December 2021

Australian Wool Production Forecast Report

Australian Wool Production Forecasting Committee

Summary

- The Australian Wool Production Forecasting Committee's (AWPFC) third forecast of Australian shorn wool production in 2021/22 is 318 Mkg greasy. This is an 8.0% increase on the 2020/21 production of 294 Mkg. This is an upward revision from the Committee's 2021/22 forecast of 305 Mkg made in August 2021.

- Substantial rainfall during November has built upon the favourable spring and set up a promising summer period for sheep and wool production. Pasture feed is plentiful in many grazing regions, while in farming areas crop stubbles will also contribute to an ample supply of summer feed.

- The number of sheep shorn is expected to be 70 million, an increase of 4.6% on 2020/21 as producers seek to build flock numbers. The abundant feed supply in many key wool producing regions is expected to increase average cut per head by 3.2% to 4.54 kg greasy.

- 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 13.8% (10.7 Mkg greasy), Western Australia by 10.3% (62.3 Mkg greasy), Victoria by 7.1% (75.7 Mkg greasy), New South Wales by 6.8% (105.9 Mkg greasy) and South Australia by 6.6% to 54.9 Mkg greasy.

- The BOM outlook for January to March 2022 is for average to above average median rainfall across most of Australia with above average maximum temperatures in most regions.

- Shorn wool production for the 2020/21 season was 294 Mkg greasy, a 3.7% increase on the 284 Mkg greasy for the 2019/20 season. No change was made from the August 2021 estimate.

- AWTA and AWEX data for the full 2020/21 season were presented in the Australian Wool Production Forecast Report in August 2021. The only 2020/21 full season data not available to the AWPFC in August were the ABS wool receivals, which were up by 10.7%.

FURTHER INFORMATION
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- 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	2019/20	2020/21	*Change y-o-y (%)*	2021/22 Third Forecast	*Change y-o-y (%)*
Sheep numbers shorn *(million head)*	68.6	66.9	*-2.5%*	70.0	*4.6%*
Average cut per head *(kg/head)*	4.13	4.40	*6.5%*	4.54	*3.2%*
Shorn wool production *(Mkg greasy)*	284	294	*3.7%*	318	*8.0%*

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

Season	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
2019/20	94.3	63.2	59.8	50.0	9.0	7.5	284
2020/21	99.2	70.7	56.5	51.5	9.4	7.2	294
Change y-o-y (%)	*5.2%*	*11.9%*	*-5.5%*	*3.0%*	*4.4%*	*-4.0%*	*3.7%*
2021/22 Third Forecast	105.9	75.7	62.3	54.9	10.7	8.7	318
Change y-o-y (%)	*6.8%*	*7.1%*	*10.3%*	*6.6%*	*13.8%*	*20.8%*	*8.0%*

- 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 2020/21 and the 2021/22 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 2020/21 season and the 2021/22 season from July to November 2021;
- AWEX auction statistics for the 2020/21 season and the 2021/22 season to the 24 November 2021 (Week 21);
- ABS wool receivals data for the 2020/21 season and the 2021/22 season to September 2021;
- ABS sheep and lamb turn-off for the 2020/21 season and the 2021/22 season to September 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 October 2021.

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 2020/21 season were presented in the Australian Wool Production Forecast Report in August 2021.

Data for the 2021/22 season from 1 July to 30 November 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 compared with 2020/21. Wool test volumes increased in July, August and September 2021, dipped slightly in October and increased again in November. Test volumes in November 2021 were very similar to those in November 2018 and 2019.

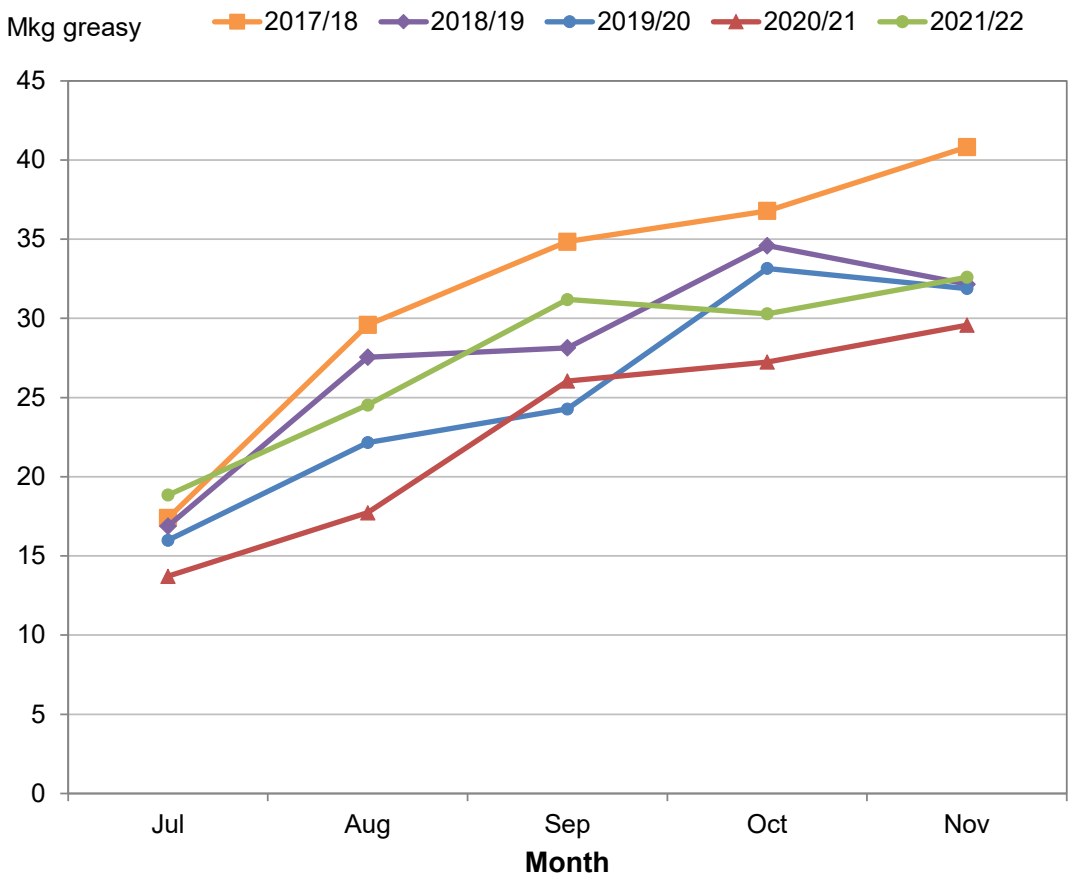


Figure 1: Comparison of monthly AWTA key test data volumes for July to November in the 2021/22 season compared with the same five months in previous seasons (2017/18 to 2020/21)

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

- Volumes of wool tested were 19.9% higher than the 2020/21 season and were 1.1% lower than the five-year average from 2016/17 to 2020/21. It is important to note that 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 very similar to the 2019/20 season.
- For July to November in the 2021/22 season, there were increases in the weight of wool tested in all the micron categories except the 22-micron which was down 9.2%. The largest increases occurred in the broader end of the micron range with the greater than 30.5 microns, 24 microns, 25-26 microns and 26 – 28 microns categories increasing by more than 30% (41.4%, 35.0%, 38.9% and 30.4% respectively).
- The biggest micron categories by volume are the 19 micron (29.11 Mkg greasy), 20 micron (24.12 Mkg greasy) and 18 micron (23.29 Mkg greasy) categories. The year-on-year percentage increase in these three micron categories from July to November were 21.1%, 26.8% and 17.1% respectively.
- The micron split (% of total weight of wool tested) for July to November 2021 is very similar to that tested between July and November 2020.

