

## **WOOL INDUSTRY CONSULTATIVE PANEL (WICP)**

**Date:** 27<sup>th</sup> July 2023

**Venue:** Via Microsoft Teams and AWI, Level 3, 24 York Street, Sydney NSW 2000

The purpose of this forum is to ensure clear, two-way consultation between AWI and organisational representatives, through to growers. The meeting provides an opportunity for the AWI Board to receive and provide feedback on current/important issues and relevant topics from Board meetings.

### **WICP Forum Update**

The WICP has agreed to adjust its meeting arrangements, which in part acknowledges the improving consultation process of the group, but also optimises the panels' time and is thought to be a more prudent use of AWI resources. The WICP will continue to meet 4 times per year with 2 meetings being held virtually, and 2 face to face.

### **AWI Business Unit Update**

AWI CEO and CFO gave the WICP the following updates.

- AWI continues to seek opportunities outside of China. With plans for Woolmark staff to visit both Vietnam and Bangladesh later this year.
- Like all businesses, AWI continues to update its budget, noting the impact that flock size and price is having on revenue. Despite this, the key priorities continue to be unchanged with shearing remaining the top priority and focussing on training and Bio-harvesting.
- The research into Bio-harvesting is progressing well with a demonstration field day scheduled for the 1<sup>st</sup> September, 2023 at the Falkiner Memorial Field Station.
- The company's expenditure over the past 12 months has increased primarily because of increased investment into marketing and face to face engagement with trade partners.
- Wool poll discussions will begin in 2024, however no changes to the levee will be made until 2025.
- Sustainability and traceability remain key issues globally.
- AWI continue to look at each R & D project so that they are rolled out in the most cost-effective manner.

### **Summarised feedback from panel to AWI regarding Research & Development and Marketing**

- The Panel noted that it is a positive move for analgesic to be available over the counter, however were concerned with a potential lack of knowledge about the product from the retailers.
- There appears to be anecdotal evidence that the shearing tightness experienced in recent years is just starting to loosen up. It was noted that whilst this may be the case, shearing costs remain relatively unchanged.
- More information is required on biological harvesting, particularly around the effect on pregnant ewes.
- The Simplify/Classify programs are viewed as extremely beneficial. It was suggested that they could be further improved by running summarised courses which may appeal to more of the mixed farming businesses where sheep make up only a percentage of their business.
- It was agreed that if participants had completed some pre-course training prior to undertaking the Lifetime Ewe Management course the results would be far more beneficial and targeted. This pre-course work should include pasture assessment understanding.

## **International Intelligence Briefing**

*Jeff Ma – EVP Marketing, Greater China and Developing Markets Asia*

Jeff gave an update on the Chinese market with key messages being,

- Recent campaigns had reinforced Australian wool as being at the forefront of sustainability.
- Political relations have improved.
- Chinese retail sales have rebounded and are growing again, albeit slowly.
- The suit market in China continues to grow on the back of an increasing middle class, expanding economy and a growing interest in fashion and personal style.

*Stephen Feighan – AWI General Manager Grower Services*

- Stephen presented a market update with key points noted below,
- Over the last 12 months wool production has increased in all states except Tasmania. YOY increase was 3.86%.
- Superfine and fine wool types now make up 67% of the National clip.
- 12-month price trends were down whilst longer term trends remain upward sloping.

## **Sustainability Strategy Update – Emma Gittoes and Mark Scott AWI**

AWI is moving towards promoting sustainability not just quality. The strategy will include the below new initiatives,

- Co-financing of nature positive research and conservation activities
- Accessing revenue streams for lowering the carbon footprint on farm.
- Certification of nature positive, quality wool products.

Nick Turner

WICP Independent Chair