

December 2017

Australian Wool Production Forecast Report

Australian Wool Production Forecast Committee

Summary

- The Australian Wool Production Forecasting Committee forecasts that shorn wool production will lift in 2017/18 to 345 mkg greasy, up by 1.4% compared with its final estimate of 340 mkg greasy in 2016/17. The increase in shorn wool production in 2017/18 reflects an increase the number of sheep shorn as producers respond to the high wool prices. This will be partly offset by a small fall in the average wool cut per head due to drier seasonal conditions in some regions, notably in Western Australia.
- The Committee noted that seasonal conditions in the major sheep producing areas across Australia were very mixed through Winter and into Spring. Large areas of New South Wales, Queensland, Western Australia and parts of Victoria, South Australia and Tasmania experienced very dry conditions from July to September. Western Australia, in particular, is being affected after the exceptional season in 2016/17. Despite this, Spring shearing in New South Wales and Queensland has benefited from the good seasonal conditions seen for at least part of 2016/17, resulting in good fleece weights to date. Fleece weights could pull back as the season progresses. Other regions have seen excellent conditions, notably in the western half of Victoria and the south-east of South Australia. Fleece weights in these regions have been good and are likely to increase in these states as a result.
- Overall, the season average wool cut per head is expected to ease by 0.3%. This contrasts with the 3.4% increase in average cut per head estimated for 2016/17.
- This easing in average wool cut per head will be more than offset by a 1.7% increase in the number of sheep shorn during the 2017/18 season. The Committee reported that the high and rising wool prices have encouraged producers to shear their sheep and deliver as quickly as possible into the market. In some cases, producers are reported to be shearing earlier than usual to take advantage of these high prices. This has boosted the volume of wool tested and wool being offered at auction in the first five months of the season.

FURTHER INFORMATION

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- The weight of wool tested by AWTA in the first five months of 2017/18 is up by approximately 5%, which is a larger percentage change than the Committee's forecast for the full 2017/18 season. The Committee expects that wool volumes will slow in the second half of the season, partly because some clips that are usually delivered in the second half have already been sold. The Committee's new forecast for 2017/18 also compares with the 5.5% increase in first hand wool offered at auction in 2017/18 to date, as reported by AWEX.
- By state, the Committee predicts that shorn wool production will increase in New South Wales, Victoria, South Australia and Tasmania in 2017/18. In contrast, shorn wool production in Western Australia and Queensland is expected to fall, with production in Western Australia dropping most.
- The Committee noted that for the 2017/18 season to November, the AWTA test data showed a significant decline in the weight of wool tested of 16.5 microns and finer. There has also been a decline in 21 micron wool and wool between 24 and 26 micron. Wool volumes have increased for other micron ranges, with substantial percentage increases for wool broader than 28.5 micron. The average mean fibre diameter for the season to November was 20.8 micron, up by 0.1 micron. Victoria, Tasmania and Queensland have all recorded a 0.3 micron lift in mean fibre diameter for the season, while Western Australia has seen a fall of 0.4 micron.
- The Committee also noted that the average staple length has fallen by 1.7 mm in the first five months to 88.4 mm across Australia. All states except for Tasmania have recorded shorter staple length.
- Table 1 summarises the estimates and forecasts for Australia and Table 2 shows the estimates and forecasts for each state.

Table 1: Summary of wool production estimates and forecasts for Australia

Parameter	2015/16 Final Estimate	2016/17 Final Estimate	Change y-o-y (%)	2017/18 Third forecast	Change y-o-y (%)
Sheep Numbers Shorn (million)	73.4	74.3	+1.2%	75.5	+1.7%
Average Cut Per Head (kg)	4.43	4.58	+3.4%	4.56	-0.3%
Shorn Wool Production (mkg greasy)	325	340	+4.7%	345	+1.4%

Table 2: Summary of wool production estimates and forecasts for individual states

Shorn wool production (mkg greasy)	NSW	VIC	WA	SA	TAS	QLD	National
2015/16 Final Estimate	122.9	66.1	65.2	54.8	9.1	6.9	325
2016/17 Final Estimate	126.0	67.4	71.1	57.9	9.2	8.5	340
<i>Change y-o-y (%)</i>	2.6%	2.0%	9.1%	5.6%	1.5%	23.0%	4.7%
2017/18 Third Forecast	129.4	71.7	66.6	59.1	9.7	8.3	345
<i>Change y-o-y (%)</i>	2.6%	6.3%	-6.4%	2.2%	5.9%	-2.6%	1.4%

Detail on the 2017/18 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 2017/18 season to end November;
- AWEX auction statistics for the 2017/18 season to week 21;
- ABS wool receivals data for the 2017/18 season to September 2017;
- ABS sheep numbers as at 30th June 2016 and ABS sheep and lamb turn-off in 2016/17 and for 2017/18 to October 2017;
- Information on current and expected seasonal conditions from the Bureau of Meteorology; and
- Information gathered on sheep producer and wool grower intentions, including the results from the MLA/AWI Wool and Sheep Survey.

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. Comparative results for the financial year to November are shown in tables 3, 4 and 5. Figure 1 shows the trends in the month-by-month comparison of wool tested for the past four seasons, as well as for July to November 2017. Figure 2 shows the total volume of wool tested for each season to November between 2013/14 to 2017/18 by state and for Australia. Finally, figure 3 provides the micron profile for each season to November between 2013/14 and 2017/18. A historical comparison of the Australian micron profile percentage share and average micron can be found in Appendix table 3 (at the end of this report).