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

Parameter	Season	<16.6um	17um	18um	19um	20um	21um	22um	23um	24um	25-26um	26-28um	29-30um	>30.5um	TOTAL
AWTA FY Total Mkg greasy	2016/17	7.24	11.92	20.03	28.36	27.73	19.52	10.05	4.16	2.53	5.89	8.04	4.45	2.54	152.46
	2017/18	5.50	13.26	23.28	29.69	28.00	19.39	10.19	4.50	2.49	5.66	8.58	5.68	3.35	159.59
	2018/19	9.59	15.76	25.15	27.46	20.60	10.78	5.93	3.20	2.25	6.23	6.96	3.08	2.44	139.43
	2019/20	7.98	13.85	23.96	26.92	19.74	9.39	4.05	2.30	2.02	5.66	6.75	2.70	2.21	127.55
	2020/21	5.41	10.17	19.90	24.05	19.03	11.79	5.41	2.38	1.54	3.52	5.39	3.43	2.35	114.37
	2021/22	5.99	12.77	23.29	29.11	24.12	13.03	4.91	2.77	2.07	4.89	7.03	3.80	3.32	137.12
Change y-o-y (%)	*2021/22*	*10.8%*	*25.5%*	*17.1%*	*21.1%*	*26.8%*	*10.5%*	*-9.2%*	*16.5%*	*35.0%*	*38.9%*	*30.4%*	*10.7%*	*41.4%*	*19.9%*
Micron Split (%)	2020/21	4.7%	8.9%	17.4%	21.0%	16.6%	10.3%	4.7%	2.1%	1.3%	3.1%	4.7%	3.0%	2.1%	
	2021/22	4.4%	9.3%	17.0%	21.2%	17.6%	9.5%	3.6%	2.0%	1.5%	3.6%	5.1%	2.8%	2.4%	
5 year av. 2016/17 to 2020/21	Mkg greasy	7.14	12.99	22.46	27.30	23.02	14.17	7.12	3.31	2.17	5.39	7.15	3.87	2.58	138.68
	% change 21/22 vs 5 yr av	*-16.1%*	*-1.7%*	*3.7%*	*6.7%*	*4.8%*	*-8.1%*	*-31.1%*	*-16.2%*	*-4.3%*	*-9.4%*	*-1.6%*	*-1.7%*	*28.8%*	*-1.1%*
	Micron split %	5.2%	9.4%	16.2%	19.7%	16.6%	10.2%	5.1%	2.4%	1.6%	3.9%	5.2%	2.8%	1.9%	

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).

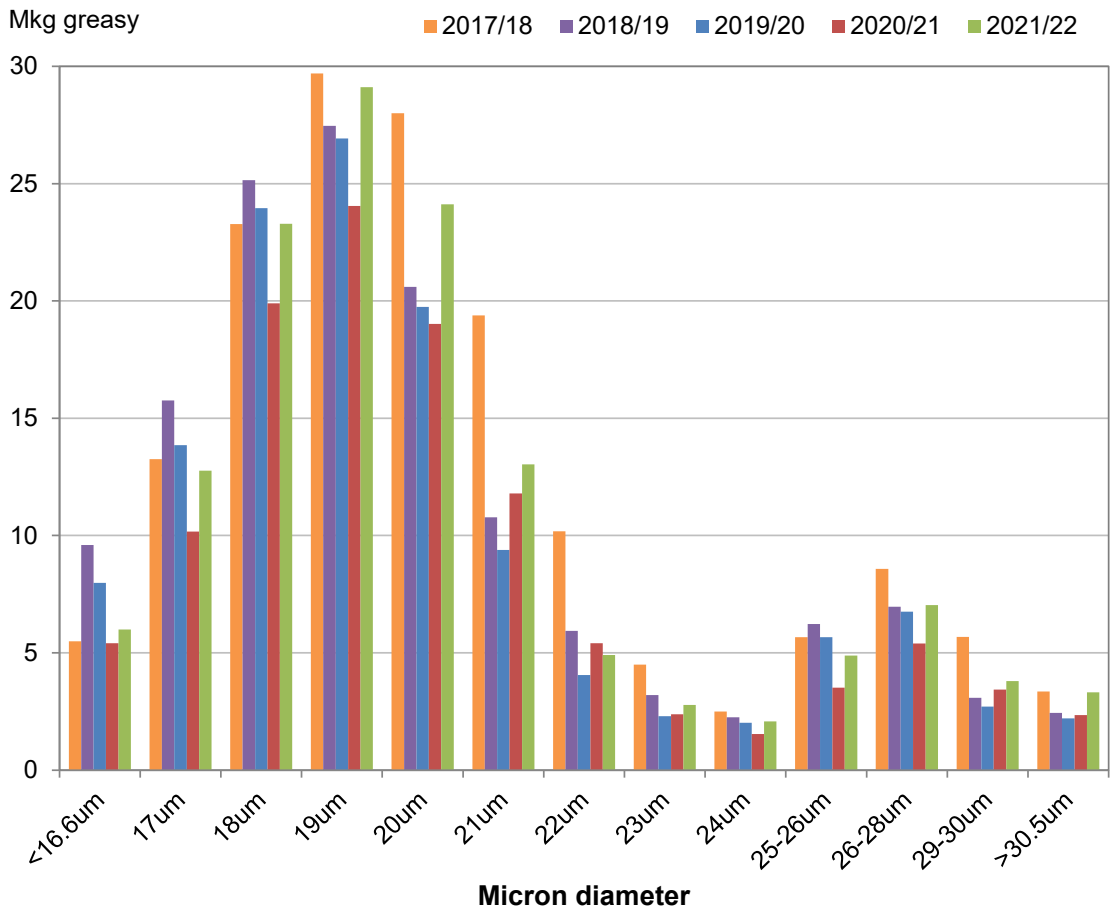


Figure 2: Australian fibre diameter profile – 2021/22 July to November compared with the same five months during the 2017/18 and 2020/21 seasons

- Based on data by Wool Statistical Area (WSA), the volumes of wool tested between July and November 2021 increased in all states on a year-on-year basis (Figure 3).

