

Q3 / 2022-23

Welcome to AWEX Update

“Momentum is Growing: In this issue AWEX is reporting on the progress of eBale, WoolClip breaks through new barriers, the NWD under review, SustainaWOOL progress with Supply Chain Partners and an update on key auction activity.”

Mark Grave, CEO

Strategy 2023-2027

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

AWEX’s services are trusted and widely used by industry stakeholders. AWEX services include: NWD, market information, administration services, integrity service programs including wool classer registration, show floor compliance, SustainaWOOL, eBale and wool packs, to name a few.

Momentum is Growing WoolClip



By the numbers:	Bales Captured	YOY Movement *
STD July 2022 – March 2023	113,287	+71%
April 2022 – March 2023	134,773	+45%

Interest in and adoption of WoolClip is growing quickly. AWEX’s WoolClip extension program over the last 6 months has also increased levels of interest in traceability and the implementation of eBale.

The WoolClip extension program has included pop-up and targeted training workshops for classers, growers, brokers and their staff across TAS, NSW, VIC, SA & WA and it is paying dividends.

AWEX’s presence at key industry events together with our continued engagement with wool brokers is helping realise the true value of WoolClip. WoolClip will roll out further enhancements in the coming months to add greater value to the wool industry’s platform.

WoolClip Data/API:

All broker software providers have the capability of downloading WoolClip data direct from their grower clients via the WoolClip API. Broker’s should contact their software provider to make sure they can take advantage of receiving WoolClip information in data form (as well as pdf).

WoolClip Support & Resources

To access the current “How To” resources for Classers and for Growers, as well as broker posters and media and how to guides, please click on the attached link;

<https://www.awex.com.au/woolclip/support-and-resources>

- Wool growers now have the ability to share their wool data with AWI’s WoolQ. This functionality has only just been released.

If you, your staff or your clients would like to receive training in WoolClip, contact John Cox to arrange a suitable time/date.

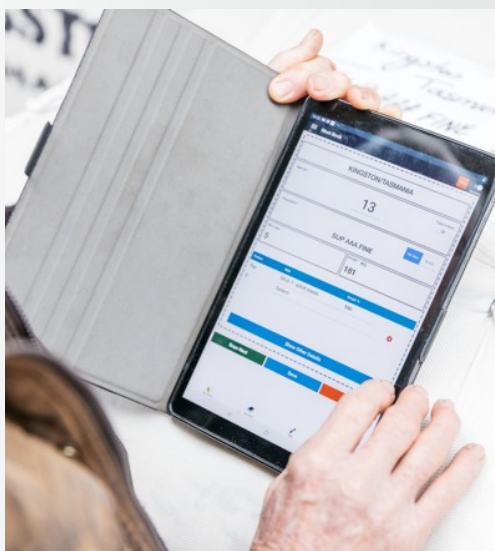
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Note: WoolClip support is available 7 days a week.



Pop-Up Training Workshops

In Q4 of 2022/23, AWEX will be available at the following industry events:

- NSW:** Hay, Riverina Field Day 12/13th May
Dubbo, Wool Forum 17th June
- VIC:** Melbourne, Master Classer 22-25 May
- TAS:** Campbell Town Show 2/3rd June
North Tas pop-up, 5th June
South Tas pop up, 6th June

Wool Classers & Classing

The AWEX/TAFE NSW National Graduate Wool Classing competition was held on Tuesday 11th April at the Sydney Royal Easter Show.



This year there were 10 classers from TAS, WA, VIC, SA and NSW competing for top honours.

This year’s winners were:

- 1st Place - Austin Grace (NSW)
- 2nd Place - Jacqueline Dare (TAS)
- 3rd Place - Cameron Gall (NSW)

To see all the details and photos of the event please go to the AWEX Facebook page:

 www.facebook.com/woolexchange

- The AWEX Facebook page is a popular meeting place to discuss all things wool: e.g. a recent post on DAGS, reached over 80,000+.
- AWEX is a member of the National Wool Harvesting & Training Advisory Group which is focussed on improving and addressing work force issues in the wool shed.

REMINDER: CERT IV Wool Classer Training: NSW & TAS

TAFE has announced that 2023 would be fee-free for CERT IV Wool Classing.

Please share this with your staff and clients.

Contact your nearest TAFE for more information and eligibility.

eBale & Traceability Project

eBale

eBales are now arriving in Australia and will soon be available for purchase. Please contact your wool pack supplier to find out more about their eBale stock.