Table 3: AWTA key test data volumes for the financial year to November by micron range 2012/13 – 2017/18 (mkg greasy)

Parameter	Year	<16.6um	17um	18um	19um	20um	21um	22um	23um	24um	25-26um	26-28um	29-30um	>30.5um	TOTAL
AWTA FY Total mkg greasy	2012/13	5.06	11.54	20.72	27.75	28.84	22.28	14.14	7.19	3.57	6.31	8.96	6.76	3.31	166.41
	2013/14	7.92	14.14	22.69	29.31	27.50	18.62	10.37	5.24	3.16	7.24	9.11	4.33	2.22	161.86
	2014/15	6.30	13.75	23.20	29.03	25.87	18.86	11.02	5.63	2.76	6.22	9.37	5.70	2.98	160.67
	2015/16	6.99	12.79	21.38	27.97	25.55	16.95	8.68	3.63	2.41	5.90	8.96	5.13	2.82	149.14
	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	13.25	23.26	29.64	27.98	19.37	10.17	4.50	2.50	5.66	8.58	5.68	3.36	159.44
Y-O-Y change%	2017/18	-24.0%	11.2%	16.1%	4.5%	0.9%	-0.8%	1.3%	8.0%	-1.4%	-3.9%	6.7%	27.8%	32.1%	4.6%
Micron Split (%)	2016/17	4.7%	7.8%	13.1%	18.6%	18.2%	12.8%	6.6%	2.7%	1.7%	3.9%	5.3%	2.9%	1.7%	
	2017/18	3.4%	8.3%	14.6%	18.6%	17.5%	12.1%	6.4%	2.8%	1.6%	3.5%	5.4%	3.6%	2.1%	
5 year av. 2012/13 to 2016/17	Tonnes	6.70	12.83	21.60	28.48	27.10	19.24	10.85	5.17	2.89	6.31	8.89	5.27	2.77	158.11
	% change 17/18 vs 5 yr av	-17.9%	3.3%	7.7%	4.1%	3.2%	0.6%	-6.3%	-13.0%	-13.4%	-10.3%	-3.5%	7.8%	21.2%	0.8%
	Micron split %	4.2%	8.1%	13.7%	18.0%	17.1%	12.2%	6.9%	3.3%	1.8%	4.0%	5.6%	3.3%	1.8%	

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 micron

Table 4: AWTA test data volumes by state (based on Wool Statistical Area) for the financial year to November (mkg greasy)

Year	NSW	Vic	WA	SA	Tas	Qld	Australia
2012/13	61.1	37.8	30.7	24.0	5.2	7.7	166.4
2013/14	60.5	35.2	31.6	23.1	5.2	6.2	161.9
2014/15	61.0	35.3	30.1	24.7	5.3	4.3	160.7
2015/16	56.2	31.6	29.5	24.0	4.5	3.3	149.1
2016/17	57.9	29.5	32.1	24.7	4.4	3.9	152.5
2017/18	60.0	33.0	30.7	26.3	5.0	4.5	159.4
% change y-o-y	3.5%	11.8%	-4.2%	6.3%	13.6%	16.2%	4.6%

Table 5: AWTA key test data statistics for the financial year to November 2016/17 and 2017/18

July to November		NSW	VIC	WA	SA	TAS	QLD	AUST
WSA	WEIGHT (mkg)	57.92	29.47	32.06	24.74	4.38	3.90	152.46
2016/17 Key Test Data	YIELD (%)	66.7	65.5	65.0	63.9	70.2	63.9	65.7
	VM (%)	2.3	1.6	0.9	2.4	0.5	2.8	1.8
	MFD (µm)	20.5	21.3	20.0	20.9	20.2	19.6	20.7
	SS (Nkt)	36	34.3	32.6	34.1	35.1	34.2	34.4
	SL (mm)	88.3	90.7	90.4	92.0	88.5	87.5	90.1
	MID-BREAK (%)	48.4	50.4	51.8	53.0	51.0	47.9	50.4
WSA	WEIGHT (mkg)	59.97	32.96	30.73	26.28	4.97	4.53	159.44
2017/18 Key Test Data	YIELD (%)	65.9	65.9	64.5	63.5	70.2	62.20	65.4
	VM (%)	3.1	2.4	1.3	3.3	1.2	4.60	2.5
	MFD (µm)	20.6	21.6	19.6	21.0	20.5	19.90	20.8
	SS (Nkt)	36.2	34.2	32.7	33.4	37.2	38.90	34.6
	SL (mm)	86.7	89.3	87.5	91.9	88.9	86.50	88.4
	MID-BREAK (%)	53.8	52.5	48.7	50.7	41.3	50.40	51.4
WSA	WEIGHT (%)	3.5%	11.8%	-4.2%	6.3%	13.6%	16.2%	4.6%
DIFF. Key Test Data	YIELD (%)	-0.8%	0.4%	-0.5%	-0.4%	0.0%	-1.7%	-0.3%
	VM (%)	0.8%	0.8%	0.4%	0.9%	0.7%	1.8%	0.7%
	MFD (µm)	0.1	0.3	-0.4	0.1	0.3	0.3	0.1
	SS (Nkt)	0.2	-0.1	0.1	-0.7	2.1	4.7	0.2
	SL (mm)	-1.6	-1.4	-2.9	-0.1	0.4	-1.0	-1.7
	MID-BREAK (%)	5.4	2.1	-3.1	-2.3	-9.7	2.5	1.0

AWTA data on wool test volumes for 2017/18 to November shows:

- The weight of wool tested for 2017/18 to November was 4.6% higher than for the same time in 2016/17 and 1% above the five-year average between 2012/13 and 2016/17;
- Wool test volumes eased back in November after a sharp lift in October, but the decline in November was from the high level reached in November 2016
- Based on data by Wool Statistical Area, all states except for Western Australia recorded increases in wool test volumes in the first five months of 2017/18, with the largest year-on-year increase of 16.2% for Queensland, 13.6% for Tasmania and 11.8% for Victoria. NSW

recorded a 3.5% increase and SA was up by 6.3%. Western Australia recorded a 4.2% decline in the weight of wool tested in the July to November period.

