

August 2023

# Australian Wool Production Forecast Report

## Australian Wool Production Forecasting Committee

### Summary

- The Australian Wool Production Forecasting Committee's (AWPFC) second forecast of Australian shorn wool production for 2023/24 is 324 million kilograms (Mkg) greasy, a 1.1% decrease on the 2022/23 estimated shorn wool production of 328 Mkg greasy.
- Reduced sheepmeat prices and continued limitations on processing capacity are expected to fuel a modest increase in the number of sheep shorn during 2023/24 (72.1 million, up 0.8%) as producers retain some of the sheep that would normally be turned off.
- Average cut per head is expected to reduce to 4.50 kg greasy (down 2.2%) due to retained lambs in most states and the hotter and drier seasonal outlook.
- Producers in most states are wary of carrying excess stock if the season deteriorates. The timing of any hotter and drier weather will impact sheep producers' decisions to sell or retain stock going into Summer.
- The BOM outlook for August to October 2023 is for below median rainfall across most of the country with average to above average minimum and maximum temperatures.
- The AWPFC has confirmed its estimate made in April of shorn wool production for the 2022/23 season. The estimate of 328 Mkg greasy is 1.3% higher than the 2021/22 season production of 324 Mkg greasy.
- Shorn sheep numbers in 2022/23 were comparable with the 2021/22 season at 71.5 million head (down 0.1%). New South Wales continues to have the largest sheep flock with 25.9 million sheep, followed by Victoria (16.1 million), Western Australia (13.0 million), South Australia (11.1 million), Queensland (2.8 million) and Tasmania (2.6 million).
- The favourable conditions for sheep and wool production that were evident in Autumn carried forward to the end of the 2022/23 season. Abundant pasture availability in key wool producing regions maintained average cut per head at historically high levels in most states.

#### FURTHER INFORMATION

Mr Stephen Hill, National Committee Chairman

Tel: +61 0429 494 690

© Australian Wool Innovation Limited August 2023.

This document may be reproduced and disseminated with attribution to Australian Wool Innovation Limited (ABN 12 095 165 558).

#### DISCLAIMER

AWI Limited makes no representations about the content and suitability of the information contained in these materials. Specifically, AWI does not warrant, guarantee or make any representations regarding the correctness, accuracy, reliability, currency, or any other aspect regarding characteristics or use of information presented in this material. The user accepts sole responsibility and risk associated with the use and results of these materials, irrespective of the purpose to which such use or results are applied. In no event shall AWI be liable for any loss or damages (including without limitation special, indirect, or consequential damages), where in an action of contract, negligence, or tort, arising out of or in connection with the use of performance of these materials.

- Shorn wool production in Queensland is estimated to increase by 27.0% to 11.3 Mkg greasy in 2022/23. New South Wales is estimated to increase by 5.0% to 119.0 Mkg greasy and South Australia by 1.1% to 56.7 Mkg greasy. Shorn wool production is estimated to decrease in Victoria (down 5.3% to 70.0 Mkg greasy), Western Australia (down 1.0% to 60.6 Mkg greasy) and Tasmania (down 1.0% to 10.2 Mkg greasy).
- AWTA wool test volumes for the 2022/23 season were up by 3.8% on a year-on-year basis. The volumes of wool tested during 2022/23 increased in all states except Tasmania (down 1.5%). Queensland had the greatest increase in the volume of wool tested (up 20.1%), followed by New South Wales (up 6.2%), South Australia (up 3.0%), Western Australia (up 2.8%) and Victoria (up 0.6%).
- First-hand offered wool at auction during 2023/23 was unchanged on a year-on-year basis. Firsthand bales offered increased in Queensland (up 13.6%), New South Wales (up 1.1%) and South Australia (0.9%). All other states recorded a year-on-year decrease. Victoria was down 3.4%, Western Australian down 0.7% and Tasmania down 0.6%.
- ABS sheep slaughter data for 2022/23 to March 2023 was 26% higher than 2021/22 with an 8% increase in lamb slaughter. Total turnoff was 13% higher due to a 38% increase in live exports.
- Table 1 summarises Australian wool production and Table 2 shows the total shorn wool production by state. The 2022/23 estimate includes a clean wool estimate for average cut per head and shorn wool production. For the 2022/23 season the yield (% Schlumberger dry top and noil yield) from the AWTA key test data was used to calculate the clean average cut per head and clean shorn wool production.

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

	2021/22	2022/23 Estimate	Change y-o-y (%)	2023/24 Second forecast	Change y-o-y (%)
<b>Sheep numbers shorn</b> <i>(million head)</i>	71.6	71.5	-0.1%	72.1	0.8%
<b>Average cut per head</b> <i>(greasy kg/head)</i>	4.52	4.59	2.2%	4.50	-2.2%
<b>Shorn wool production</b> <i>(Mkg greasy)</i>	324	328	1.3%	324	-1.1%

<b>Yield</b> <i>(%, Sch dry)</i>	64.9	65.9	1.5%
<b>Average cut per head</b> <i>(clean kg/head)</i>	2.93	3.02	3.1%
<b>Shorn wool production</b> <i>(Mkg clean)</i>	210	216	2.9%

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

Season	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
<b>2021/22</b> <i>(Mkg greasy)</i>	113.3	73.9	61.2	56.1	10.3	8.9	324
<b>2022/23</b> <i>(Mkg greasy)</i>	119.0	70.0	60.6	56.7	10.2	11.3	328
<i>Change y-o-y (%)</i>	5.0%	-5.3%	-1.0%	1.1%	-1.0%	27.0%	1.3%
<b>2023/24 Second Forecast</b> <i>(Mkg greasy)</i>	123.6	64.7	56.9	57.7	10.0	11.3	324
<i>Change y-o-y (%)</i>	3.9%	-7.6%	-6.2%	1.8%	-2.0%	0.0%	-1.1%

- More detailed information on the shorn wool production by state in 2022/23 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 2022/23 and the 2023/24 forecast**

### **Major data inputs**

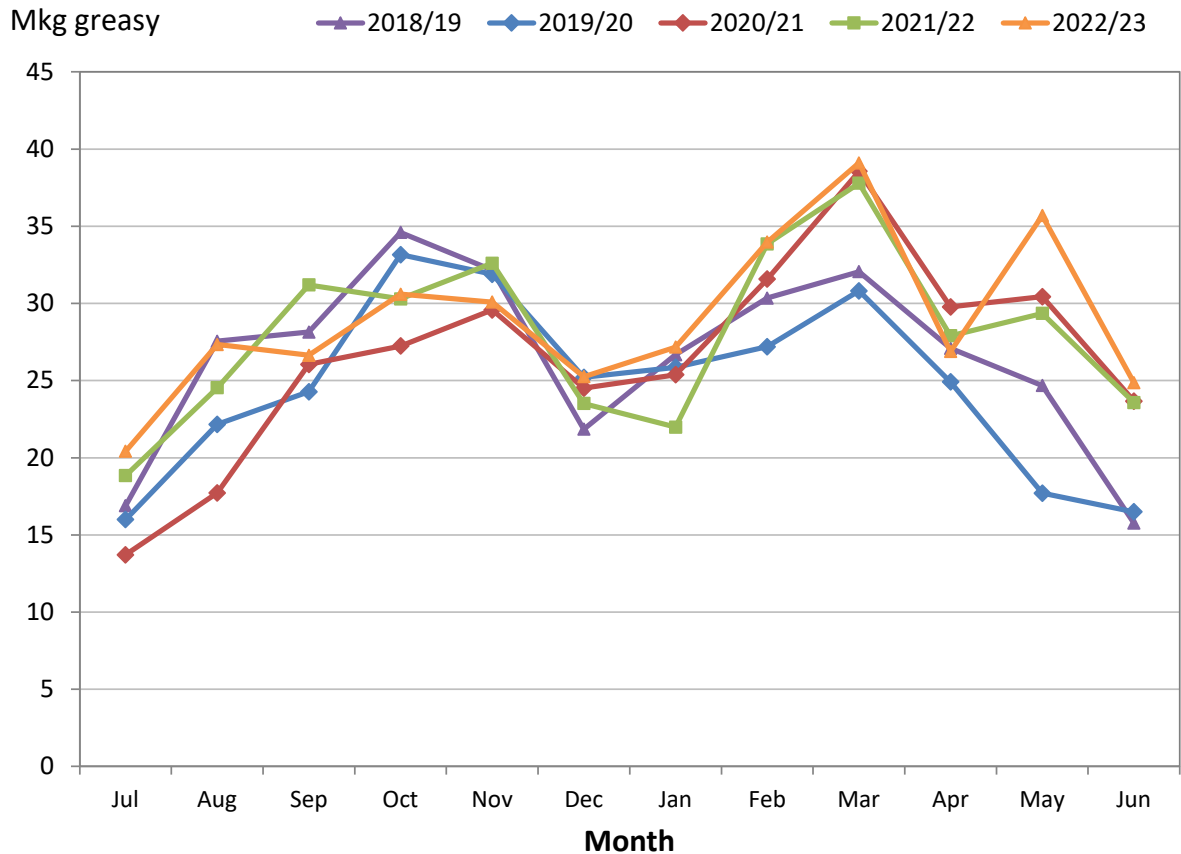
The AWPFC forecasts are based on detailed consideration by the state and national committees of data from various sources including:

