bulgaria** | 35.5 | 48.6 | | 15.8 | 100 |
| **Taiwan** | 2.9 | 83.0 | 14.1 | | 100 |
| **Malaysia** | 40.7 | 59.3 | | | 100 |
| **Germany** | 26.8 | 67.6 | | 5.6 | 100 |
| **UK** | 8.4 | 84.3 | | 7.2 | 100 |
| **UAE** | | 100.0 | | | 100 |
| **Japan** | 37.3 | 62.7 | | | 100 |
| **USA** | 7.9 | 54.5 | | 37.6 | 100 |
| **Totals** | **49.8** | **39.5** | **6.6** | **4.1** | 100 |

## AWTA SAMPLING & TEST DATA

*April 2020*

### Bales Sampled / Weight of Wool Tested

The number of bales and the weight of wool tested were down by 8.4% and by 8.0%, respectively in April.

This took the respective progressive changes since 2018/19 from -5.9% (bales) and -5.5% (weight) at the end of March to -6.2% and -5.7% at the end of April.

The year-on-year month and progressive data for April are reported in the following table.

| YEAR-on-YEAR % CHANGE IN BALES APRIL | | |
|---|---|---|
| **State** (Bales) | **April** (% Change) | **Progressive** (% Change) |
| | | |
| **Qld** | +88.0 | -4.6 |
| **NSW** | -5.5 | -6.0 |
| **Vic** | -8.2 | -7.0 |
| **Tas** | -5.5 | -13.5 |
| **SA** | -16.8 | -7.2 |
| **WA** | -12.0 | -3.7 |
| **Australia** | **-8.4** | **-6.2** |
| **No. of Bales** | **138,701** | **1,464,895** |
| **Weight Tested** | **-8.0%** | **-5.7%** |
| **Current Production Forecast** | | **-6.3%** |

*Please note, the +88.0% for Queensland in April is coming off a low base last year.*

Average tested lot size is 5.6 bales (-0.13).

### Superfine / Ultrafine Testing

1.6% less wool of 19.5 microns and finer was tested in April than in the same month last season, taking the progressive difference to -5.0%.

6.6% less wool of greater than 19.5 microns was tested in the July to April period. The biggest falls were 20.2% between 21.6 and 22.5 microns and 20.5% between 22.6 and 23.5 microns.

| PARAMETER | APRIL | | PROGRESSIVE | |
|---|---|---|---|---|
| | Av Values | Diff From 2018/19 | Av Values | Diff From 2018/19 |
| **Schlum Dry** | 59.8 | -0.9 | 62.4 | -1.0 |
| **VM** | 1.8 | -0.5 | 1.7 | -0.4 |
| **Fibre Diameter** | 20.4 | 0.0 | 20.5 | -0.1 |
| **CVD** | 21.5 | 0.0 | 21.7 | -0.1 |
| **Staple Length** | 83.1 | +2.4 | 85.8 | +1.8 |
| **CVSL** | 15.5 | -0.4 | 15.6 | -0.4 |
| **Staple Strength** | 33.2 | -1.2 | 32.4 | -0.5 |
| **CVSS** | 35.9 | 0.0 | 37.8 | +0.5 |
| **% Mid Breaks** | 42.8 | -3.9 | 47.2 | 0.0 |

## WOOL PRODUCTION FORECAST

*29 April 2020*

See also:

https://www.wool.com/market-intelligence/wool-production-forecasts/

**2018/19**

The final estimate is 300 mkg, 41 mkg (12.1%) less than in 2017/18.

**2019/20**

The fourth forecast is for a further fall of 19 mkg to 281 mkg (-6.3%); and 9 mkg higher than the third forecast of 272 mkg in November last year.

TheReport stated:

*"Relatively widespread rain has been welcomed through south eastern Australia and along the eastern seaboard in the first quarter of 2020. Western Australia remains dry with on-farm water supplies at low levels and a sharp increase in the number of interstate sheep transfers."*

Committee Chairman, Russell Pattinson noted that:

*"Strong returns for mutton and lamb along with high sheep replacement costs and uncertainty surrounding the impact of COVID-19 on global demand for wool and on wool prices may slow recovery in wool production despite the favourable seasonal outlook".*

**2020/21**

The Committee also announced that the first forecast is 276 mkg, 1.7% (5 mkg) less than the revised forecast of 281 mkg for 2019/20.