- There was a reduction in Merino wool tested of 16.5 microns and finer in 2017/18 to date. There was also a decline in 21 micron wool and wool between 24 and 26 micron. Wool volumes tested increased for other micron ranges, with substantial percentage increases for wool broader than 28.5 micron. The average mean fibre diameter for the season to November was 20.8 micron, up by 0.1 micron. Victoria, Tasmania and Queensland have all recorded a 0.3 micron lift in mean fibre diameter for the season, while Western Australia has seen a fall of 0.4 micron.
- The micron profile of the Australian clip shows two clear peaks (figure 3): one peak centred at 19 micron wool (ranging from finer than 16.6 micron up to 23.5 micron); and a second peak centred on 27-28 micron (ranging from 25-26 micron to 30.5 micron and broader).
- The average staple length fell by 1.7 mm in the first five months to 88.4 mm across Australia. All states except for Tasmania have recorded shorter staple length.

Figure 1: Comparison of monthly AWTA key test data volumes

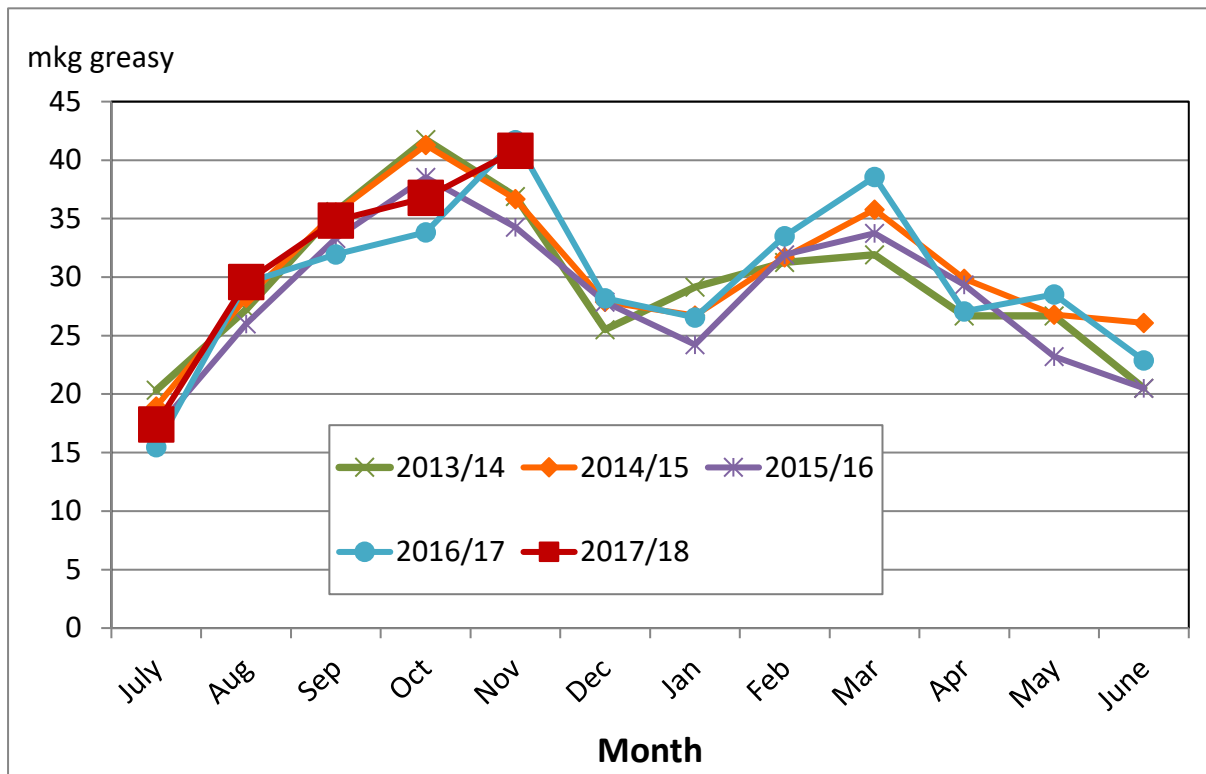


Figure 2: Volume of wool tested in the full season (AWTA key test data)

