

2020 FLYSTRIKE PREVENTION RD&E PROGRAM PROJECT SUMMARY REPORT

NATIONAL WOOL DECLARATION – ADOPTION, COMPLIANCE AND PREMIUMS/DISCOUNTS



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SUMMARY

AWEX developed the the National Wool Declaration (NWD) for Mulesing Status in consultation with the Australian wool industry, to assist buyers and their clients gain access to information on issues that can influence purchasing decisions but cannot be measured. The NWD is voluntary, allowing growers to communicate directly with prospective buyers, processors, and retailers. The NWD Integrity Program (NWD-IP) comprises Desktop Audits and On-Farm Inspections to build pipeline confidence in Australian wool. Non Compliant Declarations can seriously reduce the credibility of the program and confidence in the Australian wool industry. AWEX has collated Mulesing Status data declared in the NWD from 2008 to YTD 30th April 2020. This report summarises this information and associated trends and provides commentary on recent changes to the NWD.

PROJECT REPORT

1. Introduction

This report summarises the statistics related to the National Wool Declaration (NWD) and its Integrity Program (IP), namely Adoption and Compliance Rates and Premiums/Discounts for Mulesing Status. It provides an update on NWD Version 8.0, effective 1st July 2020. These definitions apply:

Mulesing: “the removal of skin from the breech and/or tail of a sheep using mulesing shears”. Importantly, the removal of any skin from the breech and/or tail of a sheep is determined as mulesing.

Non Mulesed (NM): No sheep in this mob has been mulesed.

Ceased Mulesing (CM): No lambs born on this property in the last 12 months have been mulesed and no purchased ewes or wethers are mulesed.

Pain Relief (PR): All sheep in the mob were mulesed using a registered pre- or post-operative Pain Relief product.

Mulesed (M): Some/all sheep in this mob have been mulesed.

2. Adoption Rates for Seasons 2008 to 2019 (YTD 30 April 2020)

Tables 1, 3 & 5 are based on % sum of bales, all breeds and wool types, first-hand offered, P and D Certificates.

Table 1 shows that the NWD adoption rate (NM, CM, PR and M) has increased from 38% to 73% from Season 2008 to 2019, with concomitant increases in NM, CM and PR and declines in M and Not Declared (ND).

Table 1. NWD Adoption Rates (%) by Mulesing Status.

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
MS												
NM	3	4	6	6	7	6	8	9	10	12	13	14
CM	3	3	3	2	2	2	3	3	3	3	3	4
PR	3	5	8	12	14	14	19	23	28	32	36	38
M	29	25	25	24	21	20	20	20	21	20	19	18
ND	62	63	58	55	55	57	51	45	39	34	30	27
Total (% Declared)	38	37	42	45	45	43	50	55	61	66	70	73
Tot Bales	1,416,656	1,467,058	1,416,656	1,467,058	1,589,514	1,456,151	1,598,009	1,452,077	1,617,165	1,487,894	1,349,198	995,359

Table 2 (Seasons 2011 to 2019) is based on % sum of bales, Merino $\leq 24.5 \mu\text{m}$, all wool types, first-hand offered, P and D Certificates. It provides a comparison with Table 1, which is based on all sheep breeds and all microns. Table 2 shows that for Merino $\leq 24.5 \mu\text{m}$, the NM adoption rate doubled between Seasons 2011 and 2019. At 10%, it is less than all sheep breeds and microns (14%). Not surprisingly, since mulesing *per se* is more common in Merinos, the PR adoption rate is higher for Merino $\leq 24.5 \mu\text{m}$ (44%) compared with all sheep breeds (38%). There is a slightly higher overall adoption rate (NM, CM, PR and M) for Merino $\leq 24.5 \mu\text{m}$ (75%) compared with all sheep breeds and all microns (73%).

Table 2. NWD Adoption Rates (%) by Mulesing Status (Merino $\leq 24.5 \mu\text{m}$).

Season	2011	2012	2013	2014	2015	2016	2017	2018	2019
MS									
NM	5	5	5	5	6	6	8	8	10
CM	3	3	2	3	3	3	2	2	4
PR	14	17	17	22	27	32	37	42	44
M	26	22	21	21	21	21	20	19	17
ND	53	53	55	49	44	38	33	28	25
Total (% Declared)	48	47	45	51	57	62	67	71	75
Tot Bales	1,232,586	1,285,751	1,200,160	1,331,234	1,215,810	1,279,596	1,296,516	1,095,621	827,756

Table 3 shows on a state-by-state basis that the NWD adoption rate (NM, CM, PR and M) has approximately doubled for NSW, QLD, SA, TAS and VIC from 2008 to 2019. It is not clearly understood why WA continues to lag at only 43%.

Table 3. NWD Adoption Rates (%) by State.