*"The Committee expects that low sheep numbers will continue to limit any increase in shorn wool production despite the favourable seasonal outlook across many wool producing regions of the country."*

| | 2018/19 | 2019/20 | | 2020/21 | |
|---|---|---|---|---|---|
| | | | Diff | | Diff |
| **Shorn Sheep** (million) | 72.5 | 68.4 | -5.7% | 65.6 | -4.1% |
| **Av Cut** (kg/head) | 4.13 | 4.11 | --0.5% | 4.21 | +2.4% |
| **Shorn Wool** (mkg) | **300** | **281** | **-6.3%** | **276** | **-1,7%** |

**State-by-State Wool Production Forecast and Year-on-Year Differences**

| STATE | 2018/19 (Final) Weight (mkg) | % Diff | 2019/20 (Apr) Weight (mkg) | % Diff |
|---|---|---|---|---|
| **Qld** | 8.1 | -2.4% | 7.1 | -12.3% |
| **NSW** | 99.1 | -21.2% | 92.4 | -6.8% |
| **Vic** | 66.9 | -9.0% | 63.3 | -5.4% |
| **Tas** | 9.0 | -3.2% | 8.4 | -6.7% |
| **SA** | 54.3 | -8.7% | 49.4 | -9.0% |
| **WA** | 62.2 | -4.5% | 60.0 | -3.5% |
| **Australia** | **300** | **-12.1%** | **281** | **-6.3%** |

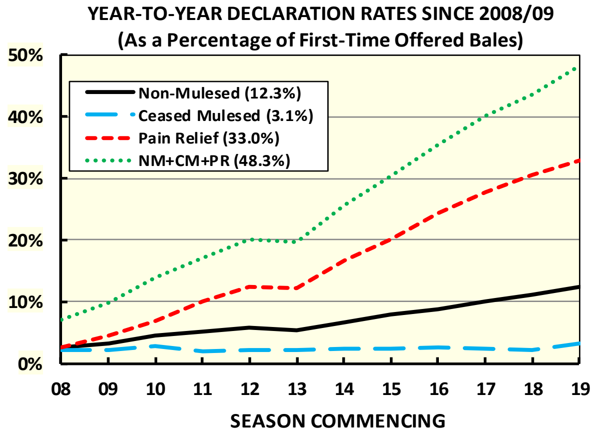
## AWEX MULESING STATUS DATA

*April 2020*

3.5% less bales in April and 1.8% less in the July to April period, were offered at auction with an NM, CM or PR Mulesing Status Declaration than in the same periods last year.

As in previous months, the downward changes are a consequence of the fall in wool offered for sale, rather than a fall in the Declaration Rate.

48.3% of all First-Time Offered bales in the July to April period had a NM, CM or PR Declaration compared with 42.9% in the same period last year. 46% of the NM bales were <= 19 microns.




The year-to-date changes in the number of bales declared within each classification are reported in the following table.

| NUMBER OF BALES DECLARED | NM | CM | PR | Total |
|---|---|---|---|---|
| **July** | 6,681 | 1,260 | 18,879 | **26,820** |
| **August** | 12,597 | 1,672 | 39,467 | **53,736** |
| **September** | 11,075 | 2,188 | 28,980 | **42,243** |
| **October** | 16,145 | 3,127 | 49,492 | **68,764** |
| **November** | 17,791 | 3,994 | 42,167 | **63,952** |
| **December** | 14,832 | 3,982 | 29,292 | **48,106** |
| **January** | 16,981 | 4,963 | 38,061 | **60,005** |
| **February** | 12,614 | 3,429 | 30,712 | **46,755** |
| **March** | 21,139 | 7,524 | 64,458 | **93,121** |
| **April** | 10,228 | 3,082 | 35,363 | **48,673** |
| **May** | | | | |
| **June** | | | | |
| **Progressive** | **140,083** | **35,221** | **376,871** | **552,175** |
| **Prog. Change** | **-2.9%** | **+39.4%** | **-4.0%** | **-1.8%** |
| **Prog Totals As % of First Time Offered Bales** | | | | |
| **This Year** | 12.3% | 3.1% | 33.0% | **48.3%** |
| **Last Year** | 11.0% | 1.9% | 30.0% | **42.9%** |

