

April 2019

Australian Wool Production Forecast Report

Australian Wool Production Forecasting Committee

Summary

- The Australian Wool Production Forecasting Committee forecasts that Australian shorn wool production in 2018/19 will reach 298 mkg greasy. This is a 12.6% decline from the levels in 2017/18 and lower than the Committee's forecast at its November meeting. The decline reflects the ongoing drought conditions across large parts of Australia resulting in more difficult seasonal conditions in many of the major wool growing areas. The number of sheep shorn is forecast to decline by 7.3% with average fleece weights falling by 4.5%.
- Accompanying the reduction in greasy wool production there have been significant changes in key test parameters. Average yield currently stands at 63.8%, the lowest level in 8 seasons. The mean fibre diameter of the national clip is 0.5 microns finer than at the same time last season. There have also been considerable reductions in staple length staple strength and vegetable matter.
- New South Wales is forecast to have the greatest decline in shorn wool production in 2018/19 with a 20.4% reduction from 2017/18 to 100 mkg greasy. South Australia and Queensland will decline by 10.9% and 10.8% to 53.0 and 7.4 mkg greasy respectively. Western Australia is forecast to produce 60.4mkg greasy (down 7.2%) with smaller declines in Victoria (68.7 mkg greasy, down 6.5%) and Tasmania (9.0 mkg greasy, down 3.2%).
- AWTA volumes of greasy wool tested to the end of March 2019 were 10.3% lower than at the same time in 2017/18. Volumes in each state declined on a year-on-year basis. The greatest decline occurred in New South Wales (down 16.4%), followed by South Australia (down 9.1%), Western Australia (down 7.5%), Victoria (down 5.8%), Queensland (down 5.1%) and Tasmania (down 2.0%).
- AWTA showed a significant increase in the weight of wool tested at 16.5 microns and finer (up 78.8%), at 17 microns (up 23.0%) and at 18 microns (up 15%). The 25 - 26 microns category (up 14.2%) was the only other to record an increase in the weight tested. All other categories recorded falls.

FURTHER INFORMATION

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- AWEX first-hand bales were 13.8% lower during July to March compared with the same time period in 2017/18.
- ABS wool receival data for Australia fell by 17.9% between July and December 2018.
- ABS sheep turn-off data during July 2018 and January 2019 showed a 25% increase in sheep slaughter, a 5% decrease in lamb slaughter and a 62% decrease in live export. Total turn-off was 1% lower compared with the same time last season.
- THE BOM outlook for April to June 2019 is for average median rainfall across much of Australia with above average maximum temperatures.
- The AWPFC's first forecast of shorn wool production for the coming 2019/20 season is for production to be 285 mkg greasy, a 4.4% decline on the 2018/19 forecast. This fall is due to a reduction in the number of sheep expected to be shorn, with the early forecast assuming normal seasonal conditions in 2019/20.
- 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	2017/18 Final Estimate	2018/19 Fourth Forecast	<i>Change y-o-y (%)</i>	2019/20 First Forecast	<i>Change y-o-y (%)</i>
Sheep Numbers Shorn (million)	76.8	71.2	-7.3%	67.9	-4.6%
Average Cut Per Head (kg)	4.4	4.2	-4.5%	4.2	0.0%
Shorn Wool Production (mkg greasy)	341	298	-12.6%	285	-4.4%

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

Shorn wool production (mkg greasy)	NSW	VIC	WA	SA	TAS	QLD	National
2016/17 Final Estimate	126.0	67.4	71.1	57.9	9.2	8.5	340
2017/18 Final Estimate	125.7	73.5	65.1	59.5	9.3	8.3	341
<i>Change Y-O-Y (%)</i>	<i>-0.2%</i>	<i>9.1%</i>	<i>-8.4%</i>	<i>2.8%</i>	<i>1.1%</i>	<i>-2.4%</i>	<i>0.3%</i>
2018/19 Fourth Forecast	100.0	68.7	60.4	53.0	9.0	7.4	298
<i>Change Y-O-Y (%)</i>	<i>-20.4%</i>	<i>-6.5%</i>	<i>-7.2%</i>	<i>-10.9%</i>	<i>-3.2%</i>	<i>-10.8%</i>	<i>-12.6%</i>

- More detailed information on the shorn wool production by state in 2018/19 can be found in Table A1 in the Appendix to this report.
- The Appendix also provides historical data for Australia, including sheep numbers shorn, average cut per head and shorn wool production (Table A2) as well as the micron profile (Table A3) since 1991/92.

