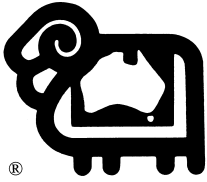


AUSTRALIAN COUNCIL of WOOL EXPORTERS & PROCESSORS INC



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17 March 2023

ACWEP-23-016

Dr Kerry Hansford
Secretary NWD ICC
Australian Wool Exchange Ltd
PO Box 651
NORTH RYDE BC NSW 2113

By Email: khansford@awex.com.au

Dear Kerry,

National Wool Declaration Review 5 May 2023

INTRODUCTORY COMMENTS

Please find attached the joint Submission from the Australian Council of Wool Exporters and Processors (ACWEP) and the Private Treaty Wool Merchants of Australia (PTWMA).

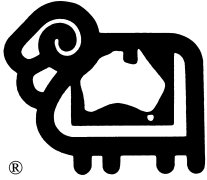
1. There is little doubt that considerable work has gone into this project over the last 20 years. ACWEP and PTWMA are part of that input and acknowledge the work of others.
2. However, we believe that the outcomes, as described in this Submission, have been less than hoped for over the period since 2003.
3. Given that the outcomes are unlikely to change between now and the end of June, this leads us to recommend that it is time to try something different to better assess further opportunities for progress.

We have made some suggestions as to how the Industry might proceed in pursuing this goal.

Yours sincerely,

Peter Morgan
Josh Lamb
Neville Armstrong
Scott Williams

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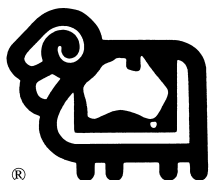
9 March 2023

ACWEP-23-016

National Wool Declaration Review 5 May 2023

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ACWEP-23-016

National Wool Declaration Review 5 May 2023

BACKGROUND

1. Mulesing has been an increasingly significant issue since 2003 when the “*Cormo Express*” was prevented from unloading its cargo of 52,000 Australian sheep in Saudi Arabia. PETA, and other Animal Rights Organisations, responded by way of a campaign against the Australian sheep and wool industry.
2. Australia’s international sheep and wool customers had virtually no knowledge of Mulesing prior to the “*Cormo Express*”. AWI formed and funded an industry Working Group, whose first function was to develop a National and International Communication Campaign.
3. The National Wool Declaration (NWD) was later adapted in 2008/09 to record and report the Declaration Rates for **NM, CM, M** and **AA** (the latter was included to report the use of Tri-Solfen).
 - 3.1 Provision was added to report the use of Liquid Nitrogen in 2022.
 - 3.2 The Declaration Rates of the number of bales undergoing one of the various procedures at the end of March 2023 is reported in the following Table.

Breech Treatment		Declaration Rates (July to March 2023)		
		AWEX DATA	AWTA DATA	Movement in Declaration Rates
Non Mulesed – <= 22.5µ	NM	14.2%	13.4%	Moving Up Slowly
Non Mulesed – > 22.5µ	NM	38.4%	32.5%	Moving Up More Quickly
Non Mulesed – All Wool	NM	18.8%	17.9%	Moving Up Slowly
Ceased Mulesed	CM	3.0%	2.8%	Unchanged since Reporting began
Liquid Nitrogen	LN	0.0%	0.1%	Started July 2022
Mulesed	M	9.8%	8.6%	Moving Down
Mulesed	AA	41.1%	33.4%	Moving Up the Fastest
Not Declared #	ND	27.3%	37.3% #	Moving Up after previously Moving Down
Not Declared ##	ND		56.2% ##	Highest Value

AWTA Auction plus Non-Auction Wool

AWTA Non-Auction Wool Only. It presumably includes Bulk Class and other Blends which may not have been eligible to be assigned a Mulesing Status.

Note, The AWEX and AWTA ND data have been Moving Up recently, whereas they had previously been Moving Down, (as might have been expected, rather than Moving Up).

LOOKING AHEAD - 1

4. Animal Rights/Welfare supporters have become increasingly well organised since the days of the “*Cormo Express*”; including winning seats in State Parliamentary Upper Houses. It is also apparent that while some may be content with the use of Pain Relief, others are not. Recent announcements of possibly banning the live sheep trade to the Middle East should be seen as a warning of possible legislated changes to animal welfare practices for the livestock industries.

