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Australian wool production to ease in 2015/16

- The Australian Wool Production Forecasting Committee forecasts that shorn wool production for 2015/16 will decline by 4.3% to 332 mkg. This reflects a 3.7% fall in shorn sheep numbers, a result of the continued high turn-off of sheep and lambs in 2014/15, while average fleece weights are expected to be 0.7% lower than in 2014/15.
- The Committee estimated that shorn wool production for 2014/15 was 347 mkg, up by 1.8% from 2013/14. This is the result of higher fleece weights in 2014/15 more than offsetting a 1.3% decline in shorn sheep numbers.

The Australian Wool Production Forecasting Committee (AWPFC) has maintained its forecast for the 2015/16 season at 332 million kilograms greasy, a 4.3% decline on the estimate of 347 mkg for the 2014/15 season.

Committee Chairman, Russell Pattinson commented that “there is expected to be a reduction in the number of sheep shorn in 2015/16 after the ongoing high turn-off of sheep and lambs last season. At the same time, average fleece weights across Australia will be slightly lower than in 2014/15. Seasonal conditions are quite mixed, but the fall in average fleece weights reflects difficult seasons in several regions, including the western part of Victoria, south-east South Australia, Tasmania, northern New South Wales and most of Queensland.”

The AWPFC has also estimated shorn wool production for the 2014/15 season at 347 mkg, an increase of 1.8% over the previous season. This increase is in line with, but less than, the increase seen in AWTA tests, ABS wool receivals and AWEX auction offerings for 2014/15. Some of the increase in wool tests, receivals and auction offerings late in the 2014/15 season was attributed to the release of on-farm stocks held over from previous seasons as well as the forward offering of wool held in brokers’ stores and earlier than usual deliveries of recently shorn wool in response to the spike in wool prices in May and June. The overall increase in shorn wool production in 2014/15 is also a result of the improved fleece weights which partly offset the decline in the number of sheep shorn last season.

The Committee noted that the AWTA wool test data for the 2014/15 season showed a reduction in volumes of wool 17.5 microns and finer, but an increase in the volumes of 18-20 microns, 22-23 microns and broad (27 microns and broader) wool. This resulted in a 0.1 micron increase in the mean fibre diameter for Australia.



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Table 1: Summary of wool production estimates and forecasts for Australia

Parameter	2013/14 Final Estimate	2014/15 First Estimate	Change y-o-y (%)	2015/16 Second Forecast	Change y-o-y (%)
Opening sheep numbers (million head)	75.5	72.6	-3.9%	69.1	-4.8%
Sheep numbers shorn (million head)	78.0	77.0	-1.3%	74.2	-3.6%
Average cut per head (kg/head)	4.37	4.50	+3.1%	4.47	-0.7%
Shorn wool production (mkg greasy)	341	347	+1.8%	332	-4.3%

Note: Totals may not add due to rounding.

Table 2: Total shorn wool production by state - estimate for 2014/15

mkg greasy	QLD	NSW	VIC	TAS	SA	WA	NATIONAL
2013/14 Final Estimate (mkg)	10.8	125.2	70.5	10.2	52.0	71.8	341
2014/15 First Estimate (mkg)	9.1	129.8	72.6	10.8	57.1	67.2	347
Change y-o-y %	-15.4%	+3.6%	+3.0%	+5.8%	+9.8%	-6.4%	+1.8%

Note: Totals may not add due to rounding.

The National Committee drew on advice from the six State Committees, each of which includes growers, brokers, private treaty merchants, representatives from State Departments of Agriculture, and the Australian Wool Testing Authority.



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Data and input was also drawn from AWEX, wool exporters, the Australian Bureau of Statistics, ABARES, AWTA and Meat and Livestock Australia.

The full forecast report will be available on the AWI website at www.wool.com/forecasts from 28th August 2015.