



The National Council of Wool Selling Brokers of Australia Inc

NEWSLETTER

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4th October 2019

2019/36

From the desk of Chris Wilcox, Executive Director

- Roller-coaster ride continues for Australian wool prices
- AWTA wool test volumes slump in September
- Volumes of non-mulesed wool down but share rises again
- Upcoming industry events



Volume of wool tested slumps in September

According to data from AWTA, the weight of wool tested across Australia fell sharply compared with September 2018, continuing the downward trend seen so far this season. Across Australia, there was a 13.7% drop in the weight of wool tested for the month. At just 24.28 mkg it is the lowest total for September in many, many years. As a result, there was a 14% drop in the weight of wool tested in the first quarter of the 2019/20 season. This is a larger decline than the current forecast from the Australian Wool Production Forecasting Committee (AWPFC) which is for a 5% decline for the full 2019/20 season.

The % decline in wool tested for the first quarter is greater than the AWPFC's forecast of production for each of the four largest wool producing states. There was a large 14% decline in wool tested for Victoria for the season to date. This is surprising given that seasonal conditions in Victoria are generally better than most other states and better than last year, with significant parts of the state seeing average or above average rainfall in the past six months. The decline could be a combination of a fall from the higher than usual wool test volumes for Victoria in the first quarter of 2018/19 and producers holding wool back on-farm following the big drop in wool prices in August. The decline in wool tests for South Australia is also a bit surprising, although it could be that this reflects the intense drought conditions in the northern pastoral regions of that state, with shearing only starting in the damper south-east of the state. The higher than expected decline for Western Australia could be in part due to wool being held on farm in response to the large drop in wool prices in August. Other states are reporting lower production levels in line with the AWPFC's forecast.

Further details, including a chart showing the year-on-year % change for September and for the first three months of the 2019/20 season for each state and for Australia compared with the AWPFC's forecast made in August, is provided in the full edition of the NCWSBA's *Weekly Newsletter*. There is also commentary about the trends by micron range. Available to NCWSBA members.

INDUSTRY EVENTS

The **2019 AWTA Annual General Meeting** will be held in Melbourne on Friday, 18th October 2019.

The **2019 IWTO Round Table** will be held in Queenstown, New Zealand on 2nd to 3rd December 2019.

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 7th OCT 2019 – week 15 (roster as at 3/10/2019)

Sydney

Wed, 9th Oct; Thurs, 10th Oct 8,341 bales

Melbourne

Wed, 9th Oct; Thurs, 10th Oct 18,085 bales

Fremantle

Wed, 9th Oct; Thurs, 10th Oct 7,748 bales

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