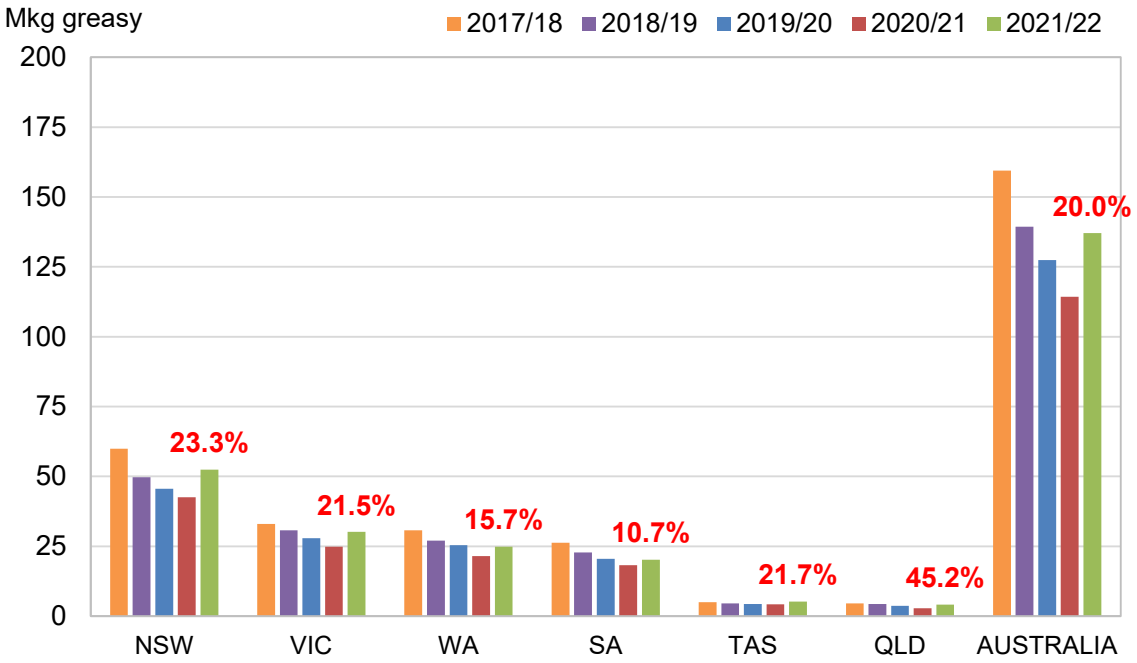


Figure 3: Volume of wool tested during July to November 2021 (AWTA key test data) compared with the same five months in previous seasons (2017/18 to 2020/21). *The percentage change in red font is the 2021/22 season compared with the same period in the 2020/21 season*

- Queensland had the greatest increase in the volume of wool tested (up 45.2%), followed by New South Wales (up 23.3%), Tasmania (up 21.7%), Victoria (up 21.5%), Western Australia (up 15.7%) and South Australia (up 10.7%).

Table 4: AWTA test data volumes by state (based on Wool Statistical Area) and Australia (based on Key Test Data) between July and November 2021 compared with the same five months in previous seasons (2016/17 to 2020/21) (Mkg greasy)

Season	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
2016/17	57,918	29,472	37,236	29,406	4,376	3,897	152,460
2017/18	59,967	32,962	30,731	26,283	4,972	4,528	159,586
2018/19	49,725	30,686	27,096	22,857	4,594	4,379	139,431
2019/20	45,548	27,911	25,391	20,553	4,351	3,711	127,549
2020/21	42,527	24,869	21,474	18,271	4,290	2,870	114,367
2021/22	52,422	30,215	24,850	20,231	5,221	4,166	137,116
% change y-o-y	*23.3%*	*21.5%*	*15.7%*	*10.7%*	*21.7%*	*45.2%*	*19.9%*

- 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 November 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 November while the blue dot represents the mean for the 2020/21 season for the same five 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 November, while the blue line is the mean for the same five month period during 2020/21 season.
- On a national basis, compared with July to November during the 2020/21 season, mean fibre diameter was higher at 20.5 microns (up 0.1 microns), staple length was down 0.6 mm to 89.5 mm and staple strength was up 0.8 N/ktex to 35.1 N/ktex (Figure 4a). Vegetable matter was higher at 2.3% (up 0.8%), yield was up 1.0% to 65.0%. There was no change predicted hauteur (TEAM 3) which remained at 72.7 mm (Figure 4b).

