

April 2022

# Australian Wool Production Forecast Report

## Australian Wool Production Forecasting Committee

### Summary

- The Australian Wool Production Forecasting Committee's (AWPFC) fourth forecast of Australian shorn wool production in 2021/22 is 314 Mkg greasy, a 6.5% increase on the 2020/21 estimated shorn wool production of 294 Mkg.
- Abundant summer feed in many major wool producing regions together with an early break to the season continues to favour sheep and wool production.
- Australian sheep producers are continuing to rebuild the flock with an expected 3.1% increase in the number of sheep shorn to 69.0 million head during 2021/22. New South Wales continues to have the largest sheep flock (22.35 million sheep shorn), while interstate transfers and sheep slaughter from Western Australia have returned to normal levels, indicating a rebuild in their sheep numbers.
- Average wool cut per head is forecast to be 4.54 kg greasy for the 2021/22 season (up 3.2%). Year to date key wool test parameters show increases in mean fibre diameter (up 0.1 microns to 20.9 microns), staple strength (up 0.8 N/ktex to 34.6 N/ktex), yield (up 1.1% to 65.3%) and vegetable matter (up 0.8% to 2.2%). Staple length was down 0.4 mm to 88.5 mm.
- Shorn wool production in Queensland is forecast to increase by 20.8% to 8.7 Mkg greasy in 2021/22. Tasmania is forecast to increase by 11.7% (10.5 Mkg greasy), Western Australia by 10.3% (62.3 Mkg greasy), Victoria by 5.2% (74.4 Mkg greasy), New South Wales by 4.7% (103.9 Mkg greasy) and South Australia by 4.7% to 53.9 Mkg greasy.
- AWTA wool test volumes were up by 8.5% on a year-on-year basis. Wool test volumes increased in each state with the increasing ranging from 28.5% in Queensland to 2.8% in Southern Australia.
- First-hand offered wool at auction to the end of March 2022 (week 39) was up by 11.1% compared with the same time last season. Increases in auction offerings occurred in each state, ranging from 20.0% in Queensland to 7.3% in Western Australia.

#### FURTHER INFORMATION

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- ABS wool receivals from July to December 2021 were 14.4% higher than July to December 2020. ABS sheep slaughter data for July to December 2021 was 14% higher than July to December 2021 with no change in lamb slaughter. Total turnoff was 3% higher from July to December 2021 compared with the previous year.
- The BOM outlook for April to June 2022 is for average to above average median rainfall across most of Australia with average to above average maximum temperatures in most regions.
- The AWPFC's first forecast of shorn wool production for 2022/23 is for production to be 321 Mkg greasy, a 2.5% increase on the 2021/22 forecast because of modest increases in the number of sheep shorn (up 2.8%). The number of sheep expected to be shorn, 70.9 million head, remains low (20th percentile) and will continue to place a ceiling on further increases in shorn wool production. The low sheep numbers continue to be offset by the average cut per head (4.54 kg) which is at an historically high level (83rd percentile).
- Table 1 summarises Australian wool production and Table 2 shows the total shorn wool production by state.

**Table 1: Summary of Australian wool production**

Parameter	2020/21	2021/22 Fourth Forecast	Change y-o-y (%)	2022/23 First Forecast	Change y-o-y (%)
<b>Sheep numbers shorn</b> <i>(million head)</i>	66.9	69.0	3.1%	70.9	2.8%
<b>Average cut per head</b> <i>(kg/head)</i>	4.40	4.54	3.2%	4.54	0.0%
<b>Shorn wool production</b> <i>(Mkg greasy)</i>	294	314	6.5%	321	2.5%

**Table 2: Total shorn wool production by state (million kg)**

Season	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
<b>2019/20</b>	94.3	63.2	59.8	50.0	9.0	7.5	284
<b>2020/21</b>	99.2	70.7	56.5	51.5	9.4	7.2	294
<i>Change y-o-y (%)</i>	5.2%	11.9%	-5.5%	3.0%	4.4%	-4.0%	3.7%
<b>2021/22 Fourth Forecast</b>	103.9	74.4	62.3	53.9	10.5	8.7	314
<i>Change y-o-y (%)</i>	4.7%	5.2%	10.3%	4.7%	11.7%	20.8%	6.5%

- More detailed information on the shorn wool production by state in 2021/22 can be found in Table A1 in the Appendix to this report.

- The Appendix also provides historical data for Australia, including sheep shorn numbers, average cut per head and shorn wool production (Table A2) as well as the micron profile (Table A3) since 1991/92.

## **Detail on shorn wool production in 2021/22 and the 2022/23 Forecast**

### **Major data inputs**

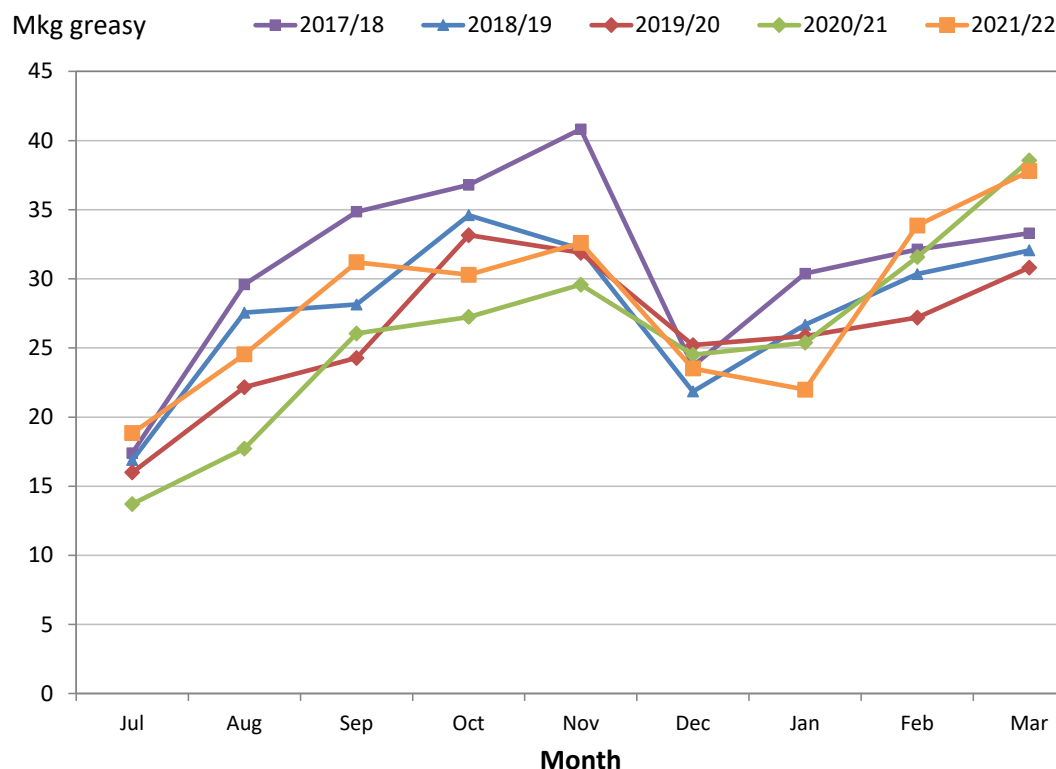
The AWPFC forecasts are based on detailed consideration by the state and national committees of data from various sources including:

- AWTA wool test data for the 2021/22 season from July 2021 to March 2022;
- AWEX auction statistics for the 2021/22 season to the 31 March 2022 (Week 39);
- ABS wool receivals data for the 2021/22 season to December 2021;
- ABS sheep and lamb turn-off for the 2021/22 season to December 2021;
- Information on current and expected seasonal conditions from the Bureau of Meteorology; and
- Survey information gathered on sheep producer and wool grower intentions, including results from the MLA/AWI Wool and Sheep Survey conducted in February 2022.

### **AWTA wool test data**

Every month AWTA releases data on the volumes of greasy wool tested within the various diameter categories for the month and the season to date. Data for the 2021/22 season from 1 July 2021 to 31 March 2022 compared with the same months in previous seasons from 2017/18 to 2020/21 are shown in this report.