- AWTA wool test data for the 2022/23 season and 2023/24 to July 2023;
- AWEX auction statistics for the 2022/23 season and 2023/24 to August 2023 (Week 6);
- ABS sheep and lamb turn-off for the 2022/23 season to March 2023;
- 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 Sheep Producer Intentions Survey released in May 2023.

### **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 2022/23 season are compared with previous seasons (2018/19 to 2021/22) in this report.

Compared with the 2022/21 season, the month-by-month comparison of wool tested during 2022/23 shows higher monthly test volumes for July, August, October, December through to March, May and June (Figure 1). Across all five seasons, monthly test volumes tend to increase from July to October, decrease in November and December, increase from January to March and then decrease from April through to June. Wool test volumes in February and May 2023 were the highest for the previous four seasons.



**Figure 1: Comparison of monthly AWTA key test data volumes for the 2022/23 season with previous seasons (2018/19 to 2022/23)**

AWTA national wool test volumes data for the 2022/23 season (Table 3) shows:

- Volumes of wool tested were 3.8% higher than the 2021/22 season and were 6.9% higher than the five-year average from 2017/18 to 2021/22.
- There were increases in the weight of wool tested in all the micron categories except the 20-micron (down 1.5%), 21-micron (down 4%) and the 29 – 30 microns (down 9.3%) categories. The largest increases occurred in the less than 16.5-micron (up 21.8%), 25 – 26 microns (up 17.1%) and 17-micron (up 13.9%) categories.
- The largest micron categories by volume were the 19-micron (68.52 Mkg greasy), 18-micron (58.63 Mkg greasy) and 20-micron (54.17 Mkg greasy) categories. The year-on-year percentage changes in these three micron categories were up 1.7%, up 5.1% and down 1.5% respectively.
- The micron split (% of total weight of wool tested) during 2022/23 was very similar to that tested during 2021/22.

**Table 3: AWTA key test data volumes (Mkg greasy) for the financial year by micron range 2017/18 to 2022/23 (Mkg greasy)**

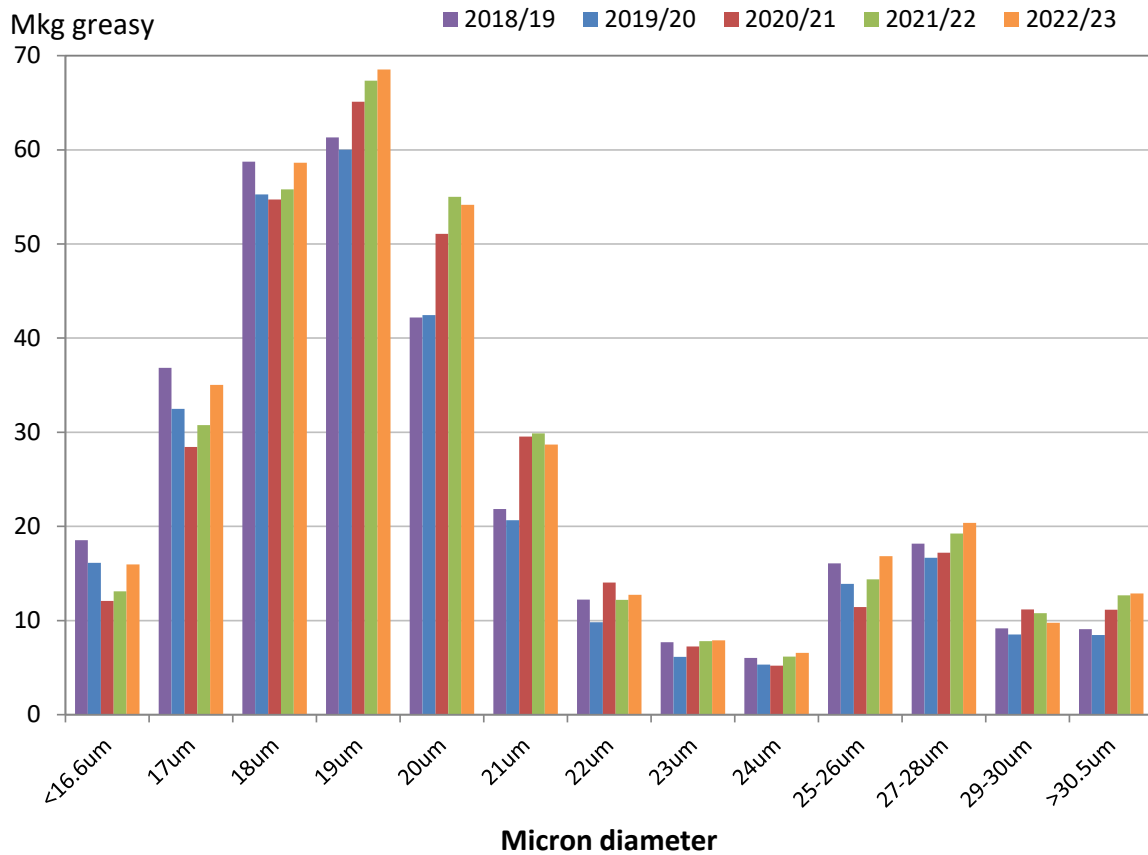
Parameter	Year	<16.6um	17um	18um	19um	20um	21um	22um	23um	24um	25-26um	27-28um	29-30um	>30.5um	TOTAL
<b>AWTA FY Total Mkg greasy</b>	2017/18	11.63	31.07	55.63	67.08	58.09	36.83	20.44	10.53	6.51	14.88	21.68	14.36	11.69	360.41
	2018/19	18.54	36.85	58.74	61.31	42.20	21.85	12.22	7.71	6.03	16.06	18.17	9.18	9.09	317.96
	2019/20	16.14	32.47	55.26	60.01	42.43	20.66	9.82	6.15	5.32	13.88	16.68	8.50	8.47	295.80
	2020/21	12.08	28.42	54.71	65.11	51.06	29.53	14.05	7.24	5.21	11.43	17.21	11.17	11.16	318.38
	2021/22	13.10	30.76	55.79	67.35	55.01	29.87	12.21	7.82	6.16	14.36	19.24	10.78	12.68	335.13
	2022/23	15.95	35.04	58.63	68.52	54.17	28.68	12.74	7.89	6.55	16.82	20.37	9.77	12.88	348.02
<b>Y-O-Y change %</b>	2022/23	21.8%	13.9%	5.1%	1.7%	-1.5%	-4.0%	4.3%	0.9%	6.4%	17.1%	5.9%	-9.3%	1.5%	3.8%