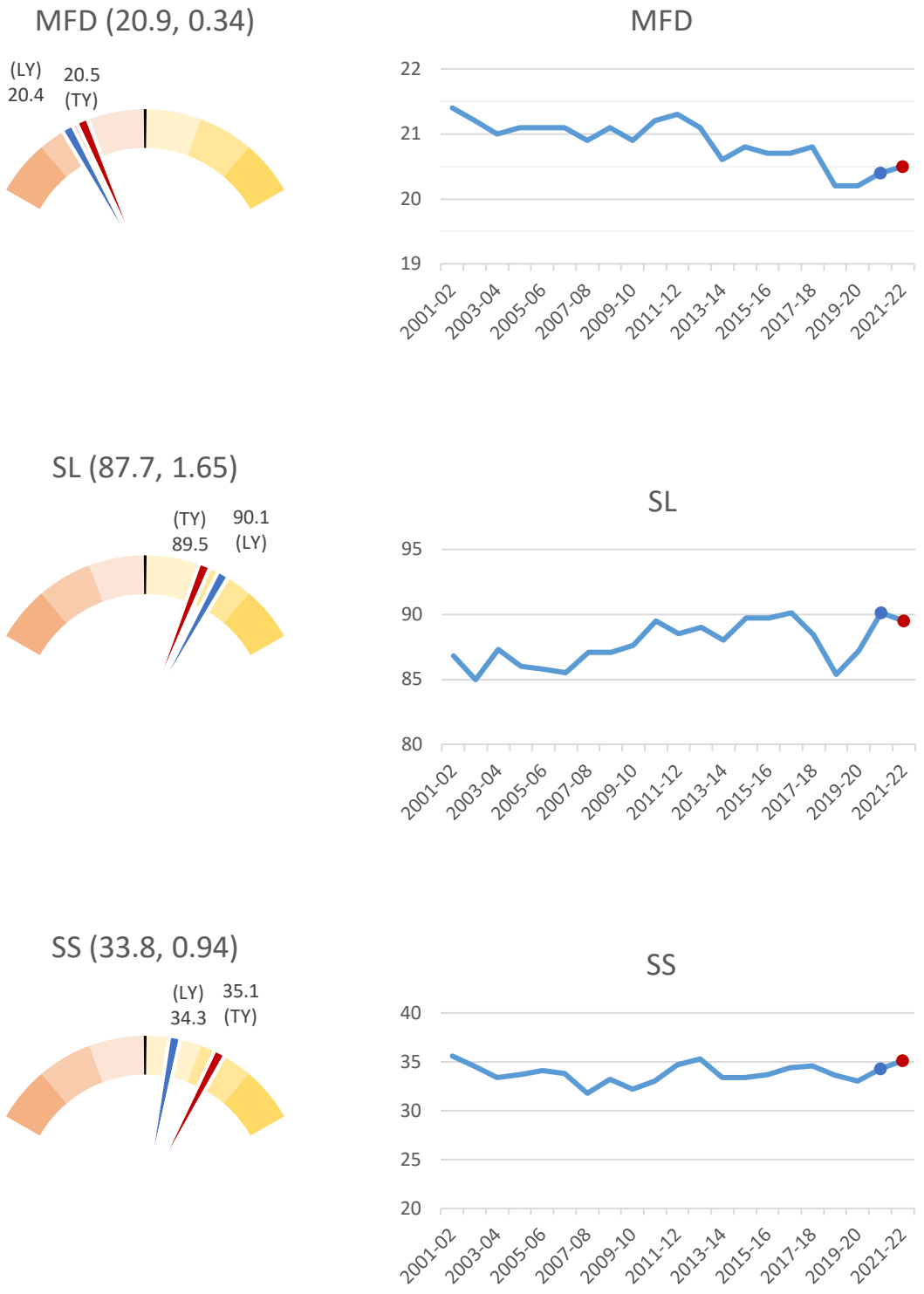
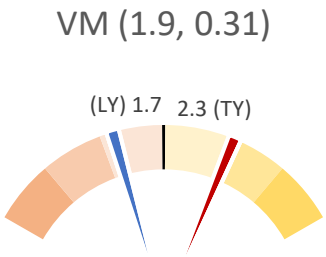
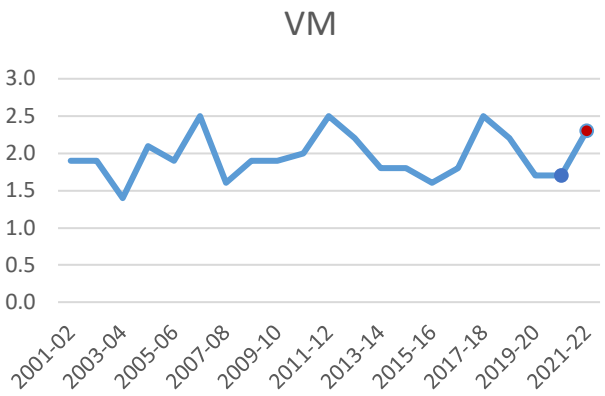
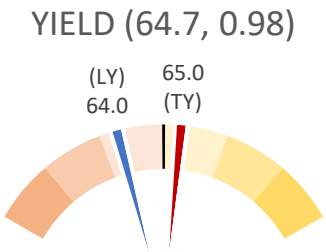
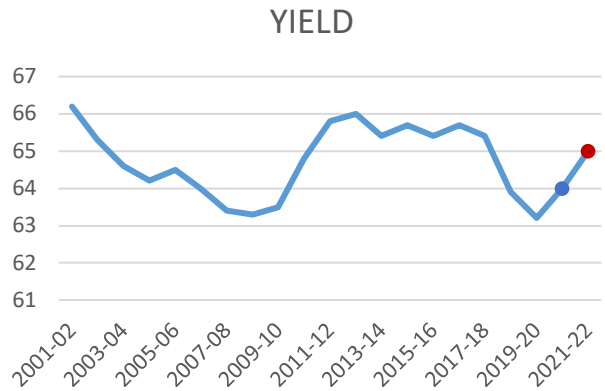


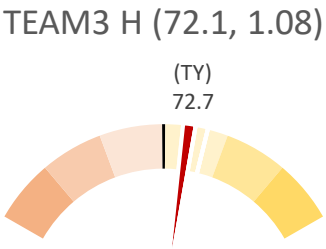
Figure 4a: AWTA Key Test Data (by sampling site) mean fibre diameter (MFD), staple length (SL) and staple strength (SS) for the Australian wool clip for July to November from the 2000/01 season











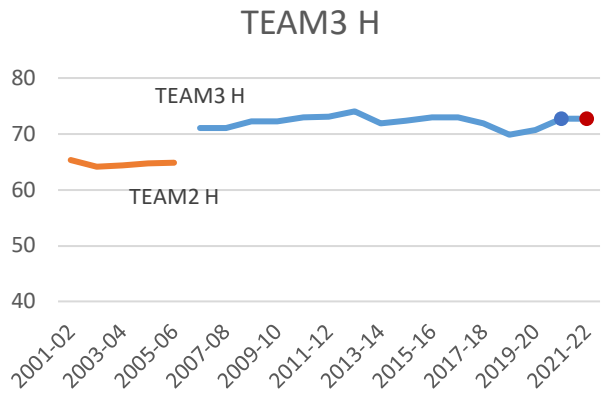


Figure 4b: AWTA Key Test Data (by sampling site) vegetable matter (VM), yield (YIELD) and TEAM 3 H (TEAM 3 H) for the Australian wool clip for July to November from the 2000/01 season

AWEX auction statistics

AWEX auction statistics for the 2020/21 season were presented in the Australian Wool Production Forecast report in August 2021.

The AWEX auction statistics for the 2021/22 season to week 21 (24 November 2021) show an increase in firsthand wool offering volumes compared with the same weeks during the 2020/21 season (Table 5).

- Firsthand bales offered (i.e. excluding reoffers) for Australia were 24.3% higher compared with the 2020/21 season.
- Large increases were evident in each state. Tasmania was up 43.3%, New South Wales was up 33.3%, Queensland up 28.6%, Victoria up 24.0%, South Australia up 15.7% and Western Australia up 6.6%.
- There was a 27.9% increase in the volume of first-hand Merino wool offered across Australia, and a 6.8% increase in first-hand Crossbred wool offered. The share of Merino wool of all first-hand offered wool was 82.1% between July and November during 2021/22 compared with 84.9% in 2020/21.
- There was an 5.0% increase in the volume of 'Prem-shorn' Merino fleece wool between July and November 2021/22 (5.9 Mkg) compared with 2020/21 (5.6 Mkg).
- As a percentage share of the total, 5% of Australian first-hand bales offered were prem shorn between July and November during 2021/22. On a state-by-state basis this ranged from 0% in Tasmania to 44% in New South Wales.

