

December 2023

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 for 2023/24 is 328 million kilograms (Mkg) greasy, equivalent to the 2022/23 season estimate, and a 4 Mkg greasy upward revision of the August forecast.
- Held over lambs and retained older ewes are expected to generate a small increase in the number of sheep shorn during 2023/24 (72.2 million, up 1.0%). New South Wales is forecast to shear 26.9 million head this season (up 3.9%) with the number of sheep shorn expected to increase in both South Australia (11.3 million, up 1.8%) and Tasmania (2.8 million, up 7.7%), decrease in Victoria (15.7 million, down 2.5%) and Western Australia (12.7 million, down 2.6%) and remain stable in Queensland at 2.8 million.
- Seasonal conditions have been average to dry across all key wool producing regions since the August forecast. However widespread albeit patchy rain occurred during November and early December. The BOM outlook for January to March 2024 is for below median rainfall across most of Australia with average to above average maximum temperatures.
- The drier conditions, held over lambs and a return to the normal shearing schedule following significant wet weather delays at the same time last season, is expected to reduce average cut per head to 4.54 kg greasy, down 2.2% compared to 2022/23.
- Shorn wool production is forecast to increase in New South Wales (123.6 Mkg greasy, up 3.9%) and South Australia (58.2 Mkg greasy, up 2.6%) with decreases forecast in the other states. Victoria is anticipated to produce 68.9 Mkg greasy (down 1.6%), followed by Western Australia (56.7 Mkg greasy, down 6.5%), Queensland (10.7 Mkg greasy, down 5.3%) and Tasmania (9.5 Mkg greasy, down 6.9%).
- AWTA wool test volumes for the 2023/24 season from July to November were up by 5.7% on a year-on-year basis. The volumes of wool tested from July to November during 2023/24 increased in all states except Queensland (down 4.5%) and Western Australia

FURTHER INFORMATION

Mr Stephen Hill, National Committee Chairman

Tel: +61 0429 494 690

© Australian Wool Innovation Limited December 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.

(down 0.9%). South Australia had the greatest increase in the volume of wool tested (up 14.0%), followed by New South Wales (up 8.0%), Tasmania (up 6.6%) and Victoria (up 3.1%).

- First-hand offered wool at auction during 2023/24 to week 21 was 8.9% higher compared with the same time during 2022/23. First-hand auction offerings increased in all states. The largest increase occurred in Queensland (up 19.6%) followed by South Australia (up 13.4%), New South Wales (up 10.1%), Western Australia (up 6.6%), Tasmania (up 4.8%) and Victoria (up 2.9%).
- ABS sheep slaughter data for the 2022/23 season was 39% higher than 2021/22 with lamb slaughter up 9%. Total turnoff was 16% higher and 7% above the five-year average.
- Total turnoff of sheep and lambs during 2023/24 to September was 24% higher than the first quarter of 2021/22 and 27% above the five-year average. For the first quarter of 2023/24 there was a 35% increase in sheep slaughter, and an 20% increase in lamb slaughter.
- 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 Estimate	2022/23 Estimate	Change y-o-y (%)	2023/24 Third forecast	Change y-o-y (%)
Sheep numbers shorn <i>(million head)</i>	71.6	71.5	-0.1%	72.2	1.0%
Average cut per head <i>(greasy kg/head)</i>	4.52	4.59	2.2%	4.54	-2.2%
Shorn wool production <i>(Mkg greasy)</i>	324	328	1.3%	328	0.0%

Yield <i>(%, Sch dry)</i>	64.9	65.9	1.5%
Average cut per head <i>(clean kg/head)</i>	2.93	3.02	3.1%
Shorn wool production <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
2021/22 <i>(Mkg greasy)</i>	113.3	73.9	61.2	56.1	10.3	8.9	324
2022/23 <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%
2023/24 Third Forecast <i>(Mkg greasy)</i>	123.6	68.9	56.7	58.2	9.5	10.7	328
<i>Change y-o-y (%)</i>	3.9%	-1.6%	-6.5%	2.6%	-6.9%	-5.3%	0.0%

- More detailed information on the shorn wool production by state in 2023/24 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 for 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 2023/24 from July to November 2023;
- AWEX auction statistics for the 2023/24 season to November 2023 (Week 21);
- ABS sheep and lamb turn-off for the 2022/23 season and the 2023/24 season from July to September 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 October 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. In this report data for the 2023/24 season from July to November are compared with the corresponding five months in previous seasons (2019/20 to 2022/23).

The month-by-month comparison of wool tested during the first five months of the 2023/24 season show higher monthly test volumes for August, October and November (Figure 1). Across all five seasons, monthly test volumes tend to increase from July to November.

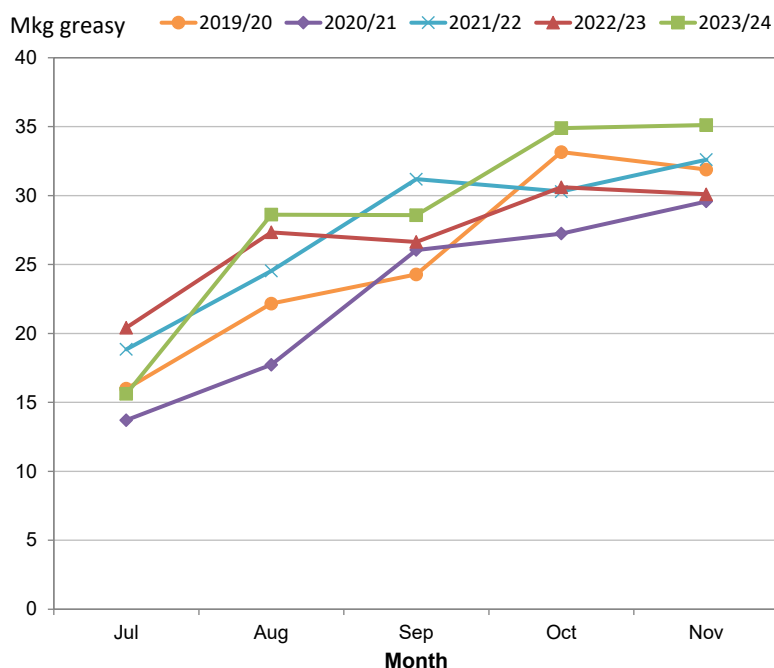


Figure 1: Comparison of monthly AWTA key test data volumes from July to November for the 2023/24 season with previous seasons (2019/20 to 2022/23)