Detail on the 2018/19 Forecast

Major data inputs

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

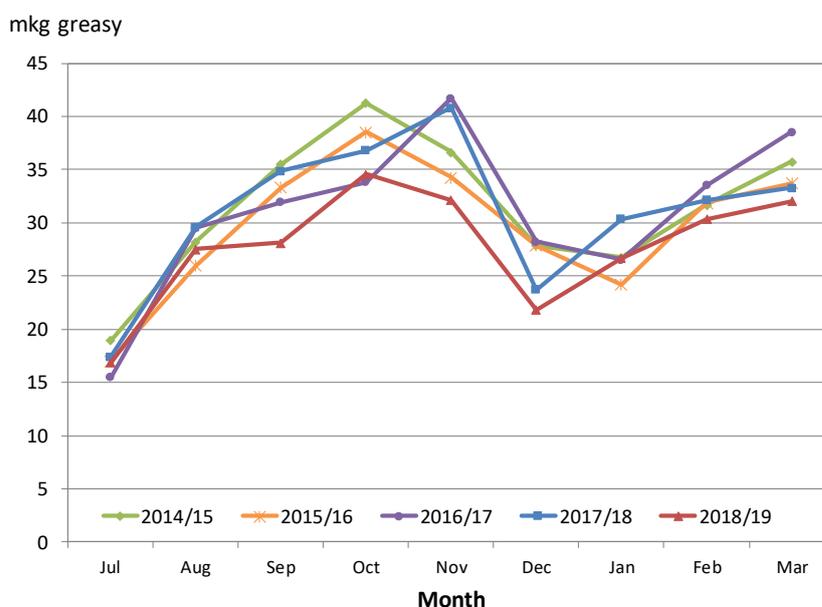
- AWTA wool test data for the 2018/19 season to the end of March 2019;
- AWEX auction statistics for the 2018/19 season to the end of week 39 (29 March 2019);
- ABS wool receivals data for the 2018/19 season to December 2018;
- ABS sheep and lamb turn-off for 2018/19 to the end of January 2019;
- Information on current and expected seasonal conditions from the Bureau of Meteorology; and
- Survey information gathered on sheep producer and wool grower intentions.

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 2018/19 season to the end of March compared with the same time period (July to March) in previous seasons are compared in this report.

The month-by-month comparison of wool tested for the current and past four seasons (Figure 1) shows the current season tracking below 2017/18 for each month with a five-year low occurring in September, November, December, February and March.

Figure 1: Comparison of monthly AWTA key test data volumes for the 2018/19 season



July to end March with previous seasons

AWTA national wool test volumes data for the 2018/19 season to the end of March (Table 3) shows:

- Volumes of wool tested for the season to date (end March 2019) were 10.3% lower than at the same time in 2017/18 and were also 9.7% less than the five-year average for the season to date from 2013/14 to 2017/18.
- The total volume of wool tested for the season to date was the lowest in the past five seasons.
- For the 2018/19 season to the end of March, there has been significant increases in the weight of wool tested at 16.5 microns and finer (up 78.8%), at 17 micron (up 23.0%) and at 18 micron (up 8.7%). The 25 - 26 microns category (up 14.2%) was the only other to record an increase in the weight tested. All other categories recorded falls, the largest being 21 micron (down 41.4%), 22 micron (down 40.9%), 29 - 30 microns (down 35.6%), 20 micron (down 26.3%), 23 micron (down 24.2%) and greater than 30.5 microns (down 22.4%).

Table 3: AWTA key test data volumes for the financial year to March 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	2013/14	10.82	22.72	39.43	49.82	45.60	30.73	17.11	9.35	6.06	15.04	18.55	8.95	5.51	279.67
	2014/15	8.60	21.80	41.08	51.63	44.61	30.21	18.13	9.68	5.46	13.00	19.56	11.52	7.47	282.74
	2015/16	10.30	21.99	38.41	48.04	43.42	28.42	15.21	7.54	5.07	12.67	18.27	10.24	7.31	266.88
	2016/17	10.34	20.15	36.45	48.95	48.77	34.41	18.77	9.06	5.63	12.68	16.95	9.90	7.23	279.30
	2017/18	8.15	22.63	41.70	51.39	45.74	29.76	16.62	8.21	5.14	11.61	17.35	11.65	9.00	278.94
Y-O-Y change%	2018/19	14.58	27.83	45.32	47.88	33.73	17.45	9.82	6.22	4.90	13.26	14.81	7.50	6.98	250.26
Micron Split (%)	2017/18	2.9%	8.1%	15.0%	18.4%	16.4%	10.7%	6.0%	2.9%	1.8%	4.2%	6.2%	4.2%	3.2%	
	2018/19	5.8%	11.1%	18.1%	19.1%	13.5%	7.0%	3.9%	2.5%	2.0%	5.3%	5.9%	3.0%	2.8%	
5 year av. 2012/13 to 2016/17	Tonnes	9.64	21.85	39.42	49.97	45.63	30.70	17.17	8.76	5.47	13.00	18.14	10.45	7.30	277.51
	% change 17/18 vs 5 yr av	51.2%	27.3%	15.0%	-4.2%	-26.1%	-43.2%	-42.8%	-29.1%	-10.5%	2.0%	-18.3%	-28.3%	-4.4%	-9.8%
	Micron split %	3.5%	7.9%	14.2%	18.0%	16.4%	11.1%	6.2%	3.2%	2.0%	4.7%	6.5%	3.8%	2.6%	

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

- The micron profile of the Australian wool clip shows 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). 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).