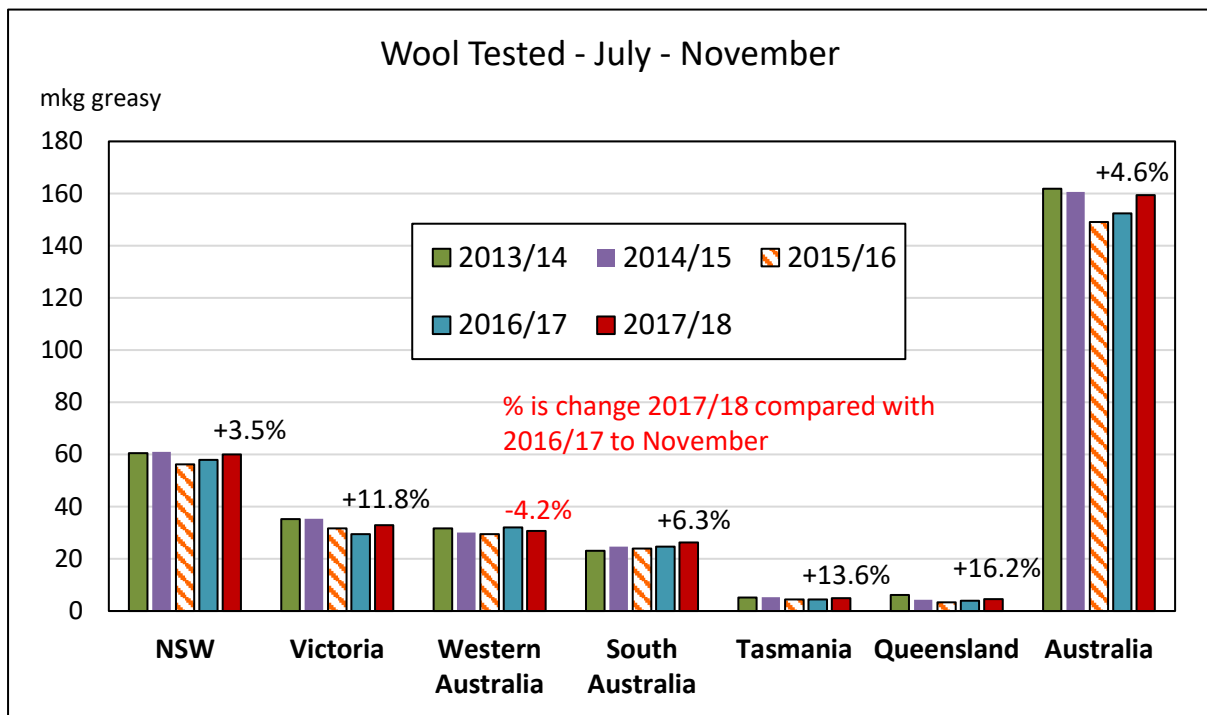
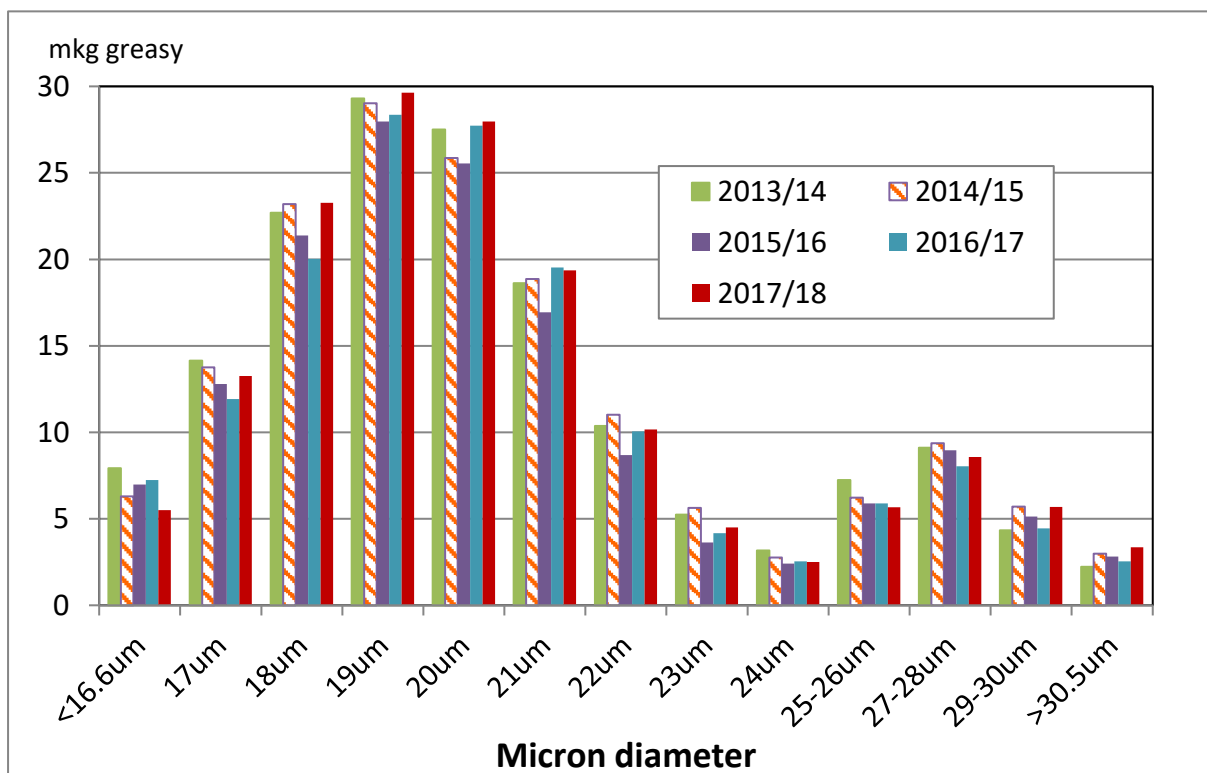


Figure 3: Australian diameter profile – full season (AWTA key test data)



AWEX auction statistics

The AWEX auction statistics for the 2017/18 season to date show similar trends to the AWTA wool test volumes, but with mostly a larger increase in wool auction offering volumes than the increase for AWTA test data. Table 6 summarises the AWEX data.

- First hand bales offered (excluding reoffers) for Australia were 7.6% higher in the 2017/18 season to week 21 compared with the same period in 2016/17. This has since eased to being up by 5.5% at the close before the Christmas Recess.
- The most significant increases were seen in Queensland, Tasmania and Victoria, while South Australia and New South Wales also recorded solid increases. First hand bales offered in Western Australia were down by 4.6%.
- There was a 6.7% increase in the volume of first hand Merino wool offered across Australia, and a 12.3% increase in first hand Crossbred wool offered. The share of Merino wool of all first hand offered wool increased to 83.0% in 2017/18 to week 21, compared with 83.7% 2016/17.

The AWEX data also shows a further increase in the volume and proportion of 'prem-shorn' Merino wool in 2017/18 to 10% of the total, compared with 8% share nationally in 2016/17 to week 21¹. Table 6 shows the weight of 'prem' shorn wool, the share of the total and the % change in 2017/18 compared with 2016/17 by state and nationally.

Table 6: AWEX Auction Statistics 2017/18 to week 21

2017/18	NSW	VIC	WA	SA	TAS	QLD	AUST
First hand bales offered (% change on 2016/17)	8.0%	13.4%	-4.6%	9.9%	25.4%	26.5%	7.6%
Merino first hand offered (% change on 2016/17)	8.0%	12.4%	-5.0%	9.2%	22.6%	26.9%	6.7%
Crossbred first hand offered (% change on 2016/17)	8.0%	16.6%	2.3%	15.4%	32.6%	14.3%	12.3%
Merino first hand offered (% share)	79.5%	74.2%	94.1%	87.3%	70.4%	97.2%	83.0%
Crossbred first hand offered (% share)	20.5%	25.8%	5.9%	12.7%	29.6%	2.8%	17.0%
Merino First Hand 'Prem' Shorn							
Weight (mkg)	2.8	1.0	1.9	2.5	0.1	0.2	8.5
% share of total	10%	8%	7%	14%	3%	8%	10%
% change on 2016/17	56%	67%	19%	46%	22%	47%	44%

Note: Data on 'prem shorn' wool from AWEX is based on the assessed length of the wool being offered

Australian Bureau of Statistics (ABS) data

The ABS provides data on wool receivals, the sheep flock, and sheep and lamb turnoff.