AWEX has RFID/QR Code tags for purchase at a cost of \$0.80ea + GST, including postage – contact AWEX. These adhesive tags can be used to ‘retro-fit’ existing non-eBale packs for use on farm or in a warehouse.

The next critical date will be 1st July 2023, when only eBale packs with RFID/QR Code labels will be imported

into Australia. This will fast track the adoption of eBale and improve Australia’s wool traceability credentials. AWEX has committed to purchasing 5 million RFIDs, equivalent to 2-3 years of wool packs.

Note, “non-eBale packs” may still be used into the future - there is no end date for their use. Processes are required to enable “old non-eBale packs” to be integrated into the systems developed to utilise eBales. These processes will be developed in line with the integration of eBales into warehouses.

Warehouse Integration

On March 30th, 2023, AWEX hosted a Teams meeting where interested brokers heard the outcomes of Technical Consultant, Tony Smith’s, discovery interviews with brokers and their software providers. The base functionality includes the following:

(a) Receipts

The ability to have a RFID reader at the receipt area to:

- a. verify bales that have been previously received from an eSpeci (WoolClip)
- b. manually add bales to the system after capturing all bale RFIDs from the receipt

(b) Storing Wool Pre-Coring

Once the wool is captured into the system, the operator can update the location of the bales within the wool store. This would update the system with that location for easy access for coring.



Identifying bales received into store using “Hand-held” and/or “Fixed” readers



Identifying bales in a wool store using a “Hand-held” reader

(c) Core-Testing

An RFID reader at the core line will verify that the bales going through are the correct bales, as each bale/lot is displayed on the screen. The bale would be highlighted ready for weighing. The verification would identify the presence of a bale that is not in the lot.

(d) Storing Wool Post Coring

Once the wool is cored, the operator can update the location of the bales within the wool store. This would update the system with that location for easy access for delivery.

(e) Deliveries

The delivery instruction of bales would include the RFID on the paperwork and would be pre-loaded onto handhelds or forklift units to allow operators to collect the bales ready for delivery. The verification of the correct bales would be very important for the delivery process.



"Fixed" reader identifying bales as they enter a core-line

Next Steps for Warehouse Integration

Over the next 6-8 weeks, AWEX will facilitate meetings between software providers and their broker clients to

confirm that the planned software development meets the needs of all clients and that a suitable funding model can be agreed. It is anticipated that once these items are addressed, that the software development can proceed.

eBale & Traceability Project

The implementation of eBale has begun www.awex.com.au/members/members-update

The following are the key dates:

- **31 December 2022** - current bale label production will cease - COMPLETED
- **1 January 2023** – production of the eBale label to commence - COMMENCED
- **30 June 2023** – last date for importation of current non-RFID packs
- **1 July 2023** – only eBale packs to be imported from this date

The first commercial batches of eBales will be arriving in Australia shortly.

eBale FAQs

Bale Branding

AWEX has received a number of inquiries regarding whether bale branding (Face/Head of a bale) is still required on the new eBale packs. The answer is **YES**. Bale Branding of both the Head and Face of a bale remains important part of identification of wool bales and is required.

The RFID/QR Code technology is in addition to bale branding and not a replacement.

Old (Non-eBale) packs

Growers are encouraged to continue to use their “old” packs until they are finished. This is part of the transition phase of moving towards eBale packs. Over the next 9-12 months we will progressively see more eBale packs come through the supply chain and, in the meantime, we will see a mixture of old and new being used.

Retro-Fitting Non-eBale packs

AWEX has available (in stock) RFID/QR Code tags for purchase. These adhesive tags can be used to ‘retro-fit’ existing non-eBale packs. Tags are applied to the bale label for use on farm or in a warehouse.

eBale Tags are available for purchase at a cost of \$0.80ea + GST, including postage. To purchase eBale Tags please contact AWEX.

eBale

eBale is the application of a unique bale-ID (number) via a RFID/QR Code on each individual wool pack (**eBale**).

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.



SustainaWOOL™ INTEGRITY SCHEME

- The start of 2023 has been busy for the SWIS team with membership renewals and new members joining this important program.
- The ISO 9001: 2015 audit was conducted in December resulting in full re-certification being received. This is great news for NWD and SustainaWOOL to continue the high standards already achieved in these programs for our growers.
- The wool selling year has started strongly with a large number of offerings presented for sale. The SustainaWOOL team continues to review and audit each week's sale lots to ensure the accreditation is attached to the lots offered for sale.
- Our SustainaWOOL audit team are now back on deck and in full swing visiting our growers. The level of compliance being reported is excellent and it is certainly pleasing to see the high standards of stewardship and sheep husbandry practices of our woolgrowers being demonstrated.



