members'update
we know wool

16th April 2014

Industry Services Advisory Committee

Notice of Meeting and Call for Submissions

Members are advised that the next meeting of the Industry Services Advisory Committee (ISAC) is scheduled for:

Friday 16th May 2014

The key discussion item for this meeting will be the consideration of the following:

Review of Bale Weights for Australian Wool

ISAC will be expanded for consideration of this issue to provide whole of industry recommendations to AWEX.

The attached paper outlines the current rules, status and issues raised with respect to bale weights as discussed at the March 2014 industry meeting called by ACWEP and PTWMA.

Submission(s)

ISAC is seeking submissions on this topic from all sectors of industry.

AWEX Members and industry stakeholders who wish to make a submission should email (or fax) their views/proposals together with any detailed supporting background information. Submissions are welcome from individuals and organisations.

All submissions will be tabled for consideration at the expanded ISAC meeting and will be treated in confidence.

All submissions must be in writing and include the name and address of the author/organisation.

Submissions are to be received by 5:00pm Thursday 8th May 2014.

For further information, to discuss the above, or to lodge your submission, please contact:

ISAC Secretary, Dr Kerry Hansford
Gate 4, Frederick St, Tottenham, VIC 3012
p. 03 9318 0277 f. 03 9314 5392 e. khansford@awex.com.au

or

AWEX CEO, Mark Grave
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Members Update: 3049

ISAC: Bale Weight Review

Background:

A meeting of industry representatives was called by the Australian Council of Wool Exporters and Processors (ACWEP) and the Private Treaty Wool Merchants of Australia (PTWMA) in March 2014 to raise their concerns about issues arising from bale weights (particularly low weights).

Representatives from WoolProducers Australia, ACWEP, PTWMA, National Council of Wool Selling Brokers of Australia (NCWSBA), Inland Wool Brokers (IWB), Australian Superfine Wool Growers Association (ASWGA), Dumps, Transport, Shearing Contractors, Australian Wool Testing Authority Ltd (AWTA) and AWEX met to consider issues raised for discussion.

The key concerns raised by ACWEP & PTWMA concerning bale weights were in relation to:

1. Work Health and Safety concerns when handling/stacking in warehouses,
2. Greater difficulties in core and grab sampling,
3. Work Health and Safety concerns when handling during transportation, and
4. Higher costs when per bale charges are converted to a per kilogram basis.

The supporting data presented at the March 2014 meeting is included to this paper.

A number of additional views/proposals were expressed with respect to bale weights, including:

1. Concerns about the number of overweight bales and the cost of handling them,
2. Whether the minimum bale weight should be increased to 130kg (as proposed by ACWEP & PWTMA),
3. Whether the maximum bale weight should be increased to >204kg (as proposed by WoolProducers),
4. The relevance of the criteria for the 'speciality superfine fleece' bale weight minimum,
5. The need to preserve the current bale weight average for dumping purposes,
6. The lack of market signals regarding bale weights,
7. The need to improve wool pressing on all bales,
8. The need to maintain wool preparation quality,
9. The need to improve communication of industry issues to increase awareness and educate.

The outcomes of the March 2014 industry meeting included:

1. Unanimous support that any recommendation with respect to bale weights MUST NOT impact on the quality of wool preparation,
2. Strong support for an increase in the minimum bale weight for non-speciality wool to 130kg,
3. Mixed views with respect to increasing the maximum bale weight, with concerns being expressed by representatives of the wool dumping industry to preserve the current bale weight average,
4. Agreement that communication would play a key role in raising awareness of issues and implementing any outcomes arising from this review.

The purpose of the review is to consider whether a change to the minimum and/or maximum bale weights would generate efficiencies through the supply chain and reduce the risk of Work Health and Safety events.

ISAC will make recommendations to be tabled for the consideration of the AWEX Board.

ISAC: Bale Weight Review

Summary of Information

Current Rules:

The current rules with respect to bale weights are:

Mean Fibre Diameter	Minimum Weight	Maximum Weight
18.5 micron and finer	90 kg*	204 kg
18.6 micron and greater	110 kg	204 kg

** A single bale line of speciality superfine fleece wool (ASF4 or better) 18.5 micron and finer may have a minimum gross weight of 90kg*

Speciality Wool Minimum Bale Weight

The minimum bale weight of single bale lines of speciality superfine fleece wool was developed in consultation with ASWGA and superfine wool buyers.

The development of the minimum bale weight for superfine wool was as follows:

1998	100kg	Individual bales, ASF , MF and MLF styles 1, 2 & 3,
2001	90kg	Wool less than 19.6 micron
2004	90kg	Fleece wool less than 18.6 micron
2013	90kg	Single bale lines of speciality superfine fleece wool (ASF 4 or better) 18.5 micron and finer

Analysis:

Maximum/Minimum Bale Weights

The following analysis of the 2012/13 test data was presented at the March meeting.