<b>Micron Split (%)</b>	2021/22	3.9%	9.2%	16.6%	20.1%	16.4%	8.9%	3.6%	2.3%	1.8%	4.3%	5.7%	3.2%	3.8%
	2022/23	4.6%	10.1%	16.8%	19.7%	15.6%	8.2%	3.7%	2.3%	1.9%	4.8%	5.9%	2.8%	3.7%

<b>5 year av. 2017/18 to 2021/22</b>	Tonnes	14.30	31.91	56.03	64.17	49.76	27.75	13.75	7.89	5.85	14.12	18.60	10.80	10.62	325.54
	% change 22/23 vs 5-yr av	11.6%	9.8%	4.7%	6.8%	8.9%	3.4%	-7.4%	0.0%	12.1%	19.1%	9.6%	-9.5%	21.2%	6.9%
	Micron split %	4.4%	9.8%	17.2%	19.7%	15.3%	8.5%	4.2%	2.4%	1.8%	4.3%	5.7%	3.3%	3.3%	

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

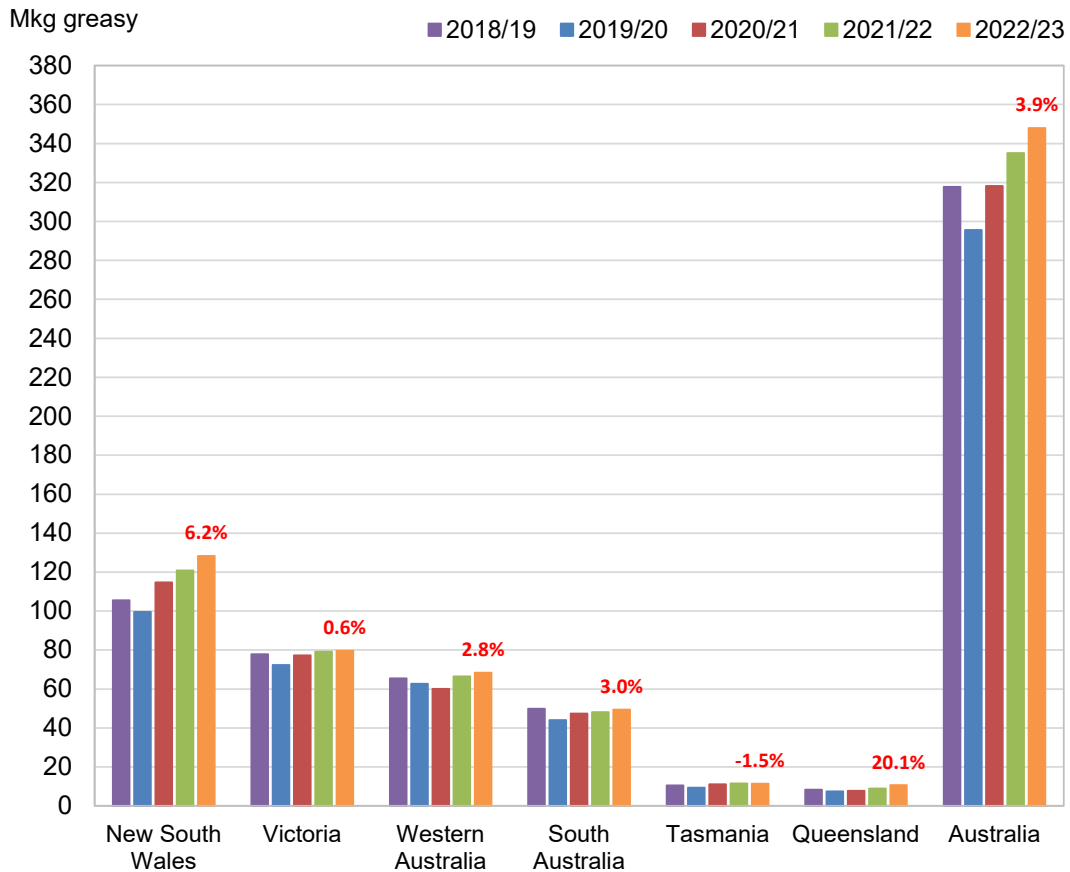
- The micron profile of the Australian wool clip continues to have two distinct peaks; one centred around 19-micron wool (finer than 16.6 microns up to 23 microns); and a second centred around 27 - 28 microns (from 24 microns to 30.5 microns and broader) (Figure 2).



**Figure 2: Australian fibre diameter profile – 2022/23 season compared with the 2018/19 to 2021/22 seasons**

- 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).
- Based on data by Wool Statistical Area (WSA), the volumes of wool tested during 2022/23 increased in all states except Tasmania (down 1.5%) on a year-on-year basis (Figure 3).
- Queensland had the greatest increase in the volume of wool tested (up 20.1%), followed by New South Wales (up 6.2%), South Australia (up 3.0%), Western Australia (up 2.8%) and Victoria (up 0.6%).





**Figure 3: Volume of wool tested during 2022/23 season (AWTA key test data) compared with previous seasons (2018/19 to 2021/22).** The percentage change in red font is the 2022/23 season compared with the 2021/22 season

- A graphical representation of the AWTA Key Test Data changes in mean 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 2022/23 season is shown in Figure 4.
- On each graph the red dot represents the mean value of each characteristic for the 2022/23 season while the blue dot represents the mean for the 2021/22 season.
- 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 2022/23.
- 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 2022/23 season (TY), while the blue line is the mean for the 2021/22 season (LY).
- On a national basis, compared with the 2021/22 season, mean fibre diameter was the same at 20.8 microns, staple length was up 0.7 mm to 88.8 mm and staple strength was down 0.2 N/ktex to 34.7 N/ktex (Figure 4a). Vegetable matter was higher at 2.4% (up 0.1%), yield was up 1.0% to 65.9% (the highest level since 2000/01) and predicted hauteur (TEAM 3) was up 0.1 mm to 71.8 mm (Figure 4b).