AWTA national wool test volumes data for the 2023/24 July to November (Table 3) show:

- Volumes of wool tested were 5.7% higher than July to November during the 2023/24 season and were 9.3% higher than the five-year average from 2018/19 to 2022/23.
- There were increases in the weight of wool tested in all the micron categories except the 20-micron (down 2.8%), 21-micron (down 14.4%), 22-micron (down 20.2%) and the 23-micron (down 11.8%) categories. The largest increases occurred in the greater than 30.5-micron (up 25.3%), less than 16.6 microns (up 16.8%), 26 – 28 microns (up 16.3%), 17-micron (up 16.1%) and 18-micron (up 15.3%) categories.
- The largest micron categories by volume were the 19-micron (29.47 Mkg greasy), 18-micron (26.00 Mkg greasy) and 20-micron (22.29 Mkg greasy) categories.
- The micron split (% of total weight of wool tested) during July to November 2023/24 was very similar to that tested during the same five months in 2022/23. The difference across the micron categories ranged from -1.7 % (21-micron) to +1.5% (18-micron).

Table 3: AWTA key test data volumes (Mkg greasy) for July to November by micron range 2018/19 to 2023/24 (Mkg greasy)

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	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
	2022/23	7.09	13.34	22.54	27.66	22.94	12.35	5.29	2.88	2.09	5.56	6.90	3.28	3.16	135.08
Y-O-Y change %	2023/24	8.28	15.49	26.00	29.47	22.29	10.57	4.22	2.54	2.20	6.34	8.02	3.47	3.96	142.84
	2023/24	16.8%	16.1%	15.3%	6.5%	-2.8%	-14.4%	-20.2%	-11.8%	4.9%	13.9%	16.3%	5.7%	25.3%	5.7%

Micron Split (%)	2022/23	5.2%	9.9%	16.7%	20.5%	17.0%	9.1%	3.9%	2.1%	1.5%	4.1%	5.1%	2.4%	2.3%
	2023/24	5.8% <td>10.8% <td>18.2% <td>20.6% <td>15.6% <td>7.4% <td>3.0% <td>1.8% <td>1.5% <td>4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td></td></td></td></td></td></td></td></td></td>	10.8% <td>18.2% <td>20.6% <td>15.6% <td>7.4% <td>3.0% <td>1.8% <td>1.5% <td>4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td></td></td></td></td></td></td></td></td>	18.2% <td>20.6% <td>15.6% <td>7.4% <td>3.0% <td>1.8% <td>1.5% <td>4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td></td></td></td></td></td></td></td>	20.6% <td>15.6% <td>7.4% <td>3.0% <td>1.8% <td>1.5% <td>4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td></td></td></td></td></td></td>	15.6% <td>7.4% <td>3.0% <td>1.8% <td>1.5% <td>4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td></td></td></td></td></td>	7.4% <td>3.0% <td>1.8% <td>1.5% <td>4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td></td></td></td></td>	3.0% <td>1.8% <td>1.5% <td>4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td></td></td></td>	1.8% <td>1.5% <td>4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td></td></td>	1.5% <td>4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td></td>	4.4% <td>5.6% <td>2.4% <td>2.8% </td></td></td>	5.6% <td>2.4% <td>2.8% </td></td>	2.4% <td>2.8% </td>	2.8%

5 year av. 2018/19 to 2022/23	Mkg greasy	7.21	13.18	22.97	27.04	21.28	11.47	5.12	2.71	1.99	5.17	6.61	3.26	2.70	130.71
	% change 23/24 vs 5 yr av	14.7%	17.5%	13.2%	9.0%	4.7%	-7.8%	-17.6%	10.1%	22.5%	21.4%	6.4%	46.8%	9.3%	
	Micron split %	5.5%	10.1%	17.6%	20.7%	16.3%	8.8%	3.9%	2.1%	1.5%	4.0%	5.1%	2.5%	2.1%	

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).

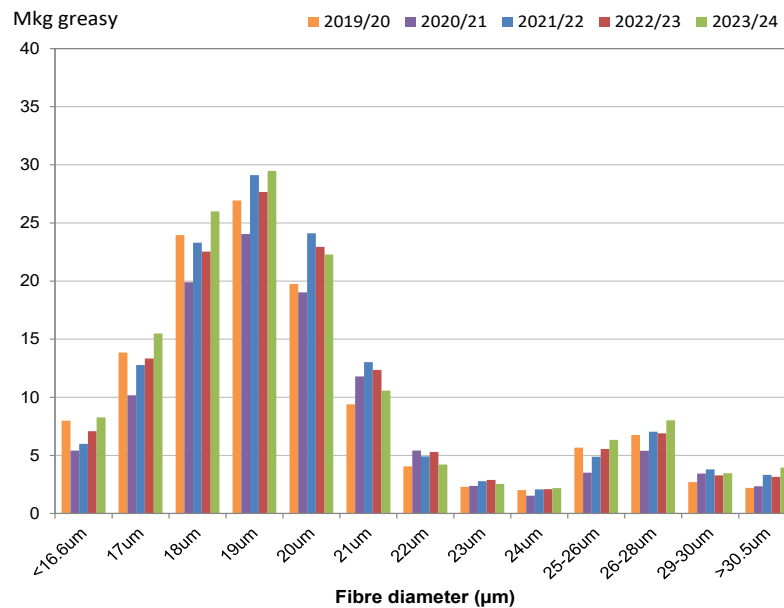


Figure 2: Australian fibre diameter profile 2023/24 season July to November compared with the same five months in the 2019/20 to 2022/23 seasons

- 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 from July to November during 2023/24 increased in all states except Queensland (down 4.5%) and Western Australia (down 0.9%) on a year-on-year basis (Figure 3).
- South Australia had the greatest increase in the volume of wool tested (up 14.0%), followed by New South Wales (up 8.0%), Tasmania (up 6.6%) and Victoria (up 3.1%).