The month-by-month comparison of wool tested for the past five seasons (Figure 1) shows higher 2021/22 testing volumes from July to November and February compared with 2020/21 but lower volumes in December, January and March. For the 2021/22 season wool test volumes increased from July to September, dipped slightly in October before increasing again in November. December test volumes decreased before increasing each month from January through to March.



**Figure 1: Comparison of monthly AWTA key test data volumes for July to March in the 2021/22 season compared with the same nine months in previous seasons (2017/18 to 2020/21)**

AWTA national wool test data for July to March during the 2021/22 season (Table 3) shows:

- Volumes of wool tested were 8.5% higher than the 2020/21 season and were 0.7% lower than the five-year average from 2016/17 to 2020/21. Wool testing volumes in the first half of the 2020/21 were dramatically reduced by the impact of COVID-19 and the poor season and were significantly lower than the 2019/20 season. Current wool testing volumes are higher compared with the 2019/20 season.
- For July to March in the 2021/22 season, there were increases in the weight of wool tested in all the micron categories except the 22-micron (down 12.9%) and 29 – 30 microns (down 2.2%) categories. The largest increases occurred in the broader end of the micron range with the 25 – 26 microns category up 29.0% and the 24-micron category up 22.6%.
- The biggest micron categories by volume are the 19-micron (51.32 Mkg greasy), 20-micron (42.30 Mkg greasy) and 18-micron (42.00 Mkg greasy) categories. The year-on-year percentage increase in these three micron categories from July to March were 7.3%, 12.8% and 3.7% respectively.
- The micron split (% of total weight of wool tested) for July 2021 to March 2022 is very similar to that tested between July and March during 2020/21.

**Table 3: AWTA key test data volumes (Mkg greasy) for July to March by micron range for the 2016/17 – 2021/22 seasons**

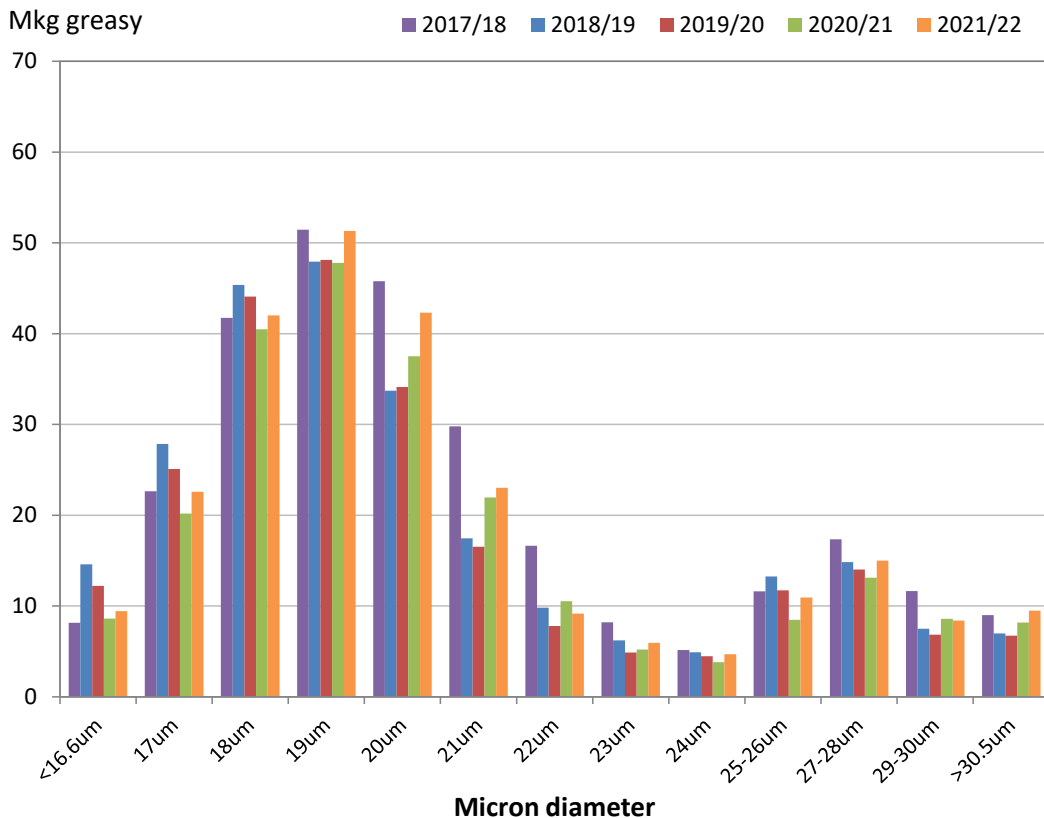
Parameter	Year	<16.6um	17um	18um	19um	20um	21um	22um	23um	24um	25-26um	27-28um	29-30um	>30.5um	TOTAL
<b>AWTA FY Total Mkg greasy</b>	2016/17	10.34	20.15	36.45	48.95	48.77	34.41	18.77	9.06	5.63	12.68	16.95	9.90	7.23	279.30
	2017/18	8.15	22.63	41.74	51.46	45.78	29.78	16.63	8.22	5.14	11.62	17.35	11.65	8.99	279.12
	2018/19	14.58	27.84	45.36	47.93	33.73	17.44	9.82	6.22	4.91	13.26	14.83	7.50	6.98	250.40
	2019/20	12.22	25.09	44.09	48.12	34.13	16.52	7.80	4.88	4.47	11.71	14.02	6.85	6.74	236.65
	2020/21	8.60	20.17	40.49	47.81	37.50	21.96	10.52	5.20	3.83	8.48	13.11	8.59	8.18	234.43
	2021/22	9.43	22.59	42.00	51.32	42.30	23.02	9.16	5.95	4.69	10.94	15.00	8.41	9.48	254.27
<b>Y-O-Y change%</b>	2021/22	9.7%	12.0%	3.7%	7.3%	12.8%	4.8%	-12.9%	14.3%	22.6%	29.0%	14.4%	-2.2%	15.9%	8.5%

<b>Micron Split (%)</b>	2020/21	3.7%	8.6%	17.3%	20.4%	16.0%	9.4%	4.5%	2.2%	1.6%	3.6%	5.6%	3.7%	3.5%
	2021/22	3.7%	8.9%	16.5%	20.2%	16.6%	9.1%	3.6%	2.3%	1.8%	4.3%	5.9%	3.3%	3.7%

<b>5 year av. 201/17 to 2020/21</b>	Tonnes	10.78	23.18	41.63	48.85	39.98	24.02	12.71	6.72	4.79	11.55	15.25	8.90	7.63	255.98
	% change 21/22 vs 5 yr av	-12.5%	-2.5%	0.9%	5.0%	5.8%	-4.2%	-27.9%	-11.4%	-2.2%	-5.3%	-1.7%	-5.5%	24.3%	-0.7%
	Micron split %	4.2%	9.1%	16.3%	19.1%	15.6%	9.4%	5.0%	2.6%	2.6%	1.9%	4.5%	6.0%	3.5%	3.0%