5. These warning signs are forever present such as:
- 5.1 The proposed legislated banning of Mulesing, e.g. by the Animal Justice Party (AJP) in New South Wales, is a constant challenge; as are
- 5.2 The slow reported increases in the use of alternate procedures to Mulesing and/or the use of registered Pain Relief products (with the exception of the increases in AA in the latter case).
e.g. Declaration Rates of 14.1% (AWEX) and 13.4% (AWTA) for wool of ≤ 22.5 microns are not easy to defend after 20 years; and may lead to a “*legislated imposition for change*”, such as in Victoria, where the use of a Pain Relief product is mandatory when Mulesing.

LOOKING AHEAD - 2

6. While “*To Mules, or Not to Mules*”, is a Grower decision, the methodology for recording and reporting the outcomes of the Growers’ decisions on the NWD are broader industry issues.

The primary aim of this Submission is to help make it easier for a Grower to Declare the Mulesing Status of his/her wool to potential Buyers.

We do not believe that the current situation fully meets this requirement, e.g.:

<p>NM</p>	<p>The definition is very restrictive. The NWD states that there must be no Mulesed sheep, or sheep which have been treated with Liquid Nitrogen, in a Mob for its wool to qualify for NM.</p> <p>Ignoring Liquid Nitrogen (which is covered elsewhere), our view is that this fails to recognise that:</p> <ul style="list-style-type: none"> * A grower who chooses not to Mules his/her young sheep should be recognised for doing so, and that * This should be irrespective of whether some stray (older?) Mulesed sheep become mixed with the Non-Mulesed sheep. <p>The grower’s intention is pretty clear in that he/she has made a decision to stop Mulesing.</p> <p>Our Recommendation is for some flexibility in the Revised NWD, as can be seen on the Draft NWDs on the last page of this Document.</p>
<p>CM</p>	<p>The current definition is complex; and is structured differently to the format used for NM etc. on the first page of the current NWD.</p> <p>Our Recommendation is:</p> <ul style="list-style-type: none"> * To rewrite the CM Definition in a similar format to that used for NM, LN etc; and to place the CM data: <ul style="list-style-type: none"> # On top of, or # To the left hand side of NM, LN etc on the NWD; and * To remove the distinction between the wool from sheep bred on the Property and the wool from bought sheep. * A draft set of suggested changes follows on the last page of this Document.
<p>NM/CM</p>	<p>In looking at the above recommendations for NM and CM, there is little difference between the two in that each reports that Mulesing has stopped on the Property.</p> <p>Private Treaty Merchants, who work closely with wool growers, are of the view that avoiding the need to distinguish between NM and CM wool would:</p> <ul style="list-style-type: none"> * Assist wool growers in the allocation of Mulesing Status; and * Lead to better Declaration Rates with no loss of integrity.
<p>LN/LA</p>	<p>It is difficult to comment on the use of Liquid Nitrogen at this stage given that:</p> <ul style="list-style-type: none"> * The current season is the first in which its use has been reported; and * Its Declaration Rate to date has not yet reached 0.1% <p>Also, there is no provision for the use of LN with a Pain Relief product on the current NWD. Some growers may want to use a Pain Relief product, and report its use, in which case LA may be an appropriate Code.</p> <p>We have included LA for completeness on the Draft NWD.</p>
<p>ND</p>	<p>The current ND percentage values are high; and are going up at a time when it is more likely that they would have been expected to be coming down.</p> <p>It should also be noted that 56% of the AWTA sourced Non-Auction wool data is identified as ND. This figure needs interpretation as it may include some mixed Mobs, but never-the-less it is high.</p> <p>The number of ND bales may be best reduced by adopting strategies to increase Declaration Rates for NM/CM/AA etc.</p>

7. **LAYOUT OF THE NWD** We believe the layout of the NWD (Page 6) could also be made more user friendly, as per the two examples on the last page (Page 7).

OTHER MATTERS

8. The Length And Complexity of the Associated Documentation

- 8.1. It is important to acknowledge the work that AWEX has put into the preparation of documentation to assist growers, selling agents and others; namely.