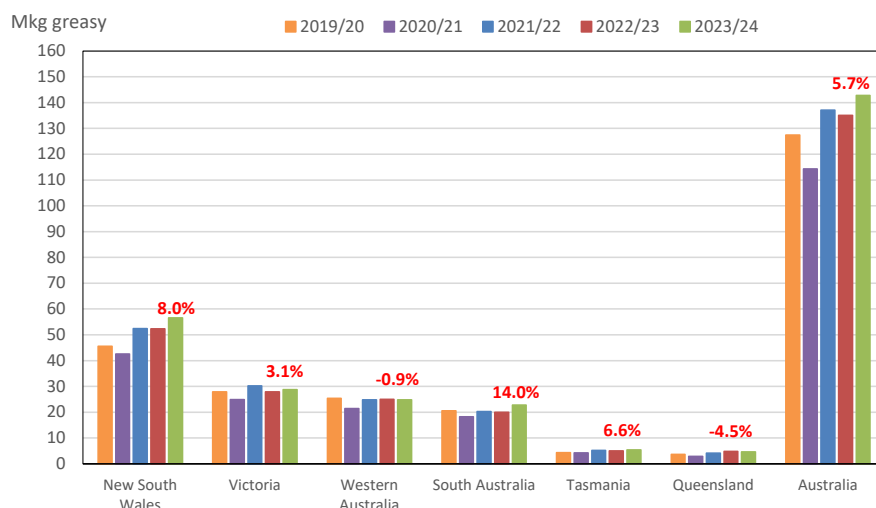


Figure 3: Volume of wool tested (AWTA key test data) during the 2023/24 season from July to November compared with previous seasons (2019/20 to 2022/23). The percentage change in red font is the 2023/24 season from July to November compared with the same 5 months in the 2022/23 season

- 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 2003/04 season to the 2023/24 season July to November is shown in Figure 4.
- On each graph the red dot represents the mean value of each characteristic for the 2023/24 season July to November while the blue dot represents the mean for the same five months of the 2022/23 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 2003/04 to 2023/24.
- 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 2003/04 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 2023/24 season July to November (TY), while the blue line is the mean for the 2022/23 season July to November (LY).
- On a national basis, compared with the 2022/23 season July to November, mean fibre diameter was the same at 20.4 microns, staple length was down 1.7 mm to 88.8 mm and staple strength was up 0.1 N/ktex to 35.2 N/ktex (Figure 4a). Vegetable matter was higher at 2.5% (up 0.3%), yield was up 0.2% to 65.9% and predicted hauteur (TEAM 3) was up 0.1 mm to 71.8 mm (Figure 4b).

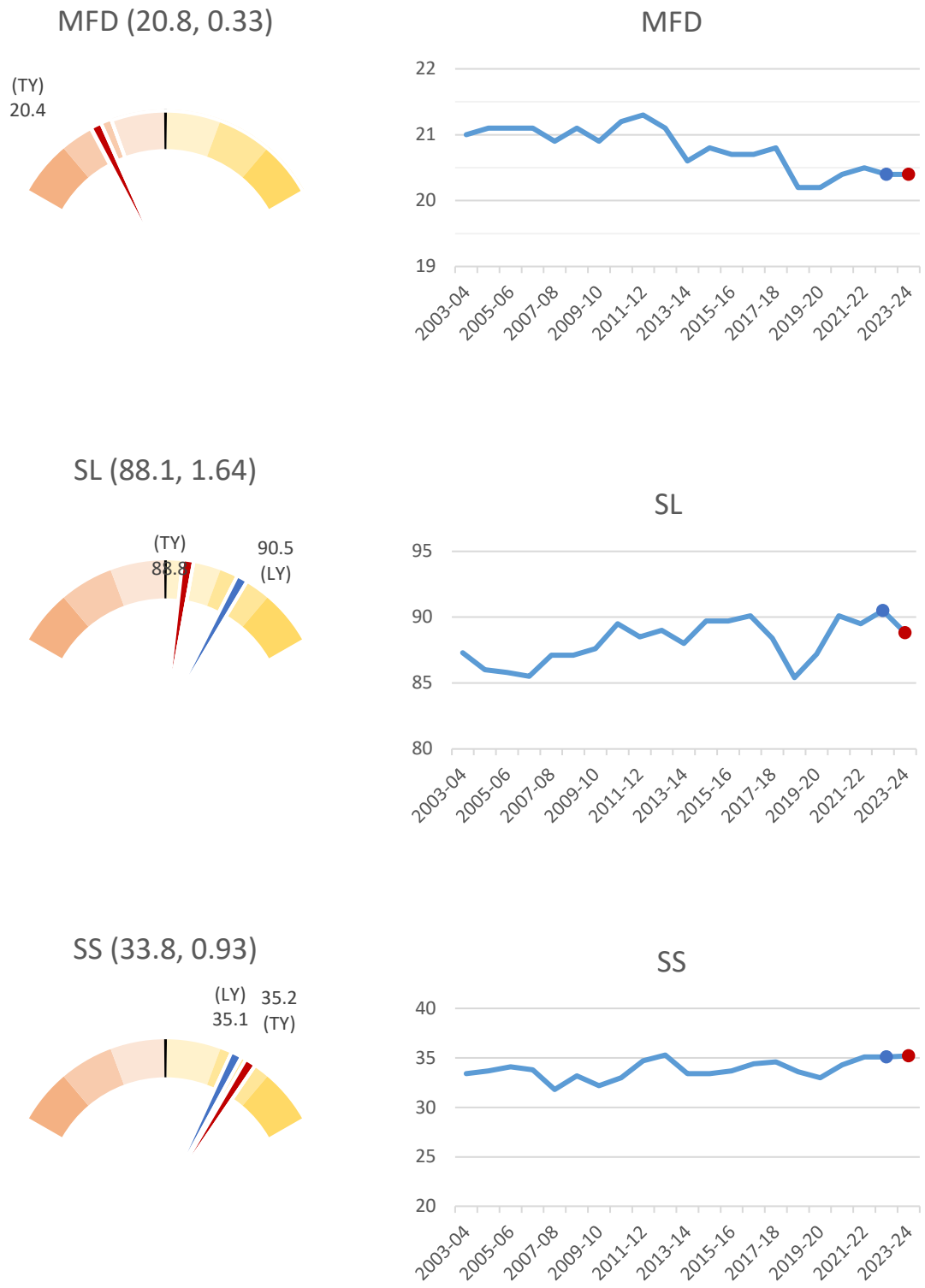


Figure 4a: AWTA Key Test Data (by sampling site) mean fibre diameter (MFD), staple length (SL) and staple strength (SS) for the Australian wool clip from 2003/04 to 2023/24 for July to November