Wool receivals

Table 7 shows data on wool receivals for Australia and by state of receival (note that this is not by state of production) in the first quarter of 2017/18 compared with previous seasons. According to this data, wool receivals for Australia rose by 6.2% in 2017/18 to September, which is in line with the AWTA test data.

¹ Data on 'prem shorn' wool from AWEX is based on the assessed length of the wool being offered.

Table 7: ABS Wool Receipts data

mkg	NSW	VIC	WA	SA	TAS	QLD	AUS
2012/13	31.5	20.3	14.9	13.9	2.7	2.3	85.5
2013/14	31.7	19.8	18.3	13.8	2.5	2.5	88.5
2014/15	30.6	22.5	14.8	13.6	2.6	1.7	85.7
2015/16	28.1	19.2	16.0	16.0	2.2	1.6	83.1
2016/17	26.1	19.7	20.2	15.2	2.0	1.4	84.6
2017/18	27.9	23.0	18.2	15.0	2.0	1.6	87.7
<i>% change</i>	6.7%	16.4%	-9.9%	-1.3%	-1.7%	19.1%	3.6%
Five year average 12/13 to 16/17	29.6	20.3	16.8	14.5	2.4	1.9	85.5
<i>% change 2017/18 vs 5 year av</i>	-5.8%	13.0%	8.3%	3.5%	-17.1%	-13.2%	2.5%

Flock data

The ABS publishes data on Australia’s sheep flock. For the most recent estimates released earlier this year, the ABS changed the basis of its Census. It now surveys all properties with an Estimated Value of Agricultural Operations (EVAO) of \$40,000 and more; previously the ABS included all properties with an EVAO of \$5,000 and more. As a result of this change, the ABS flock data for 30th June 2016 is not comparable with previously published data and understates the actual numbers of sheep and lambs. The ABS has provided data adjusted for the new EVAO for the previous four years. The Committee used this data to guide its estimates of the numbers of sheep shorn in each state and for Australia. To avoid any confusion, the Committee will not publish the historical flock size data in its reports, only its estimate of the number of sheep shorn.

Bureau of Meteorology (BoM) seasonal rainfall seasonal outlook

Seasonal conditions were excellent throughout much of Australia in at least the first nine months of the 2016/17 season (and in some regions even longer). Conditions became drier in a number of the major sheep growing regions over Winter and the first half of Spring. This was particularly noticeable in Western Australia, Queensland, parts of New South Wales, northern and western South Australia, eastern Victoria and southern Tasmania. Seasonal conditions in western half of Victoria and south-east South Australia have been and remain excellent.

Figure 4 shows the rainfall deciles for the April to November 2017 period. The dry conditions over the period can be seen in the map in figure 4. As can be seen in figure 5, conditions were particularly dry in the eastern two-thirds of the country in September. There was widespread rain in late November and early December.

Figure 4: Australian rainfall deciles Southern Wet Season (April 2017 to November 2017)