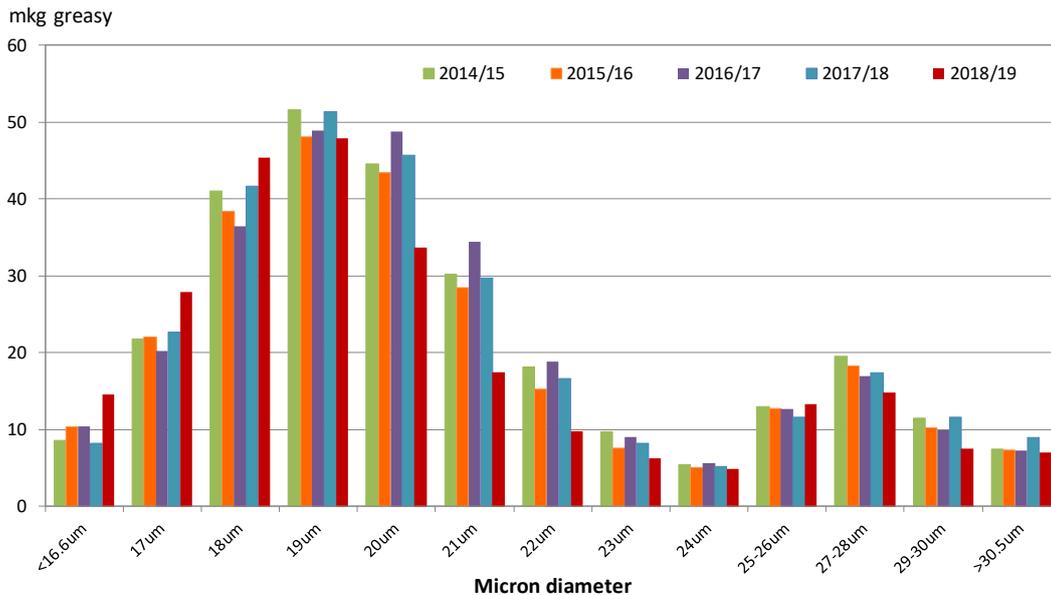


Figure 2: Australian fibre diameter profile – 2018/19 season to end March compared with the same time period for the 2014/15 to 2017/18 seasons

- Based on data by Wool Statistical Area (WSA), the volumes of wool tested in each state for the 2018/19 season to the end of March have declined on a year-on-year basis (Figure 3).

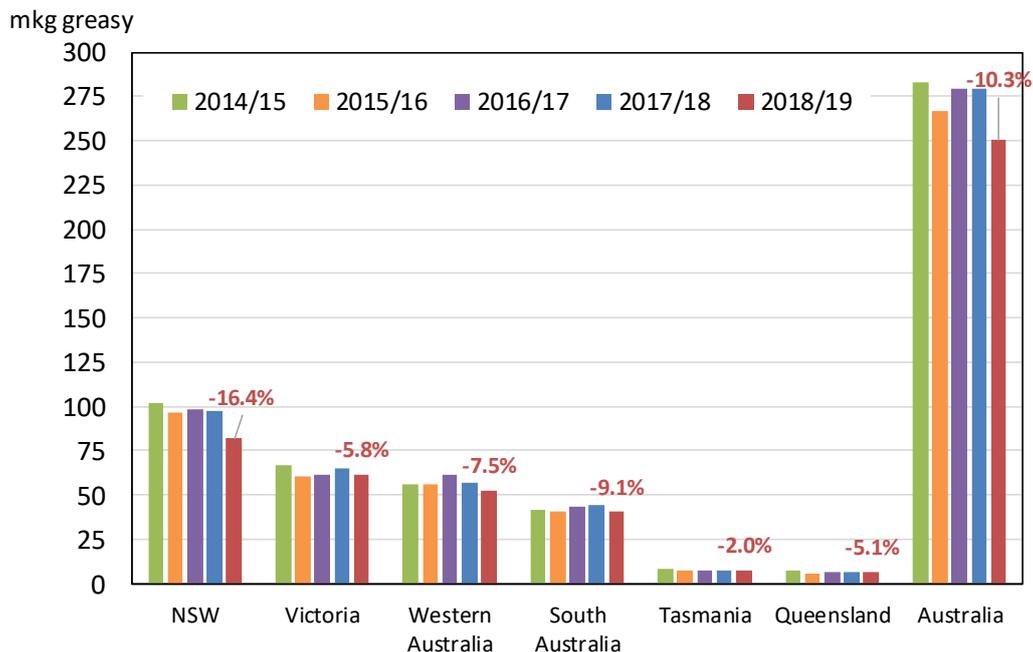


Figure 3: Volume of wool tested in the 2018/19 season to end March (AWTA key test data). The percentage change is the 2018/19 season to end March compared with the same period in the 2017/18 season.

- New South Wales had the largest decline in the volume of wool tested from July to end of March (down 16.4%), followed by South Australia (down 9.1%), Western Australia (down 7.5%), Victoria (down 5.8%), Queensland (down 5.1%) and Tasmania (down 2.0%) (Table 4).

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

Year	NSW	Vic	WA	SA	Tas	Qld	Australia
2013/14	97.7	65.0	61.3	38.4	8.4	8.8	279.7
2014/15	102.0	66.9	56.3	41.8	8.5	7.2	282.7
2015/16	96.6	60.5	56.4	40.3	7.4	5.6	266.9
2016/17	98.7	61.0	61.7	43.5	7.4	7.0	279.3
2017/18	97.8	65.4	57.0	44.4	7.6	6.8	278.9
2018/19	81.7	61.6	52.7	40.4	7.4	6.4	250.3
% change y-o-y	-16.4%	-5.8%	-7.5%	-9.1%	-2.0%	-5.1%	-10.3%

- The Key Test data for 2018/19 to the end of March show the impact of the continuing dry season on wool quality around Australia (Table 5).
- On a national basis, compared with the same time period in 2017/18, yields are down by 1.6% to 63.7% and vegetable matter down by 0.3% to 2.1%. Fibre diameter is down by 0.5 μm to 20.6 μm and staple length has decreased by 2.7 mm to 84.3 mm. Staple strength is also lower at 32.8 N/kt down 1.5 N/kt.