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
State												
NSW	40	40	43	47	50	49	56	63	68	71	75	80
QLD	28	25	30	29	38	35	40	47	53	65	75	83
SA	35	34	44	48	45	45	56	61	67	71	77	80
TAS	48	47	69	55	55	47	51	67	80	81	82	84
VIC	43	43	45	50	51	51	61	65	76	79	82	84
WA	33	27	37	35	28	24	21	24	31	34	40	43

The data in Table 4 (Seasons 2011 to 2019) is based on % sum of bales, Merino $\leq 24.5 \mu\text{m}$, all wool types, first-hand offered, P and D Certificates. It provides a comparison with Table 3, which is based on all sheep breeds and all microns. In general, for NSW, SA, TAS and VIC, there is a slightly higher adoption rate amongst Merino woolgrowers, compared with all sheep breeds and all microns. This is confirmed in Table 5, where the NM adoption rate for $< 18.6 \mu\text{m}$ is 35%, for $18.6 - 20.5 \mu\text{m}$ is 17%, reducing to 6% for $20.6 - 24.5 \mu\text{m}$.

Table 4. NWD Adoption Rates (%) by State (Merino ≤24.5 μm).

Season	2011	2012	2013	2014	2015	2016	2017	2018	2019
State									
NSW	51	53	53	60	67	72	75	79	84
QLD	30	39	36	40	48	53	65	75	83
SA	50	47	47	58	62	68	73	80	84
TAS	57	59	50	53	70	84	85	86	88
VIC	56	56	55	66	70	80	83	86	88
WA	35	28	24	21	24	31	35	41	44

Table 5 shows variation in the adoption rates for 5-micron categories. Wool <18.6 μm has a relatively high proportion of NM wool and a corresponding high level of CM compared with other microns indicating their transition away from mulesing. This is likely due to the strong connection these growers have with their market, through for example, the ASWGA. Wool >24.5 μm has a similar NM adoption rate, but it could be higher as it is likely that many of these growers do not mules. From the bottom row, the adoption rate generally declines as the micron gets coarser, indicating a lack of understanding of the importance of the NWD for all end-uses.

Table 5. NWD Adoption Rates (%) by Micron Category.

Season	<18.6 μm		18.6 – 20.5 μm		20.6 – 22.5 μm		22.5 – 24.5 μm		>24.5 μm		Total	
MS	No. Bales	%	No. Bales	%	No. Bales	%	No. Bales	%	No. Bales	%	No. Bales	%
NM	49,255	35	24,000	17	7,786	6	8,725	6	50,317	36	140,083	100
CM	17,054	48	9,078	26	2,939	8	594	2	5,556	16	35,221	100
PR	171,382	45	149,076	40	36,765	10	4,433	1	15,215	4	376,871	100
M	54,294	31	63,335	36	23,250	13	5,108	3	28,454	16	174,441	100
ND	79,319	30	98,209	37	28,862	11	12,366	5	49,987	19	268,743	100
Total (% Declared)	371,304	29	343,698	25	99,602	7	31,226	2	149,529	10	995,359	73

3. NWD-IP Compliance Rates for Seasons 2010 to 2019 (YTD 30 April 2020)

The NWD-IP commenced in 2010 and comprises: Desk Audits to validate that the correct Mulesing Status is published, with corrections made prior to sale (~1,000 p/a); Verifications of the use of PR at mulesing (~350 p/a); and On-Farm Inspections to confirm NM/CM status (~225 p/a). The number of Desk Audits and PR Verifications was increased in March 2020 when Inspections were put on hold due to COVID-19.

The Desk Audit compliance rates are presented in Table 6. A main factor contributing to Non Compliance for Desk Audits is the incorrect completion of CM. The definition of CM changed to two parts in July 2017 (see 1. above). Growers must fulfil both requirements, not just one of them, with Non Compliance usually occurring because they have purchased Mulesed or PR ewes or wethers.

Table 6. NWD-IP: Compliance Rates for Desk Audits (NM, CM and PR).

Season	No. Desk Audits	No. Compliant	% Compliant
2010	781	515	66
2011	944	650	69
2012	1362	882	65
2013	984	571	58
2014	981	665	68
2015	846	623	73
2016	1115	859	77
2017	907	855	94
2018	1061	851	80
2019	1112	907	82

The compliance rate for PR Verifications is currently ~95% (see Table 7). Non Compliance generally occurs for two main reasons (a) the grower purchases sheep and assumes that they were mulesed with PR - the mulesing status of any purchased mob must be able to be verified (e.g. evidence from the vendor) or (b) the classer or other person assumes the mobs were mulesed with PR and the growers signs the NWD without checking – the NWD is the grower’s responsibility and it should be checked prior to dispatch to the broker.

Victoria has become the first state in Australia to mandate Pain Relief for mulesing and it is expected that the declaration rate of PR will increase.

Table 7. NWD-IP: Compliance Rates for PR Verifications.

Season	No. Verifications	No. Compliant	% Compliant
2010	100	88	88
2011	100	91	91
2012	100	89	89
2013	100	90	90
2014	100	76	76
2015	116	102	81
2016	197	184	93
2017	247	227	92
2018	326	312	96
2019	278	265	95

The compliance rates for NM/CM Inspections over the past decade is around 85% (see Table 8). Non Compliance generally occurs for two main reasons (a) the grower purchases sheep and believes they are NM (this applies to both Merinos and Crossbreds) – the buyer should check the mulesing status at the time of purchase and verify NM status by checking for scars on the breech and along the tail or (b) the grower forgets when he/she ceased mulesing and older mulesed sheep are found in the mob.

