Australian Wool Innovation Limited

MEDIA RELEASE

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Season uncertainty risk to Australian shorn wool production.

- The Australian Wool Production Forecasting Committee's estimate of shorn wool production for 2022/23 is 328 Mkg greasy, up 1.3% on 2021/22. Favourable seasonal conditions in major wool producing regions during April carried through to the end of the 2022/23 season.
- The Committee's second forecast of shorn wool production for the 2023/24 season is 324 Mkg greasy, a 1.1% decrease on the current season. Sheep numbers are expected to remain relatively stable at 72.1 million, up 0.8%.

The Australian Wool Production Forecasting Committee (AWPFC) has confirmed its estimate made in April of shorn wool production for the 2022/23 season. Their estimate of 328 million kilograms (Mkg) greasy, is 1.3% higher than the 2021/22 season production of 324 Mkg greasy.

AWPFC Chairman, Stephen Hill said that "*the favourable conditions for sheep and wool production evident in Autumn carried forward to the end of the 2022/23 season. Abundant pasture availability in key wool producing regions maintained average cut per head at historically high levels in most states".* On a national basis, average cut per head is estimated to be 4.59 kg greasy, 2.2% higher than the 2021/22 season. Most Australian Wool Testing Authority (AWTA) key test data (Table 3) for the 2022/23 season are similar to last season.

"Shorn sheep numbers were similar to the 2021/22 season at 71.5 million head (down 0.1%)". New South Wales continues to have the largest sheep flock with 25.9 million sheep expected to be shorn and produce 119.0 Mkg of greasy wool. Victoria is expected to shear 16.1 million sheep and produce 70.0 Mkg greasy with Western Australia producing 60.6 Mkg greasy wool from 13.0 million sheep.

AWTA wool test volume for 2022/23 was up by 3.8% on a year-on-year basis. First-hand offered wool at auction was on par with the 2021/22 season.

The August AWPFC 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 wool shorn wool production (Table 1).

Reduced sheep meat prices and continued limitations on processing capacity are expected to fuel a modest increase in the number of sheep shorn during 2023/24 (72.1 million, up 0.8%) as producers retain some of the sheep that would normally have been turned off. Average cut per head is expected to reduce to 4.50 kg greasy (down 2.2%) due to retained lambs in most states and the hotter and drier seasonal outlook. The AWPFC's second forecast of shorn wool production for the 2023/24 season is 324 Mkg greasy, a 1.1% decrease on the 2022/23 estimate.

Producers in most states are wary of carrying excess stock if the season deteriorates. The timing of any hotter and drier weather will impact sheep producers' decisions to sell or retain stock going into Summer. The AWPFC will review its forecast in December once the seasonal and market outlook is better understood.

Table 1: Summary of Australian wool production

	2021/22	2022/23 Estimate	*Change y-o-y (%)*	2023/24 Second forecast	*Change y-o-y (%)*
Sheep numbers shorn *(million head)*	71.6	71.5	*-0.1%*	72.1	*0.8%*
Average cut per head *(greasy kg/head)*	4.52	4.59	*2.2%*	4.50	*-2.2%*
Shorn wool production *(Mkg greasy)*	324	328	*1.3%*	324	*-1.1%*
Yield *(%, Sch dry)*	64.9	65.9	*1.5%*		
Average cut per head *(clean kg/head)*	2.93	3.02	*3.1%*		
Shorn wool production *(Mkg clean)*	210	216	*2.9%*		

Note: Totals may not add due to rounding.

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

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

Note: Totals may not add due to rounding.

Table 3: AWTA key test data for 2021/22 and 2022/23

	2021/22	2022/23	*Change y-o-y*
Mean fibre diameter (µm)	20.8	20.8	0
Staple length (mm)	88.1	88.8	+ 0.7
Staple strength (N/ktex)	34.9	34.7	-0.2
Yield (%)	64.9	65.9	+ 1.1
Vegetable Matter (%)	2.3	2.4	+0.1

The National Committee drew on advice from the six State Committees, each of which includes growers, brokers, private treaty merchants, sheep pregnancy scanners, representatives from State Departments of Agriculture and the Australian Wool Testing Authority. Data and input were also drawn from the Australian Wool Exchange (AWEX), wool exporters, the Australian Bureau of Statistics (ABS), the Australian Bureau of Agricultural and Resource Sciences (ABARES), and Meat and Livestock Australia (MLA).

The state and national Committees will next meet in mid-December 2023.

The full forecast report will be available on the AWI website at www.wool.com/forecasts from 25th August 2023.

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