- 19.5% of all lots had at least one bale between 110 kg and 129 kg,
- There is limited information available on bales which originally weighed over 204kg

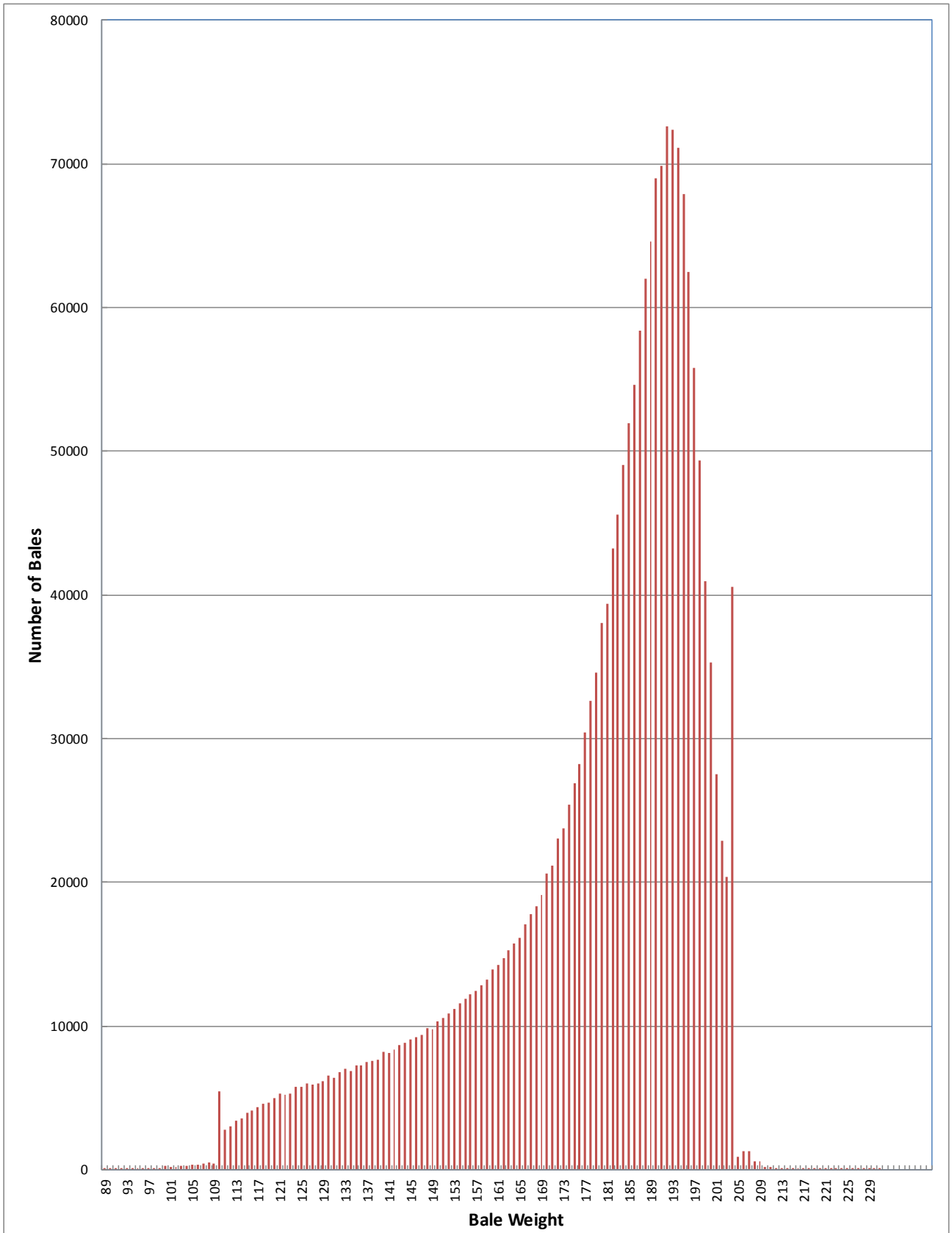
Average Bale Weight	178 kg
Median Bale Weight	185 kg
Bales less than 90 kg	0.006%
Bales less than 110 kg	0.2%
Bales less than 130 kg	4.8%
Bales between 110 kg – 129 kg	4.6%
Bales between 130 kg – 204 kg	94.9%

Table: Data supplied by AWTA

ISAC: Bale Weight Review

Distribution of Tested Bale Weights - AWTA 2012/13
All Bales

Number of Bales	**=**	**2,097,649**
Average Bale Weight	**=**	**178 kg**
Median Bale Weight	**=**	**185 kg**



ISAC: Bale Weight Review

By Certificate Type

	Farm Lot "P"	Farm Lot "D"	Bulk Class "Q"	Bulk Class "B"	Interlot "I"
Median Wt	186	178	179	178	171
Med Lot Size	3.9	3.5	4.9	5.3	4.2
% Bls 110-129	**3.9**	**6.6**	**5.8**	**5.1**	**11.5**

By Micron

	<13.0	13.0 13.9	14.0 14.9	15.0 15.9	16.0 16.9	17.0 17.9	18.0 18.9	19.0 19.9	20.0 20.9
Median Wt	125	144	167	179	183	185	186	187	187
Med Lot Size	1.0	1.0	1.2	1.7	2.5	3.2	3.8	4.5	5.0
% Bls 110-129	**20.0**	**20.8**	**15.2**	**10.7**	**7.7**	**5.6**	**4.3**	**3.6**	**3.0**

	21.0 21.9	22.0 22.9	23.0 23.9	24.0 24.9	25.0 25.9	26.0 26.9	27.0 27.9	28.0 28.9	>29.0
Median Wt	187	185	181	176	174	176	176	177	177
Med Lot Size	5.3	5.0	3.9	3.5	3.4	3.8	4.1	4.8	4.4
% Bls 110-129	**2.9**	**3.7**	**5.9**	**7.9**	**7.8**	**7.1**	**6.3**	**5.1**	**5.6**

By Lot Size

	1	2	3	4	5
Median Wt	161	165	175	180	182
Med Lot Size	1	2	3	4	5
% Bales 110-129	**15.7**	**14.3**	**8.7**	**6.7**	**5.4**

	6	7	8	9	10
Median Wt	184	185	186	187	187
Med Lot Size	6	7	8	9	10
% Bales 110-129	**4.6**	**3.9**	**3.3**	**2.9**	**2.5**