Table 5: AWTA key test data statistics for the financial year to March - 2017/18 and 2018/19

July to March		NSW	VIC	WA	SA	TAS	QLD	AUST
WSA	WEIGHT (mkg)	97.78	65.37	57.00	44.43	7.58	6.78	278.94
2017/18 Key Test Data	YIELD (%)	65.20	66.70	63.8	63.50	70.50	61.8	65.3
	VM (%)	3.00	2.10	1.5	3.00	1.00	4.5	2.4
	MFD (μm)	20.80	22.20	19.6	21.30	21.20	19.9	21.1
	SS (Nkt)	35.80	34.50	32.1	33.80	36.30	37.6	34.3
	SL (mm)	85.60	87.60	86.3	89.60	88.60	85.3	87.0
	MID-BREAK (%)	52.00	50.40	51.8	50.60	42.80	50.3	51.0

WSA	WEIGHT (mkg)	81.73	61.58	52.71	40.38	7.43	6.44	250.26
2018/19 Key Test Data	YIELD (%)	62.80	65.40	62.1	62.20	70.50	61.9	63.7
	VM (%)	2.50	1.80	1.8	2.30	0.70	3.0	2.1
	MFD (μm)	20.10	21.60	19.3	20.70	21.70	19.6	20.6
	SS (Nkt)	33.60	33.80	29.5	33.20	36.90	35.8	32.8
	SL (mm)	81.90	85.10	84.7	86.40	89.70	81.6	84.3
	MID-BREAK (%)	45.80	47.20	49.0	46.50	47.10	50.0	47.3

WSA	WEIGHT (%)	-16.4%	-5.8%	-7.5%	-9.1%	-2.0%	-5.1%	-10.3%
DIFF. Key Test Data	YIELD (%)	-2.4	-1.3	-1.7	-1.3	0.0	0.1	-1.6
	VM (%)	-0.5	-0.3	0.3	-0.7	-0.3	-1.5	-0.3
	MFD (μm)	-0.7	-0.6	-0.3	-0.6	0.5	-0.3	-0.5
	SS (Nkt)	-2.2	-0.7	-2.6	-0.6	0.6	-1.8	-1.5
	SL (mm)	-3.7	-2.5	-1.6	-3.2	1.1	-3.7	-2.7
	MID-BREAK (%)	-6.2	-3.2	-2.8	-4.1	4.3	-0.3	-3.7

AWEX auction statistics

The AWEX auction statistics for the 2018/19 season to the end of week 39 (Table 6) show a decrease in first hand wool offering volumes compared with the same time period in 2017/18.

- First hand bales offered (i.e. excluding reoffers) for Australia were 13.8% lower during July to March compared with the same time period in 2017/18.
- The most significant decreases were evident in New South Wales (down 19.3%), Tasmania (down 13.9%), Western Australia (down 12.6%) and Queensland (down 12.5%). Smaller decreases occurred in South Australia (down 9.8%) and Victoria (down 9.2%).
- There was a 14.4% decrease in the volume of first-hand Merino wool offered across Australia, and an 11.3% decrease in first-hand Crossbred wool offered. The share of Merino wool of all first-hand offered wool was 78.0% in 2018/19 compared with 78.6% for the same time period in 2017/18.
- The percentage reductions in the volume of first-hand offered Merino wool were similar (within 1%) to the total reduction in first-hand wool offered in each state. For most states the pattern for first-hand Crossbred wool differed, with the exception of Queensland (down 32.5%) and New South Wales (down 16.2%).
- There was a 9% decrease in the volume of 'Prem-shorn' Merino fleece wool between July 2018 and March 2019 (15.0 mkg) compared with the same time period in 2017/18 (16.4 mkg).
- As a percentage share of the total, 10% of Australian first-hand bales offered were prem shorn between July 2018 and March 2019. On a state-by-state basis this ranged from 14% in South Australia to 4% in Tasmania.

Table 6: AWEX Auction Statistics 2018/19 to the end of week 39

2018/19	NSW	VIC	WA	SA	TAS	QLD	AUST
First hand bales offered (% change on 2017/18)	-19.3%	-9.2%	-12.6%	-9.8%	-13.9%	-12.5%	-13.8%
Merino first hand offered (% change on 2017/18)	-20.3%	-11.1%	-12.3%	-10.8%	-13.3%	-11.6%	-14.4%
Crossbred first hand offered (% change on 2017/18)	-16.2%	-5.4%	-17.4%	-5.7%	-15.2%	-35.5%	-11.3%
Merino first hand offered (% share)	75.7%	65.4%	93.1%	79.2%	67.9%	97.2%	78.0%
Crossbred first hand offered (% share)	24.3%	34.6%	6.9%	20.8%	32.1%	2.8%	22.0%
Merino First Hand 'Prem' Shorn Fleece							
Weight (mkg)	5.0	1.9	2.9	4.6	0.1	0.4	15.0
% share of total	10%	8%	10%	14%	4%	7%	10%
% change on 2017/18	-9%	-10%	-17%	-4%	8%	3%	-9%

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

Australian Bureau of Statistics (ABS) data

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

Wool receivals

National wool receivals for July to December 2018 were lower compared with the same time period in 2017/18 (Table 7):

- Wool receivals for Australia fell by 17.9% up to December 2018 which is higher than both the AWTA test data and the AWEX first-hand offered data (note the latter are both to the end of March 2019).
- Wool receivals for July to December 2018 were the lowest for the past five seasons and 15.0% below the five-year average.
- Wool receivals decreased in all states. The largest falls occurred in Queensland (down 34.0%), Western Australia (down 23.1%), Tasmania (down 22.3%) and New South Wales (down 20.5%).
- Wool receivals in all states were below the five-year average.