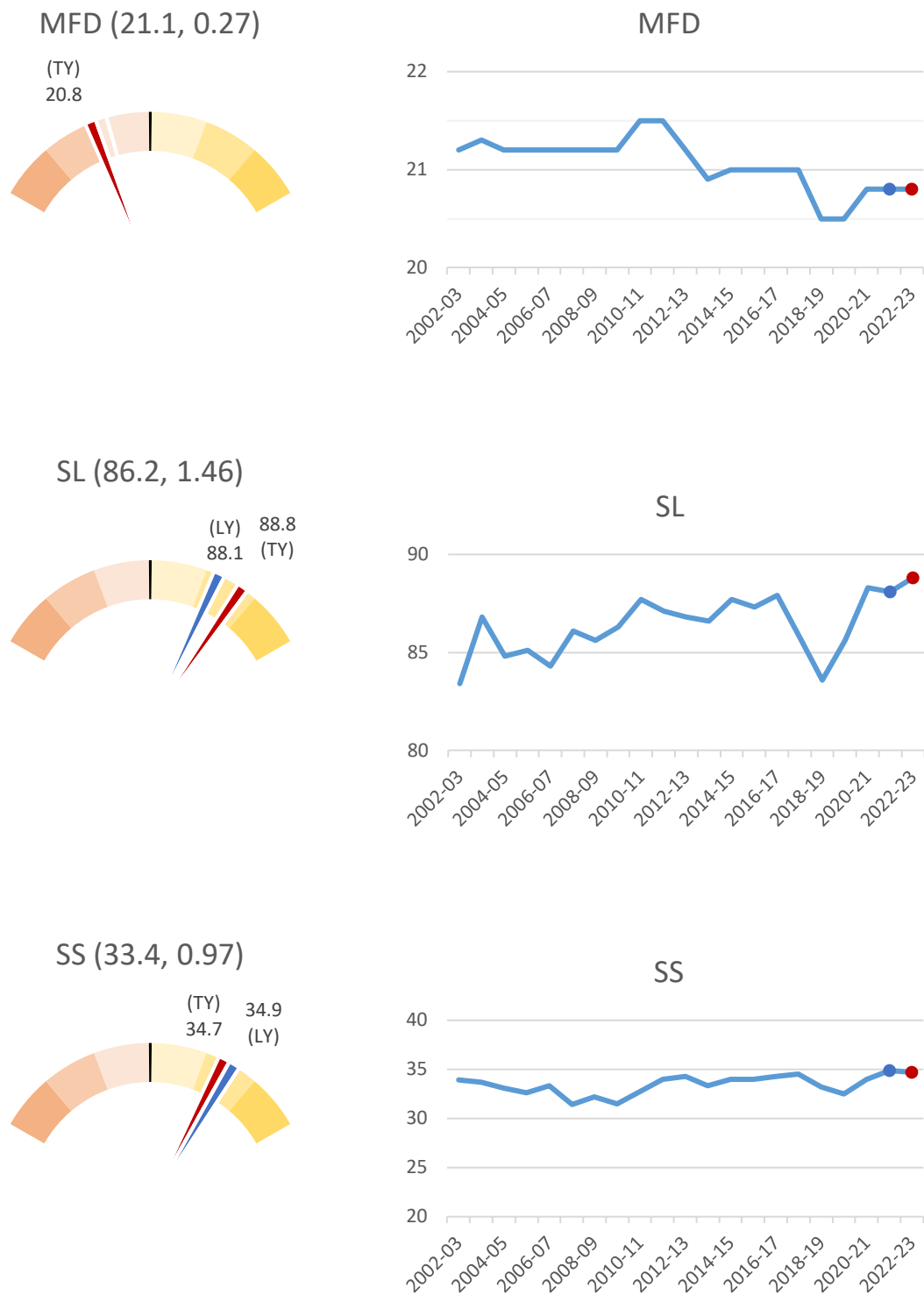


Figure 4a: AWTA Key Test Data (by sampling site) mean fibre diameter (MFD), staple length (SL) and staple strength (SS) for the Australian wool clip for full season (2000/01 to 2022/23)

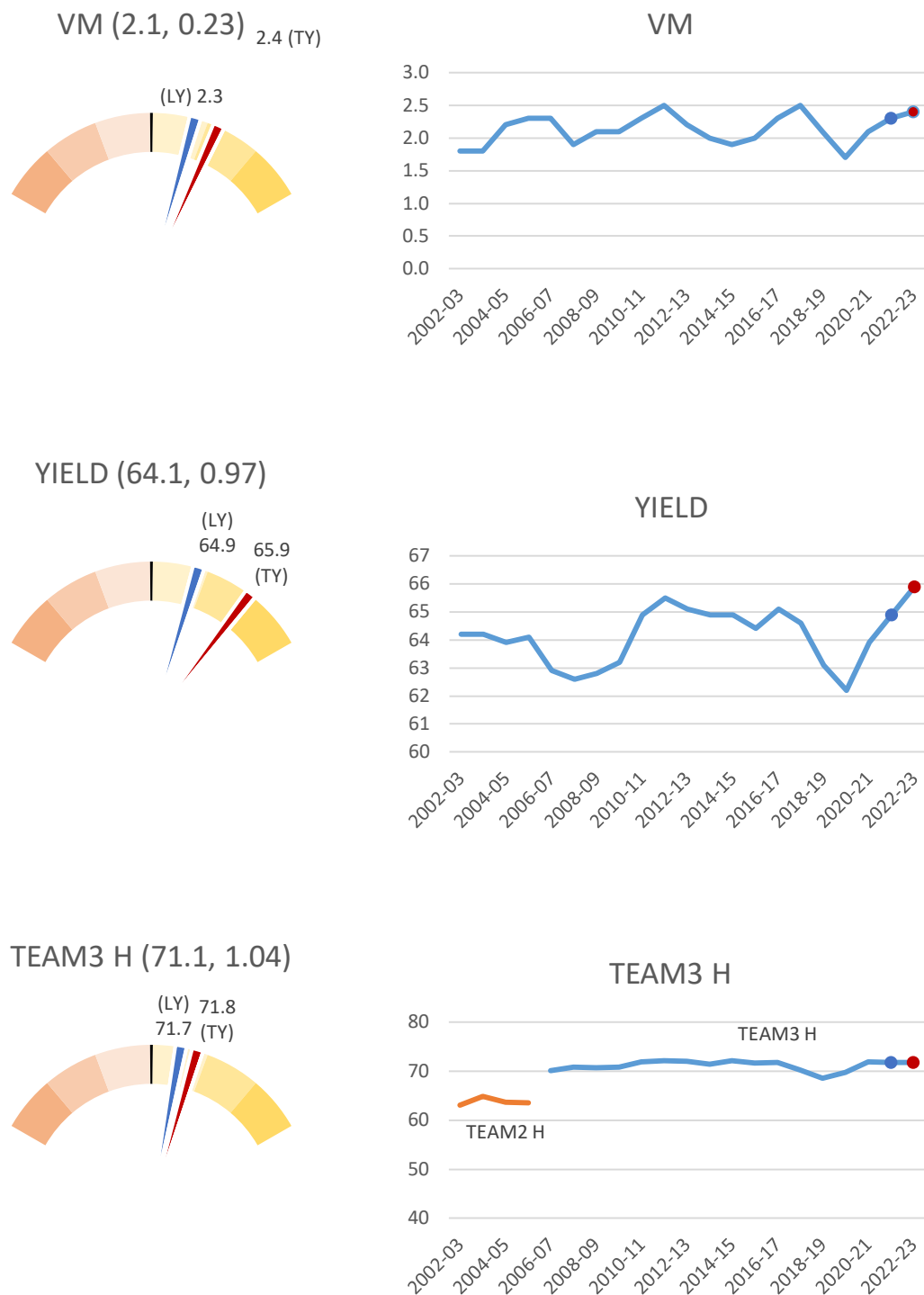


Figure 4b: AWTA Key Test Data (by sampling site) vegetable matter (VM), yield (YIELD) and TEAM 3 H (TEAM 3 H) for the Australian wool clip for full season (2000/01 to 2022/23)

### AWEX auction statistics

The AWEX auction statistics for the 2022/23 season show no change in firsthand wool offered volumes compared with the during the 2021/22 season (Table 4).

- Firsthand bales offered increased in Queensland (up 13.6%), New South Wales (up 1.1%) and South Australia (0.9%). All other states recorded a year-on-year decrease. Victoria was down 3.4%, Western Australian down 0.7% and Tasmania down 0.6%.
- There was a small decrease (down 0.3%) in the volume of first-hand Merino wool offered across Australia, and a 5.2% increase in first-hand Crossbred wool offered. The share of Merino wool of all first-hand offered wool was 78.9% during 2022/23, compared with 79.9% in 2021/22 and 82.2% in 2020/21.
- There was an 6.0% decrease in the volume of 'Prem-shorn' Merino fleece wool in 2022/23 (16.9 Mkg) compared with 2021/22 (17.9 Mkg).
- As a percentage share of the total firsthand wool offered (238.9 Mkg greasy), 7% of Australian first-hand bales offered were prem shorn during 2022/23. On a state-by-state basis this ranged from 1% in Tasmania to 46% in New South Wales.