Table 5: AWEX Auction Statistics 2021/22 season to week 21

2021/22	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
First hand bales offered *(% change on 2020/21)*	33.3%	24.0%	6.6%	15.7%	43.3%	28.6%	24.3%
Merino first hand offered *(% change on 2020/21)*	36.4%	32.5%	14.6%	26.4%	16.4%	28.6%	27.9%
Crossbred first hand offered *(% change on 2020/21)*	14.1%	16.2%	-10.8%	-8.5%	-12.9%	0.0%	6.8%
Merino first hand offered *(% share)*	81.4%	71.0%	95.9%	85.5%	68.1%	97.7%	82.1%
Crossbred first hand offered *(% share)*	18.6%	29.0%	4.1%	14.5%	31.9%	2.3%	17.9%
Merino First Hand 'Prem' Shorn Fleece							
Weight *(Mkg)*	2.6	0.7	1.1	1.2	0.0	0.2	5.9
% share of total	44%	12%	19%	20%	0%	3%	
% change on 2020/21	24%	-8%	0%	-20%	0%	7%	5%

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 the 2020/21 season were 10.7% higher than the 2019/20 season (Table 6):

- Wool receivals for the 2020/21 season were 9.2% below the five-year average.
- Wool receivals during 2020/21 increased in all states except for Western Australia which decreased by 4.2% to 64.85 Mkg. The largest increase occurred in Queensland (up 20.6%) followed by South Australia (up 18.6%), New South Wales (up 17.4%), Tasmania (up 13.8%) and Victoria (up 11.6%).
- Wool receivals in Queensland were 13.3% above the five-year average. In all other states wool receivals were below the five-year average and ranged from down 2.5% in South Australia to down 18.5% in Western Australia.

Table 6: ABS Wool Receivals data 2020/21 Full Season

Mkg greasy	NSW	VIC	QLD	SA	WA	TAS	AUSTRALIA
2015/16	110.792	98.539	3.971	54.676	78.888	8.126	354.992
2016/17	118.956	102.995	4.763	54.547	88.141	7.562	376.964
2017/18	117.504	114.705	5.042	54.784	86.699	7.210	385.944
2018/19	98.482	98.216	3.953	44.869	76.401	6.684	328.605
2019/20	83.762	81.623	4.102	41.072	67.669	5.570	283.798
2020/21	98.310	91.121	4.946	48.718	64.852	6.339	314.287
% change 2020/21 vs 2019/20	*17.4%*	*11.6%*	*20.6%*	*18.6%*	*-4.2%*	*13.8%*	*10.7%*
Five year average *2015/16 to 2019/20*	105.899	99.216	4.366	49.990	79.560	7.030	346.061
% change 2020/21 vs 5 year av	*-7.2%*	*-8.2%*	*13.3%*	*-2.5%*	*-18.5%*	*-9.8%*	*-9.2%*

National wool receivals for July to September 2021 were 31.5% higher than the same five months in 2020 (Table 7):

- Wool receivals for July to September 2021 were 2.3% above the five-year average.
- Wool receivals increased in all states. The largest increase occurred in New South Wales (up 56.6%), followed by Tasmania (up 31.9%), Queensland (up 31.4%), South Australia (up 27.8%), Victoria (up 20.6%) and Western Australia (up 11.8%)
- Wool receivals in Western Australia were below the five-year average (down 24.9%). In all other states, wool receivals were above the five-year average. Tasmania and New South Wales has the largest percentage deviation (up 29.4% and 19.1% respectively). The deviation for the other states ranged between 5.2% (Queensland) and 0.6% (South Australia).

Table 7: ABS Wool Receivals data for July to September 2021 compared with the same months in previous seasons (2016/17 to 2020/21).

Mkg greasy	NSW	VIC	QLD	SA	WA	TAS	AUSTRALIA
2016/17	26.104	19.710	1.362	15.182	20.239	2.043	84.640
2017/18	27.863	22.951	1.622	14.983	18.243	2.009	87.671
2018/19	22.456	22.546	1.352	13.428	16.192	1.603	77.577
2019/20	20.042	17.136	1.191	10.970	14.269	1.505	65.113
2020/21	17.303	17.010	1.054	10.196	10.696	1.748	58.007
2021/22	27.100	20.506	1.385	13.028	11.960	2.305	76.283
% change 2021/22 vs 2020/21	*56.6%*	*20.6%*	*31.4%*	*27.8%*	*11.8%*	*31.9%*	*31.5%*
Five year average *2016/17 to 2020/21*	22.754	19.871	1.316	12.952	15.928	1.782	74.602
% change 2020/21 vs 5 year av	*19.1%*	*3.2%*	*5.2%*	*0.6%*	*-24.9%*	*29.4%*	*2.3%*

Sheep turn-off

Australian sheep and lamb turn-off statistics for the 2020/21 season, sourced from the ABS, covers sheep slaughter, lamb slaughter and live exports and are compared with 2019/20 and the five-year average from 2015/16 to 2019/20 (Table 8):

- There was a 40% decrease in sheep slaughter in 2020/21 compared with 2019/20.
- Lamb slaughter was very similar in both seasons.
- Total turnoff of sheep and lambs in 2020/21 was 13% lower than 2019/20 and 19% below the five-year average.

Table 8: ABS Sheep turn off data for the 2020/21 season

Parameter	Financial year			5-yr FYTD	
	July 2019 to June 2020	July 2020 to June 2021	% Δ	Avg	%Δ
Sheep slaughter *('000 hd)*	8,268	4,997	-40%	8,215	-39%
Sheep weights *(kg/hd cwt)*	6.2	6.2	0%	6.0	4%
Mutton production *(tonnes cwt)*	51,103	30,874	-40%	48,950	-37%
Lamb slaughter *('000 hd)*	20,270	20,175	0%	22,252	-9%
Lamb weights *(kg/hd cwt)*	5.4	5.7	6%	5.1	10%
Lamb production *(tonnes cwt)*	108,485	114,600	6%	114,437	0%
Live exports *('000 hd)*	1,089	602	-45%	1,540	-61%
Total Turnoff *('000 hd)*	29,626	25,775	-13%	32,007	-19%

Australian sheep and lamb turn-off statistics for the July to September 2021 quarter are shown in Table 9:

- There was a 9% increase in sheep slaughter and a 15% increase in lamb slaughter 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 September 2021 was 14% higher than the first quarter of 2020 but remained 6% below the five-year average for the July to September quarter.

Table 9: 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 to-date			5-yr FYTD	
	July 2020 to September	July 2021 to September	% Δ	Avg	%Δ
Sheep slaughter *('000 hd)*	1,144	1,250	9%	1,821	-31%
Sheep weights *(kg/hd cwt)*	27.0	26.7	-1%	25.0	7%
Mutton production *(tonnes cwt)*	30,874	33,335	8%	45,514	-27%
Lamb slaughter *('000 hd)*	4,594	5,293	15%	4,962	7%
Lamb weights *(kg/hd cwt)*	24.9	24.0	-4%	22.8	5%
Lamb production *(tonnes cwt)*	114,600	127,127	11%	113,123	12%
Live exports *('000 hd)*	57	63	10%	248	-75%
Total Turnoff *('000 hd)*	5,795	6,606	14%	7,031	-6%

Bureau of Meteorology (BoM) seasonal rainfall seasonal outlook

The Australian rainfall deciles and the Australian landscape water balance for the 2020/21 season were presented in the August 2021 Australian Wool Production Forecast report.