Table 7: ABS Wool Receivals data

mkg	NSW	VIC	WA	SA	TAS	QLD	AUS
2013/14	63.865	49.217	41.319	28.557	5.163	3.678	191.800
2014/15	64.616	53.947	35.867	30.583	5.128	2.665	192.807
2015/16	58.892	52.252	39.428	30.712	4.764	2.403	188.449
2016/17	60.531	53.633	46.368	31.265	3.791	2.551	198.141
2017/18	59.490	56.891	47.356	30.981	3.939	2.853	201.510
2018/19	47.287	50.700	36.420	26.041	3.061	1.884	165.395
% change	-20.5%	-10.9%	-23.1%	-15.9%	-22.3%	-34.0%	-17.9%
Five year average 2013/14 to 2017/18	61.5	53.2	42.1	30.4	4.6	2.8	194.5
% change 2018/19 vs 5 year av	-23.1%	-4.7%	-13.4%	-14.4%	-32.8%	-33.4%	-15.0%

Sheep turn-off

Australian sheep and lamb turn-off statistics for the 2018/19 season to the end of January 2019, sourced from the ABS, covers sheep slaughter, lamb slaughter and live exports and is compared with the equivalent period in 2017/18 and the five-year average 2013/14 to 2017/18 July to January (Table 8):

- The ABS data shows a 25% increase in sheep slaughter and a 5% decrease in lamb slaughter during July 2018 to January 2019 compared with the same time period in the previous season.
- The number of live sheep exported from Australia decreased by 62% during this time.
- Total turnoff of sheep and lambs between July 2018 and January 2019 was 1% lower compared with the same time in the previous season and 1% below the five-year average for the same time period.

Table 8: ABS Sheep turn off data for 2018/19

Parameter	Financial year			5-yr FY	
	July 2017 to Jan 2018	July 2018 to Jan 2019	% Δ	Avg	%Δ
Sheep slaughter (‘000 hd)	4,955	6,203	25%	5,140	21%
Sheep weights (kg/hd cwt)	25.2	24.0	-5%	24.4	-2%
Mutton production (tonnes cwt)	125,068	149,001	19%	125,545	19%
Lamb slaughter (‘000 hd)	13,347	12,726	-5%	13,247	-4%
Lamb weights (kg/hd cwt)	22.4	22.0	-1%	22.0	0%
Lamb production (tonnes cwt)	298,679	280,595	-6%	291,316	-4%
Live exports (Year to Jan-2019) (‘000 hd)	1,218	463	-62%	1,176	-61%
Total Turnoff (‘000 hd)	19,520	19,391	-1%	19,562	-1%

Bureau of Meteorology (BoM) seasonal rainfall seasonal outlook

Seasonal conditions continue to be dry across much of the main sheep growing regions of Australia in 2018/19 with rainfall between 1 January and 31 March 2019 continuing to be either below average or very much below average across most of the country (Figure 4). The above average rainfall along the northeast to central coast of Queensland was the result of severe tropical cyclone *Owen*; the first tropical cyclone in the Australian region for the 2018/19 season. The driest regions (Figure 5) continue to include the south coast region of Western Australia, the central and southern regions of Queensland and most of South Australia, New South Wales, Victoria and Tasmania.

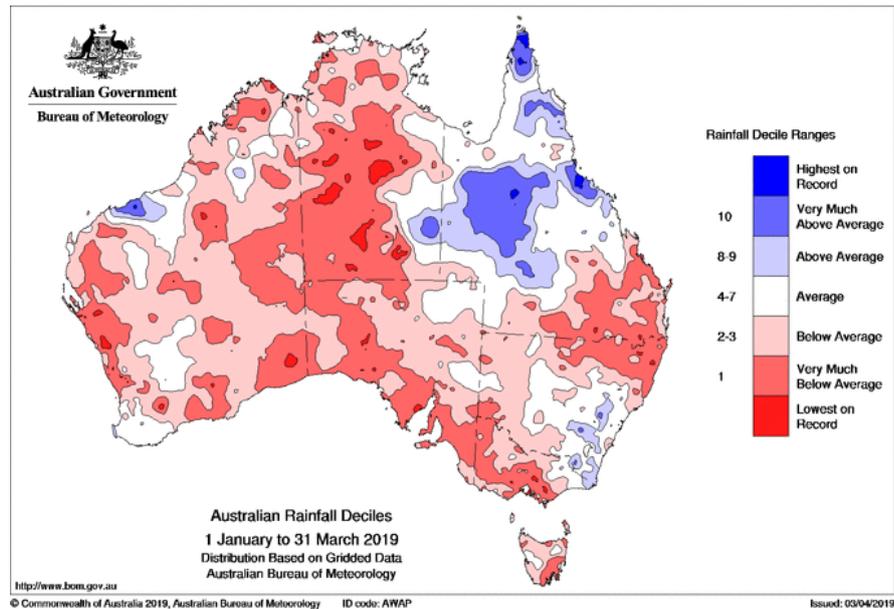


Figure 4: Australian rainfall deciles 1 January to 31 March 2019.

The rainfall deciles for the past 12 months (Figure 5) clearly show how dry it has been across the country in the past year, particularly in the eastern states.

