

## **WOOL INDUSTRY CONSULTATIVE PANEL (WICP)**

**Date:** 9 February 2023

**Venue:** Via Microsoft Teams and AWI, Level 3, 24 York Street, Sydney NSW 2000

The purpose of this forum is to ensure clear, two-way consultation between AWI and organisational representatives, through to growers. The meeting provides an opportunity for the AWI Board to receive and provide feedback on current/important issues and relevant topics from Board meetings.

### **AWI Chairman's Update**

AWI Chairman informed the panel of recent market trends including,

- The shift in demand to finer wools
- Broad wool market remains under pressure
- China continues to be the dominant player in the wool market, currently making up 82% of purchases.

Shearing continues to be the number 1 problem in the wool industry. AWI continues to address the issue through investment namely \$10M over a 3 year period aimed at shearing training. Feedback from the training courses is that they are resulting in a 10%-15% improvement in shearer productivity.

AWI is continuing to ramp up its marketing campaigns following on from the very successful 'Eco Campaign' which at the time of writing had reached over 100M views, well above the pre roll out forecast of 30M.

The business continues to evolve to suit market conditions and adjust employee numbers accordingly.

AWI continue to invest in the following R & D projects,

- Biological defleecing: Continue to work with the University of Adelaide
- Barbers Pole
- Genomics project: Identifying resistance to flystrike

### **Biological Defleecing Update – Carolina Diaz AWI**

It was noted that the project does not pose risks to those administering the injections, the product effects wool not hair. Work continues to ensure that the mechanical removal of the fleece can identify any resistance (for instance if the sheep missed the injection) and stop attempting to defleece the sheep.

### **International Intelligence Briefing**

*Jeff Ma – EVP Marketing, Greater China and Developing Markets Asia*

The IMF has upgraded its forecast for Chinese GDP. The following 5 key consumer trends have been identified,

1. Continued increase in the size of the middle class
2. High income consumers prefer premium brands/products
3. Digital media has a strong impact on consumers
4. Consumers are seeking quality and functionality
5. Consumers are focussing on domestic over foreign brands

Another major trend which is emerging is that of consumers being concerned about sustainability issues in fashion.

*Scott Carmody – Trade Consultant*

Wool production has increased over the last 12 months. India whilst still a minor player compared to China is beginning to increase its processing capacity and hence becoming a larger purchaser of Australian wool.

*Elin Arnott - Americas*

Marketing to the American consumer is revolving around,

- Building relationships
- Providing education
- Promoting Woolmark to drive engagement
- Increase brand awareness.

#### **Summarised feedback from panel to AWI**

- There is a need for minimum animal welfare standards for shearers covering off on both WHS and animal welfare requirements. There is anecdotal evidence that producers are thinking of leaving the industry due to animal welfare concerns.
- Need to focus on shearing quality and not just speed.
- In regards to the broad wool market there may be opportunities to collaborate with New Zealand manufactures in the use of broad wool products.
- Barbers Pole continues to cause large economic loss to producers.
- AWI fact sheet on sheep pain relief needs to be distributed to all members
- Information regarding Electronic Identification (EID) tags needs to be circulated to clarify a significant amount of misinformation.

Nick Turner

WICP Independent Chair