Seasonal conditions for the first 5 months of the 2021/22 season are currently very favourable for sheep and wool production. Substantial widespread November rain across most wool producing regions will build on the already positive spring season. Rainfall deciles in most wool producing regions have ranged from average to very much above average since 1 July 2021 (Figure 5).

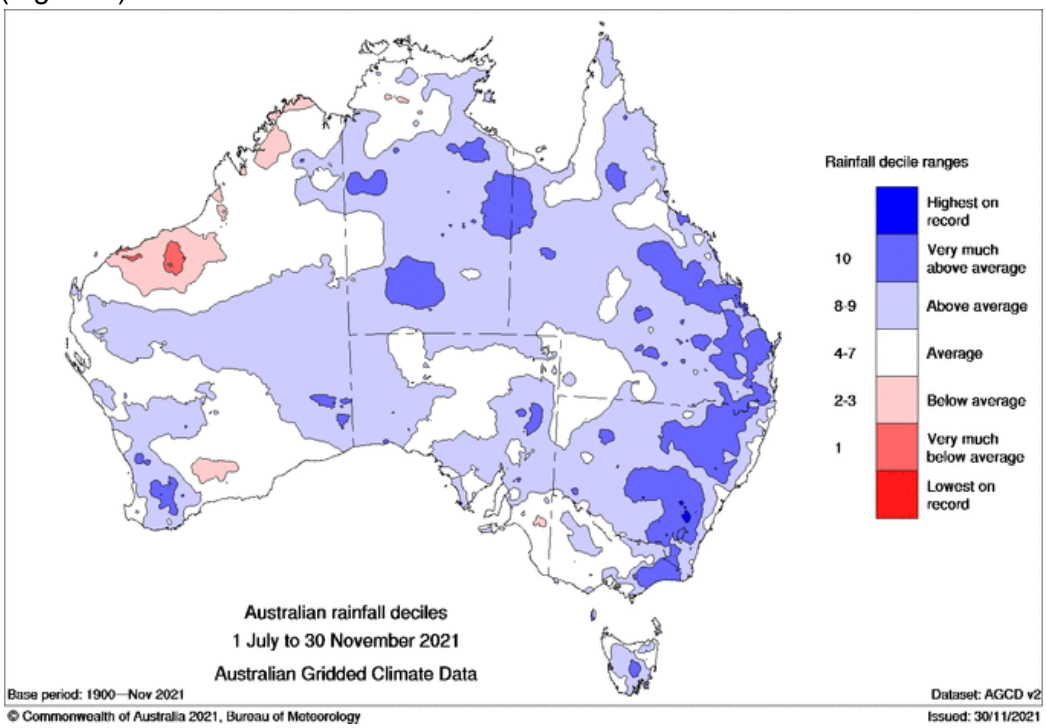


Figure 5: Australian rainfall deciles, 1 July to 30 November 2021

The improved rainfall during the first five months of the 2021/22 season has shifted the landscape water balance to above average and higher for many wool producing regions in Australia (Figure 6). While the agricultural regions of Western Australia, southeast South Australia and eastern parts of Victoria and Tasmania remain average or below average, their landscape water balance levels are higher than the first five months of the 2020/21 season.

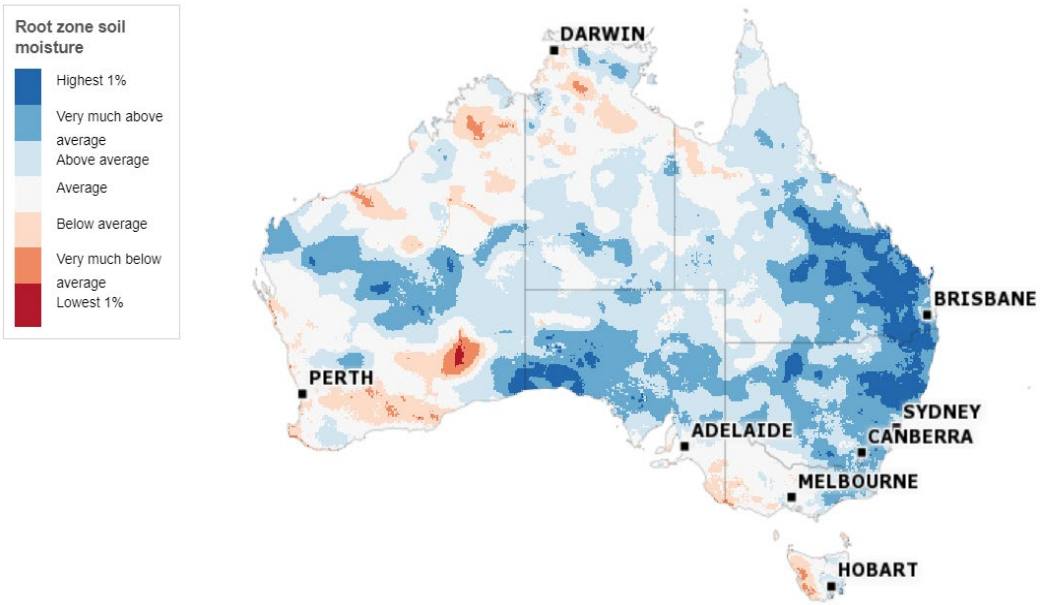


Figure 6: Australian landscape water balance, 2020/21 season

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

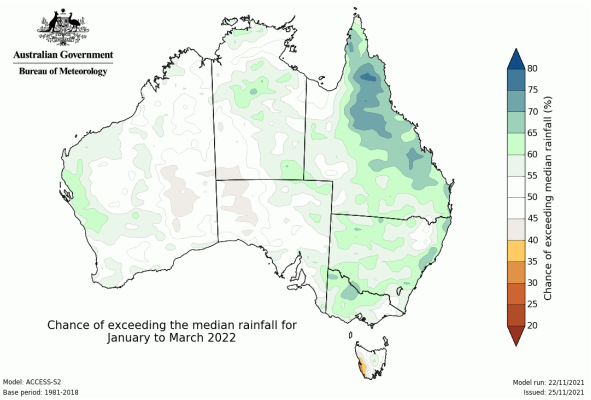


Figure 7: Chance of exceeding median rainfall (Jan – Mar 2022)