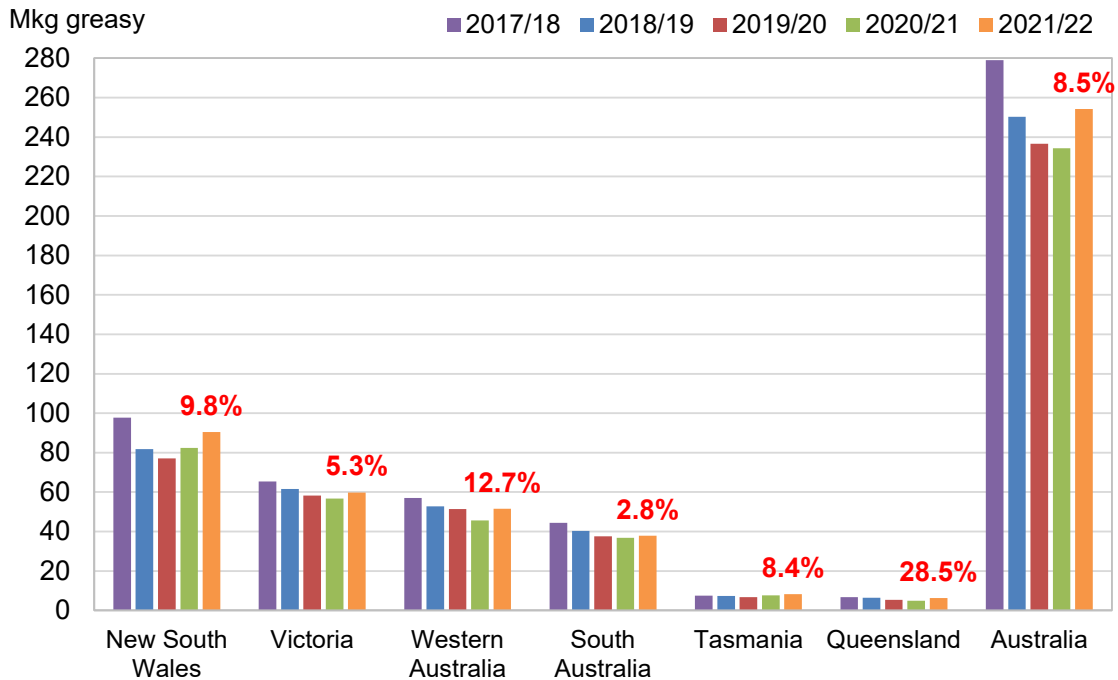
Note: The micron categories refer to a range of -0.4 and +0.5um around each number. For example, 18um is between 17.6 and 18.5 microns

- The micron profile of the Australian wool clip continues to have two distinct peaks; one centred around 19-micron wool (finer than 16.6 microns up to 23 microns); and a second centred around 27 - 28 microns (from 24 microns to 30.5 microns and broader) (Figure 2).
- The fibre diameter profile continues to shift towards the right (i.e. broader) due to the favourable seasonal conditions in 2021/22 compared with 2020/21 and 2019/20. A historical comparison of the Australian wool clip’s micron profile percentage share and average micron can be found in Appendix Table A3 (at the end of this report).



**Figure 2: Australian fibre diameter profile – 2021/22 July to March compared with the same nine months during the 2017/18 to 2020/21 seasons**

- Based on data by Wool Statistical Area (WSA), the volumes of wool tested between July 2021 and March 2022 increased in all states on a year-on-year basis (Figure 3).
- Queensland had the greatest increase in the volume of wool tested (up 28.5%), followed by Western Australia (up 12.7%), New South Wales (up 9.8%), Tasmania (up 8.4%), Victoria (up 5.3%) and South Australia (up 2.8%).



**Figure 3: Volume of wool tested during 2021/22 from July to March (AWTA key test data) compared with the same nine months in previous seasons (2017/18 to 2020/21).** The percentage change in red font is the 2021/22 season compared with the same period in the 2020/21 season

- A graphical representation of the AWTA Key Test Data changes in fibre diameter (MFD), vegetable matter (VM), staple length (SL), yield (YIELD), staple strength (SS) and hauteur (TEAM 3 H) from the 2000/01 season to the 2021/22 seasons for July to March is shown in Figure 4.
- On each graph the red dot represents the mean value of each characteristic for the 2021/22 season from July to March while the blue dot represents the mean for the 2020/21 season for the same nine months.
- The values above the gauge on the left-hand side of each graph show the mean and standard deviation respectively for that characteristic from 2000/01 to 2021/22.
- Each coloured segment on the gauges represents one standard deviation with the mean at 12 o'clock (centre). For MFD, VM, SL, YIELD and SS, the mean and standard deviation are based on data from the 2000/01 season onwards. For TEAM 3 the mean and standard deviation are based on data from the 2006/07 season onwards.
- The red line on each gauge is the mean for the 2021/22 season to the end of March, while the blue line is the mean for the same nine month period during 2020/21 season.
- On a national basis, compared with July to March during the 2020/21 season, mean fibre diameter was higher at 20.9 microns (up 0.1 microns), staple length was down 0.4 mm to 88.5 mm and staple strength was up 0.8 N/ktex to 34.6 N/ktex (Figure 4a). Vegetable matter was higher at 2.2% (up 0.3%), yield was up 1.1% to 65.3% and predicted hauteur (TEAM 3) was up 0.4 mm to 72.3 mm (Figure 4b).



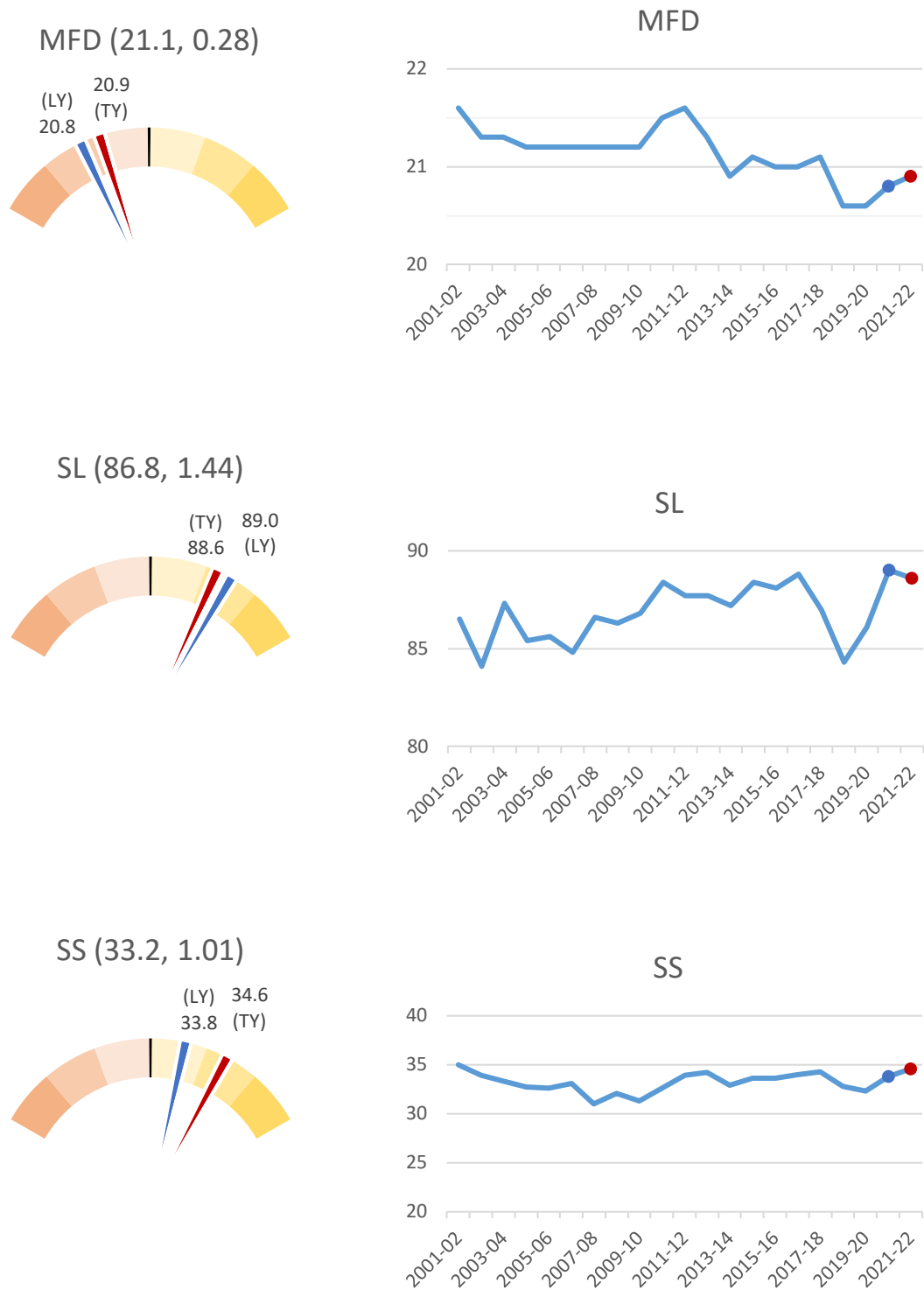


Figure 4a: AWTA Key Test Data (by sampling site) mean fibre diameter (MFD), staple length (SL) and staple strength (SS) for the Australian wool clip for July to March from the 2000/01 season