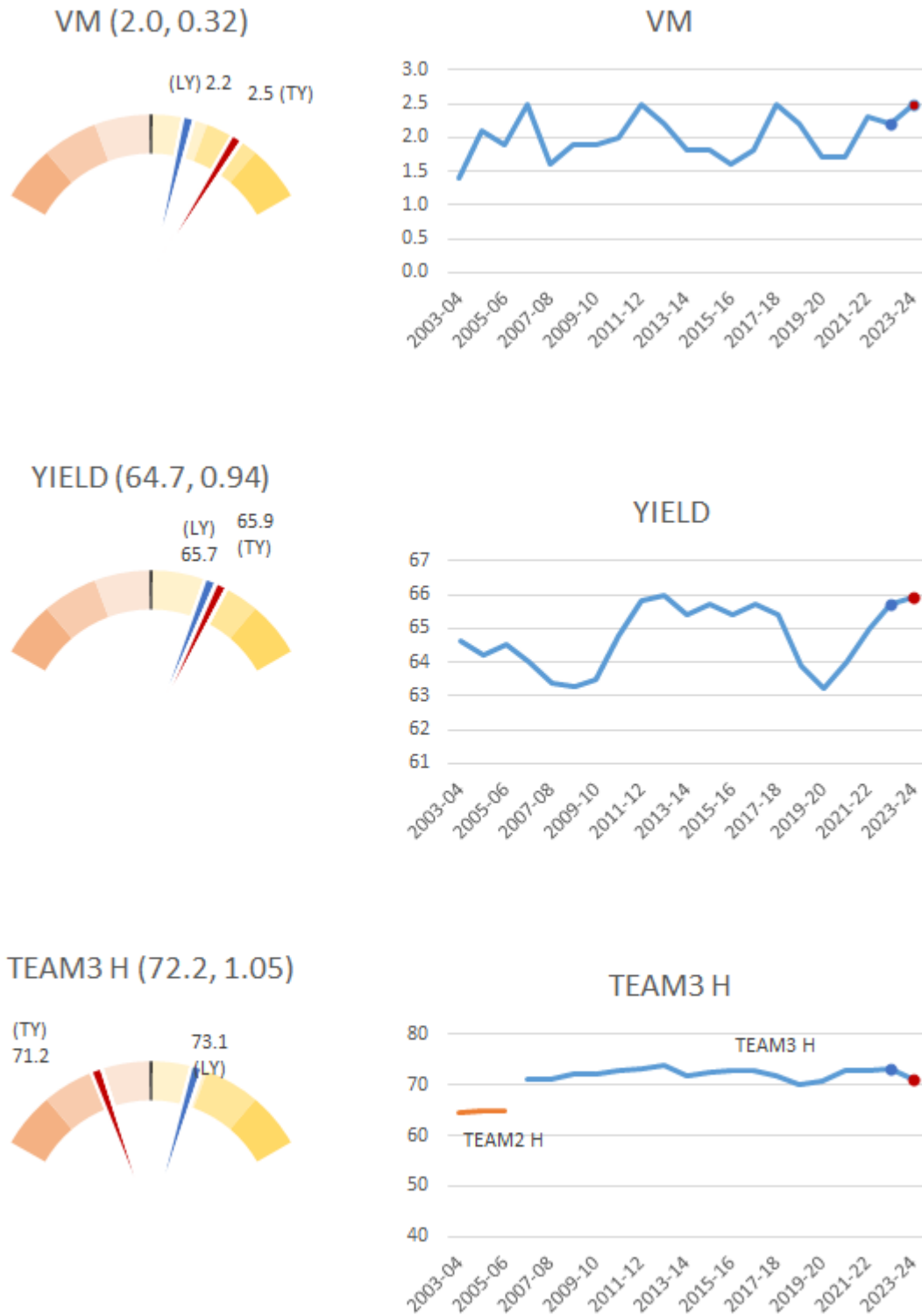


Figure 4b: AWTA Key Test Data (by sampling site) vegetable matter (VM), yield (YIELD) and TEAM 3 H (TEAM 3 H) for the Australian wool clip from 2003/04 to 2023/24 for July to November

AWEX auction statistics

The AWEX auction statistics for the 2023/24 season to week 21 show an 8.9% increase in the volume of firsthand wool offered compared to the 2022/23 season to week 21 (Table 4).

- Firsthand bales offered increased in all states. The largest increase occurred in Queensland (up 19.6%) followed by South Australia (up 13.4%), New South Wales (up 10.1%), Western Australia (up 6.6%), Tasmania (up 4.8%) and Victoria (up 2.9%).
- The volume of first-hand Merino wool offered across Australia increased by 7.3% with a 15.7% increase in first-hand Crossbred wool offered. The share of Merino wool of all first-hand offered wool was 81.0% up to week 21 of 2023/24, compared with 82.1% to week 21 in 2022/23 and 82.2% in 2021/22.
- There was a 6.0% increase in the volume of 'Prem-shorn' Merino fleece wool up to week 21 in 2023/24 (7.1 Mkg) compared with the same time during 2022/23 (6.2 Mkg).
- As a percentage share of the total firsthand wool offered (119.8 Mkg greasy), 7% of Australian first-hand bales offered were prem shorn up to week 21 of 2023/24. On a state-by-state basis this ranged from 1% in Tasmania to 49% in New South Wales.

Table 4: AWEX Auction Statistics 2023/24 (to week 21)

2023/24	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
First hand bales offered (% change on 2022/23)	10.1%	2.9%	6.6%	13.4%	4.8%	19.6%	8.9%
Merino first hand offered (% change on 2022/23)	7.8%	2.1%	6.7%	10.3%	0.0%	21.6%	7.3%
Crossbred first hand offered (% change on 2022/23)	19.6%	5.0%	7.1%	29.2%	15.4%	-25.0%	15.7%
Merino first hand offered (% share)	78.5%	69.7%	80.8%	83.9%	64.2%	98.6%	81.0%
Crossbred first hand offered (% share)	21.5%	30.3%	19.2%	16.1%	35.8%	1.4%	19.0%
Merino First Hand 'Prem' Shorn Fleece							
Weight (Mkg)	3.5	0.7	1.2	1.4	0.1	0.2	7.1
% share of total	49%	10%	17%	20%	1%	3%	7%
% change on 2022/23	25%	15%	0%	0%	0%	11%	15%

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 are shown in Table 5:

- There was a 39% increase in sheep slaughter, and an 9% 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 16% higher than 2021/22 and 7% above the five-year average.