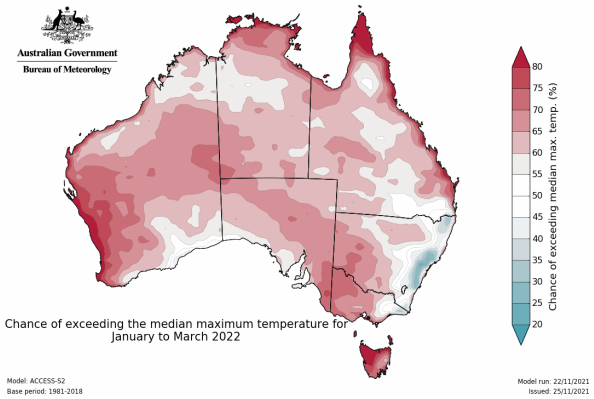


Figure 8: Chance of exceeding median maximum temperature (Jan – Mar 2022)

In its update on 25 November 2022, the Bureau noted December to February rainfall is likely to be above median for parts of eastern Australia, with highest likelihood for eastern Queensland. December to February maximum temperatures are likely to be above median for most of Australia, with below median daytime temperatures likely for eastern NSW. There is an increased chance of unusually high maximum temperatures (in the top 20% of historical records) for December to February for much of Australia away from the east (1.5 to 3.0 times the usual chance). Minimum temperatures for December to February are very likely to be warmer than median for most of Australia, with south-eastern WA and south-western SA having roughly equal chances of warmer or cooler than median nights.

La Niña has become established in the tropical Pacific Ocean. Climate models indicate La Niña thresholds are likely to be maintained until late summer. The Southern Annular Mode

(SAM) has generally been positive for several weeks. It is expected to remain at positive levels until the end of the year. A positive SAM at this time of year typically brings above average rainfall to parts of eastern Australia, but below average rainfall for western Tasmania.

Results from the MLA and AWI Wool and Sheepmeat Survey

The October 2021 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 higher 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 December 2021.

New South Wales

Broker receivals for the 4th quarter of the 2020/21 season were the only new data (+17.4%) received following the August meeting. All other data were presented and discussed during that meeting and no change was made to the August forecast. **Shorn wool production of 99.2 Mkg greasy in New South Wales during 2020/21, up 5.2% on 2019/20**.

Wet conditions occurred throughout most of NSW during November has reduced the quality of the body of feed that built up during spring. Significant quantities of hay have been made, stock grade grain will be plentiful due to wet conditions during harvest and stubbles will become available for grazing in coming weeks. The body of available feed is the best seen in some regions for many years.

Movement to six to eight monthly shearing is expected to continue now the drought is over. The age of the flock has declined, producers have retained younger stock to build numbers and slaughter rates have decreased. Some western producers are double joining in spring and autumn to increase lamb numbers. The increase in NSW shorn wool production will mainly occur due to increased numbers. While the expectation is for higher per head production, the increase in greasy fleece weight will be tempered by the increase in yield (+ 2.6%) and VM (+0.9%) (July to November KTD). Fibre diameter is expected to increase. **The New South Wales Committee's third forecast of shorn wool production for 2021/22 is 105.9 Mkg greasy, up 6.8% on 2020/21.**

Victoria

Broker receivals for the 4th quarter of the 2020/21 season were the only new data (+11.6%) received following the August meeting. All other data were presented and discussed during that meeting and no change was made to the August forecast. **Shorn wool production of 70.7 M kg greasy in Victoria during 2020/21, up 11.9% on 2019/20.**

There was a good season throughout most of Victoria following a dry start with remarkable pasture growth in most regions following widespread rain. Harvest and haymaking are underway in the northeast. Merino wool cuts in the region are likely to increase. However, composites and shedding breeds are in favour and appear to be gaining traction which may counteract the increase in Merino fleece weights. A brilliant season to date in the western and southern areas of the state is generating outstanding pasture growth. Yields are increasing and VM is likely to be higher. Good pastures in Gippsland and the northeast hill country following a tough autumn and winter where feed quantity and quality were tight. This has now increased with a late spring flush.

Producers are looking to re-build numbers and marking rates have been very good. The same mix of Merino and Terminal rams were purchased this season, although there was increased interest in composite and shedding breeds. Lambing percentages were good. Shearing is about four weeks late, due to weather and shearer availability but is getting done. Some producers are back into six-month shearing intervals. The committee forecasts a small increase in fleece weight, but the expected higher Merino fleece weights will be tempered by

a shift to composite sheep which have lower per head production. **The Victorian Committee's third forecast of shorn wool production for 2021/22 is 75.7 Mkg greasy, up 7.1% on 2020/21**.

Western Australia

Broker receivals for the 4th quarter of the 2020/21 season were the only new data (-4.2%) received following the August meeting. All other data were presented and discussed during that meeting and no change was made to the August forecast. **Shorn wool production of 56.5 Mkg greasy in Western Australian during 2020/21, down 5.5% on 2019/20.**

Most of Western Australia is experiencing a good season. On-farm water supplies are plentiful and there is a good body of feed going forward. Thick crop stubbles will soon become available, and frost affected crops will yield plenty of grain for stock. Southern regions have ample available pasture, yields are very high and fleeces are 0.5 to 1.0 µm broader due to low stocking rates. Sheep are growing well and per head production will be higher with increased VM. The increase in wool production is expected to continue into the second half of the season given the current bulk of available feed. Average cut per head is expected to increase to 4.6 kg greasy (up 8.2%) due to increased mean fibre diameter and staple length which is on par with the 2013/14 and 2016/17 seasons. The south coast region has received above average rainfall (between 100 and 300 ml higher than average) following a very wet June and July. Northern regions remain below average, but fewer sheep are run in those areas.

The committee believes the WA sheep flock has hit the bottom and begun to rebound, slaughter numbers are down as producers seek to re-build their flocks. State-wide marking rates are up due to increased numbers of composite and cleanskin sheep breeds. Increased input costs for cropping enterprises have prompted an increase in sheep numbers particularly in the more marginal farming regions. Merino ram purchases have increased, and producers are keeping their older age cohort for an additional joining. Interstate sheep movement was up in August and September but has since reduced. Shearing in the Esperance region is delayed by 3 to 5 weeks, with Eastern and Northern regions two to three weeks behind. Shearing in other regions, Great Southern and Kojonup, are up to date. Lambs are bigger and heavier with increased wool cuts. Bale numbers are up by 10% from recent shearings. **The Western Australian Committee's third forecast of shorn wool production for 2021/22 is 62.3 Mkg greasy, up 10.3% on 2020/21.**

South Australia

Broker receivals for the 4th quarter of the 2020/21 season were the only new data (18.6%) received since the August meeting. All other data were presented and discussed during that meeting. The Committee opted to increase the shorn:opening ratio to 1.03 which increased the number of sheep shorn to 10.85m. Consequently, the Committee reduced the greasy fleece weight to 4.75 kg (still +6.7% on 2019/20) to maintain shorn wool production at the level forecast during August. **Shorn wool production of 51.5 Mkg greasy in South Australia during 2020/21, up 3.0% on 2019/20.**

Prior to the substantial state-wide rainfall events during November, the season in South Australia was average following a very poor autumn. Rain arrived late in the southeast. Sheep are in good condition, but current shearing reflects the poor autumn with AWTA key test data displaying reductions in all traits, except VM and a large jump in WSA testing volumes of fine

wool (<18.5 µm) due to the poor autumn and reduced nutrition. Brokers have also been advising clients to prepare and sell fine lines to capture the current market premiums for fine wool. Fleece weights are expected to be ½ kg lighter, due to nutritional impact and an increase in composite and crossbred production. A significant turnaround has occurred in South Australian pastoral regions, as good soaking rain during November has set up the feedbase for the next 12 months, particularly in the eastern districts. Pastoral producers now have confidence to plan forward. Producers are looking to rebuild their flocks through purchase and breeding. Fleece weights in pastoral flocks will increase but will be tempered by the relatively young age of the flocks.