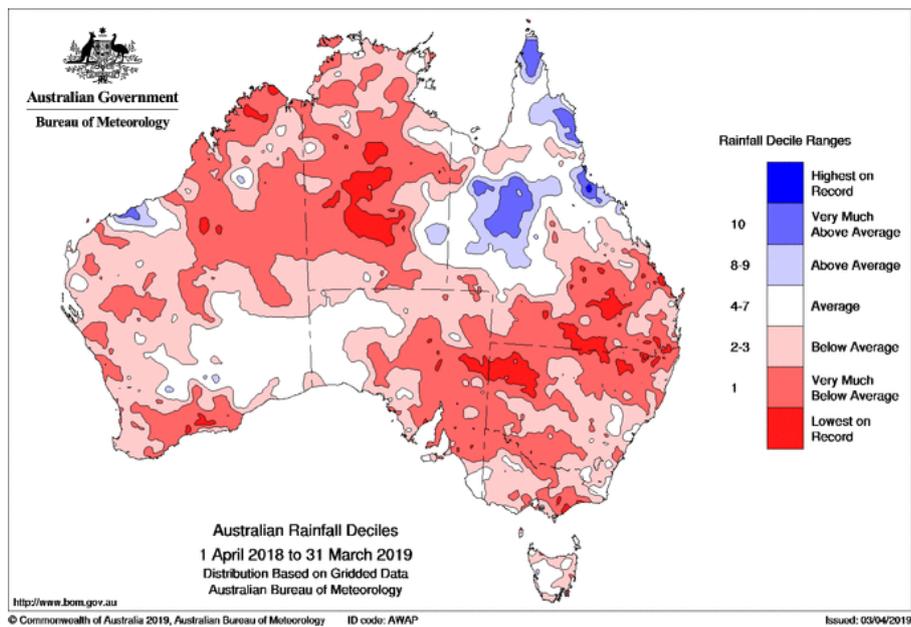


Figure 5: Australian yearly rainfall deciles (April 2018 to March 2019)

The low rainfall deciles combined with record high temperatures for December and January have contributed to the historical low landscape water balance across most of Australia (Figure 6).

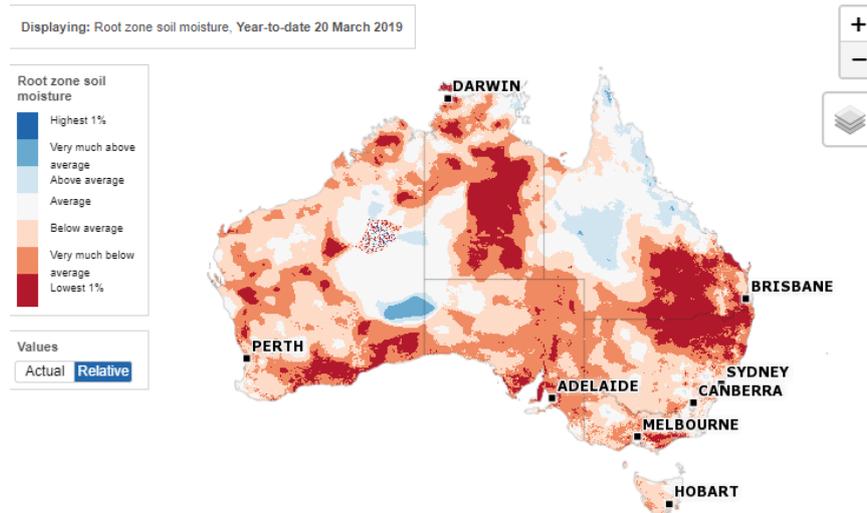


Figure 6: Australian landscape water balance, year-to-date 20 March 2019.

The Bureau of Meteorology’s outlook for the April to June 2019 period is that rainfall is likely to be average across much of Australia (Figure 7) along with above average maximum temperatures (Figure 8).

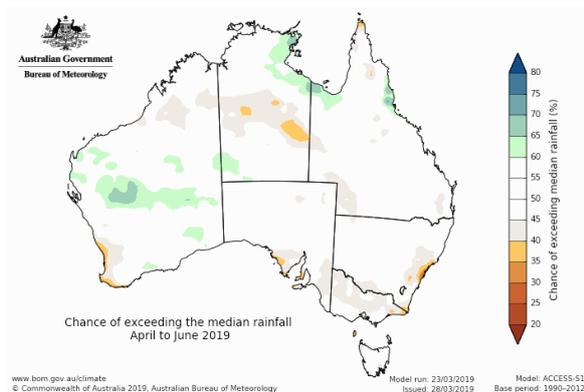


Figure 7: Chance of exceeding median rainfall (April to June 2019)

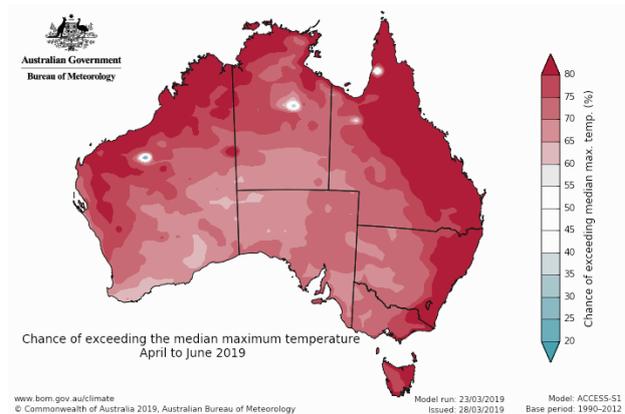


Figure 8: Chance of exceeding median maximum temperature (April to June 2019)

In its update on 19 March 2019, the Bureau noted that the El Niño–Southern Oscillation (ENSO) had been raised to **alert** (at least 70% chance of occurring). The tropical Pacific Ocean had warmed since late January and had touched the El Niño thresholds for 3 consecutive weeks. Model outlooks suggest his warming is likely to be sustained throughout autumn and into winter.

State Committee inputs

The following provides a summary of seasonal conditions and wool production forecast in 2018/19 in each state as reported by the AWPFC state committees in March 2019. The state committees reported that seasonal conditions in the major sheep producing areas across Australia continued to be dry since their last meeting in November. Although some regions in Queensland and New South Wales received some welcome rain in the last week of March.