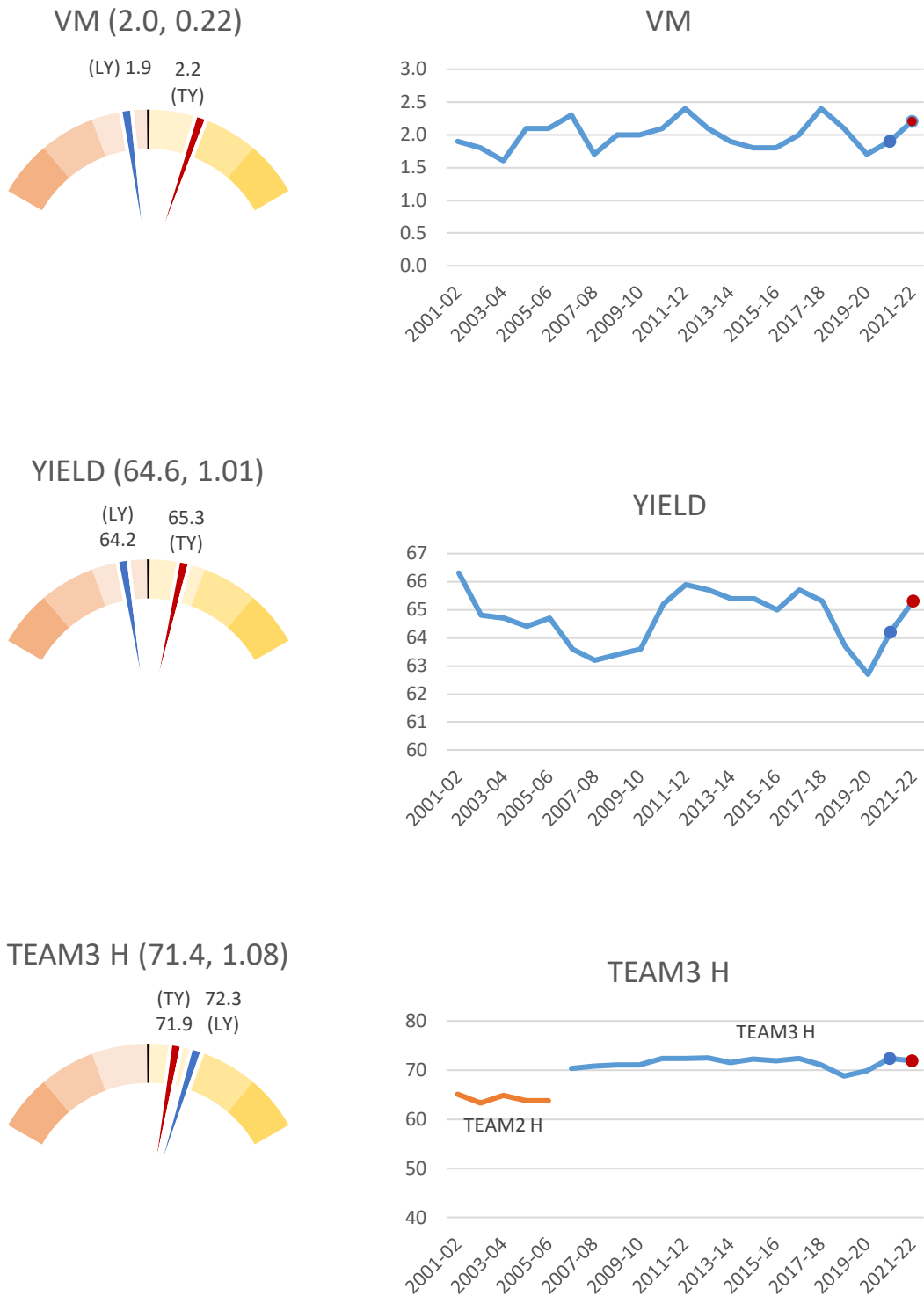


Figure 4b: AWTA Key Test Data (by sampling site) vegetable matter (VM), yield (YIELD) and TEAM 3 H (TEAM 3 H) for the Australian wool clip for July to March from the 2000/01 season

### AWEX auction statistics

The AWEX auction statistics for the 2021/22 season to week 39 (31 March 2022) show an increase in firsthand wool offering volumes compared with the same weeks during the 2020/21 season (Table 4).

- Firsthand bales offered (i.e. excluding reoffers) for Australia were 11.1% higher compared with the 2020/21 season.
- Large increases were evident in each state. Queensland was up 20.0%. New South Wales up 14.6%, Tasmania up 13.6%, South Australia up 8.3%, Victoria up 7.6% and Western Australia up 7.3%.
- There was a 6.8% increase in the volume of first-hand Merino wool offered across Australia, and a 31.8% increase in first-hand Crossbred wool offered. The share of Merino wool of all first-hand offered wool was 79.6% between July and March during 2021/22 compared with 82.9% in 2020/21.
- There was an 2.0% increase in the volume of 'Prem-shorn' Merino fleece wool between July and March 2021/22 (11.6 Mkg) compared with 2020/21 (11.3 Mkg).
- As a percentage share of the total, 10% of Australian first-hand bales offered were prem shorn between July and March during 2021/22. On a state-by-state basis this ranged from 1% in Tasmania to 42% in New South Wales.

**Table 4: AWEX Auction Statistics 2021/22 season to week 39**

2021/22	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
First hand bales offered (% change on 2020/21)	14.6%	7.6%	7.3%	8.3%	13.6%	20.0%	11.1%
Merino first hand offered (% change on 2020/21)	9.9%	0.3%	6.8%	3.9%	6.4%	19.1%	6.8%
Crossbred first hand offered (% change on 2020/21)	35.0%	26.2%	15.8%	34.0%	31.3%	133.3%	31.8%
Merino first hand offered (% share)	78.1%	67.3%	94.8%	81.5%	70.3%	97.6%	79.6%
Crossbred first hand offered (% share)	21.9%	32.7%	5.2%	18.5%	29.7%	2.4%	20.4%
<b>Merino First Hand 'Prem' Shorn Fleece</b>							
Weight (Mkg)	5.0	1.5	2.2	2.8	0.1	0.3	11.8
% share of total	42%	13%	19%	24%	1%	2%	
% change on 2020/21	14%	-6%	-4%	-3%	0%	-3%	2%

Note: Data on 'prem shorn' wool from AWEX is based on the assessed length of the wool being offered. it is defined as <85 - 75 mm, depending on micron and excluding weaners and lambs wool

### Australian Bureau of Statistics (ABS) data

The ABS provide data on wool receivals and sheep and lamb turnoff.

#### Wool receivals

National wool receivals for July to December 2021 were 14.4% higher than the same six months in 2020 (Table 5):

- Wool receivals for July to December 2021 were 4.1% below the five-year average.
- Wool receivals increased in all states. The largest increase occurred in Tasmania (up 49.9%), followed by New South Wales (up 20.2%), South Australia (up 15.3%), Western Australia (up 12.8%), Victoria (up 9.7%) and Queensland (up 9.2%).
- Wool receivals in Queensland and Victoria were below the five-year average (down 20.2% and 6.1% respectively). In all other states, wool receivals were above the five-year average. Tasmania has the largest percentage deviation (up 17.9%, followed by Western Australia (up 5.9%), New South Wales (up 5.4%) and South Australia (up 0.9%).