- * The “*Business Rules for Mulesing Status*” released with Version 9.3 of the NWD in March 2022; and
- * The three associated documents listed on the AWEX Web Site:
(See the “*National Wool Declaration (NWD)*” Web Page)
AWEX NWD V9.3 “Declaring what the World’s Demanding”, March 2022
AWEX NWD V9.3 “How to complete the NWD Correctly”, March 2022
AWEX NWD V9.3 “FAQ”, March 2022

- 8.2 While acknowledging the work that has gone into these documents, it is also important to note that the “*Business Rules*” are lengthy at 10 pages plus 5 pages of Appendices; as are the three associated documents, which have a combined length of 12 pages.

This is a lot of documentation for a process that growers only do once, or a few times, each year.

9. Communication

Given that communication is a key part of increasing Declaration Rates, it appears timely that one outcome of this Review should be the need to review the Industry’s Communication Strategy re Breech Treatment/Mulesing.

10. Adding Additional Breech Treatments to the NWD

The following question will arise at some time.

“What Happens if a Manufacturer Develops a New Treatment or Product that is Not Provided For on the NWD”, e.g. “NumNuts”.

The Integrity issues that occurred during the evaluation process for the use of Liquid Nitrogen indicates that a better process needs to be developed before any future assessment process is begun.

11. Simplification of the NWD

We have drawn attention to some of the opportunities for simplification of the NWD; e.g. the possible merging of NM and CM (Page 4); or the continuation of one LN Code to cover LN and LA.

We do not believe that all opportunities have been identified, and recommend that attention to this aspect should become part of the Review process.

NATIONAL WOOL DECLARATION - Draft Option 1

Property Mulesing Status CM: Please circle CM if sheep were not Mulesed on this Property in the last 12 months. (Individual Mob data does not need to be provided if CM has been circled).											Property Identification Code (PIC) [] [] [] [] [] [] [] [] [] [] []				
Mob Mulesing Status NM: Sheep in this Mob have not been Mulesed. LA: Sheep have been treated with Liquid Nitrogen with an analgesic &/or anaesthetic product LN: Sheep have been treated with Liquid Nitrogen without an analgesic &/or anaesthetic product AA: Sheep have been Mulesed with an analgesic &/or anaesthetic product. M: Sheep have been Mulesed without an analgesic &/or anaesthetic product.															
Mob No.	Bale Range or 1 st Bale in Mob	Mob Status (circle one per Mob)					Age/ Shearing Code	Breed Code	Sex Code	Contact with Shedding Breeds (Y/N)	Mob Crutched (Y/N)	Crutched within 3 months prior to Shearing (Y/N)	Wool Length (mm)	VM (Low Med or High)	Comments, Mob Matching Information or Additional PICs
		NM	LA	LN	AA	M									
		NM	LA	LN	AA	M									
		NM	LA	LN	AA	M									
		NM	LA	LN	AA	M									
		NM	LA	LN	AA	M									

NATIONAL WOOL DECLARATION - Draft Option 2

Property Mulesing Status CM: Please circle CM if sheep were not Mulesed on this Property in the last 12 months. (Individual Mob data does not need to be provided if CM has been circled). Insert PIC here (Note, this is yet to be completed)								Mob Mulesing Status NM: Sheep in this Mob have not been Mulesed. LA: Sheep have been treated with Liquid Nitrogen with an analgesic &/or anaesthetic product LN: Sheep have been treated with Liquid Nitrogen without an analgesic &/or anaesthetic product AA: Sheep have been Mulesed with an analgesic &/or anaesthetic product. M: Sheep have been Mulesed without an analgesic &/or anaesthetic product							
Mob No.	Bale Range or 1 st Bale in Mob	Mob Status (circle one per Mob)					Age/ Shearing Code	Breed Code	Sex Code	Contact with Shedding Breeds (Y/N)	Mob Crutched (Y/N)	Crutched within 3 months prior to Shearing (Y/N)	Wool Length (mm)	VM (Low Med or High)	Comments, Mob Matching Information or Additional PICs
		NM	LA	LN	AA	M									
		NM	LA	LN	AA	M									
		NM	LA	LN	AA	M									
		NM	LA	LN	AA	M									
		NM	LA	LN	AA	M									

Note: The second Option allows for the entry of more Mobs per page than the first