**Table 4: AWEX Auction Statistics 2022/23**

2022/23	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
First hand bales offered (% change on 2021/22)	1.1%	-3.4%	-0.7%	0.9%	-0.6%	13.6%	0.0%
Merino first hand offered (% change on 2021/22)	-0.7%	-6.5%	-1.7%	0.8%	-3.2%	13.3%	-0.3%
Crossbred first hand offered (% change on 2021/22)	7.3%	2.9%	18.5%	0.0%	3.2%	23.5%	5.2%
Merino first hand offered (% share)	91.2%	65.4%	94.1%	82.1%	65.4%	97.6%	78.9%
Crossbred first hand offered (% share)	8.8%	34.6%	5.9%	17.9%	34.6%	2.4%	21.1%
<b>Merino First Hand 'Prem' Shorn Fleece</b>							
Weight (Mkg)	7.7	1.8	3.0	3.9	0.1	0.5	16.9
% share of total	46%	11%	18%	23%	1%	3%	7%
% change on 2021/22	-5%	-14%	0%	-5%	30%	24%	-6%

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**

*Sheep turn-off*

Australian sheep and lamb turn-off statistics for 2022/23 season to March 2023 are shown in Table 6:

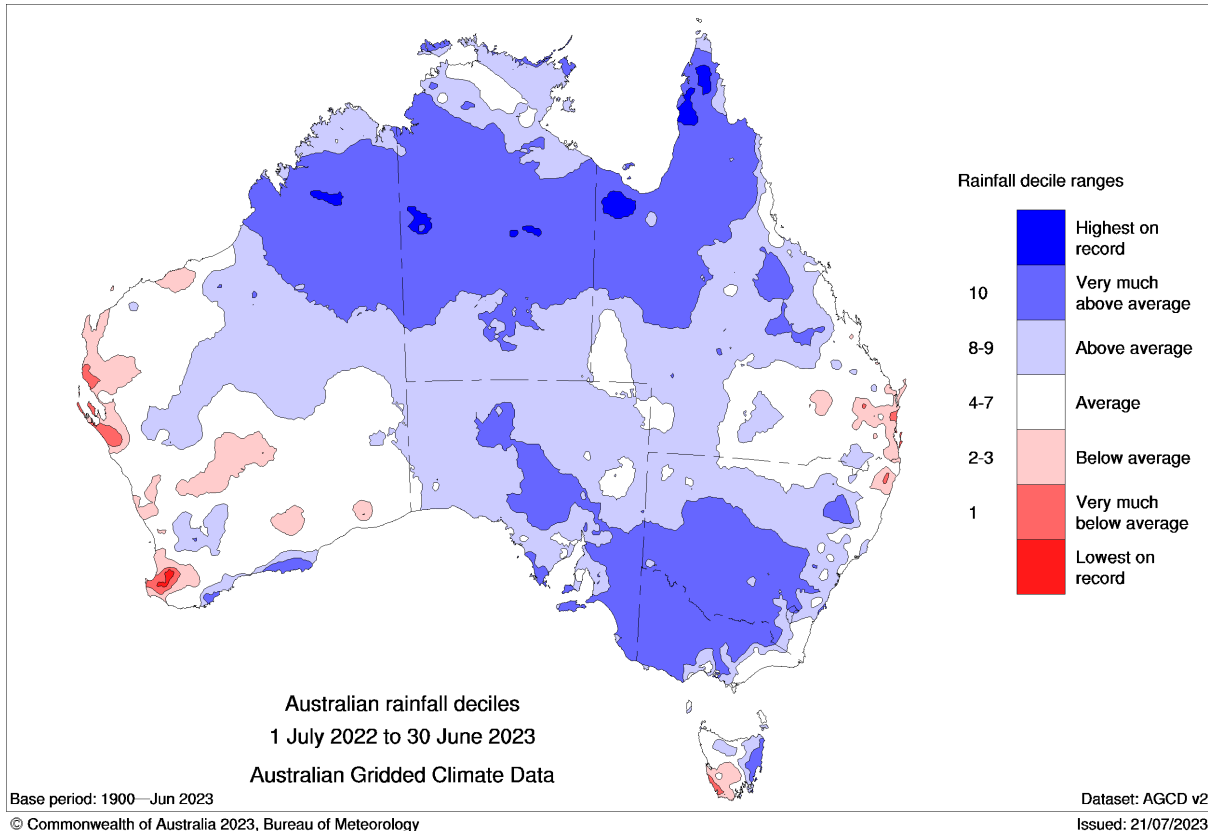
- There was a 26% increase in sheep slaughter, and an 8% increase in lamb slaughter.
- The number of live sheep exported from Australia increased by 38% compared with 2021/22.
- Total turnoff of sheep and lambs during 2022/23 was 13% higher than 2021/22 and 1% above the five-year average.

**Table 5: ABS Sheep turn off data for 2022/23 to March 2023 compared with 2021/22 to March 2022**

Parameter	Financial year			5-yr FYTD	
	July 2021 to March 2022	July 2022 to March 2023	% Δ	Avg	%Δ
Sheep slaughter ('000 hd)	4,854	6,114	26%	6,148	-1%
Sheep weights (kg/hd cwt)	26.6	26.1	-2%	25.1	4%
Mutton production (tonnes cwt)	129,191	159,433	23%	154,606	3%
Lamb slaughter ('000 hd)	15,425	16,673	8%	16,068	4%
Lamb weights (kg/hd cwt)	24.2	24.5	1%	23.4	5%
Lamb production (tonnes cwt)	373,193	407,889	9%	375,745	9%
Live exports ('000 hd)	489	673	38%	991	-32%
Total Turnoff ('000 hd)	20,768	23,461	13%	23,207	1%

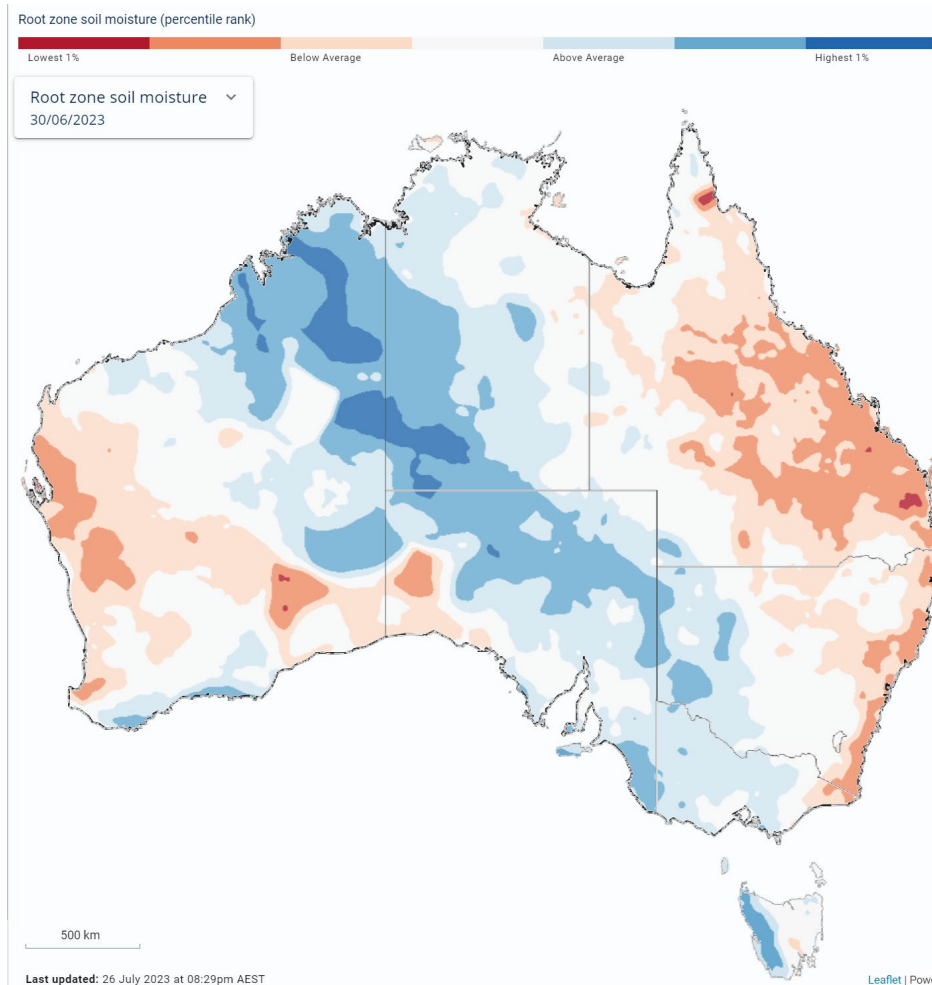
## Bureau of Meteorology (BoM) seasonal rainfall seasonal outlook