**Table 5: ABS Wool Receivals data 2020/21 Full Season**

Mkg greasy	NSW	VIC	QLD	SA	WA	TAS	AUSTRALIA
2016/17	60.531	53.633	46.368	31.265	3.791	2.551	198.141
2017/18	59.490	56.891	47.356	30.981	3.939	2.853	201.510
2018/19	49.149	50.605	39.188	26.947	3.171	2.399	171.460
2019/20	47.292	41.568	34.333	23.722	3.331	2.013	152.257
2020/21	46.055	41.848	28.622	23.967	3.288	1.830	145.609
2021/22	55.356	45.907	31.253	27.630	3.709	2.744	166.598
% change 2021/22 vs 2020/21	20.2%	9.7%	9.2%	15.3%	12.8%	49.9%	14.4%
<b>Five year average</b> 2016/17 to 2020/21	52.503	48.909	39.173	27.376	3.504	2.329	173.795
% change 2020/21 vs 5 year av	5.4%	-6.1%	-20.2%	0.9%	5.9%	17.8%	-4.1%

#### Sheep turn-off

Australian sheep and lamb turn-off statistics for the July to December 2021 quarter are shown in Table 6:

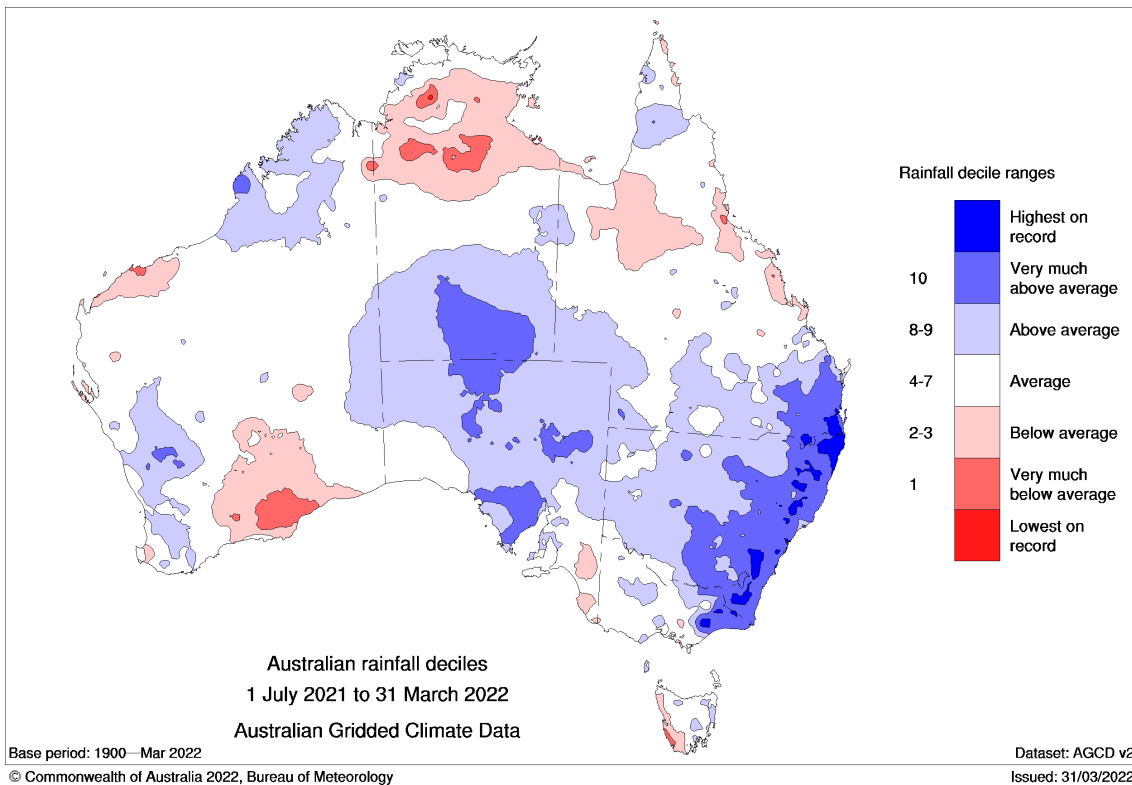
- There was a 14% increase in sheep slaughter, but lamb slaughter was unchanged compared with the same period in 2020.
- The number of live sheep exported from Australia increased by 10% during this time.
- Total turnoff of sheep and lambs between July and December 2021 was 3% higher than the first half of 2020 but remained 9% below the five-year average for July to December.

**Table 6: ABS Sheep turn off data for 2021/22 from July to September 2021 compared with the same three months in 2020/21**

Parameter	Financial year			5-yr FYTD	
	July 2020 to December 2020	July 2021 to December 2021	% Δ	Avg	%Δ
Sheep slaughter ('000 hd)	2,865	3,265	14%	4,149	-21%
Sheep weights (kg/hd cwt)	26.8	27.5	2%	25.3	8%
Mutton production (tonnes cwt)	76,812	89,641	17%	105,014	-15%
Lamb slaughter ('000 hd)	10,413	10,463	0%	10,834	-3%
Lamb weights (kg/hd cwt)	24.5	23.8	-3%	22.8	4%
Lamb production (tonnes cwt)	255,170	248,738	-3%	246,614	1%
Live exports ('000 hd)	57	63	10%	248	-75%
Total Turnoff ('000 hd)	13,335	13,791	3%	15,231	-9%

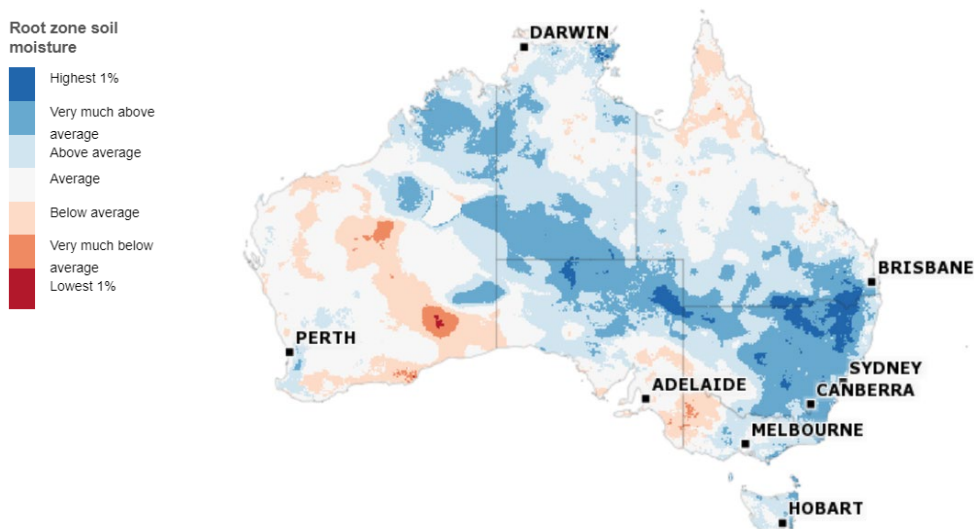
**Bureau of Meteorology (BoM) seasonal rainfall seasonal outlook**

Seasonal conditions for the first 9 months of the 2021/22 season are currently very favourable for sheep and wool production. Rainfall deciles in most wool producing regions have ranged from average to very much above average since 1 July 2021 (Figure 5). Abundant feed in many major wool producing regions together with an early start to the season continue to favour sheep and wool production. The South Australian pastoral zone, eastern Victoria and eastern Tasmania have all received drought breaking rainfall. However, rainfall throughout Queensland remains patchy with some areas still drought declared.



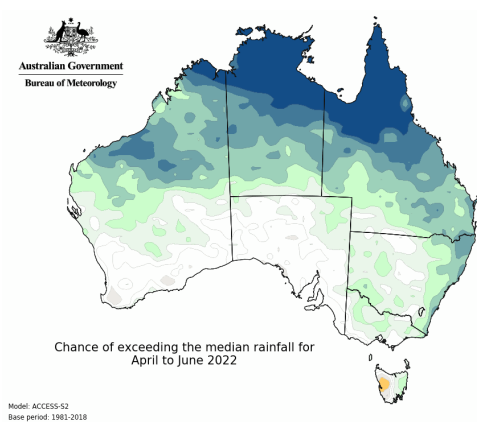
**Figure 5: Australian rainfall deciles, 1 July 2021 to 31 March 2022**

The improved rainfall during the 2021/22 season has shifted the landscape water balance to average and higher for many wool producing regions in Australia (Figure 6).

