

Q1/2022

Welcome to AWEX Update Q1/22

“This is the first of the new AWEX quarterly updates that will provide a quick snapshot of relevant issues and services AWEX undertakes for the benefit of the wool industry.

I welcome your feedback on any issues raised in this update and please let us know if there are topics you would like to know more about.”

Mark Grave

CEO

FY21/22

AWEX Financial result for FY21/22 was a surplus of \$399,906.

Strategy 2022-26

“Delivering independence and expertise that underpins integrity in the wool industry”

A strong theme for AWEX in 2022, as endorsed by the Board, is industry collaboration. The progress to date suggests that this collaboration will deliver positive outcomes for the industry.

AWEX People



- Robyn Clubb AM, will complete her second term as AWEX Chair and retire from the AWEX Board at the November AGM. Robyn will be equal second longest serving AWEX Chair.



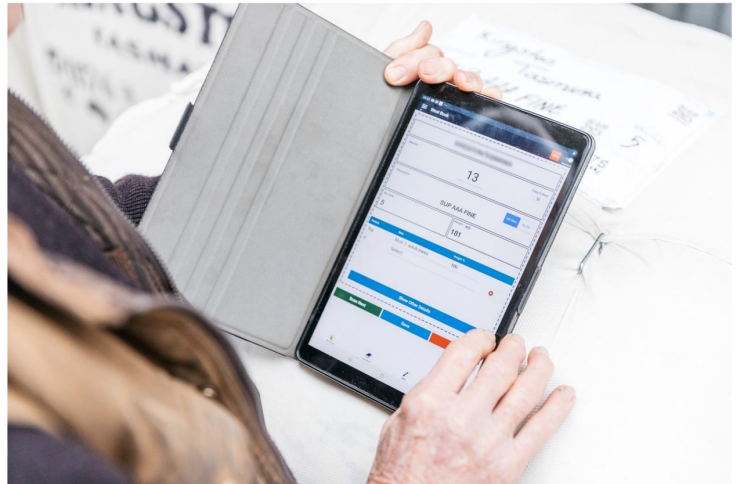
- The AWEX Board has appointed a new independent Director, Andreas Clark.

Andreas, a qualified lawyer (Masters of Law, ANU, Bachelor of Economics at Flinders University), has solid experience in senior roles in leading a complex multinational organisation with an extensive stakeholder base.

Wool Classers

- 14,478+ registered classers, down 1,764 (10.9%) compared to 2019-21,
- Biggest changes:
 - AWs (-812): NSW (-437),
 - OCs (-830): SA (-311).
- Issues of concern:
 - Increased reporting of “misuse of stencil” (“lending”),
 - Cost of and access to classer training,
 - Access to a skilled and experienced workforce,
 - Employment conditions in the wool shed.
- AWEX conducted an employment survey of professional wool classers. The survey is looking to find out the employment activity of and conditions experienced by wool classers. The Survey closed on 30 October 2022 and results will be released in the next AWEX Update Q2/22.
- ePCS will be out this month (by email) with features on Wool Preparation and Training. It is a document that can be shared with all.
- Consistency in training at a National Level was the focus of the Wool Classer trainers’ workshop held Melbourne VIC in September 2022.
- www.facebook.com/woolexchange

WoolClip Update

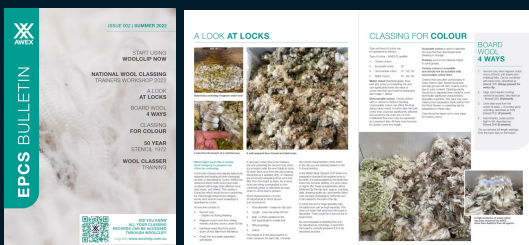


- On 15 September 2022, AWEX and AWI released a joint media release announcing a pathway forward to implement a single on-farm electronic specification.
- WoolClip will be the on-farm software platform to provide a single eSpeci for industry. As part of the collaborative approach, wool growers will be able to share their wool data with AWI’s WoolQ by selecting that option in their account settings.
- This is an important step for the industry in an effort to focus attention on traceability and to eliminate costs associated with competing systems.
- WoolClip participation is increasing: The WoolClip bale volume for the July – October 2022 period is up 44.4% compared to the same period in 2021. There has been a noticeable shift in the attitudes of growers, brokers and classers toward adopting the wool technology platform. The key drivers of this success are AWEX’s increased WoolClip extension activities in regional areas across Australia and the level of interest and link between WoolClip and eBale.
- The WoolClip Working Group, which reviews functionality and adoption met in June 2022. Another meeting will take place in December 2022.
- WoolClip support is available 7 days a week.