Seasonal conditions during the 2022/23 season were very favourable for sheep and wool production. Rainfall deciles in most wool producing regions in the eastern states except Tasmania were average to very much above average (Figure 5). The southern and central regions of Tasmania recorded below average rainfall deciles. Western Australia had average rainfall throughout most major wool growing regions.



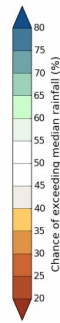
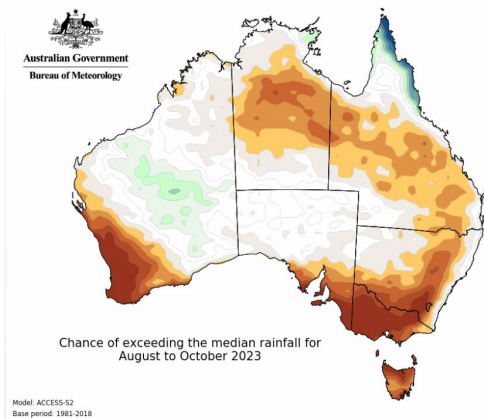
**Figure 5: Australian rainfall deciles, 1 July 2022 to 30 June 2023**

The average to above average rainfall during 2022/23 shifted the landscape water balance to above average or higher for most wool producing regions in South Australia, western New South Wales and western Victoria (Figure 6). In contrast, the landscape water balance in key wool producing regions of Queensland, Western Australia and eastern New South Wales remains average to below average.

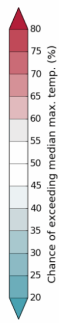
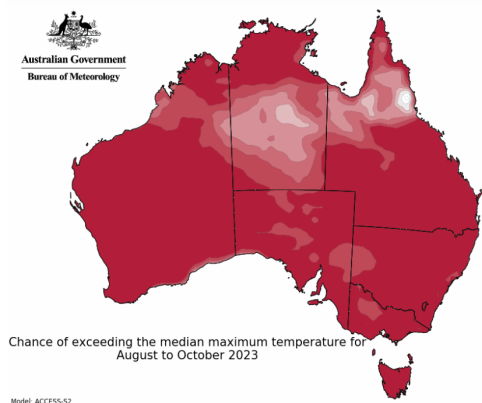


**Figure 6: Australian landscape water balance, at 30 June 2023** (Source: [Bureau of Meteorology](#))

The Bureau of Meteorology's outlook for August to October 2023 is for very likely (60% to greater than 80% chance) below median rainfall for large parts of southern and eastern Australia (Figure 7). Areas of Western Australia's South West Land Division, southeast South Australia, large parts of Victoria and most of Tasmania are at least twice as likely to receive unusually low rainfall. August to October above median maximum temperatures are very likely (greater than 80% chance) with minimum temperatures likely to very likely (60% to greater than 80%) for almost all of Australia (Figure 8).



Model run: 24/07/2023  
Issued: 27/07/2023



Model run: 24/07/2023  
Issued: 27/07/2023

**Figure 7: Chance of exceeding median rainfall (Aug – Oct 2023)**

**Figure 8: Chance of exceeding median maximum temperature (Aug – Oct 2023)**

In its update on 27 July 2023, the Bureau noted that their outlook was influenced by several factors, including likely El Niño development, potential positive Indian Ocean Dipole development and record warm oceans globally. An El Niño alert is current.

### Results from the MLA and AWI Sheep Producers Intentions Survey

The [MLA and AWI Sheep Producers Intentions Survey – May 2023](#) found that the nett sentiment (% positive - % negative) for the wool industry was +13 (up 1 point on October 2022). The nett sentiment for the sheepmeat industry was +27 (down 40 points on October 2022).

Merino ewes (64%) continue to dominate the national breeding ewe flock, with smaller percentages of first cross (14%) and prime lamb (12%) breeds. The May survey forecasted a 6% decrease in the total breeding ewe flock from 2023 to 2024. Producer-level intentions to either increase, maintain or decrease their ewes flock from 2023 to 2024 were 30%, 38% and 32% respectively.



## State Committee input

The following provides a summary of seasonal conditions and the wool production estimate in 2022/23 and forecast for 2023/24 in each state as reported by the AWPFC state committees in August 2023.

### New South Wales

No significant change to the season occurred since the April meeting. The mean fibre diameter for the 2022/23 season was 20.4  $\mu\text{m}$  (0.2  $\mu\text{m}$  finer than 2021/22). There was no significant difference in staple length (86.1 mm), staple strength (36.4 N/ktex) or vegetable matter (3.0%) between 2022/23 and 2021/22. Yield was 67.7% (up 1.5% on 2021/22) which is the highest level since 2000/01. **The New South Wales Committee's estimate of shorn wool production for 2022/23 is 119.0 Mkg greasy, up 5.0% on 2021/22.**

All southern regions of NSW are enjoying a very good season. Pasture feed supply remains very good and sheep are holding their condition. Rainfall has been less than last year, but soil moisture levels remain high which is favourable for livestock production. The available feed and pasture growth are expected to boost per head production with reports of flock numbers increasing in southern regions. The central west, northwest and northeastern regions are increasingly dry. Sheep feeding is underway, including for lambing ewes and some reduction in numbers is expected.

Producers across the state are increasingly wary of an El Niño declaration. It is difficult to predict grower intentions due to low prices for sheepmeat and wool. Producers are very wary of another drought occurring with decisions regarding stock numbers expected to be made sooner rather than later if dry conditions eventuate.

Merino production is stable as there are no better alternatives at present. It is a difficult environment for crossbred production due to the low value of crossbred wool, with these producers increasing cattle numbers or cropping area. Those staying with sheep are moving back to Merino flocks, with Merino wethers replacing first cross ewes due to their lower dry sheep equivalent (DSE) rating (i.e. can run 2 wethers for 1 pregnant ewe). Only a small number of producers are transitioning to shedding breeds.

The drier season so far has been favourable for shearing with many sheds slightly ahead of schedule. The various industry solutions implemented in response to the shearer shortage are beginning to show dividends. Brokers are reporting receivals 2-3 weeks early and wool being held rather than sold due to the fall in the wool prices.