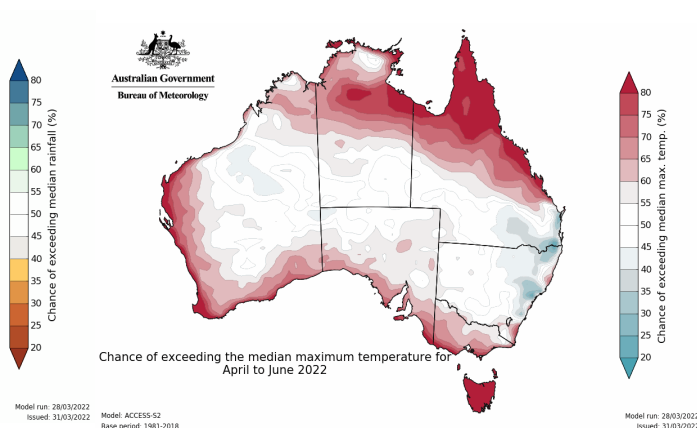


**Figure 6: Australian landscape water balance, 2021/22 season**

The Bureau of Meteorology's outlook for April to June 2022 is for rainfall to be average or above average across most of the country (Figure 7) with average to above average maximum temperatures in most regions (Figure 8).



**Figure 7: Chance of exceeding median rainfall (Apr – Jun 2022)**



**Figure 8: Chance of exceeding median maximum temperature (Apr – Jun 2022)**

In its update on 31 March 2022, the Bureau noted that April to June rainfall is likely to be above median for northern Western Australia, Queensland, eastern New South Wales and scattered areas of Victoria. Below or average median rainfall is expected in other regions. Maximum temperatures for April to June are likely to be above median for coastal regions of Western Australia, southern South Australia, most of Victoria and Tasmania. Median maximum temperatures are expected elsewhere.

La Niña remains active but is gradually weakening. Despite this, La Niña is expected to continue to contribute to wetter than median conditions for parts of northern and eastern Australia.

## Results from the MLA and AWI Wool and Sheepmeat Survey

The February 2022 AWI/MLA Wool and Sheepmeat Survey found that 91% of respondents intended to either maintain or increase breeding ewe numbers, through retaining more replacement and older ewes than normal.

Most Merino producers expect to cut similar fleece weights from their ewes, wethers and lambs this season compared with last season. Less than 15% of producers are expecting lower fleece weights.

## State Committee input

The following provides a summary of seasonal conditions and wool production forecast in 2021/22 in each state as reported by the AWPFC state committees in April 2022.

### New South Wales

Shearing varies around the state from no delay to four weeks behind. Southeast regions are currently two weeks behind due to a combination of COVID (staff isolations), wet weather and shearer availability. In the Central west and Riverina shearing is within a week or two of 'normal'. Shearer availability continues to prompt Merino producers to consider changing to shedding breeds.

Rainfall and seasonal conditions vary around the state. The southern Rangelands remain very dry, while other regions are very wet. Seeding is well underway in the Central West, although the high cost of cropping inputs may reduce cropping acreage and prompt some producers to purchase more ewes. The Northeast is having the 'best Autumn ever' with a longer than normal growing season, although the wet conditions have had a negative impact on lambing. Overall, sheep are not doing as well as expected given the favourable season. The very wet conditions in many key wool producing regions have made it harder to manage sheep flocks and handle internal and external parasites with the performance of younger sheep most affected. Flies are still active in many areas with some difficulty in sourcing shearers to undertake crutching. Scanning and lambing percentages have been average in most regions. Although, in the Central West scanning percentages are well up on last year. Merino to Merino joinings appear to have consolidated with a reduction in the use of terminal rams.

Greasy wool cut per head is expected to reduce to 4.60 kg as year-on-year increases in both yield (up 2.7% to 66.4%) and vegetable matter (up 0.5% to 3.0%) will limit any further increase in greasy production. AWTA key test data from July to March show minor movements in mean fibre diameter (+0.1  $\mu\text{m}$ ) and staple length (-1.0mm). The decrease in staple length due to an increase in long (>50 mm) lamb shearings that would not normally be measured for length and strength. Per head production remains at historically high levels (74th percentile), but low sheep numbers (4th percentile) continue to hamper increases in shorn wool production. **The New South Wales Committee's fourth forecast of shorn wool production for 2021/22 is 103.9 Mkg, up 4.7% on 2020/21.**

### Victoria

Generally good season throughout Victoria. Good rain fell in January and early March, although many regions are now drying out and looking for more rain. The early March rain produced a lot of green pick in the paddocks but this has now dried off. Many producers are now looking for another 20 to 50 ml of rain in the next few weeks. Sheep numbers are expected to be stable. Producers are tending to retain an older mob of Merino ewes but are mating these to terminal rams rather than Merino rams. There has been a reduction in the weight of wool tested in 3 of the 4 largest wool producing regions in Victoria is due to a shift to cropping. Large cropping enterprises are moving further south and purchasing traditional grazing properties to crop or sheep enterprises are undertaking opportunistic cropping.

The wet summer and rainfall pattern has negatively impacted production from weaners and young ewes and increased weaner mortality rates. Merino wool cuts are expected to hold steady, despite significant issues with shearer availability and scheduling shearing. Less six-



monthly shearing is occurring, and clips are taking longer to move into wool stores. Yields are holding steady and vegetable matter levels are currently trending higher than 2020/21 (+0.3%) but are expected to decrease toward the end of the season. There is less vegetable matter left in paddocks in southern regions, although some remains in northern areas. The year-on-year decrease in staple length (-2.1 mm to 88.4 mm) seems contrary to the good seasonal conditions. However, lambs held over from last season have now been shorn as long lambs (> 50 mm) and are contributing to the increased weight of wool tested but the shorter measured staple length. In addition, there has been a swing away from first-cross lamb production to composites. This effectively reduces staple length from 120 mm to 60 mm in those enterprises.

Scanning rates throughout Western Victoria are normal to slightly lower than last year. Producers are expected to maintain numbers in Western regions but this will depend on forecast rain arriving in the next month. **The Victorian Committee's fourth forecast of shorn wool production for 2021/22 is 74.4 Mkg, up 5.2% on 2020/21.**

### Western Australia

Sheep in most regions went into summer with abundant feed levels. A very dry and hot summer across most wool growing regions meant summer feed quality held. Good rains fell in late March and early April which led to early pasture growth and plentiful on-farm water supplies. Scanning percentages are not as high as last season but are still good.

Shearing remains well behind the 'normal' schedule. However, wool receivals have been high from January to March which represent wool shorn between October to December. Farm cropping inputs have been purchased which has promoted wool held on farm to be sent for sale. April receivals are down due to delayed shearing and earlier seeding.

AWTA key test data show yield, mean fibre diameter and staple length are all up in line with the good season. Staple length is currently at the highest level for 20 years (90.5 mm) due to a combination of increased per head production from the favourable season and less prem shorn wool due to reduced shearer availability. Producers who were shearing at 6- to 10-month intervals are moving back to annual shearing.

Lamb turnoff rates have been negatively affected by COVID related staff issues in abattoirs with lambs being held on-farm due to reduced processing capacity. Slaughter rates are expected to be affected for another month before a more normal schedule resumes. This may push some wool into the new season. Lambs born during 2021 that were shorn in January may not be turned-off until July. Producers may choose to shear them again prior to slaughter or carry them through if the favourable season persists. New season lambing rates are expected to be high due to abundant early green feed and good ewe condition

The Western Australian sheep flock is in a re-building phase with adult slaughter rates declining. Live export and interstate transfers are back to normal levels. Many producers have retained older ewes (5 & 6 years old) for additional lambing opportunities and to either reduce their cropping acreage (due to higher input costs) or to spell their cropping paddocks. Fewer flock dispersals have occurred in northern regions of WA. **The WA Committee's fourth forecast of shorn wool production for 2021/22 is 62.3 Mkg, up 10.3% on 2020/21.**

## South Australia

Widespread January rainfall throughout most of the state has increased stock water levels and feed availability, particularly through the northern pastoral regions. The latter areas also received above average rainfall in February and have returned to reasonable sheep numbers following destocking 2 years ago. High lambing rates (described as 'unreal') together with sheep purchased from WA have contributed to the quick rebound in pastoral sheep numbers. Lamb weaners are reported to be in fabulous condition with higher cuts per head expected (up 0.5 to 1.5 kg) although VM levels will also increase. Older ewes that were retained for additional lambings are now being sold off, although some are being retained as dry ewes for wool production. Scanning rates have been very good.