In the mid-north the late rains have been good for livestock, sheep are in good condition. Western districts have had a good season and stock are in good condition. Clips currently being shorn in the Mallee are up to two microns finer than the same time last season. Shearing in many regions is about three to four weeks behind which is expected to result in less prem and more overgrown wool. Producers in higher rainfall areas are moving back to 12 month shearing intervals due to lack of shearer availability. This ongoing issue is prompting some producers to consider alternative sheep breeds (i.e. shedding) provided they have the necessary infrastructure. Other producers have found shorter shearing intervals difficult to manage, particularly those in mixed farming regions due fitting key sheep enterprise activities (i.e. shearing, lambing, weaning etc) with their cropping program. Scanning percentages have been good and lamb survival is improving as more producers are using best practice management. Overall, the November rainfall will improve stock condition due to increased feed. Sheep numbers are expected to build by about 5% if the season continues as predicted. **The South Australian Committee's third forecast of shorn wool production for 2021/22 is 54.9 Mkg greasy, up 6.6% on 2020/21.**

Tasmania

Broker receivals for the 4th quarter of the 2020/21 season were the only new data (+13.8%) received since the August meeting. All other data were presented and discussed during that meeting and no change was made to the August forecast. **Shorn wool production of 9.4 Mkg greasy in Tasmania during 2020/21, up 4.4% on 2019/20.**

An exceptional season is evident throughout Tasmania. A slight drying off occurred prior to the November rain. Most areas have a large wedge of green feed available which will last through until January. The state is largely understocked with insufficient numbers to utilise the available feed to full potential. Producers are looking to restock and take on an extra mob or two as they have the feed to carry them through summer. Apart from culls, sheep that are normally turned off at this time (i.e. older ewes) are being retained. Producers are expected to retain more young sheep as replacements to further build numbers. Pregnancy scanning numbers and subsequent lamb marking percentages have been very good due to favourable weather conditions during lambing.

Producers currently working with their sheep in preparation for summer (i.e. jetting and crutching) report body size and wool growth that is exceeding expectations. In terms of growth, young sheep are about three to six months ahead and have high body condition scores. Shearing is delayed because of weather as well as shearer and shed hand availability. Wool is still being delivered into store; in previous seasons this has normally cut off by early December. Merino fleece weights are expected to up to 0.5 kg higher than last season. Yields and VM are both higher than last season. Although overall fleece weight for the season will

likely stay at 4.00 kg greasy as crossbred shearing will commence in the new year and it likely to offset some of the increase in Merino fleece weights. **The Tasmanian Committee's third forecast of shorn wool production for 2021/22 is 10.7 Mkg greasy, up 13.8% on 2020/21.**

Queensland

Broker receivals for the 4th quarter of the 2020/21 season were the only new data (+20.6%) received since the August meeting. All other data was presented and discussed during that meeting and no change was made to the August forecast. **Shorn wool production of 7.2 mkg greasy in Queensland during 2020/21, down 4.0% on 2019/20.**

An exceptional season is underway throughout most of Queensland. Good rain in central regions but less in the northwest and north of Longreach. The season remains patchy in these areas but is normal for this time in the season. Overall it has been a good start to the wet season, although more rain is needed to break the drought in the central west. The season is improved in southern regions, especially the southeast, which was described by the Committee as 'sensational' and 'astronomical'. Sheep numbers are stabilising in central regions. Sheep numbers in the south are about 10% higher than last year with numbers increasing in the southeast following consecutive good lambings (115% to ewes joined) and high weaning percentages. However, numbers in the southeast are still about 30% of 'normal' with a significant increase in the goat population (rather than meat sheep breeds). Expectation is for a 60:40 ratio of Merino to goat production in the region into the future (unlikely to return to 100% sheep).

Producers are retaining a higher percentage of younger sheep, which are in larger numbers due to better lambings, rather than sell for slaughter due to the quantity and quality of available feed. Sheep sales from western regions are lower than last year, but not yet reflected in the turn-off data. Construction of exclusion fencing is continuing in southern and southeast regions, and further north around Charters Towers, which is significantly reducing mortality rates and increasing numbers. The Committee expect producers to purchase sheep out of NSW to be shorn in Queensland. The number of rams Merino producers have purchased this season is two to five times as many as last season. Wool cuts are expected to increase significantly given the large body of available feed expected for the rest of the season, the resultant increase in sheep condition and the relatively low stocking rate. Expected wool cuts range from 4 kg (lambs) to 5.5 to 8 kg (adults). Wool quality is expected to be above average with good length and strength in many regions. Mean fibre diameter will increase, dust levels will be low (higher yields) but variable to reasonably high VM (predominantly burr) in some areas. Shortages of on-farm and shearing labour is shifting production from Merinos to goats. Shearing is on time at present as the available shed labour is balanced with the current sheep population. **The Queensland Committee's third 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 third 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 Third Forecast	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
Sheep Numbers Shorn *(million)*	22.8	17.6	13.5	11.4	2.7	2.0	70.0
Average Cut Per Head *(kg greasy)*	4.65	4.30	4.60	4.80	4.00	4.30	4.54
Shorn Wool Production *(Mkg greasy)*	105.9	75.7	62.3	54.9	10.7	8.7	318.0

% change y-o-y							
Sheep Numbers Shorn	*4.6%*	*6.0%*	*1.5%*	*5.6%*	*12.5%*	*5.3%*	*4.6%*
Average Cut Per Head	*2.2%*	*0.0%*	*8.2%*	*1.1%*	*1.3%*	*16.2%*	*3.2%*
Shorn Wool Production	*6.8%*	*7.1%*	*10.3%*	*6.6%*	*13.8%*	*20.8%*	*8.0%*

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 *(million)*	Average Cut Per Head *(kg greasy)*	Shorn Wool Production *(Mkg greasy)*
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*f*	70.0	4.54	318

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	3.8%	8.9%	17.2%	20.4%	16.0%	9.3%	4.4%	2.3%	1.6%	3.6%	5.4%	3.5%	3.5%	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.