On a Diameter basis, the fine wool bales make up the greatest percentage of all bales declared.

| DIAMETER RANGE | NM | NM + CM+ PR |
|---|---|---|
| **<=18µ** | 35% | 43% |
| **19µ** | 11% | 19% |
| **20µ** | 7% | 14% |
| **21 to 24µ** | 12% | 11% |
| **<25µ** | 65% | 87% |
| **>=25µ** | 36% | 13% |

| YEAR TO DATE NUMBER OF BALES DECLARED (Within Fibre Diameter Groups) | | | | |
|---|---|---|---|---|
| **DIAMETER GROUP** | **NM** | **CM** | **PR** | **TOTAL** |
| **<=18µ** | 49,255 | 17,054 | 171,382 | **237,691** |
| **19 µ** | 14,785 | 5,561 | 86,618 | **106,964** |
| **20 µ** | 9,215 | 3,517 | 62,458 | **75,190** |
| **21 µ** | 4,547 | 2,099 | 28,169 | **34,815** |
| **22 µ** | 3,239 | 840 | 8,596 | **12,675** |
| **23 µ** | 3,902 | 290 | 2,551 | **6,743** |
| **24 µ** | 4,823 | 304 | 1,882 | **7,009** |
| **<=24 µ** | **89,766** | **29,665** | **361,656** | **481,087** |
| **<=25 µ %** | **64.1%** | **84.2%** | **96.0%** | **87.1%** |
| **=>25 µ** | **50,317** | **5,556** | **15,215** | **71,088** |
| **Prog. Totals** | **140,083** | **35,221** | **376,871** | **552,175** |

<= less than or equal to

=> equal to or greater than

| AWIS ASSOCIATION OFFICE BEARERS 2019/20 | | | |
|---|---|---|---|
| | **ACWEP Inc** | **PTWMA Inc** | **WIA Inc** |
| **President** | Matthew Hand | Neville Armstrong | David Michell |
| **Vice President(s)** | Tim Marwedel<br>Stuart Clayton | John Sugars | Michael Jackson |
| **Executive Committee** | Josh Lamb<br>Peter Morris<br>David Ritchie<br>Andrew Worthington | Ben Litchfield<br>Geoffrey Beath<br>Adrian Hackworth<br>Peter Howie<br>Gary Turner | Mark Grave<br>Ed Storey<br>Stuart McCullough<br>David Mitchell<br>Peter Morgan<br>Chris Wilcox |


| AWIS CONTACT DETAILS | | |
|---|---|---|
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| Consultant | Peter Morgan | peter.morgan@woolindustries.org |
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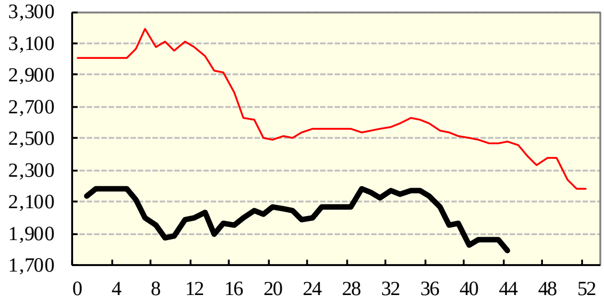
| Address: | Unit 9, 42 – 46 Vella Drive, Sunshine West Vic 3020 | |
| Telephone: | 03 9311 0103 | |
| Facsimile: | 03 9311 0138 | |
| General E-mail: | awis@woolindustries.org | |
| Web Site | www.woolindustries.org | |