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

Parameter	Financial year to-date			5-yr FYTD	
	July 2021 to June 2022	July 2022 to June 2023	% Δ	Avg	%Δ
Sheep slaughter ('000 hd)	6,232	8,665	39%	7,606	14%
Sheep weights (kg/hd cwt)	26.4	25.5	-3%	24.9	2%
Mutton production (tonnes cwt)	164,282	220,893	34%	189,702	16%
Lamb slaughter ('000 hd)	20,866	22,732	9%	21,480	6%
Lamb weights (kg/hd cwt)	24.6	24.5	0%	23.7	4%
Lamb production (tonnes cwt)	513,358	557,274	9%	508,489	10%
Live exports ('000 hd)	489	676	38%	1,016	-33%
Total Turnoff ('000 hd)	27,587	32,074	16%	30,102	7%

Australian sheep and lamb turn-off statistics for 2023/24 season to September 2023 are shown in Table 6:

- There was a 35% increase in sheep slaughter, and an 20% increase in lamb slaughter.
- The number of live sheep exported from Australia increased by 1035% compared with 2022/23 from 6,000 to 64,000 head.
- Total turnoff of sheep and lambs during 2023/24 to September was 24% higher than 2021/22 and 27% above the five-year average.

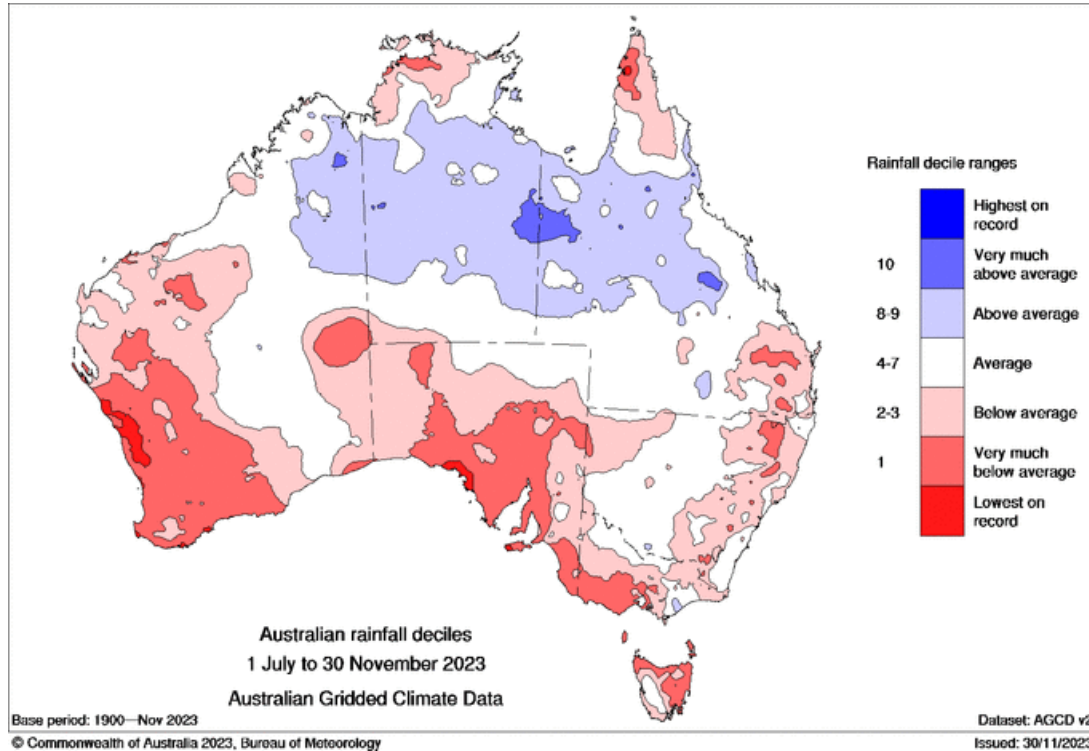
Table 6: ABS Sheep turn off data for 2023/24 July to September compared with the same three months in 2022/23

Parameter	Financial year			5-yr FYTD	
	July 2022 to September 2022	July 2023 to September 2023	% Δ	Avg	%Δ
Sheep slaughter ('000 hd)	1,552	2,090	35%	1,754	19%
Sheep weights (kg/hd cwt)	26.9	25.9	-4%	25.6	1%
Mutton production (tonnes cwt)	41,741	54,189	30%	44,968	21%
Lamb slaughter ('000 hd)	5,477	6,588	20%	5,095	29%
Lamb weights (kg/hd cwt)	25.4	24.4	-4%	23.9	2%
Lamb production (tonnes cwt)	139,331	160,954	16%	121,981	32%
Live exports ('000 hd)	6	64	1035%	59	8%
Total Turnoff ('000 hd)	7,034	8,742	24%	6,908	27%

Bureau of Meteorology (BoM) seasonal rainfall seasonal outlook

Seasonal conditions during the 2023/24 season to the end of November 2023 were average to dry across all key wool producing regions since the August forecast period (Figure 5). The major wool producing regions in Western Australia, South Australia, Victoria and Tasmania had below average to very much below average rainfall. The main wool producing regions in New South Wales and Queensland received average to below average rainfall.

Figure 5: Australian rainfall deciles, 2023/24 season to 30 November 2023



The average to below rainfall during 2023/24 to date shifted the landscape water balance to average or lower for most wool producing regions in the country (Figure 6).

