

Australian wool continues to be in short supply



The Australian Wool Production Forecasting Committee says Australia's premium fibre continues to be in short supply because of poor rainfall across southeast Australia and lower than expected fleece weights.

The committee also expects that supply will not rebound in 2009/10. The committee's revised forecast for Australian shorn wool production this season is 355 mkg greasy, 15 mkg greasy lower than its forecast in December and 10.5% lower than in 2007/08.

Committee Chairman, Russell Pattinson, said, "The very dry conditions throughout the past three months in southeast Australia have been the main reason for this downward revision."

He said the committee anticipated this possibility in December. Updated indicators including AWTA wool test results, AWEX brand analysis, ABS statistics on sheep numbers, slaughterings and live sheep exports, all point to a further reduction in supply for this season."

"Even though there has been good rain in northern Australia and in western Australia, fleece weights there have not been as good as expected," he said. "The significant shift in the structure of the flock, with a greater proportion of ewes and lambs and a much smaller proportion of wethers, has meant that even in states where rainfall and seasonal conditions have been reasonable, fleece weights have remained below historical levels."

"Another contributing factor identified by the state committees was the reduced use of fertiliser on pastures due to its significant price increase, which has reduced carrying capacity," he said.

The committee also released its first forecast for the 2009/10 season, and predicts that shorn wool production in 2009/10 will fall by around 6% to 335 mkg greasy.

"The committee expects sheep numbers to be lower at the start of the 2009/10 season, even with a normal autumn break and reasonable rainfall across wool producing regions of Australia," Pattinson said.

To assist it with its forecast for 2009/10, the committee drew on a survey of over 1,300 woolgrowers taken at random from across Australia in February 2009, supervised by the WA Department of Agriculture and Food (DAFWA) and funded by Australian Wool Innovation.

"The recent softer wool prices in comparison to continued good prices for sheepmeat and lamb are causing growers to consider their options, with a further move towards the use of terminal

sires for prime lamb production. However, from a positive perspective, Australian farmers are largely remaining with sheep and Merino ewes as the base of their operation. The DAFWA survey found that 67% of Merino ewes would be mated to Merino rams this season, which will help the Australian wool industry recover once seasonal conditions improve across Australia and once wool prices pick up.

Production is forecast to fall in every state in 2008/09, with the smallest percentage declines compared with 2007/08 expected in Queensland and New South Wales, and the largest declines expected in South Australia and Tasmania ●●