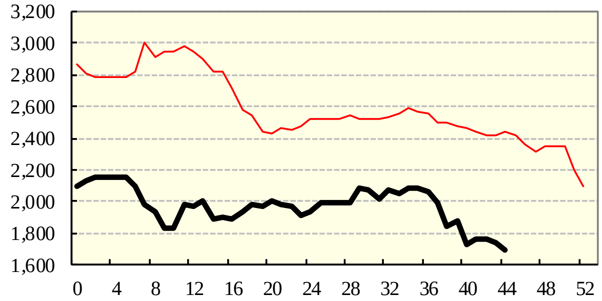
# AVERAGE AWEX MICRON PRICE GUIDES

2019/20 ( black graph line) and 2018/19 (red graph line)

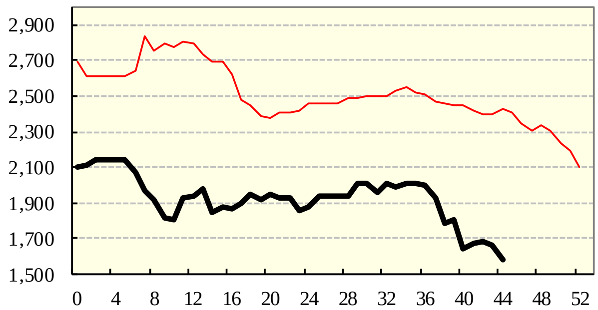
**16.5 MICRONS**



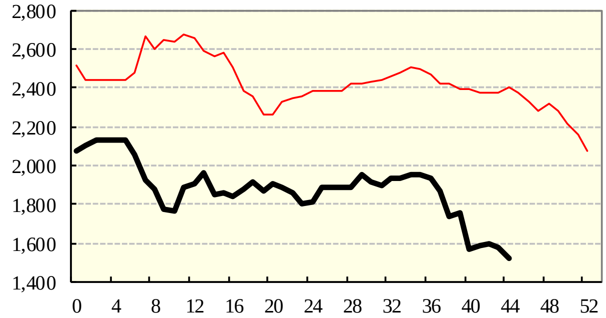

**17.0 MICRONS**



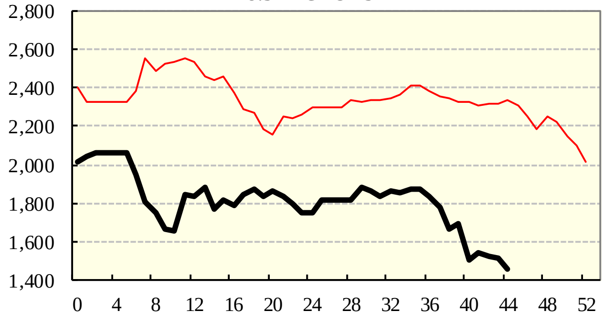

**17.5 MICRONS**



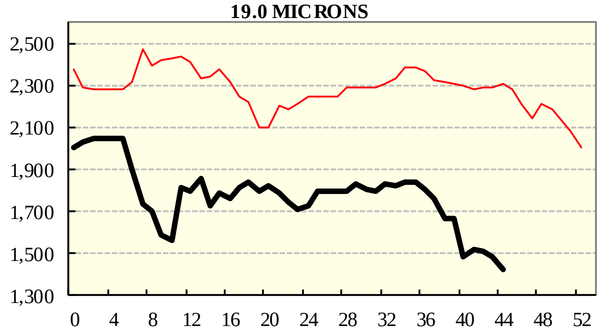

**18.0 MICRONS**



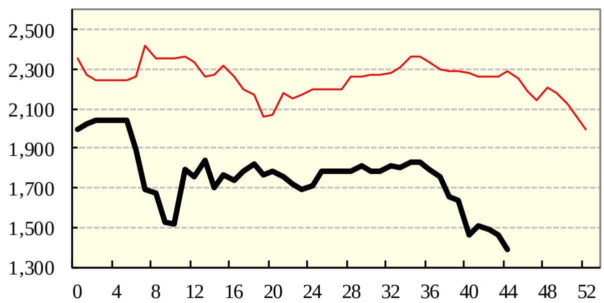