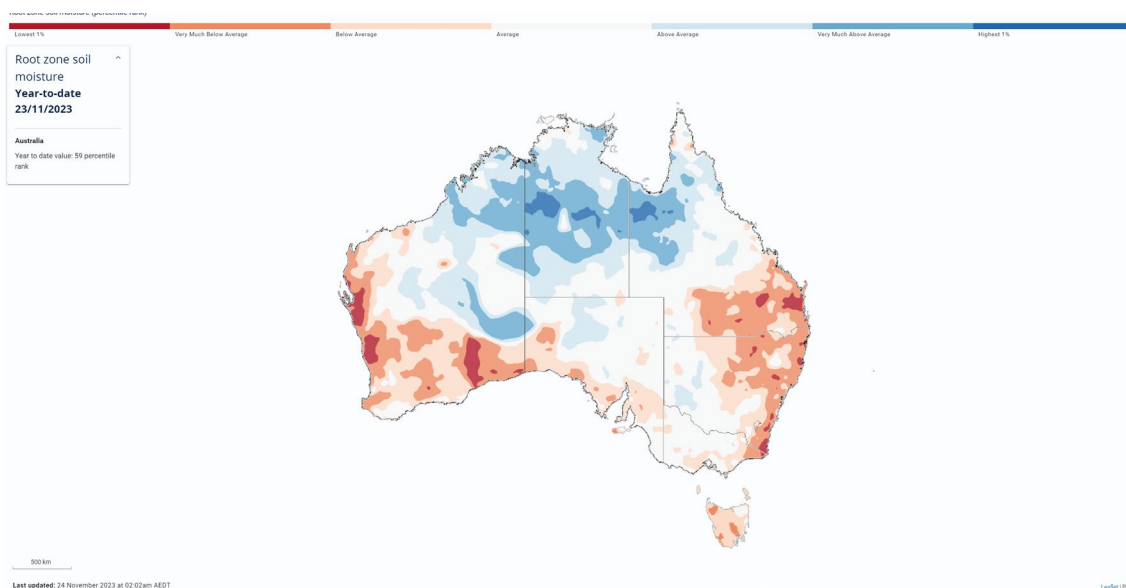


Figure 6: Australian landscape water balance, at 29 November 2023 (Source: [Bureau of Meteorology](#))

However widespread rainfall, albeit variable, fell during November in most major wool producing regions in Queensland, New South Wales and Victoria with further falls in early December that extended into South Australia (Figure 7).

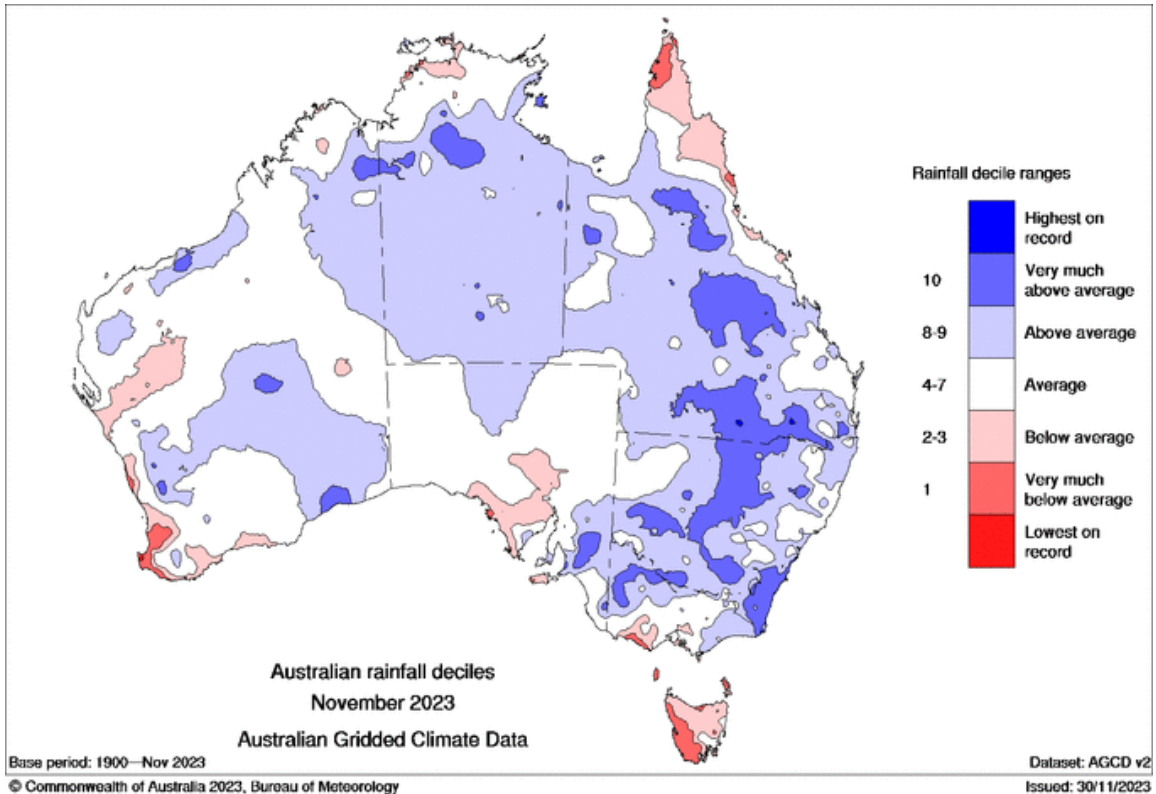


Figure 7: Australian rainfall deciles, November 2023

The Bureau of Meteorology’s outlook for January to March 2024 is very likely (60 to 80% chance) below medium for average or below average rainfall for most major wool producing regions (Figure 8). Any above average rainfall is unlikely to be widespread. Above average median maximum temperatures are likely to very likely (60 to greater than 80% chance) for most of Australia (Figure 9).

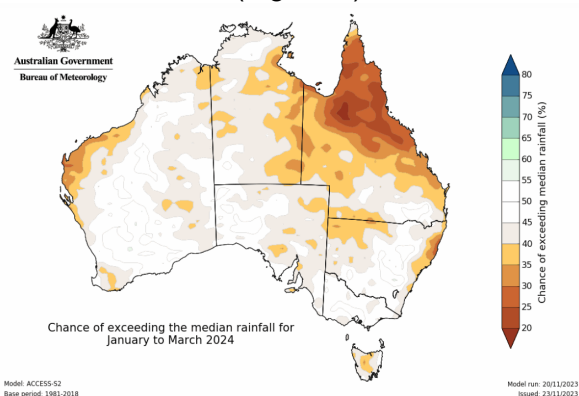


Figure 8: Chance of exceeding median rainfall (Jan – Mar 2024)

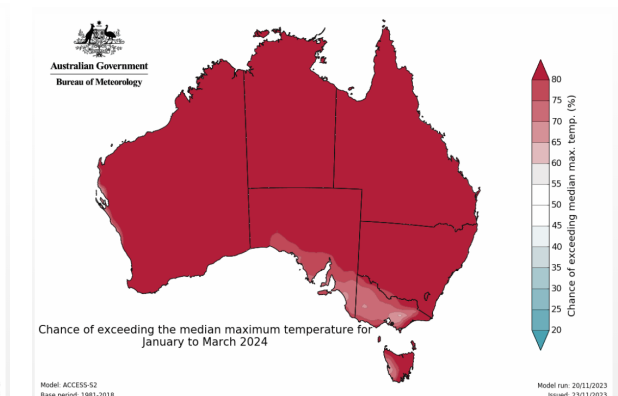


Figure 9: Chance of exceeding median maximum temperature (Jan – Mar 2024)

In its update on 23 November 2023, the Bureau noted that their outlook was influenced by several factors, including the active El Niño and positive Indian Ocean Dipole events and record warm oceans globally.