The favourable conditions in the south of the state are expected to compensate for the relatively poorer conditions in northern regions, however this will depend on the season in the next two months. Rain in September to October will carry producers through to Christmas and ensure that the positive pregnancy scanning and marking rates will boost weaning rates. However dry conditions are expected to pull weaning rates back. **The New South Wales Committee's second forecast of shorn wool production for 2023/24 is 123.6 Mkg greasy, up 3.9% on 2022/23.**

## Victoria

The season continued to be favourable during May and June and the Committee made no change to the 2022/23 forecast made in April. Lamb marking percentages were good but not outstanding. Central Victoria had good lambing and marking percentages. The mean fibre diameter for the 2022/23 season was 21.8µm (no change from 2021/22) and below the long-term average of 22.0 µm. Staple length was 89.9 mm (up 2.1 mm compared with 2021/22), staple strength 35.6 N/ktex (up 0.3 N/ktex) and yield 67.2% (up 1.2%). There was no year-on-year change in vegetable matter at 2.0%. **The Victorian Committee's estimate of shorn wool production for 2022/23 is 70.0 Mkg greasy, down 5.3% on 2021/22.**

Victoria is currently set up for a great spring with plenty of feed on hand, however producers are increasingly anxious regarding the forecast drier and hotter conditions. September will be the decision time for producers regarding sheep numbers with rainfall and resultant soil moisture at the end of the month key factors. Hot temperatures (30 to 25°C) will quickly wilt clover and reduce available feed quality.

Cropping programs will go ahead and producers are looking to put feed aside for their stock. The recently completed scanning season was very good with more than 100% recorded on average. Merino ewes remain the domain breed to be scanned, although there has been a small shift to composite sheep. Producers are holding onto more stock than normal due to the low sheepmeat prices with many overstocked. Spring is the peak shearing time, so an unfavourable spring and following autumn will not have a large impact on production nor wool quality during 2023/24 although yield will decline due to higher dust content.

The Committee is expecting a rapid sell-off at the end of September if the season deteriorates. Older age groups are expected to be sold which will decrease wool cuts due to the lower productivity of younger sheep. If the hot and dry conditions don't materialise until November, the reduction in sheep numbers will not be as dramatic. Despite this, producers remain optimistic about the wool industry with good interest and attendance at recent ram sales and field days as producers continue to seek out good genetics for their flocks. Producers are expected to maintain numbers through breeding rather than buying replacement animals. **The Victorian Committee's second forecast of shorn wool production for 2023/24 is 64.7 Mkg greasy, down 7.5% on 2022/23.**

## Western Australia

No change to the season since the April meeting with no change made to the 2022/23 forecast. There is an elevated level of pessimism in the state primarily due to the live sheep phase out. An estimated 1.4 to 1.5m additional sheep are on the ground in WA at present, due to constraints with processing capacity and reduced demand from interstate. These sheep have been carried over into the new season. **The Western Australian Committee's estimate of shorn wool production for 2022/23 is 60.6 Mkg greasy, down 1.0% on 2021/22.**

The season is shaping up well in southern regions of the state which has experienced good rains. Pasture quality and quantity is expected to increase when temperatures rise. A recent very wet and cold snap in southern regions occurred during peak lambing for many producers and may impact on lamb survival. Northern regions are experiencing a tighter season with quite variable conditions. More crops have been sown and while there has been some reduction in

sheep numbers (through selling an older age group) some sheep are being retained to maintain income.

Poor sheep and lamb prices (down 30 - 40%) and few options to dispose of surplus animals are forcing producers to retain lambs and older ewes. The Committee agree that the negative sentiment regarding the sheep industry is higher now than it was in May when the SIPS survey was conducted. Farm labour and shearer availability continue to impact on industry sentiment with Merino production expected to bear the brunt of the live sheep phase out.

Wool cuts up to spring are expected to be reasonable, the poor start to the season will be evident in wool from later shearings. The average wool cut per head is expected to fall to 4.40 kg greasy, which is equivalent to the long-term average from the 2004/05 season, due to a poorer season than 2022/23, held over lambs and expected prem shearing of surplus sheep prior to an anticipated sell off later in the season. Many producers will opt not to join during 2023/24 and are waiting for demand for ewes from the Eastern states to materialise.

The Committee notes that the impact of the elevated pessimism and anticipates a sell off of held over sheep and a reduction in breeding ewe numbers will have a large impact on shorn wool production in the 2024/25 season. However, these sheep remain in the system during 2023/24, will be shorn prior to the 30 June 2024 and thus are accounted for in this forecast. The next six months (i.e. season. labour, politics, sheep and wool prices) will be crucial in terms of the number of sheep remaining in the WA flock going into 2024/25. **The Western Australian Committee's second forecast of shorn wool production for 2023/24 is 56.9 Mkg greasy, down 6.2% on 2022/23.**

### South Australia

Three northwest rain bands moved through South Australia in June and resulted in great rains throughout the pastoral region. Favourable seasonal conditions persisted through to the end of June for most of the state. There were small year-on-year changes in mean fibre diameter (up 0.1  $\mu\text{m}$ ), staple length (up 1.8 mm), staple strength (up 0.4 N/ktex), vegetable matter (+0.1%) and yield (1.2%). No change was made to the April forecast. **The South Australian Committee's estimate of shorn wool production for 2022/23 is 56.7 Mkg greasy, up 1.1% on 2021/22.**

Very favourable seasonal conditions persisted into August. The southeast of the state and up through the Mallee have a large quantity of paddock feed and very good crops. Pastoral regions now have enough feed to carry them through to the end of summer. Kangaroo Island and both the Eyre and Yorke Peninsulars are all enjoying a favourable season. Spring has been locked in in these regions. Some areas in the southwest are average to drier having missed the June rains. There is some concern in the mid north regarding finishing rain given the dry seasonal outlook. Decisions regarding stock numbers on-farm, are expected to be made in late September or early October when the spring has unfolded, and producers have a clearer picture of conditions heading into summer.

Producers are generally holding onto stock in most regions due to the low sheepmeat and wool prices and limited processing capacity but currently have sufficient pasture feed to do so. The lower sheepmeat and goat prices are expected to be favourable for Merino wool production. Sheep producers are holding back an age group and retaining ewe lambs to shear and generate additional income.

Lamb marking percentages have been very good. Early ram sales have been well attended, while some average prices have been lower, high clearance rates indicate keen interest in Merino genetics. Merino ewes are being purchased rather than first cross or composite ewes. **The South Australian Committee's second forecast of shorn wool production for 2023/24 is 57.7 Mkg greasy, up 1.8% on 2022/23.**

### Tasmania

No change to seasonal conditions since April with no change made to the forecast. No significant year-on-year change in mean fibre diameter (22.0 µm, up +0.5 µm), staple length (90.2 mm up 0.3 mm), staple strength (35.9 N/ktex, down -1.3N/ktex), vegetable matter (0.9%, down -1.1%) and yield (71.2%, up 0.7%). **The Tasmanian Committee's estimate of shorn wool production for 2022/23 is 10.2 Mkg greasy, down 1.0% on 2021/22.**

Wet conditions in the north of the state have produced high soil moisture levels. An expansion of the dairy industry in the north has resulted in dairy cattle being agisted on sheep grazing country. Other regions are dry, particularly in the central and southern regions which produce the bulk of the state's clip.

While producers are looking to consolidate their flock numbers, by identifying and keeping their most profitable animals, the current low prices for lamb and mutton have prompted many producers to retain animals. Producers are opting to feed and shear lightweight Merino wethers to gain some financial return. The poorer seasonal conditions for sheep production is expected to have a negative impact on per head production which will be compounded by the high retention rates of lambs. Reports from early season shearing indicate average cuts per head 10% lower than last season. Scanning reports range from below average to average, but it is too early to predict likely lambing rates for the season.