**18.5 MICRONS**



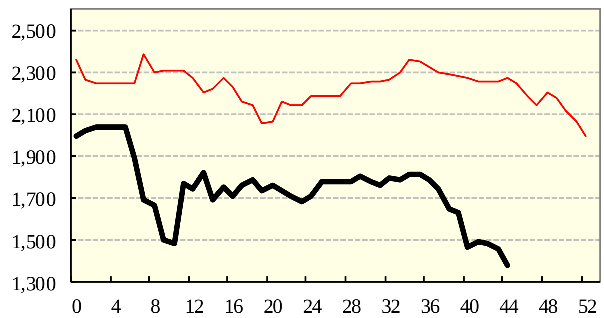

**19.0 MICRONS**



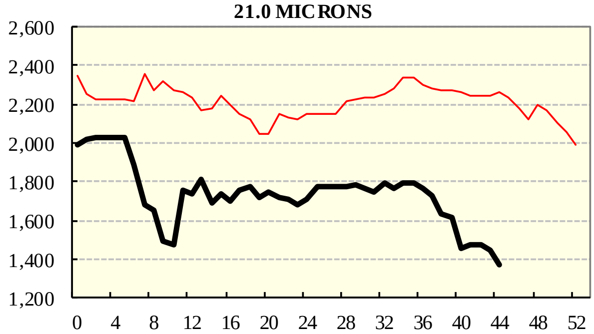

**19.5 MICRONS**



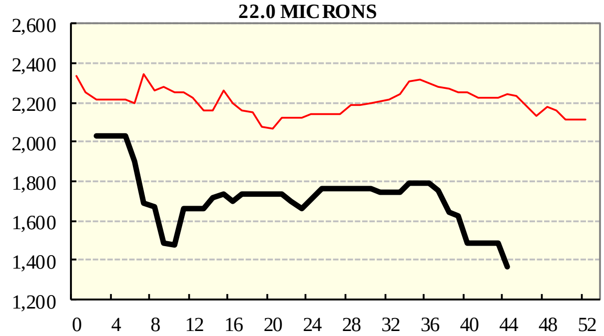

**20.0 MICRONS**




**21.0 MICRONS**



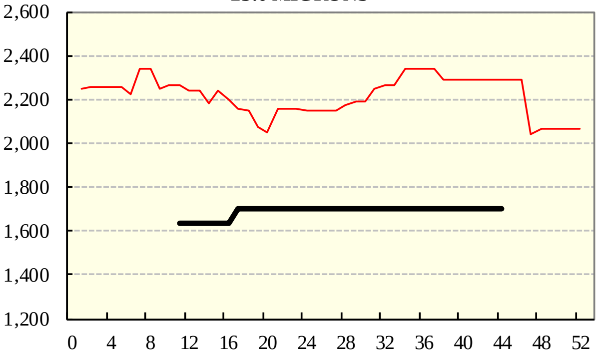

**22.0 MICRONS**



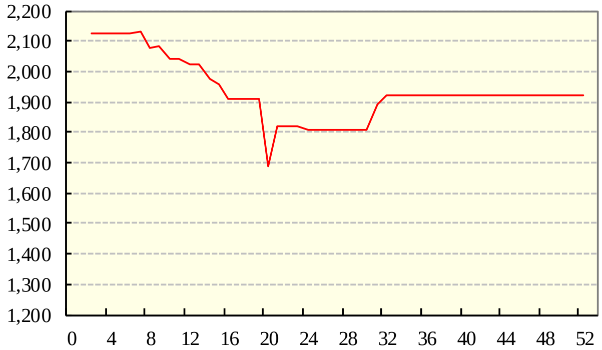
# AVERAGE AWEX MICRON PRICE GUIDES

2019/20 ( black graph line) and 2018/19 (red graph line)