New South Wales

Dry conditions have continued over most of NSW. While some sporadic storm activity occurred, it was very localised. No rain throughout the North West of NSW with the New England region also dry from Walcha to the Hunter Valley. Growers remain hopeful for rain, but the first frosts (about a month away) will limit any pasture growth if rain does occur. Some feed oat crops have been sown in areas fortunate enough to receive some rain in the New England. Water is an issue as well as feed.

The Central and Southern Tablelands have had some relief with storms filling dams in some areas. However, it remains extremely dry. Producers are selling their cattle and preferring to retain their sheep, although the sheep sell off is continuing.

The Central West region around Dubbo is dire, with no areas receiving any rain to promote pasture growth. Parkes had some rain over Christmas but none since. If no follow up rain occurs in the next 3 months, a further sheep sell off will occur. If rain falls some grazing crops will be sown. The Tamworth and Forbes areas are especially poor. While the general intention has been to hold breeding stock, where on farm feed has run low or out and/or water availability is an issue a further reduction in numbers is occurring. Sheep are being shorn early and sold which accounts for the better than expected AWTA test results to the end of February. Sheep normally shorn in April to June are reportedly no longer in the system. **Shorn wool production in 2018/19 expected to decline by 20.4% compared with 2017/18 to 100.0 mkg.**

Victoria

The season in western Victoria, around Hamilton, is getting tough now but they did have a good spring. There has been a large turn-off of sheep in the last 3 months and this will continue to the end of March. Sheep numbers in this region will be down by about 10%. In the north west, the region was good for the first half of the season but is now exceptionally dry. Producers believe their production will be back 30% on the previous season. In Southern Gippsland sheep numbers are down 50% down, central between 10 - 15% lower and northern areas 30% down. Overall the region is between 20 - 30% lower than average.

In the north east, producers will continue to feed until late April but will sell wethers and dry ewes if significant rain doesn't eventuate. Average cuts per head are expected as sheep have been well fed since December. In the central regions sheep numbers are down by about 10% with wool cuts beginning to decrease. Sheep are in good condition, with continued turnoff of mutton expected but producers will hold onto heavier lambs over winter until prices improve. Yarding numbers are easing as the sell-off has happened. Water is a key issue as there is little water in most areas so a further sell-off is expected to occur in April/May. The current wool prices are encouraging some producers to continue to feed.

The large drops in sheep numbers have been in those areas that have been carrying the higher numbers. Little to no wool stocks are held on-farm with good prices having brought that wool onto the market. Shearing is on-time, with little rain occurring to cause delays. There were high average wool cuts during 2017/18 in most wool growing areas, but the current season has pulled these back. **Shorn wool production in 2018/19 expected to fall by 6.5% compared with 2017/18 to 68.7 mkg.**

Western Australia

While there have been dry areas across the state, the general trend in WA has been positive. Low rainfall deciles in summer are good for wool production. Little to no summer rain across most of the main wool producing regions of WA means there is a good body of dry standing feed of reasonable quality. This will maintain wool cut up to June. Water is available in dams. Shearing is either up to date or running about 2 weeks early but expected to drop off quickly after Easter. Growers are waiting for the break of the season.

There has been an exceptional winter and spring for wool growing areas north of Great Eastern Highway. Cuts per head are good for autumn shorn wools, looking to be above average. South Coast remains relatively poor. Producers are looking to hold stock at levels slightly above last year. Lambs were turned off earlier than usual without being shorn (15% increase in lambs slaughter to January 2019). Most WA sheep & lamb slaughter occurs in the first seven months of each year - this season no different. A lot of wethers have been shipped via live export in the past three months that weren't captured in the ABS data presented in this report. If a poor WA autumn eventuates, retained wethers will be the first to be sold into the slaughter market, but will be shorn first.

The Committee expects AWTA tested volumes to June to remain down 9 % as the wool is not there to be shorn. The drop in tested volumes are lower than the Committee's forecast of down 7.2%. The disparity could be due to 1.4% lower yield and higher dust content impacting cut per head. The season in the Eastern states will impact on WA sheep numbers. A good autumn in the east will see high demand for WA sheep. While some wool is being held on farm untested, the majority of producers appear to be selling as wool prices are good. **Shorn wool production in 2018/19 expected to decline by 7.2% compared with 2017/18 to 60.4 mkg.**

South Australia

It is now dry in the south east of South Australia. Producers are beginning to scan now with reasonable results, but not as good as last year. Feed is very tight, producers have been feeding sheep for the past month. Irrigation properties are going well. There is a normal autumn pattern, from Bordertown, Naracoorte to Mt Gambier, although lambing percentages are expected to be lower. Growers are reasonably positive, a swing to Merino production is continuing and an increasing amount of prem shearing is occurring primarily for animal production, health and management reasons.

Kangaroo Island is similar, normal dry season but running low on water in some areas. Fleece cuts are 10 - 12 % lower than normal.

North from Burra to Morgan through to the pastoral area it is very poor. Producers have destocked completely or are back to very core breeders and feeding continuously. Pastoral areas are now in their third year of drought. Very poor lambing last year with few to no lambings in the current year. Historically poor wool clips in terms of quantity and quality. The Mallee,

Loxton and Pinnaroo areas that shear early together with top end of west coast Ceduna, Woodna and Kimba percentages are back now. In the far pastoral areas, some large properties have had a reasonable season and lifted pastoral numbers up to now. Properties that normally shear in March have already finished and the wool sold. **Shorn wool production in 2018/19 is expected to decline by 10.9% compared with 2017/18 to 53.0 mkg.**

Tasmania

2017/18 season figures were considered to be inflated by the high wool prices enticing producers to retain and prem-shear older ewes despite the poor season. Current season is following a more normal trend. The season in the north of the state has been up and down. Very wet winter and cold, followed by short late spring with conditions drying off since then. A particularly hot summer (with lots of fires) which would have decreased soil moisture levels. No January rain, 20 - 30 mm in February but no follow-up. Marking rates have been up due to a better survival rate rather than more ewes being joined. The lambing period was cold but dry which boosted survival rates.