Southern regions of the state are fairly normal, sheep producers are undertaking their usual feeding programs in preparation for the Autumn break (expected around 10 May). The Eyre Peninsula has had good rain, Kangaroo Island and the Southeast are now relatively dry. Fire affected producers on Kangaroo Island have recovered sheep numbers relatively quickly through sheep purchases and increased reproduction rates. WSA wool testing volumes are now above the 5-year average.

Stock in the Southeast are in exceptional condition. High pre-joining ewe condition has produced increased scanning percentages (greater than 120% for Merinos and upwards of 170% for first and second cross ewes). There is increased trade in Merino wether lambs for wool production in regions with pivot irrigation and available feed. There has been an increase in lamb feedlot operations in the Southeast with many large and well-run facilities being purpose built. Significant purchases of crossbred lambs and Merino wethers from Victoria are occurring for finishing in South Australia.

Shearing delays are beginning to increase again due to another COVID wave in South Australia, delays were up to seven to eight weeks in January and had reduced to four weeks. Shearing teams are operating with fewer stands (four instead of six). Storage and sampling workforces are also affected. Increased demand for on-farm wool testing to capture high micron premiums and increased individual animal management facilitated by electronic identification.

The high cost of cropping inputs (diesel, super and chemicals) in the Mallee region and marginal cropping regions is prompting a decrease in cropping and an increase in sheep production. Increased reproduction rates and purchase of Victorian lambs for finishing will reduce the average age of the SA flock. As younger sheep have lower per head production this will offset the impact of the favourable season on average cut per head. **The South Australian Committee's fourth forecast of shorn wool production for 2021/22 is 53.9 Mkg, up 4.7% on 2020/21.**

## Tasmania

Since December the season has been good throughout most of Tasmania. Eastern regions of the state have received above average rainfall in January and March and average levels in February and will have sufficient feed through to June. The Midlands received good rains in January but are now beginning to dry out. Some green tinge remains in paddocks, but further rainfall is needed in the next few weeks to provide extra growth before soil temperatures decrease and frosts become more frequent in May. These Central regions produce the highest

volumes of Merino wool. Western regions remain dry but typically have low sheep numbers. Dairy operations are increasing in regions where irrigation is available, this has had a small negative impact on sheep numbers.

Lambing, marking and weaning percentages have been good and were the product of a good spring with feed carrying forward into summer in most regions. Sheep numbers are building in eastern regions after the extended drought. In other regions, producers are looking to maintain sheep numbers. No change is expected to the ratio of Merino to crossbred production. Merino production is expected to remain reasonably constant as producers remain happy with prices for Merino wool.

Average cut per head was maintained at 4.00kg, despite the 0.4  $\mu\text{m}$  decrease in mean fibre diameter and 3.9 mm decrease in staple length. These changes were attributed to an increase in the volume of longer (>50 mm) lambs wool that have been submitted for testing in the past few months. Typically these wools would not be additionally measured as they would be less than 50mm.

The large jump in wool receivals (+49.9% for the July to December 2021 quarter) was attributed to an increased amount of fine wool being offered for sale during that time as producers sought to capture the higher market prices. The Committee expects that wool receivals will reduce back to 'normal' levels for the last half of the season.

Wool test volumes (July to March) are similar to levels last seen during the 2011/12 to 2014/15 seasons. Shorn wool production is approaching levels last seen in the 2014/15 season (59th percentile). **The Tasmanian Committee's fourth forecast of shorn wool production for 2021/22 is 10.5 Mkg, up 11.7% on 2020/21.**

### Queensland

Seasonal conditions are very patchy throughout the state. Good rains have fallen in some regions prompting reports of the 'best season for many years' (southeast) while other regions (northern) remain in drought. Many areas recorded good falls in November but little follow-up rainfall has fallen in key sheep producing regions since January and accompanying hot weather will result in feed supplies dwindling leading into winter. In some regions grasshoppers have negatively impacted emerging green feed. Poor rainfall after Easter is likely to trigger many sheep producers to destock.

Lambing is underway in the Winton and surrounding regions. Favourable conditions leading up to joining has produced high scanning rates. Although there is some concern that any rainfall in coming weeks will negatively impact on feed quality and reduce weaning rates. Producers in other regions are looking to reduce numbers or destock completely.

AWTA key test data show an increase in mean fibre diameter (+0.2  $\mu\text{m}$ ) and staple length (+2.2 mm) which prompted the Committee to increase average cut per head by 0.05 kg to 4.35 kg greasy. There are reports of producers moving to six monthly Merino shearings and increasing production of crossbred lambs from Merino ewes to capture higher lamb prices. Although delayed shearing has contributed to the increase in staple length.

While there is some difficulty in sourcing shearers, shearing is getting back on track. This issue is prompting a move to goats and cleanskin breeds. **The Queensland Committee's fourth forecast of shorn wool production for 2021/22 is 8.7 Mkg, up 20.8% on 2020/21.**

## Appendix

**Table A1: Comparison of shorn wool production in 2020/21 against the 2019/20 season and the fourth forecast for 2021/22 against the 2020/21 season**

2019/20	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
Sheep Numbers Shorn (million)	22.8	15.6	14.2	11.2	2.7	2.1	68.6
Average Cut Per Head (kg greasy)	4.13	4.05	4.20	4.45	3.57	3.60	4.13
Shorn Wool Production (Mkg greasy)	94.3	63.2	59.8	50.0	9.0	7.5	284.0

2020/21	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
Sheep Numbers Shorn (million)	21.8	16.6	13.3	10.8	2.4	1.9	66.9
Average Cut Per Head (kg greasy)	4.55	4.25	4.25	4.75	3.95	3.70	4.40
Shorn Wool Production (Mkg greasy)	99.2	70.7	56.5	51.5	9.4	7.2	294.0

% change y-o-y							
Sheep Numbers Shorn	-4.4%	6.4%	-6.3%	-3.6%	-11.1%	-9.5%	-2.5%
Average Cut Per Head	10.2%	4.9%	1.2%	6.7%	11.1%	2.8%	6.5%
Shorn Wool Production	5.2%	11.9%	-5.5%	3.0%	4.4%	-4.0%	3.7%

2021/22 Fourth Forecast	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
Sheep Numbers Shorn (million)	22.4	17.3	13.5	11.2	2.6	2.0	69.0
Average Cut Per Head (kg greasy)	4.65	4.30	4.60	4.80	4.00	4.35	4.54
Shorn Wool Production (Mkg greasy)	103.9	74.4	62.3	53.9	10.5	8.7	314.0

% change y-o-y							
Sheep Numbers Shorn	2.8%	4.2%	1.5%	3.7%	8.3%	5.3%	3.1%
Average Cut Per Head	2.2%	0.0%	8.2%	1.1%	1.3%	17.6%	3.2%
Shorn Wool Production	4.7%	5.2%	10.3%	4.7%	11.7%	20.8%	6.5%

Note: Totals may not add due to rounding

**Historical Australian Production Figures**

The tables below provide historical sheep shorn numbers, wool production, fleece weight and micron share statistics since 1991/92 for background information.