Over the past quarter, SustainaWOOL has continued to build momentum, especially downstream.

Supply chain engagement

Over the past months, we've received a substantial increase in downstream interest in SustainaWOOL as an integrity scheme for ensuring sourcing of wool from growers who can demonstrate commitment to sustainability standards.

A common theme from all we speak to is intent to explore efficient alternatives to existing certification programs, which are associated with greater volumes and more consistently high levels of clip preparation standard.

We proudly report relationships have been strengthened with existing China Region supply chain partners and new partners are signing up and introducing their upstream and downstream partners in Asia, the northern hemisphere, and in Australia.

We've onboarded several new Supply Chain Partners in the knitting, spinning and export sectors, and are **engaging** with a number of others from further downstream.

Wool growers and auction supplies

The past 3 months have been a very busy time for grower renewals of their SustainaWOOL registrations, and very positive auction offerings from our members – season-to-date, we are running at around 10.8% of auction offerings, which equates to around 15% of the eligible clip when one considered must be P-certificate status and non-or ceased mulesed, or breech modified with effective pain and inflammation relief.

We've so welcomed a number of new members to SustainaWOOL, especially in our SustainaBlue membership tier. Our 'Blues' are critical to this industry and to a number of our supply chain partners.

Statistically Speaking

NWD Declaration Rates and Premiums & Discounts

1. Declaration Rates for Mulesing Status (MS)

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

Season	2010	2012	2014	2016	2018	2020	2021	YTD 2022
National Decl. Rate	42.2	44.8	49.5	61.2	70.2	76.1	75.3	72.8
By Mulesing Status								
NM	5.5	6.6	7.5	9.9	13.0	15.1	17.6	19.2
CM	3.1	2.4	2.8	2.9	2.5	4.1	3.0	3.0
LN	-	-	-	-	-	-	-	0.1
AA	8.4	14.3	18.8	27.7	35.6	40.6	40.5	40.9
M	25.3	21.4	20.4	20.6	19.1	16.3	14.2	9.7
ND	57.8	55.2	50.5	38.8	29.8	23.9	24.8	27.1
By State								
NSW	43.2	49.6	56.3	68.1	75.3	81.4	80.0	76.5
QLD	30.0	38.2	39.5	52.7	75.0	80.3	84.2	87.0
SA	43.6	44.8	55.7	66.6	77.1	83.0	81.3	78.0
TAS	69.1	55.3	50.8	79.9	81.6	87.0	81.2	84.9
VIC	45.3	51.0	60.9	76.0	82.3	82.8	80.1	75.7
WA	36.5	28.4	20.9	31.1	40.3	50.7	51.5	53.9

Table 1 Declaration Rates (%) by Mulesing Status and State for Seasons 2010 – 2022 (31/03/23)

2. Market Signals for Mulesing Status

Criteria for Calculation of Market Signals 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.

	MERINO						NON-MERINO					
	16	17	18	19	20	21	22	27	28	29	30	
NON MULESED (NM)												
2020	33	27	32	26	19	19			0	6	2	
2021	78	77	68	53	51	12		7	5	8		
2022	65	44	27	18	7	6		8	-4	10		
CEASED MULESING (CM)												
2020		1	3	8	8	3			1			
2021		61	40	31								
2022			25	14								
MULESED with ANALGESIC and/or ANAESTHETIC (AA)												
2020	19	12	10	11	11	5	3		4	7	2	
2021		16	12	13	14	1	6	3	5	3		
2022	48	34	5	9	6	4			0			
NOT DECLARED (ND)												
2020		-4	2	-5	-6	-1	-2		-8	-4		
2021		-6	-5	-7	-10	-4		-7	-7	-10	-6	
2022		-14	-17	-2	-3	0		-4	-11	-8		

Market Signals for Mulesing Status, Seasons 2015, 2020 – 2022 (YTD 31/03/23)

National Wool Declaration – 2023 Review

The NWD Review will be undertaken by AWEX through an Industry Consultative Committee (NWD ICC); with an Independent Chair and members consisting of representatives from industry organisations. Submissions have been received from Industry stakeholders, with these to be considered at the first meeting, which is scheduled for mid-May 2023.