Conditions are poor in the south and east coast. The south of the state has been poor and dried off quickly. If it doesn't rain soon, numbers are expected to reduce. Harvest was good so there is enough stored feed for the short term. Some feeding is underway as normal management. More lambs are being finished on irrigation to higher weights and then shipped to the mainland for processing. A lot of crossbred lambs have been bought into northern midlands to fatten on new irrigation schemes and will be slaughtered in Victoria.

Forecast will depend on rain between now and the end of the season. All areas are now looking for an Autumn break. Numbers of ewe to be joined have been finalised and rams put out. With enough rain in the coming weeks, these numbers will be carried through winter. Without rain growers will reduce numbers. **Shorn wool production expected to decline by 3.2% compared with 2017/18 to 9.0 mkg.**

Queensland

The Cunnumulla, Charleville and Quilpie regions are largely destocked. There are also few sheep in Blackall. Isisford, Longreach, Barcaldine & Murrumbidgee areas as they missed the northern rain and are in destock mode. Central Qld is now entering the traditional dry period after no wet season rain. Producers expecting to continue to feed all stock for some time. Areas that did receive rain subsequently experienced heat wave conditions with strong dry winds which burnt off any new grass growth. March saw a big reduction in breeding ewes. Wild dog activity is increasing. March was the decision month for many Queensland producers with huge numbers of cattle unloaded.

Varied season in the SE farming regions (Goondiwindi to St George). Some slow increases in sheep numbers as an alternative to cattle especially with follow up rain. Not big numbers - mostly Merinos, some Dorpers. Further east around Stanthorpe, Inglewood & Warwick the situation remains dire even with the recent rain. Further state and federal government funding for exclusion fencing will mean that most Merino ewes will be grazed within exclusion fencing with high lambing and weaning rates expected when favourable seasonal conditions return. **Shorn wool production in 2018/19 expected to decline by 10.8% compared with 2017/18 to 7.4 mkg.**

Appendix

Table A1: Comparison of the fourth forecast for 2018/19 against the final estimates for 2017/18 and 2016/17

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
2017/18	NSW	VIC	WA	SA	TAS	QLD	National
Sheep Numbers Shorn (million)	28.31	17.16	14.76	11.89	2.43	2.21	76.76
Average Cut Per Head (kg)	4.44	4.28	4.41	5.00	3.85	3.75	4.45
Shorn Wool Production (mkg greasy)	125.70	73.45	65.09	59.45	9.34	8.29	341
Change (%)	NSW	VIC	WA	SA	TAS	QLD	National
Sheep Numbers Shorn	3.3%	7.4%	-2.1%	6.0%	-2.1%	3.9%	3.3%
Average Cut Per Head	-3.5%	1.5%	-6.5%	-3.1%	3.6%	-6.6%	-2.8%
Shorn Wool Production	-0.3%	8.9%	-8.5%	2.7%	1.5%	-2.9%	0.3%
2018/19 Fourth Forecast	NSW	VIC	WA	SA	TAS	QLD	National
Sheep Numbers Shorn (million)	25.00	16.75	14.05	11.04	2.37	1.96	71.17
Average Cut Per Head (kg)	4.00	4.10	4.30	4.80	3.78	3.75	4.19
Shorn Wool Production (mkg greasy)	100.00	68.68	60.42	52.99	8.95	7.35	298
Change %	NSW	VIC	WA	SA	TAS	QLD	National
Sheep Numbers Shorn	-11.7%	-2.4%	-4.8%	-7.1%	-2.4%	-11.3%	-7.3%
Average Cut Per Head	-9.9%	-4.2%	-2.5%	-4.0%	-1.8%	0.0%	-5.8%
Shorn Wool Production	-20.4%	-6.5%	-7.2%	-10.9%	-4.2%	-11.3%	-12.6%

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

Year	Sheep Numbers (million)	Average Cut Per (kg)	Shorn Wool (mkg)
1991-92	180.9	4.4	801
1992-93	178.8	4.6	815
1993-94	172.8	4.5	775
1994-95	156.2	4.4	682
1995-96	145.6	4.5	655
1996-97	152.0	4.3	661
1997-98	150.0	4.2	633
1998-99	153.6	4.3	665
1999-00	144.2	4.3	619
2000-01	139.5	4.3	602
2001-02	118.6	4.7	555
2002-03	116.6	4.3	499
2003-04	104.7	4.5	475
2004-05	106.0	4.5	475
2005-06	106.5	4.3	461
2006-07	101.4	4.2	430
2007-08	90.2	4.4	400
2008-09	79.3	4.5	362
2009-10	76.2	4.5	343
2010-11	76.2	4.5	345
2011-12	76.4	4.5	342
2012-13	78.8	4.5	352
2013-14	78.0	4.4	341
2014-15	76.9	4.5	346
2015-16	73.4	4.4	325
2016-17	74.3	4.6	340
2017-18	76.8	4.5	341
2018-19f	71.2	4.2	298

Table A3: 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
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%	11.1%	18.1%	19.1%	13.5%	7.0%	3.9%	2.5%	2.0%	5.3%	5.9%	3.0%	2.8%	20.1

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.