There is significant interest in shedding sheep breeds among crossbred and composite sheep producers. Crossbred production is expected to change, while some producers will switch to shedders, other will focus on reducing the diameter of their crossbred flock. **The Tasmanian Committee's second forecast of shorn wool production for 2023/24 is 10.0 Mkg greasy, down 2.0% on 2022/23.**

### Queensland

No change to the seasonal conditions around Queensland since the April meeting. Very good seasonal conditions persisted to the end of the 2022/23 season in the central west region, although some regions (Winton, Mitchell and Cunnamulla) remain relatively dry and may have reduced sheep numbers. Store sheep sales were relatively flat to the end of the season, however slaughter sheep sales reduced dramatically. Marking rates range from mid-80% to 100%. **The Queensland Committee's estimate of shorn wool production for 2022/23 is 11.3 Mkg greasy, up 23.0% on 2021/22.**

Recent rain in northwest regions have improved the outlook by boosting pasture supply. Producers are nervous about the predicted return to El Niño conditions, however the current level of pasture feed is expected to carry existing stock numbers through to the end of Spring. Weather conditions at the end of the first quarter (September and into October) will heavily influence producer decisions regarding stock numbers (i.e. retain or sell). Prices for sheep meat (lamb and mutton) will be a key factor. Lambing rates in the drier regions may be impacted due to poorer conception and lambing during July and August which are the coldest

and driest months in those regions. Pasture feed quality and quantity is expected to reduce as the season progresses, however the speed of the decline and impact on residual pasture and sheep production will depend on when the predicted dry and hotter weather arrives.

Increased retention and shearing of lambs are expected to reduce the average fleece cuts. The reduced value of goats is favourable for sheep production. Wether flock numbers are increasing, with some producers opting to trade wethers rather than cattle due to a reduction in cattle prices making Merino wool production relatively more profitable.

The quality of wool (colour and length) expected shorn in the first quarter is expected to be very good on the back of a favourable autumn and winter and subsequent well grown sheep. Following two large year-on-year increases in production, the Committee was cautious regarding their forecast at this early stage in the 2023/24 season. The impact of the forecast drier season on producer intentions will become evident at the end of Spring. **The Queensland Committee's second forecast of shorn wool production for 2023/24 is 11.3 Mkg greasy, no change from 2022/23.**

## Appendix

**Table A1: Comparison of shorn wool production in 2022/23 against the 2021/22 season and the second forecast for 2023/24 against the 2022/23 season**

At their September 2022 meeting, the AWPFC National Committee resolved to include a clean estimate of shorn wool production based on the yield (% , Schlumberger dry top and noil yield) from the AWTA key test data for each complete season.

2021/22	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
Sheep Numbers Shorn (million)	24.6	17.2	13.3	11.7	2.6	2.2	71.6
Average Cut Per Head (kg greasy)	4.60	4.30	4.60	4.80	3.95	4.10	4.52
Shorn Wool Production (Mkg greasy)	113.3	73.9	61.2	56.1	10.3	8.9	324.0
Yield (% , Sch dry)	66.2	66.0	62.9	61.2	70.5	62.8	64.9
Shorn Wool Production (Mkg clean)	75.0	48.8	38.5	34.3	7.3	5.6	210.3
<b>% change y-o-y</b>							
Sheep Numbers Shorn (million)	12.8%	3.6%	0.0%	8.3%	8.3%	15.8%	7.0%
Average Cut Per Head (kg greasy)	1.1%	0.0%	8.2%	1.1%	0.0%	10.8%	2.7%
Shorn Wool Production (Mkg greasy)	14.2%	4.5%	8.3%	8.9%	9.6%	23.6%	10.0%
Yield (% , Sch dry)	3.9%	0.2%	2.8%	-1.1%	0.7%	3.3%	1.6%
Average Cut Per Head (kg clean)	5.2%	1.4%	11.2%	0.0%	0.4%	14.2%	4.3%
Shorn Wool Production (Mkg clean)	18.7%	4.7%	11.3%	7.5%	10.6%	27.3%	11.9%

2022/23	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
Sheep Numbers Shorn (million)	25.9	16.1	13.0	11.1	2.6	2.8	71.5
Average Cut Per Head (kg greasy)	4.60	4.40	4.65	5.10	3.90	4.10	4.59
Shorn Wool Production (Mkg greasy)	119.0	70.0	60.6	56.7	10.2	11.3	328.0
Yield (% , Sch dry)	67.7	67.2	63.0	62.4	71.2	62.5	65.9
Shorn Wool Production (Mkg clean)	80.6	47.0	38.2	35.4	7.3	7.1	216.2
<b>% change y-o-y</b>							
Sheep Numbers Shorn (million)	5.3%	-6.4%	-2.3%	-5.1%	0.0%	27.3%	-0.1%
Average Cut Per Head (kg greasy)	0.0%	2.3%	2.2%	6.3%	-2.5%	0.0%	2.2%
Shorn Wool Production (Mkg greasy)	5.0%	-5.3%	-1.0%	1.1%	-1.0%	27.0%	1.3%
Yield (% , Sch dry)	2.3%	1.8%	0.2%	2.0%	1.0%	-0.5%	1.5%
Average Cut Per head (kg clean)	0.0%	2.3%	1.1%	6.3%	-1.3%	0.0%	1.5%
Shorn Wool Production (Mkg clean)	7.5%	-3.7%	-0.8%	3.2%	0.0%	26.8%	2.8%

2023/24 Second Forecast	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
Sheep Numbers Shorn (million)	26.9	15.2	12.9	11.3	2.9	2.9	72.1
Average Cut Per Head (kg greasy)	4.60	4.30	4.40	5.10	3.50	3.90	4.50
Shorn Wool Production (Mkg greasy)	123.6	64.7	56.9	57.7	10.0	11.3	324.0
<b>% change y-o-y</b>							
Sheep Numbers Shorn (million)	3.9%	-5.6%	-1.1%	1.8%	11.5%	3.6%	0.8%
Average Cut Per Head (kg greasy)	0.0%	-2.3%	-5.3%	0.0%	-10.3%	-4.9%	-2.2%
Shorn Wool Production (Mkg greasy)	3.9%	-7.6%	-6.2%	1.8%	-2.0%	0.0%	-1.1%

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**

At their September 2022 meeting, the AWPFC National Committee resolved to include a clean estimate of shorn wool production for each full season based on the yield (% *Schlumberger dry top and noil yield*) from the AWTA key test data for that season.

Season	Sheep Numbers Shorn (million)	Average Cut Per Head (kg greasy)	Shorn Wool Production (Mkg greasy)	Yield (% Sch dry)	Shorn Wool Production (Mkg clean)
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	65.7	364
2002-03	116.6	4.28	499	64.2	320
2003-04	104.7	4.53	475	64.2	305
2004-05	106.0	4.49	475	63.9	304
2005-06	106.5	4.33	461	64.1	296
2006-07	101.4	4.24	430	62.9	270
2007-08	90.2	4.43	400	62.6	250
2008-09	79.3	4.52	362	62.8	227
2009-10	76.2	4.50	343	63.2	217
2010-11	76.2	4.53	345	64.9	224
2011-12	76.4	4.48	342	65.5	224
2012-13	78.8	4.47	352	65.1	229
2013-14	78.0	4.37	341	64.9	221
2014-15	76.9	4.50	346	64.9	225
2015-16	73.4	4.43	325	64.4	209
2016-17	74.3	4.58	340	65.1	221
2017-18	76.8	4.45	341	64.6	220
2018-19	72.5	4.13	300	63.1	189
2019-20	68.6	4.13	284	62.2	177
2020-21	66.9	4.40	294	63.9	188
2021-22	71.6	4.52	324	64.9	210
2022-23	71.5	4.59	328	65.9	216
2023/24f	72.1	4.50	324		



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%	3.4%	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	3.9%	9.2%	16.6%	20.1%	16.4%	8.9%	3.6%	2.3%	1.8%	4.3%	5.7%	3.2%	3.8%	20.8
2022/23	4.6%	10.1%	16.8%	19.7%	15.6%	8.2%	3.7%	2.3%	1.9%	4.8%	5.9%	2.8%	3.7%	20.8

## **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.