**Table A2: Australian wool production statistics since 1991/92**

Season	Sheep Numbers Shorn <i>(million)</i>	Average Cut Per Head <i>(kg greasy)</i>	Shorn Wool Production <i>(Mkg greasy)</i>
1991-92	180.9	4.43	801
1992-93	178.8	4.56	815
1993-94	172.8	4.49	775
1994-95	156.2	4.37	682
1995-96	145.6	4.50	655
1996-97	152.0	4.35	661
1997-98	150.0	4.22	633
1998-99	153.6	4.33	665
1999-00	144.2	4.30	619
2000-01	139.5	4.31	602
2001-02	118.6	4.68	555
2002-03	116.6	4.28	499
2003-04	104.7	4.53	475
2004-05	106.0	4.49	475
2005-06	106.5	4.33	461
2006-07	101.4	4.24	430
2007-08	90.2	4.43	400
2008-09	79.3	4.52	362
2009-10	76.2	4.50	343
2010-11	76.2	4.53	345
2011-12	76.4	4.48	342
2012-13	78.8	4.47	352
2013-14	78.0	4.37	341
2014-15	76.9	4.50	346
2015-16	73.4	4.43	325
2016-17	74.3	4.58	340
2017-18	76.8	4.45	341
2018-19	72.5	4.13	300
2019-20	68.6	4.13	284
2020-21	66.9	4.40	294
2021-22 <sup>f</sup>	69.0	4.54	314

**Table A3: Australian micron profile of AWTA wool test volume statistics since 1991/92 (% share and average micron)**

Season	<16.5	17	18	19	20	21	22	23	24	25/26	27/28	29/30	>30.5	Average Fibre Diameter (µm)
1991/92	0.1%	0.7%	3.2%	7.9%	15.2%	21.5%	20.0%	13.4%	7.1%	5.5%	2.9%	1.6%	1.0%	22.0
1992/93	0.0%	0.3%	1.9%	5.4%	12.0%	19.9%	20.6%	15.6%	10.0%	7.9%	3.0%	1.9%	1.6%	22.4
1993/94	0.1%	0.5%	2.4%	5.9%	12.1%	18.8%	20.8%	15.7%	10.0%	7.4%	2.8%	1.9%	1.7%	22.4
1994/95	0.1%	0.6%	3.5%	8.6%	15.2%	20.9%	19.9%	13.0%	7.0%	4.7%	2.8%	2.0%	1.7%	22.0
1995/96	0.0%	0.6%	3.3%	8.2%	15.3%	20.8%	18.5%	13.2%	8.1%	6.0%	2.7%	1.8%	1.6%	22.1
1996/97	0.2%	0.8%	3.9%	9.7%	15.3%	20.1%	18.3%	13.1%	7.4%	5.3%	2.3%	1.9%	1.8%	22.0
1997/98	0.2%	1.2%	4.5%	9.8%	14.8%	19.4%	18.3%	12.8%	7.7%	5.4%	2.6%	1.8%	1.5%	21.9
1998/99	0.2%	1.1%	4.2%	8.8%	14.6%	19.6%	18.6%	14.0%	7.6%	5.1%	2.7%	2.0%	1.5%	22.0
1999/00	0.1%	1.0%	4.2%	9.3%	14.4%	19.1%	18.2%	13.6%	7.7%	5.2%	2.9%	2.4%	1.9%	22.1
2000/01	0.2%	1.3%	5.2%	11.1%	15.7%	18.5%	16.4%	11.4%	6.8%	5.1%	3.6%	2.8%	1.9%	22.0
2001/02	0.3%	2.0%	7.2%	14.4%	19.9%	18.9%	12.9%	7.7%	4.1%	3.7%	3.8%	3.1%	1.9%	21.6
2002/03	1.0%	3.9%	9.8%	15.7%	18.9%	17.6%	12.0%	6.6%	2.9%	3.4%	3.7%	2.9%	1.7%	21.2
2003/04	0.7%	3.6%	9.9%	15.8%	18.3%	16.6%	11.9%	7.5%	3.6%	3.5%	3.8%	2.9%	1.8%	21.3
2004/05	1.2%	4.2%	10.5%	16.5%	18.7%	15.9%	10.7%	6.2%	3.2%	3.6%	4.1%	3.1%	2.0%	21.2
2005/06	1.4%	4.7%	9.7%	15.1%	18.7%	17.1%	11.5%	5.9%	2.9%	3.9%	4.5%	2.9%	1.6%	21.2
2006/07	2.0%	5.9%	11.8%	15.9%	16.9%	14.0%	9.9%	6.2%	3.4%	4.3%	4.4%	3.2%	2.1%	21.2
2007/08	1.9%	5.3%	10.9%	16.8%	18.4%	14.3%	9.2%	5.5%	3.0%	4.1%	4.8%	3.6%	2.2%	21.2
2008/09	2.0%	5.7%	11.4%	16.6%	18.5%	15.0%	9.1%	4.4%	2.3%	3.8%	5.1%	3.8%	2.2%	21.2
2009/10	2.3%	6.2%	12.6%	17.1%	17.5%	13.2%	8.4%	4.6%	2.5%	4.1%	5.4%	3.9%	2.3%	21.2
2010/11	1.5%	4.8%	11.0%	16.8%	18.0%	13.5%	8.4%	5.4%	3.0%	3.9%	5.5%	5.0%	3.1%	21.5
2011/12	1.8%	5.6%	12.0%	17.1%	16.6%	12.3%	8.3%	5.3%	2.9%	4.2%	5.8%	4.7%	3.3%	21.5
2012/13	2.5%	7.0%	13.3%	17.5%	16.8%	12.0%	7.3%	4.1%	2.3%	4.6%	6.2%	4.0%	2.5%	21.2
2013/14	3.8%	8.4%	14.6%	17.8%	16.0%	10.9%	6.2%	3.4%	2.2%	5.2%	6.4%	3.1%	2.1%	20.9
2014/15	3.2%	7.9%	14.8%	18.5%	15.8%	10.5%	6.5%	3.5%	1.9%	4.4%	6.5%	3.9%	2.6%	21.0
2015/16	3.9%	8.5%	14.6%	17.8%	16.2%	10.8%	6.0%	2.9%	1.9%	4.6%	6.5%	3.6%	2.7%	21.0
2016/17	3.6%	7.5%	13.4%	17.4%	17.2%	12.1%	6.9%	3.4%	2.0%	4.4%	5.8%	3.4%	2.7%	21.0
2017/18	3.2%	8.6%	15.4%	18.6%	16.1%	10.2%	5.7%	2.9%	1.8%	4.1%	6.0%	4.0%	3.2%	21.0
2018/19	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	5.8%	20.5
2019/20	6.3%	10.9%	18.8%	21.1%	15.5%	7.4%	3.2%	1.8%	1.6%	4.4%	5.3%	2.1%	1.7%	20.5
2020/21	3.7%	8.6%	17.3%	20.4%	16.0%	9.4%	4.5%	2.2%	1.6%	3.6%	5.6%	3.7%	3.5%	20.8
2021/22	3.7%	8.9%	16.5%	20.2%	16.6%	9.1%	3.6%	2.3%	1.8%	4.3%	5.9%	3.3%	3.7%	20.9

## **Explanation of revised AWPFC data series**

At the December 2005 meeting, the national Committee made the decision to collate and review the key variables (shorn wool production, cut per head, number of sheep shorn) used in the committee from the available industry sources and to create a consistent historical data series at both a state and national level. This was required as some differences existed between industry accepted figures and the AWPFC data series and to ensure a consistent methodology over time. This process resulted in changes to the parameters 'average cut per head' and the 'number of sheep shorn' for some seasons at both a state and national level.

## **Modus operandi for the Australian Wool Production Forecasting Committee**

The Australian Wool Production Forecasting Committee draws together a range of objective data and qualitative information to produce consensus-based, authoritative forecasts four times a year for Australian wool production.

The Committee has a two-level structure, with a National Committee considering information and advice from state committees. It is funded by Australian Wool Innovation Limited, which also provides an independent representative in the role of the Chairman of the National Committee.

The National and state committees comprise wool producers, wool brokers, exporters, processors, private treaty merchants, AWEX, AWTA, ABARES, ABS, MLA, state departments of Agriculture, sheep pregnancy scanners and AWI.

The Committee releases its forecasts in the forms of a press release and a report providing the detailed forecasts, historical data and commentary on the key drivers of the forecasts.