To find out more about WoolClip contact:

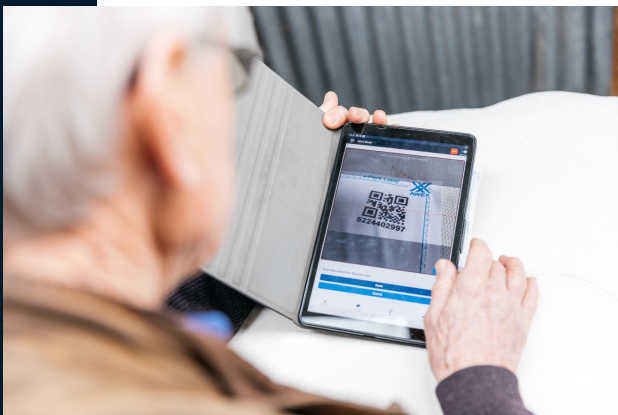
John Cox, WoolClip Program Leader

M 0468 533 529 | E jcox@awex.com.au | woolclip@awex.com.au



eBale & Traceability Project

- Interest in eBale remains high due to FMD/EAD concerns and the need for improved traceability. Enquiries to AWEX have been from Growers' and Brokers' expressing their interest in traceability, technology and innovation.
- eBale: The application of a unique bale-ID (number) via a RFID/QR Code on each individual wool pack (ePack).
- The QR Code is captured on-farm via WoolClip. WoolClip creates, registers and validates the unique bale-ID for integrity purposes. The bale-ID contains a unique number which can then be matched against the record on WoolClip, including Account, PIC, Farm Brand, NWD, bale details etc.
- The original RFID tag has been superseded, with an improved chip/antenna/packaging subsequently identified and proven to be fit-for-purpose.
- 20,000 tags were ordered and delivered in July. They were unusable due to the tag adhesive being not strong enough. The distribution of the failed tags ceased immediately. A suitable adhesive has since been identified and the tags reproduced; however, this delayed the roll-out by 4-6 weeks.
- 20,000 "new" RFID Tags arrived in mid-October and 12,000 ePacks at the end of October 2022. All ePacks have been allocated and are currently being distributed throughout Victoria, Tasmania and New South Wales.
- The Warehouse Integration Working Group has 8 members, being brokers, warehouses, dumps who have expressed interest, and their software suppliers. Work is being undertaken to establish a minimum viable product, where the intent is to utilise the RFID to receive, dispatch, find a bale and stock-take in a warehouse.
- With the increased exposure AWEX and the eBale project is receiving through WoolClip, interest in a commercial roll out of ePacks is growing. AWEX has had enquiries from growers, importers, manufacturers, brokers and processors who are interested in purchasing the new RFID/QR Code enabled pack label.
- The AWEX Board has agreed to implement eBale subject to receiving support from industry.
- In late October 2022, AWEX wrote to all Australian wool industry organisations, trading and broking companies and AWEX members outlining an implementation plan for eBale. Overseas processors in China and Italy were also included in the release of the implementation plan.
- The feedback and support to date has been very encouraging and an outcome of the eBale implementation plan will be known shortly.



Statistically Speaking

NWD

- NWD V9.3 was released on 25 July, notably it includes the introduction of LN. The first 'LN' bales were offered for sale in sale M06.
- AWEX continues to prepare statistics for the NWD. The table on the following pages reports information of importance to industry stakeholders, viz. declaration rates and Premiums and Discounts for Mulesing Status.

Declaration Rates for Mulesing Status

Figures based on % sum of bales, all breeds & wool types, first-hand offered, P&D Certs, excl. NZ.

Note, Liquid Nitrogen is not reported as the small numbers do not produce a % for any analysis.

Declaration Rates (%) by Mulesing Status and State for Seasons 2010 – 2022 (30/09/22)

Season	2010	2015	2020	2021	2022
National Decl. Rate	42.2	55.0	76.1	75.3	73.8
By Mulesing Status					
NM	5.5	9.1	15.1	17.6	16.7
CM	3.1	2.8	4.1	3.0	2.7
AA	8.4	22.8	40.6	40.5	43.1
M	25.3	20.3	16.3	14.2	11.3
ND	57.8	45.0	23.9	24.8	26.2
By State					
NSW	43.2	63.1	81.4	80.0	77.9
QLD	30.0	47.4	80.3	84.2	86.2
SA	43.6	61.3	83.0	81.3	80.6
TAS	69.1	67.2	87.0	81.2	84.2
VIC	45.3	65.2	82.8	80.1	77.5
WA	36.5	23.9	50.7	51.5	47.0

For more information about the NWD contact:
 Dr Kerry Hansford, Technical Projects Manager M 0429 953 344 | E khansford@awex.com.au