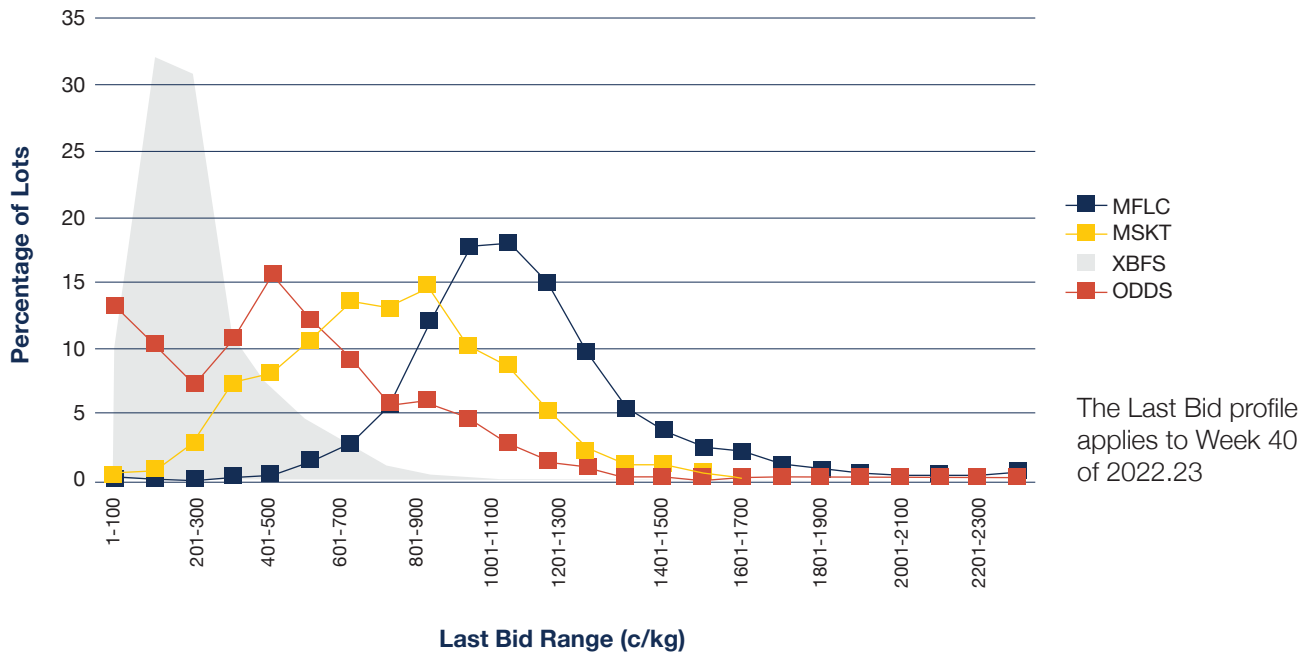
NWD V9.3 will remain in place until 30 June 2024. NWD V10.0 (regardless of any change, or not) will be effective from 1 July 2024. Industry will be notified by end of calendar year 2023 of the outcomes from the NWD Review.

The Market

YTD 2022/23 (31st March) break down of wool offering by breed

	Merino	Non-Merino
NORTH	78.20%	21.80%
SOUTH	72.70%	27.30%
WEST	94.20%	5.80%
Total	78.40%	21.60%

Percentage of Lots by Last Bid by Type Group



The Market

Certified Integrity Scheme indicators have been released as part of the weekly market report.

An essential element of a wool auction is the Selling Arrangement document which defines the number of selling days, the day on which each broker sells, the selling order within each sale room, the number of lots and bales for each room and day, and the start time of each room. These variables are defined by a series of business rules.

Another important function of the Selling Arrangements from the buying perspective is its contribution to buying strategy. This includes providing indicative volumes to be offered and by extension, the amount of funding that might be required.

The Selling Arrangement for a Sale is typically issued on the last Sale day in the week prior.

In the period between the Selling Arrangements and the final catalogue, brokers are subject to external factors that can change the catalogued total; these include grower instructions (to remove or add), and incomplete lot data (necessitating removal from Sale).

Notwithstanding these factors, many brokers transmit a catalogue with totals very close to their advised Selling Arrangement quantity.

Recently the size of larger differences between the advised Selling Arrangement and the transmitted catalogue in some centres has attracted commentary and frustration from the buying sector. The implications of significant variations can include poorly calibrated selling days in quantities which in turn can impact market outcomes and subsequent rostering.

THE FOLLOWING CHART ILLUSTRATES THE PERCENTAGE DIFFERENCE (LOTS) FROM THE SELLING ARRANGEMENTS TO THE FINAL CATALOGUED TOTAL (BY CENTRE AND WEEK) SINCE JANUARY 2022.

**Advised compared to Actual
(% change in Lots by Week and Centre)**