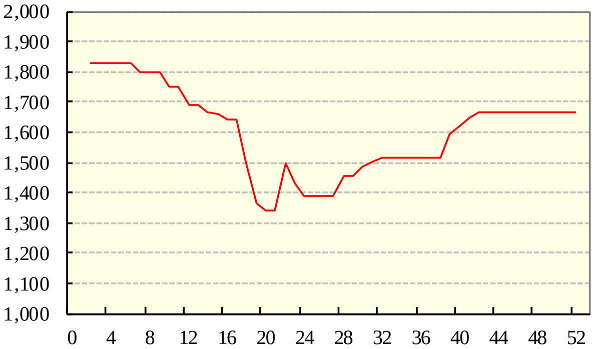
**23.0 MICRONS**



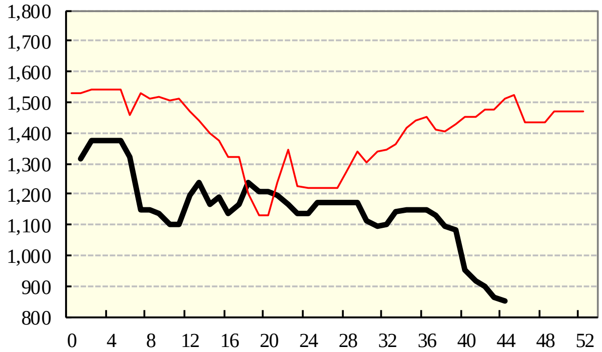

**24.0 MICRONS**



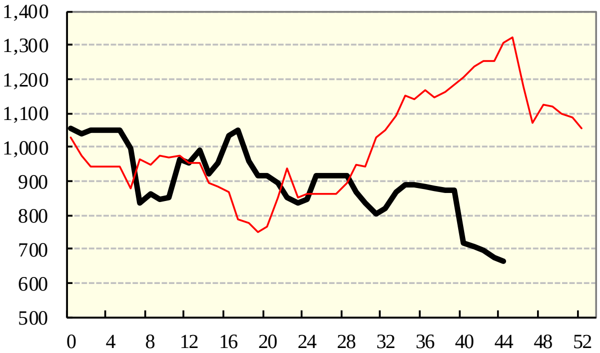

**25.0 MICRONS**



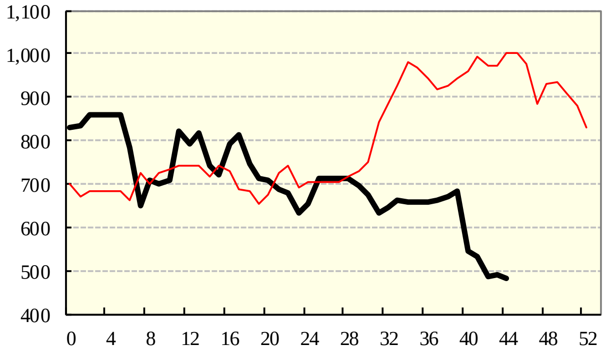

**26.0 MICRONS**



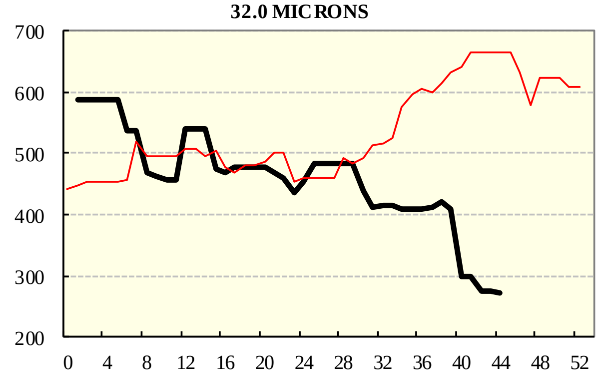

**28.0 MICRONS**



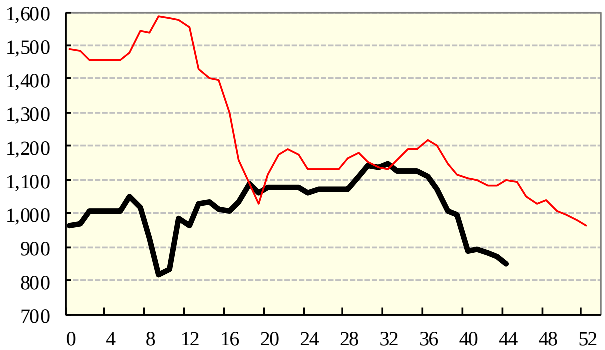