NWD Declaration Rates (%) by Mulesing Status & Breed/Micron (μm) for Season 2021

Breed	Merino				Crossbred				M° + XB
Mulesing Status	<18.6	18.6-20.5	20.6 – 24.6	>24.6	<18.6	18.6-20.5	20.6 – 24.6	>24.6	All μm
NM	18.5	9.5	7.0	26.5	27.1	33.2	38.3	38.5	17.6
CM	4.4	2.7	1.9	2.6	0.0	0.0	0.8	1.9	3.0
AA	49.8	46.9	43.9	14.4	20.4	8.7	10.5	10.8	40.5
M	10.9	15.3	20.8	26.7	7.7	8.9	11.2	13.4	14.2
ND	16.4	25.6	26.4	29.7	44.8	49.1	39.2	35.4	24.8
Total Bales	470,752	538,635	191,339	501	181	1,270	54,038	227,800	1,484,516

NWD Declaration Rates (%) by Mulesing Status & Breed/Micron (μm) for Season 2022 (YTD 30/09/22)

Breed	Merino				Crossbred				M° + XB
Mulesing Status	<18.6	18.6-20.5	20.6 – 24.6	>24.6	<18.6	18.6-20.5	20.6 – 24.6	>24.6	All μm
NM	19.1	9.4	7.5	17.8	9.5	29.1	37.2	35.7	16.7
CM	3.6	3.0	1.9	0	0	0	0.3	1.1	2.7
AA	51.3	48.3	45.0	7.8	16.7	14.6	12.9	13.5	43.1
M	8.6	12.9	16.0	40.0	9.5	15.6	4.6	9.8	11.3
ND	17.4	26.3	29.5	34.4	64.3	40.7	45.1	40.0	26.2
Total Bales	108,241	118,883	44,515	90	42	405	9,567	43,862	325,605

Premiums and Discounts for Mulesing Status

Criteria for Calculation of Ps and Ds for Mulesing Status

- Australian Stored; Merino Fleece/Weaners and Crossbred Fleece.
- >30 N/ktex, >60% Schlum Dry, <2.2 VMB, Styles 4/5, Good/light colour (incl. H1), P Cert.
- Lengths according to Diameter Range: 70–95 mm (<18 μm), 75–99 mm (19–21 μm), 83–104 mm (22–24 μm), 90–110 mm (26–29 μm), 100–130 mm (30–34 μm).
- Records per group (micron/NWD status) >2, empty cells when not enough data to generate a P or D.
- Comparison with Prices for wool declared as Mulesed.

Premiums and Discounts for Mulesing Status, Seasons 2015, 2020 – 2022 (YTD 30/09/22)

		MERINO						NON-MERINO					
		16	17	18	19	20	21	22	27	28	29	30	
		NON MULESED (NM)											
Season	2015	10	15	7	8	8	1	-15	0	-1	1	4	
	2020	33	27	32	26	19	19			0	6	2	
	2021	78	77	68	53	51	12		7	5	8		
	2022		42	40	31	4	8		5	-8	18		
		CEASED MULESING (CM)											
Season	2015	51	15	3	8	5	4	-1	2	5	-8	-3	
	2020		1	3	8	8	3			1			
	2021		61	40	31								
	2022			34	31								
		MULESED with ANALGESIC and/or ANAESTHETIC (AA)											
Season	2015	2	2	-4	0	1	0	2	8		9	14	
	2020	19	12	10	11	11	5	3		4	7	2	
	2021		16	12	13	14	1	6	3	5	3		
	2022		11	9	16	4				-4			
		NOT DECLARED (ND)											
Season	2015	8	5	-2	-4	-4	0	0	-6	-4	-2	-2	
	2020		-4	2	-5	-6	-1	-2		-8	-4		
	2021		-6	-5	-7	-10	-4		-7	-7	-10	-6	
	2022			-15	8	-5	2				2		

