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Price transparency needed for wool

Wool producers need an accurate system for showing the prices paid for wool and the NSW Farmers' Association is calling on Australian Wool Handlers (AWH) to reverse its decision to withhold sale room data.

Chair of the Association's Wool Committee, Don Hamblin, says price transparency is vitally important because growers need to be confident that the information they use for setting their reserve prices, is both accurate and a true reflection of the current market.

"AWH has recently decided to establish its own separate wool auctions and is negotiating the sharing of sale rooms with the Australian Wool Exchange (AWEX), the leading industry body overseeing wool auctions.

"Recent reports suggest however that AWH appears to be using market reporting and sharing of sale data as a bargaining chip.

"Currently woolgrowers and buyers have a high degree of confidence in the market reporting that is associated with the wool auction system.

"Central to this is the role that AWEX has played in collecting and distributing information on the price of each lot of wool either sold or passed in within the auction system.

"Without accurate information from all sales, transparency of information will be lost. It is our fear that for some types of wool, growers will find it hard to determine the current price at auction.

"Wool growers are not the only ones who will be affected by this. The Association is concerned that because AWH is responsible for 60% of the wool sold, this could mean that wool futures will not truly reflect the market if such a large percentage of sale data is missing.

"Given the seriousness of the withdrawal of the offer and its potential effects on industry, the Association is calling on AWH to put the wider interests of the wool industry first," Mr Hamblin concluded.

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