**30.0 MICRONS**

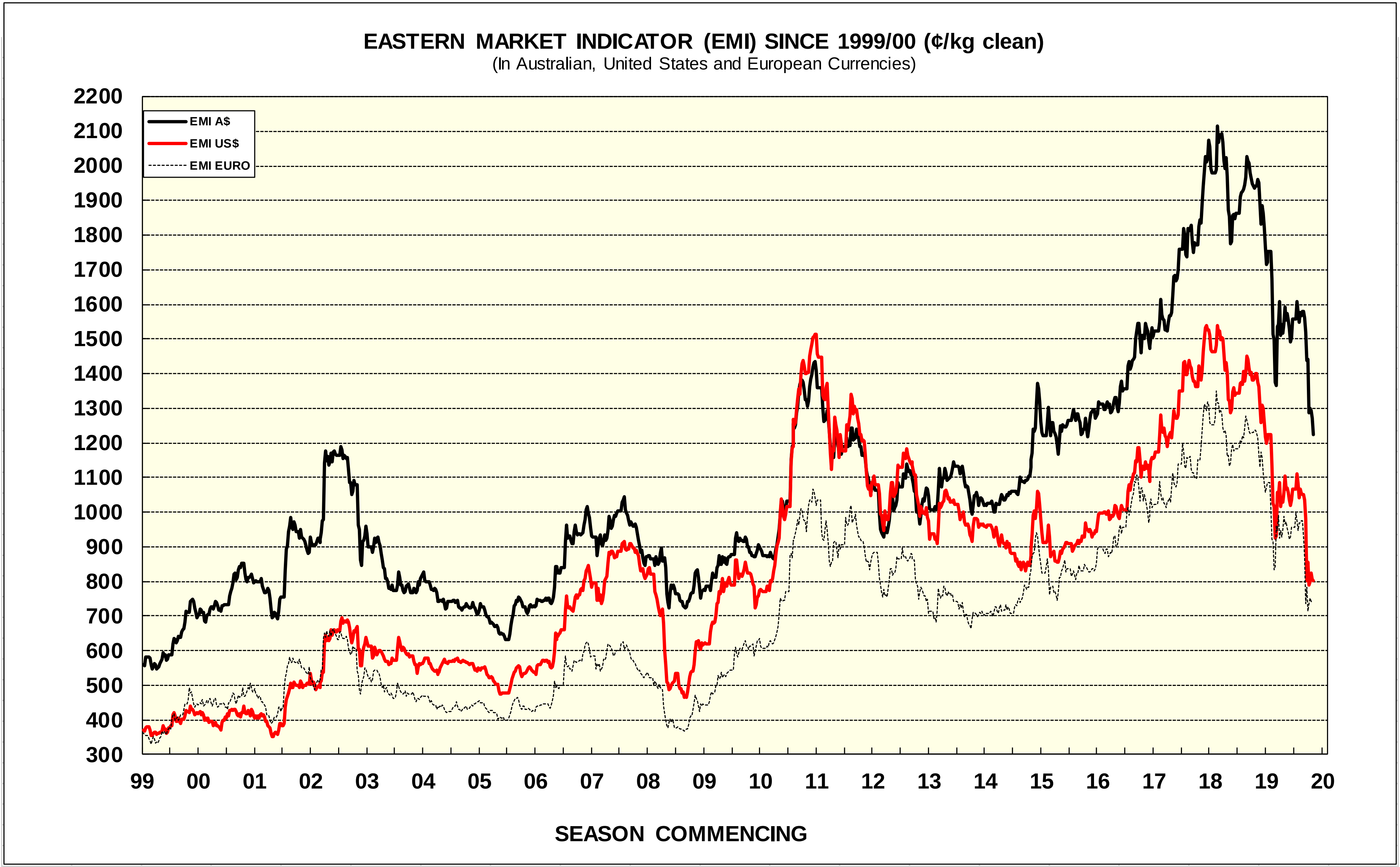



**32.0 MICRONS**




**MERINO CARDINGS**




EASTERN MARKET INDICATOR (EMI) SINCE 1999/00 (¢/kg clean)
(In Australian, United States and European Currencies)
EMI A$
EMI US$
EMI EURO
2200
2100
2000
1900
1800
1700
1600
1500
1400
1300
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SEASON COMMENCING