**MAY 2022 MEETING OF THE**

**WOOL INDUSTRY CONSULTATIVE Panel (WICP)**

**Date:** 5 May 2022

**Venue:** AWI, L6, 68 Harrington Street, Sydney NSW

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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.

**INTERNATIONAL BUSINESS INTELLIGENCE BRIEFING AMERICAS**

Sarah Schlenger, research and development commercialisation manager for the Americas for [The Woolmark Company](https://www.woolmark.com/), provided an update on the operations in the Americas and current market trends. One of the key points she made was the demand from brands to use wool by companies who are trying to help achieve sustainability. Sarah highlighted to grower groups that all the wool they were working with at the moment is non-mulesed.

**INTERNATIONAL BUSINESS INTELLIGENCE BRIEFING AUS/TRADE**

Trade consultant Scott Carmody told the panel the trends for the May/June period appear positive given the seasonal conditions and the intentions of producers. The AWPFC is forecasting a 2.5pc increase for the 2022/23 season. This was based on a reported increase in wool sheep numbers overall. On May 4th the wool price increased to over 14 dollars. He said approximately 80pc of Australian wool is still exported to China, but the pandemic continues to have an impact. Shipping delays continue to hurt both exporters and brokers. The panel also discussed the Responsible Wool Standard (RWS). It was raised that further consideration be given to the issue of tail docking and best practice for lamb marking and mulesing in relation to both animal welfare and commercial trade impacts.

**MARKET UPDATE CHINA**

The global fashion industry is bracing for another wave of supply chain disruptions and store closures as China races to contain its worst covid outbreak since the start of the pandemic. The lockdowns alone in Shenzhen city and Jilin province impacted 31.5 million residents along with shopping malls, manufacturing hubs and ports. It affected luxury brands including Prada, Coach and Dior. The lockdown in Shenzhen has now eased. In Shanghai, the Shanghai Fashion Week was postponed from its original April 6 start and Intertextile Shanghai has cancelled its spring summer edition. Fast fashion brands are expected to be impacted the most, due to their shorter lead times and customer-led production responses. It is predicted that summer and pre-fall collections for 2022 will be impacted.

**AWI BUSINESS UNIT UPDATE**

The panel was informed that improvements were being made to the wool.com website, which will include improving functionality and expanding the market intelligence that is available. Members will be contacted via email to seek further feedback about suggested improvements to the wool.com website. The AWI Board Chair informed the panel that discussions are underway about potential uses for the Faulkiner Research Centre and that a Field Day will be held at the Centre on 17 May. The Field Day will give industry participants access to shearing products, processes, and information.

**SHEARER SHORTAGE**

Feedback from members continues to focus around the shearing shortage. The AWI Board Chair indicated that AWI would be prepared to invest money into shearing alternatives if something was identified that would be commercially viable. Other suggestions included a possible flat tax rate for shearers and financial training and mentorship for shearers.

**APPOINTMENT OF CHAIR**

The outgoing chairman of the Woolgrower Industry Consultative Panel has completed two terms in the role. Nominations were sought from panel members for a new chair. Nick Turner of Forbes NSW was elected. Nick is the owner of Allawah Commodities, a grain accumulation business, and Allawah Agribusiness Consultancy. He is a director of Jemalong irrigation Limited, an unlisted public company managing over 80,000mgl of water for in excess of 100 irrigators based, and an advisory board member for Swinging Bridge, a vineyard, winemaking, and cellar door business based in Orange NSW.

Lyndsey Douglas, Chairman

Woolgrower Industry Consultative Panel