Market Information – e3

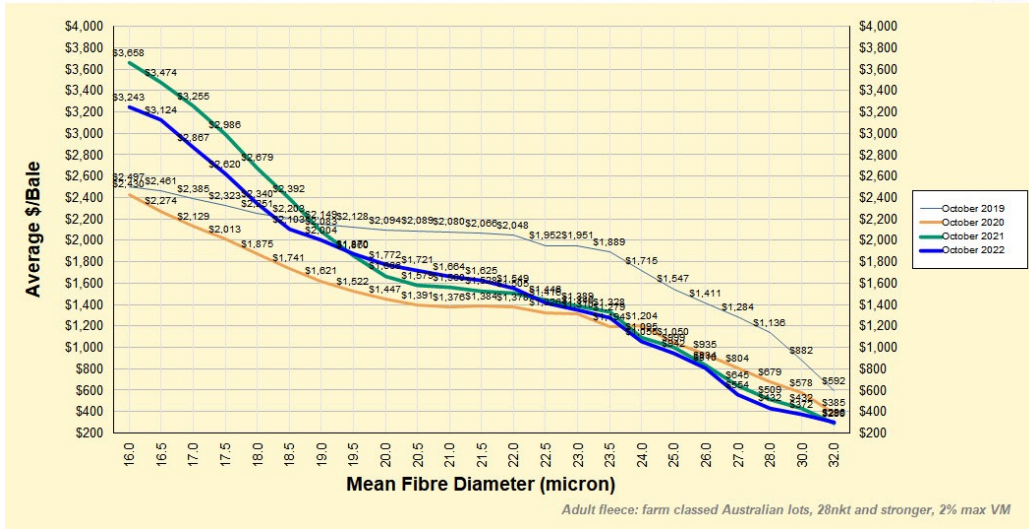
- Industry has been advised of the outcomes of a review of the Market Indicators and Micron Price Guides. The changes are due to the changing profile of sheep/wool production and more recently, the influence of Certified Integrity Schemes (CIS).

The next step will be to release CIS indicators.

With the rollout of e3 (e2 technology is no longer supported) AWEX is continuing to hold company and individual user training sessions to address any concerns and help support the transition to e3.

For more information about e3 or one-on-one training please call Lionel Plunkett 02 9428 6136.

Average AU\$ per Bale Sold (Adult Fleece) by Calendar Year for the month of: October



Industry Meetings/Events

- AWEX held an EAD Meeting (online), where 66 people attended. The meeting was recorded (1hr 28 mins) and is available on: <https://youtu.be/2N6iq9bVUWs>

Presentations commence at:

- *Dr Peter Dagg, Animal Health Australia, 0:05:15 (5m 15 secs)*
- *Jo Hall, WoolProducers, 0:44:30 (44m 30secs)*
- *David Crowe, AWTA, 1:02:00 (1hr 2m 00 secs)*

WoolClip Working Group

The next WoolClip Working Group meeting will be held on **Wednesday 7 December 2022**.

Looking for a Wool Classer? Try, Woolsearch!



AWEX has a list of currently registered professional wool classers (AWs & MCs) available on Woolsearch.

<https://www.awex.com.au/wool-classer/woolsearch/>

Woolsearch is contains a list of professional wool classers by state and suburb/postcode. All classers listed are current and registered, complete with contact numbers and/or email addresses.

Woolsearch is a free service available to all wool brokers, growers, members and shearing contractors.

If you are in need of a wool classer try Woolsearch.

SustainaWOOL™

INTEGRITY SCHEME

Sustainability is a priority for the wool industry globally and its definition continues to evolve.

What separates SustainaWOOL from other Integrity Schemes?:

- 1. Preparation Standard:** SWIS lots MUST be prepared by a registered classer and meet the standard for the preparation of Australian wool clips. It must carry a 'P' certificate, and
- 2. Integrity of data:** All SustainaWOOL lots are subject to weekly monitoring for compliance and integrity of information.

These two areas for SWIS are not negotiable.

Volume & Market Share

The volume of market share, has levelled at around 7.2% of all auction lots and 11.0% of Merino lots.

Year-end market share figures for the SWIS program

Catalogue compliance figures for the SWIS program

SW auction offering (adjusted for 'SW code missing' lots)	2020/21 season	2021/22 season	Compliance metric	2020/21 season	2021/22 season	YTD 2022/23 season
Bales	120,958	117,079	Exception lots detected each week	140 (27%)	95 (18%)	(14.3%)
Lots	24,164	23,614				
Share of all lots offered (Mer+XBD)	7.4%	7.2%	Catalogue alterations needing to be advised	78 (14.8%)	71 (13.5%)	(11.7%)
Share of Merino lots offered	11.4%	11.0%				

* Figures represent GOLD, GREEN, and BLUE members.

- SustainaWOOL Integrity Scheme (SWIS) on-farm audits have recommenced following the Covid-19 restrictions being lifted. The audit is critical to the overall integrity of SustainaWOOL in demonstrating best practice of grower members in managing their flock and land that produces the best wool in the world.
- We are pleased that the weekly lot offering audits are reporting lower discrepancies of SustainaWOOL sale lots. The SustainaWOOL team continues to work with wool brokers by conducting pre-sale audits of each catalogue nationally to ensure SustainaWOOL is allocated correctly to all eligible sale lots.
- In August 2022, Jenny Zhang was appointed as the SWIS China Region Representative. The SustainaWOOL Team has worked with Jenny to create presentation and educational materials to increase awareness of the SWIS Program in the region. We look forward to receiving regular supply chain partner insights to add value to the SWIS program.
- To follow SustainaWOOL:



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