Results from the MLA and AWI Sheep Producers Intentions Survey

The [MLA and AWI Sheep Producers Intentions Survey – October 2023](#) found that the nett sentiment (% positive - % negative) for the wool industry was -15 (down 27 points compared with October 2022). The nett sentiment for the sheepmeat industry was -42 (down 109 points compared with October 2022).

Prime lambs (38%) and Merino lambs (37%) are the dominant breeds in the total lamb flock with first cross lambs comprising 13%. The October survey forecast an 8% decrease in the total lamb flock from 2023 to 2024. Producer intentions to either increase, maintain or decrease their flock size from 2023 to 2024 were 34%, 22% and 44% respectively.

State Committee input

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

New South Wales

No change in the NSW sheep industry since the August meeting. The northern regions of NSW continue to be dry. Recent rain fell in the New England region, which was drier much earlier than other areas, and has changed both the spirit and intentions of producers in the region. Northwest regions are dealing with increased grazing pressure from kangaroos moving out of national parks. Good conditions continue in southern regions. Recent good rainfall has generated additional pasture feed, fired up lucerne and perennial species and built on the already favourable spring conditions. However, the rainfall was variable both across and within regions. Stubbles will have higher quality than last season. The late spring and summer rain is expected to increase VM levels, particularly hard heads which will impact on greasy production. Cattle production is increasing in the Riverina but not at the expense of sheep. The cropping to sheep ratio in NSW is reasonably stable.

Shearing is largely on track, new shearing teams are operating and actively seeking new producer clients. Weather delays have been rare. Shearing is completed in mixed farming regions, has wrapped up on the Northern Tablelands but is continuing in the Southern Tablelands. The peak spring shearing is completed. AWTA wool test volumes were very high in November and October 2023 compared with 2022, however the latter was impacted by flooding and delayed shearing.

Larger Merino enterprises are getting bigger. Increasing reports of producers keeping younger wethers to increase their wool returns rather than selling into the store market or to processors. A shearing contractor in southwest NSW reports shearing an extra 50,000 wether lambs compared to last year. Depending on meat prices, these wethers may be shorn twice before being sold. Low sheep meat prices have reduced interest in shedding sheep and there is increased talk and movement away from composite production back to a first cross enterprise or Merino production. Indications of more terminal rams used across older cohorts of Merino ewes to capitalise on first cross lamb production without compromising wool clip value.

Producers' wool selling intentions have been very different this season. Low sheepmeat prices have reduced cash flow and together with global uncertainty many producers are opting to sell rather than hold onto their wool. **The New South Wales Committee's third forecast of shorn wool production for 2023/24 is 123.6 Mkg greasy, up 3.9% on 2022/23.**

Victoria

September to October was dry in the Northeast. Significant rain fell in November and early December. Fewer sheep are being run in northern regions due to an increase in crop production with sheep numbers expected to continue to reduce. Cropping is also increasing on arable land in other regions at the expense of sheep production with the latter increasingly being confined to the ranges. Big rains in eastern regions during early October completely turned the season around and produced an above average spring noted by many producers as the 'best they can remember', however this is not a large sheep producing region.

Pastures have held up following spring like conditions in April, as feed did not go off during the dry period. Sheep are in good condition. but this may change in regions with few perennial pastures in the feedbase. The value of stubble is expected to be higher this season which may entice some trading of lambs in the Wimmera and Mallee regions given the relatively low lamb price.

The improved season has reduced the urgency of sheep sell off; many producers are holding stock. This includes lambs and older ewes with the latter being held to produce another lamb rather than sold into the mutton market. Held lambs will be shorn prior to sale. There were fewer lambs born in 2022 and while these will be prem shorn prior to sale, the larger numbers of retained older sheep together with the overall improvement in sheep condition compared to last season will push up the average cut per head. Lower VM levels are expected. Shearing is ahead of schedule by about a month, last season shearing was about three months behind due to wet weather and shearer availability. This may account for the reduction in staple length.

There has been a push to sell wool, rather than hold stocks on farm or in stores with recent low pass-in rates indicating wool producers' willingness to meet the market. The small recent price rise in the Merino wool market has increased optimism in the industry. AWTA have had a very busy November (the busiest for several years) testing held-over clips and well as current production. Most held over clips are crossbred wool which has been held for 6 to 12 months. **The Victorian Committee's third forecast of shorn wool production for 2023/24 is 68.9 Mkg greasy, down 1.6% on 2022/23.**

Western Australia

No change in northern regions since August. The continuing dry season, together with low wool and sheepmeat prices continue to prompt producers to reduce their flocks. However, buyers for breeding stock are rare and mutton prices are low making flock reduction difficult. The season has been tight in other regions, with water availability becoming limited. Reports of fewer ewes being joined with producers that join early opting not to join their hogget ewes or oldest age cohort, however this may not be widespread. Some producers are looking forward and seeking to build their flocks on the back of the current low prices for good breeding stock to take advantage of a perceived shortage of sheep in 2024.

The lack of demand for breeding ewes and low mutton prices has meant producers have held sheep over. Many lambs were carried over from last season and there was a good crop of lambs during 2023. Producers will look to turn these additional sheep off in April to June 2024. Sheep turn-off levels have been high on a year-on-year basis.

Early finishes to harvest in some regions (northern and eastern) has prompted producers to shear earlier than normal. Lambs destined for processors or feed lots must now be shorn prior to sale. The increased auction offerings are the direct result of on-farm cash flow which is prompting producers to shear and sell relatively quickly.