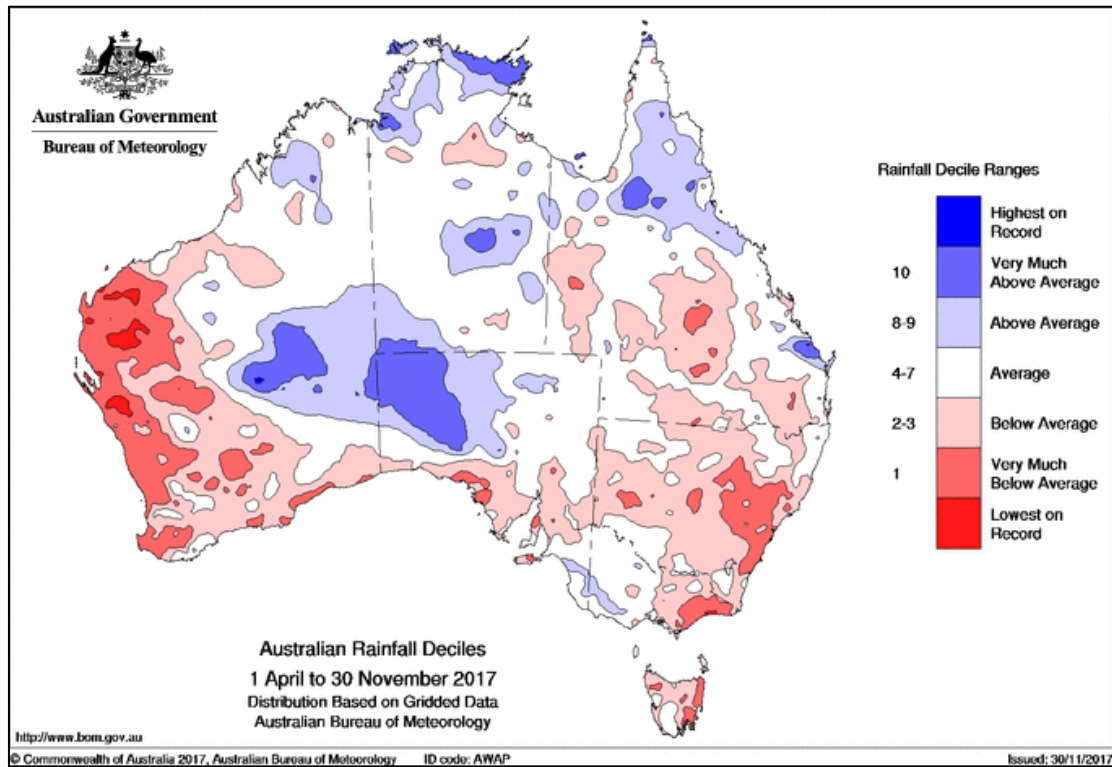


Figure 5: Australian rainfall by month – September to November 2017

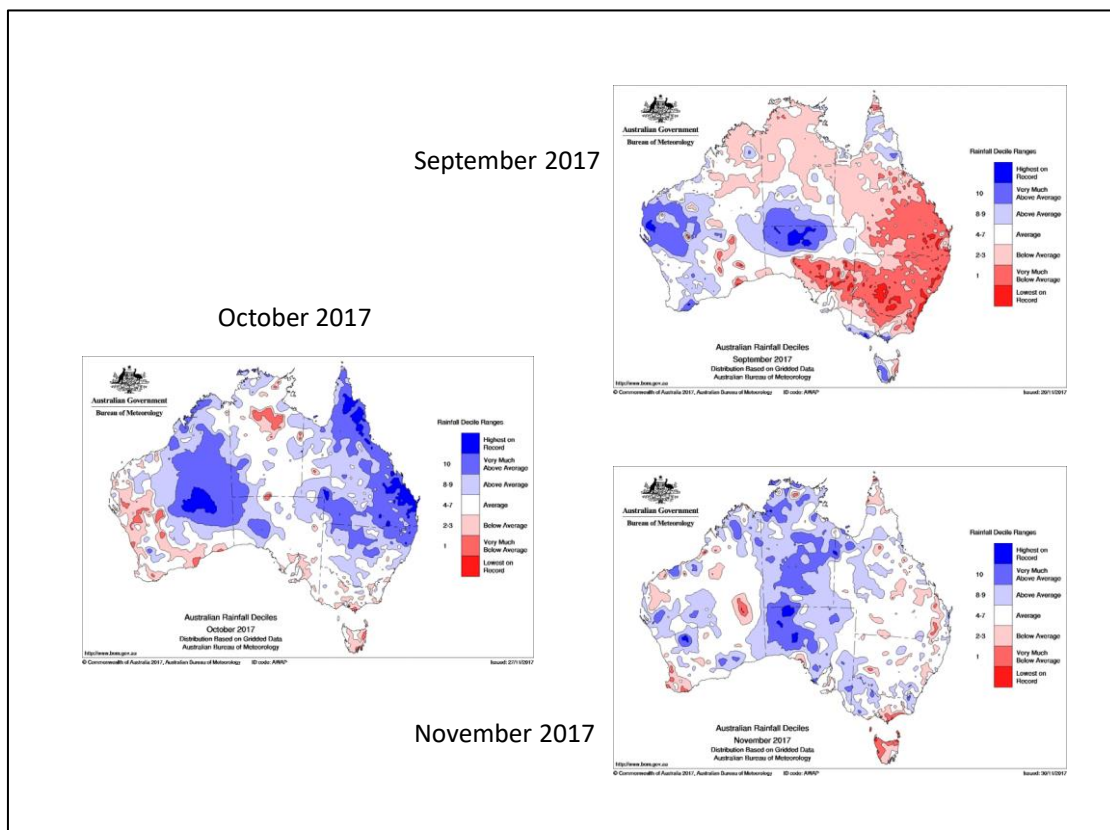
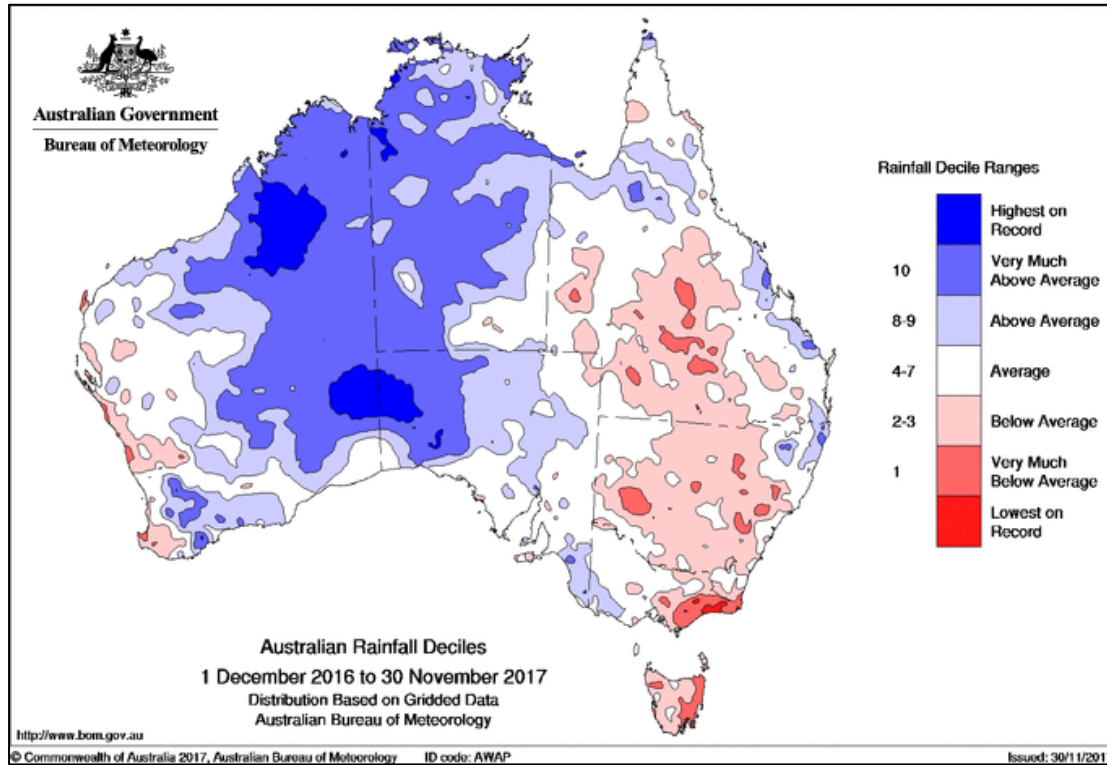


Figure 6 shows the rainfall deciles for the past 12 months (December 2016 to November 2017). This map, however, is overly influenced by the extensive rains seen in many regions in Spring 2016.

