



# The National Council of Wool Selling Brokers of Australia Inc

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## **MEDIA RELEASE**

### **SOLID PREMIUMS FOR NON-MULESED WOOL IN WEAK MARKET, DISCOUNTS FOR NO NWD**

There were solid premiums paid for non-mulesed Merino wool at auction in the first six months of the 2020/21 season, according to data and analysis available from AWEX. These premiums were a little lower than in 2019/20 but come even though prices for Merino wool fell to decade lows as the full brunt of the COVID pandemic was felt throughout the wool textile industry.

The data also shows that there were statistically significant discounts inflicted on wool offered at auction that did not have a National Wool Declaration.

The premiums for non-mulesed wool over equivalent mulesed wool averaged as much as 34 cents/kg for Merino wool in the first six months of the 2020/21 season to December. By micron, non-mulesed 16 micron wool attracted the highest average premium of 34 cents/kg, while non-mulesed 19 micron wool saw an average premium of 15 cents. Non-mulesed wool of 17, 18 and 20 micron wool attracted average premiums of 21 cents, 28 cents and 8 cents and 23 cents respectively for each kilogram. These are statistically sound estimates by AWEX. There was insufficient data for AWEX to report on the results for 21 and 22 micron wool.

Stephen Keys, Vice President of NCWSBA, said “These premiums are a little lower than those recorded for the full 2019/20 season but that is not surprising given that demand for wool was very weak throughout the first half of this season and wool prices fell to the lowest seen in a decade or more. The fact that the average premiums were sustained at the level they were this season is a testament to the continued demand for non-mulesed Australian wool.”

“Remember that these are average premiums”, Mr Keys continued. “These do not show some of the much higher premiums that NCWSBA is aware have been achieved for good quality, fine non-mulesed Merino wool, or for non-mulesed fine Merino wool that is sold directly by growers under contract.”

Mr Keys said, “In addition to these solid premiums for non-mulesed wool, the analysis from AWEX shows that there are discounts inflicted on wool offered at auction without an National Wool Declaration. For example, there was an average discount of 9 cents per kilogram on 19 micron wool that did not have a National Wool Declaration.”

“It is very pleasing to see that in the first seven months of the 2020/21 season that just over two-thirds of first-hand grower bales offered at auction had a National Wool Declaration. But more needs to be done to lift this uptake rate as close as we can to 100%.”

“NCWSBA believes that all Australian wool producers should be made aware of the discounts that are being imposed at auction for wool that does not have a National Wool Declaration. The market is clearly seeking transparency regardless of the mulesing status of the wool that growers offer.

NCWSBA and its member companies encourage all growers to complete, sign and submit a valid National Wool Declaration with their wool.”

“It is also important that growers know of the continued substantial premiums for non-mulesed wool, which reflects the clear demand signals from the global wool textile industry. This should help Australian wool producers in their management decisions about mulesing.”

“Finally, the analysis showed that average premiums of up to 25 cents/kg for wool from sheep mulesed with analgesic or anaesthetic have been paid in the first half of this season for superfine wool finer than 18 microns.”

NCWSBA represents the majority of Australian wool brokers, with members accounting for over 80% of wool sold at auction in Australia in 2018/19. It is the only national organisation representing Australian wool brokers in Australia and internationally. It celebrated its Centenary in 2020. More details about the organisation can be seen at [www.woolbrokers.org](http://www.woolbrokers.org).

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