Average cut per head is expected to increase this season due to the retention of mature sheep. **The Western Australian Committee's third forecast of shorn wool production for 2023/24 is 56.7 Mkg greasy, down 6.5% on 2022/23.**

South Australia

Dry conditions in the pastoral regions. The northeast received good rain in the past few weeks. Some producers have retained their stock but opted not to join and will rely on a wool income for the season. Out of season rainfall in mixed farming regions has disrupted harvest and reduced the quality of available feed. The prospect of a long, hot summer continues to temper producer optimism. Southeast regions have received good recent rains. However, there was a big sheep sell off in the past two months (predominantly composite and crossbred lambs sold in the wool and turned off early) as producers did not want to feed over summer.

There has been a swing away from composites back toward first cross production systems to increase wool value. The lower sheep prices have allowed some of these producers to take the opportunity to sell off their older age cohorts (5 – 7 years of age) and buy in younger (1½ year old) sheep. Lower sheep prices have been good for wool production as producers have retained sheep.

Shearing is on track with far fewer rain interruptions compared to last season. Per head production is expected to be higher in crossbred (up 20%) and Merino sheep (up 1 kg) in the southeast, but this is expected to be tempered somewhat by no change to per head production in other regions. **The South Australian Committee's third forecast of shorn wool production for 2023/24 is 58.2 Mkg greasy, up 2.6% on 2022/23.**

Tasmania

All the state's main wool producing regions are very dry having come off a very good season in 2022/23. Northern regions are faring better than the south. The Soil Dryness Index shows widespread low moisture reserves across the state. Pastures have low clover content, due to waterlogging during the growing season, are now drying off. Both hay and silage production are down compared to last year, with a shortage of hay across the state.

Lambing and weaning rates remain high as there were fewer adverse weather events during lambing. Many producers are carrying excess stock, older breeding ewes and carryover lambs, and intend to reduce numbers but low sheepmeat prices have deterred many from doing so. Autumn is looking to be tough, with turn-off of older breeding ewes (prem shorn prior to sale) expected as producers will be reluctant to hold and feed them over summer, particularly if there is an increase in mutton prices.

Shearing is ahead across the state as there were no delays due to wet weather. Many large sheds completed shearing early in Spring and tested their clips promptly. Cash flow issues also increased auction offerings due to low sheepmeat prices. Average cut per head is expected to decrease due to the poor season and deteriorating feedbase. **The Tasmanian Committee's third forecast of shorn wool production for 2023/24 is 9.5 Mkg greasy, down 6.9% on 2022/23.**

Queensland

Much of the state was extremely dry from August through to October. November brought widespread, albeit patchy, rain and thunderstorms to most wool producing regions. The patchy rainfall generated variable paddock feed with many producers supplementary feeding. Some northwestern regions have a large body of dry feed with a green pick emerging. Regions which feature red buffel grass have had a significant turnaround from dire/dry to reasonable following

the recent rain. However, forecast dry and hot weather will negatively affect emerging green feed and reduce pasture feed quality. Overall, the season to date is in stark contrast to 2022/23 which was 'a pinnacle' of sheep production for Queensland. Prior to the recent rain, producer sentiment was low. Producers are now more optimistic, but further rainfall is required in coming months. Continued dry conditions are expected to prompt a rushed sell-off of excess sheep in 2024, which will not be shorn prior to sale, to reduce stocking rates.

Low sheepmeat prices have reduced sheep turn off from Queensland with reports of producers retaining flocks of wether lambs to generate income from wool. Fewer cattle and sheep sales due to low livestock prices have prompted held over wool to be progressively sold down over the past 5 months to generate cash flow. This is evident from the 19.4% year-on-year increase in AWEX firsthand offerings.

Average cuts per head are expected to reduce due to the poor season to date and earlier shearing in 2023. Issues with shearer availability during 2022 meant many wool clips were shorn 1 to 3 months or more late. The increased number of held over sheep, particularly wethers, has increased on-farm stocking rates which is also expected to reduce cut per head. **The Queensland Committee's third forecast of shorn wool production for 2023/24 is 10.7 Mkg greasy, down 5.3% on 2022/23.**

Appendix

Table A1: Comparison of shorn wool production in 2022/23 against the 2021/22 season and the third 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
% change y-o-y							
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
% change y-o-y							
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 Third Forecast	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
Sheep Numbers Shorn (million)	26.9	15.7	12.7	11.3	2.8	2.8	72.2
Average Cut Per Head (kg greasy)	4.60	4.40	4.45	5.15	3.40	3.80	4.54
Shorn Wool Production (Mkg greasy)	123.6	68.9	56.7	58.2	9.5	10.7	328.0
% change y-o-y							
Sheep Numbers Shorn (million)	3.9%	-2.5%	-2.6%	1.8%	7.7%	0.0%	1.0%
Average Cut Per Head (kg greasy)	0.0%	0.0%	-3.2%	2.0%	-12.8%	-7.3%	-2.2%
Shorn Wool Production (Mkg greasy)	3.9%	-1.6%	-6.5%	2.6%	-6.9%	-5.3%	-0.1%

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 (%, <i>Sch dry</i>)	Average Cut Per Head (kg clean)	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	3.07	364
2002-03	116.6	4.28	499	64.2	2.75	320
2003-04	104.7	4.53	475	64.2	2.91	305
2004-05	106.0	4.49	475	63.9	2.87	304
2005-06	106.5	4.33	461	64.1	2.78	296
2006-07	101.4	4.24	430	62.9	2.67	270
2007-08	90.2	4.43	400	62.6	2.77	250
2008-09	79.3	4.52	362	62.8	2.84	227
2009-10	76.2	4.50	343	63.2	2.84	217
2010-11	76.2	4.53	345	64.9	2.94	224
2011-12	76.4	4.48	342	65.5	2.93	224
2012-13	78.8	4.47	352	65.1	2.91	229
2013-14	78.0	4.37	341	64.9	2.83	221
2014-15	76.9	4.50	346	64.9	2.92	225
2015-16	73.4	4.43	325	64.4	2.85	209
2016-17	74.3	4.58	340	65.1	2.98	221
2017-18	76.8	4.45	341	64.6	2.87	220
2018-19	72.5	4.13	300	63.1	2.61	189
2019-20	68.6	4.13	284	62.2	2.57	177
2020-21	66.9	4.40	294	63.9	2.81	188
2021-22	71.6	4.52	324	64.9	2.93	210
2022-23	71.5	4.59	328	65.9	3.02	216
2023/24f	72.2	4.54	328			

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%	5.8%	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.