Figure 6: Australian yearly rainfall deciles (December 2016 to November 2017)



Overall, the current seasonal conditions are mixed but improved, although major regions in Queensland are desperately waiting for good Summer rain.

The Bureau of Meteorology has issued a La Nina alert early in December. La Nina's are usually associated with above average rainfall on the eastern half of Australia. The Bureau's outlook for the December to February period is that rainfall is likely to be average across much of Australia, with above average rainfall likely in the south-east and areas of the west. The Bureau's outlook is that it is likely to be warmer in Victoria, Tasmania and parts of South Australia.

Figure 6: Chance of exceeding median rainfall (Dec 17 to Feb 18)

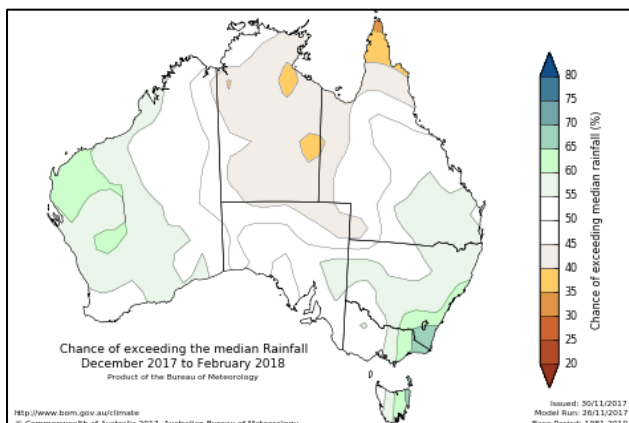
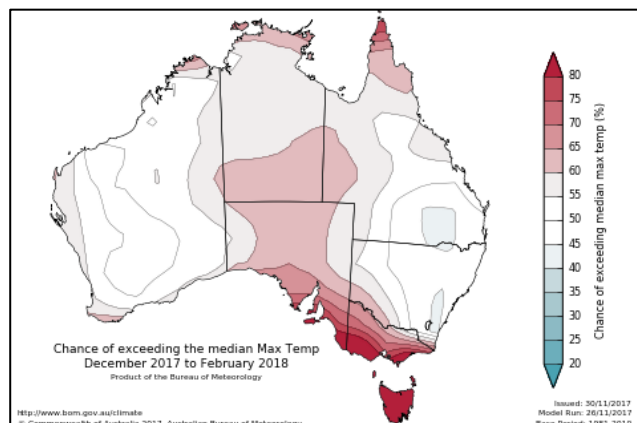


Figure 7: Chance of exceeding median maximum temperature (Dec 17 to Feb 18)



State Committee inputs

The following provides a summary of seasonal conditions and wool production in 2017/18 in each state as reported by the state committees in December 2017.

The state committees reported that seasonal conditions in the major sheep producing areas across Australia were very mixed through Winter and into Spring. Large areas of New South Wales, Queensland, Western Australia and parts of Victoria, South Australia and Tasmania experienced very dry conditions from July to September. Western Australia, in particular, is being affected after the exceptional season in 2016/17.

Despite this, Spring shearing in New South Wales and Queensland has benefited from the good seasonal conditions seen for at least part of 2016/17, resulting in good fleece weights to date. Fleece weights could pull back as the season progresses. Other regions have seen excellent conditions, notably in the western half of Victoria and the south-east of South Australia. Fleece weights in these regions have been good and are likely to increase in these states as a result.

Many of the state committees commented that there was a significant amount of early shearing to take advantage of the high wool prices. This, plus quick delivery into wool broker stores, has lifted the volume of wool available for sale at auctions in Australia in the first half of the 2017/18 season. Some clips which are usually delivered in the second half of the season have already been received and sold. This means that volumes in the second half of the season are likely to be lower.

In addition, there is a continued move to 'prem shearing' in a number of regions. This, combined with the shearing of all sale sheep, will boost the number of sheep shorn.

New South Wales

Seasonal conditions across New South Wales were dry through Winter and the first half of Spring in many regions. This made conditions very tough before widespread rain in late October through to early December. Producers are reported to have sold sheep before the rains arrived, but are now retaining sheep. Shearing and deliveries are running well ahead of usual, with the high wool prices encouraging producers to shear and get wool to store, tested and to market very quickly. More recently, receivals and tests have slowed. A combination of increased prem shearing and growers shearing before selling stock will result in more sheep being shorn in 2017/18. Wool cuts per head in Spring were better than last year due to the excellent seasonal conditions up until June. However, wool cuts are likely to fall back later in season due to dry conditions in Winter and Spring. **Shorn wool production in 2017/18 is expected to increase by 2.6% to 129.4 mkg**, as a result of a 3.5% increase in sheep shorn numbers. The average wool cut per head in the 2017/18 season is expected to ease by 0.9%.

Victoria

Seasonal conditions are very good to excellent in the western half of Victoria, notably in the large wool production region of the Western District. In contrast, conditions in the eastern part of Victoria have been dry to very dry, while the central region is reported to be around average. Wool cut per head was higher in most parts of the state over the Spring shearing. This, plus uninterrupted shearing through Winter and Spring and quick delivery into store by producers, has pushed wool test data higher than previous seasons. Given the excellent season

conditions the Western District, average wool cut per head for the season is predicted to be 5.5% higher in 2017/18. With increased 'prem shearing' and producers shearing all sale sheep, the number of sheep shorn is expected to rise by 0.8%. Overall, **shorn wool production in Victoria is predicted to lift by 6.3% to 71.7 mkg in 2017/18.**

Western Australia

Seasonal conditions were very dry in the April-September period but there has been some much-needed rainfall in the past two months. Even so, conditions are tight and a lot of producers are hand feeding. This deterioration in seasonal conditions will increasingly affect fleece weights in the second half of the year. The volume of wool tested in Western Australia in the first half of the season fell by more than the state committee expected, particularly given that producers are trying to get wool to market as quickly as possible and are shearing all available sheep. It is likely there will be a significant drop-off in March-April 2018. After the exceptional season in 2016/17 where fleece weights were extremely high, the average cut per head in 2017/18 is expected to fall by 5.7%. Total sheep shorn numbers in 2017/18 are expected to be flat compared with 2016/17. Overall, **shorn wool production in Western Australia in 2017/18 is predicted to fall by 6.4% to 66.6 mkg greasy.**

South Australia

Seasonal conditions are generally good across the state now that there have been rains recently in the western and pastoral regions. South-East and Kangaroo Island (both large wool areas) are experiencing excellent conditions with plenty of feed available. The north-east was very dry but significant rainfall at the end of November and into December has replenished water supplies and changed the outlook, encouraging producers to retain sheep. The average cut per head for the season is likely to be up in the South-East, Kangaroo Island and the Mallee, but down a little on the Eyre and Yorke Peninsulas and the pastoral areas (notably in the second half of the season). Overall, average cut per head across the state is expected to be flat, but remaining at historically high levels at 5.16 kg. Producers are reported to be shearing all available sheep and looking to increase numbers. As well, more sheep are being shorn before sale and there is a continued shift to 'prem' shearing. The Committee expects that the number of sheep shorn will rise by 2.2% as a result. **In total, shorn wool production in 2017/18 is forecast to increase by 2.2% to 59.1 mkg greasy.**

Tasmania

The seasonal conditions in Tasmania have been mixed, with the north pretty good, while the south has been very dry, as has been the east coast. Extensive rain at the end of November and early December helped many areas. This will encourage producers to hold on to sheep rather than turn them off. While there is positive sentiment among producers given good wool and lamb prices, there had been some turn-off of sheep due to dry conditions, which will affect production in next seven months. Wool test volumes in the first five months were up very strongly, but this partly reflected a rebound after the delayed shearing and deliveries in 2016. Even so, wool test data suggests a significant rise in fleece weights. Average wool cut per head in 2017/18 is likely to be 3.6% higher than in 2016/17. Good lambing in Autumn 2017 and producers shearing all sheep that are available is expected to see a 2.2% lift in the number of sheep shorn in 2017/18. **For 2017/18, shorn wool production in Tasmania is predicted to lift by 5.9% to 9.75 mkg greasy.**

Queensland

Despite the failure of the crucial Summer rains at the end of 2016 / start of 2017 and continued dry conditions in key woolgrowing areas in Queensland in the past six months, wool test volumes were substantially higher in the first five months of 2017/18 (from a very low base in 2016/17). Nevertheless, wool volumes in the second half of the season are likely to be down given that it is still very dry west of Bollon (Cunnamulla, Charleville) and around Longreach. This has caused a sell-off of sheep which were brought into the state in 2016. As well, fleece weights in these large wool-growing areas in the central-west will be down compared with last year. The average cut per head in Queensland over the season is expected to fall by an average of 1.6%. The number of sheep shorn is expected to decline by 1% due to the sell-off of sheep. The decline is not as much as previously expected because producers are being encouraged by the excellent wool prices to shear all available sheep. **Shorn wool production in Queensland in 2017/18 is therefore predicted to fall by 2.6% to 8.3 mkg greasy.**

Appendix

Table 1: Comparison of the third forecast for 2017/18 against the final estimates for 2016/17 and 2015/16

2015/16	NSW	VIC	WA	SA	TAS	QLD	National
Sheep Numbers Shorn (million)	27.00	16.40	14.55	10.85	2.59	1.98	73.37
Average Cut Per Head (kg)	4.55	4.03	4.48	5.05	3.50	3.50	4.43
Shorn Wool Production (mkg greasy)	122.85	66.08	65.18	54.78	9.07	6.94	325

2016/17	NSW	VIC	WA	SA	TAS	QLD	National
Sheep Numbers Shorn (million)	27.40	15.98	15.07	11.21	2.48	2.13	74.28
Average Cut Per Head (kg)	4.60	4.22	4.72	5.16	3.72	4.02	4.58
Shorn Wool Production (mkg greasy)	126.04	67.43	71.11	57.87	9.21	8.54	340

Change (%)	NSW	VIC	WA	SA	TAS	QLD	National
Sheep Numbers Shorn	1.5%	-2.5%	3.6%	3.4%	-4.4%	7.3%	1.2%
Average Cut Per Head	1.1%	4.7%	5.3%	2.2%	6.2%	14.7%	3.4%
Shorn Wool Production	2.6%	2.0%	9.1%	5.6%	1.5%	23.0%	4.7%

2017/18 Third Forecast	NSW	VIC	WA	SA	TAS	QLD	National
Sheep Numbers Shorn (million)	28.36	16.11	14.97	11.46	2.53	2.11	75.54
Average Cut Per Head (kg)	4.56	4.45	4.45	5.16	3.85	3.95	4.56
Shorn Wool Production (mkg greasy)	129.4	71.7	66.6	59.1	9.7	8.3	345

Change %	NSW	VIC	WA	SA	TAS	QLD	National
Sheep Numbers Shorn	3.5%	0.8%	-0.7%	2.2%	2.2%	-1.0%	1.7%
Average Cut Per Head	-0.8%	5.5%	-5.7%	0.0%	3.6%	-1.6%	-0.3%
Shorn Wool Production	2.6%	6.3%	-6.4%	2.2%	5.9%	-2.6%	1.4%

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 2: Australian wool production statistics since 1991/92

Year	Sheep Numbers Shorn (million)	Average Cut Per Head (kg)	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
2017-18f	75.5	4.56	345

Table 3: Australian micron profile of AWTA wool test volume statistics since 1991/92 (% share and average micron)

Year	<16.5	17	18	19	20	21	22	23	24	25/26	27/28	29/30	>30.5	Average Fibre Diameter (um)
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

Notes: Totals may not add due to rounding.

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 sub-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 sub-committees comprise wool producers, wool brokers, exporters, processors, private treaty merchants, AWEX, AWTA, ABARES, ABS, MLA, state departments of Agriculture 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.