Table 8. NWD-IP: Compliance Rates for NM/CM On-Farm Inspections.

Season	No. Inspections	No. Compliant	% Compliant
2010	245	206	84
2011	229	183	80
2012	277	240	87
2013	237	201	85
2014	257	211	82
2015	237	204	86
2016	210	187	89
2017	198	166	83
2018	221	190	86
2019*	62	58	93

*On-Farm inspections hampered by on-going drought and a temporary halt due to COVID-19.

4. Mulesing Status Premiums and Discounts for Seasons 2013 – 2019 (YTD 30 April 2020)

The calculation of Premiums and Discounts (c/kg clean) for Mulesing Status requires that as many criteria as possible can be held constant. The following describes the dataset used:

- Australian Stored; Merino Fleece/Weaners and Crossbred Fleece
- >30 N/ktex, >60% Schlum Dry Yield, <2.2 VMB, Styles 4/5, Good/light colour (incl. H1), P Certificate
- Lengths according to Diameter Range: 70–95 mm (<18 µm), 75–99 mm (19–21 µm), 83–104 mm (22–24 µm), 90–110 mm (26–29 µm), 100–130 mm (30–34 µm)
- Records per group (micron/NWD status) >2, empty cells when not enough data to generate a P or D.
- Comparison with prices for wool declared as Mulesed.

From Table 9, Season 19 sees the continuation of Premiums for NM wool, ranging from 78 c/kg clean for 16 µm wool to 16 c/kg for higher micron Non-Merino wool. With variation around these mean values, some wools will achieve higher premiums and some lower or non-existent. Premiums for CM status are evident but less strong compared with NM. The values recorded for PR and ND may not be significant.

Table 9. Premiums and Discounts for Mulesing Status.

		MERINO						NON-MERINO				
		16	17	18	19	20	21	22	27	28	29	30
NON MULESED												
Season	2013	16	12	9	9	4	-3	2	0	-1	4	16
	2014	28	15	11	12	13	0	5	3	4	-3	28
	2015	10	15	7	8	8	1	-15	0	-1	1	4
	2016	14	15	30	13	21	18	-12	-1	11	-5	-1
	2017	36	44	57	44	36	18	-13	20	6	1	2
	2018	47	53	46	38	20			12	8	7	1
	2019	79	43	46	39	34	28	34		16	16	
CEASED MULESING												
Season	2013	4	14	9	-2	3	1	16	2	-4	4	4
	2014	11	4	-3	10	-5	-3	17	-1	5	-3	11
	2015	51	15	3	8	5	4	-1	2	5	-8	-3
	2016	1	21	15	5	5	3	8	30	9	-20	20
	2017		68	8	19	4	0	-10	-8	4	-5	5
	2018		53	21	-1	3				15		9
	2019	37	32	37	-8	3	12			3	4	
MULESED with PAIN RELIEF												
Season	2013	0	2	0	3	0	3	-15	16	-9		0
	2014	11	6	-2	1	-1	-4	1	3	0	-1	11
	2015	2	2	-4	0	1	0	2	8		9	14
	2016	6	-1	6	1	3	4	0	14	19	-11	12
	2017	24	4	5	8	1	3	1	27	6	-2	-1
	2018		3	0	2	3	2	-2	0	13	23	
	2019	18	14	12	0	0	-1	8	22	0	-3	
NOT DECLARED												
Season	2013	-2	2	-1	0	0	0	-4	-4	3	-3	-2
	2014	5	4	-4	0	-1	-4	-2	-4	0	-2	5
	2015	8	5	-2	-4	-4	0	0	-6	-4	-2	-2
	2016	-1	6	1	-12	-7	1	-3	1	0	-2	1
	2017		6	11	-9	-4	-2	-9	-8	-2	-9	0
	2018		2	-4	-8	-2	-5	-3	-21	-8	-10	-18
	2019	-8	-3	-1	-5	-3	-3	-12	-9	-12	-5	

5. NWD V8.0 – Recent Changes

The Review resulting in NWD V8.0 has just been finalised with changes to be released in data systems on 1st July 2020. The Review received many submissions from Australia and overseas, including downstream stakeholders such as retailers. All comments/views were constructive and demonstrated a diversity of opinion.

One focus was whether and/or how alternative methods to mulesing should be recognised in the NWD. At the time, clear and concise analysis of the use of Sheep Freeze Branding (or other innovation) had not been conducted. To address this situation, a specific review on this topic will be undertaken before the end of 2020, or when the results of the scheduled Animal Welfare trials have been released, whichever is sooner. Submissions will be sought from all industry stakeholders prior to this review.

The accepted recommendations for inclusion in NWD V8.0 are:

- The definitions of Mulesing (M) and Non Mulesed (NM) remain the same.
- The definition of Ceased Mulesing (CM) remains unchanged. However, it is now formatted as two separate questions to improve clarity and reduce errors.
- Pain Relief (PR) to be replaced with Analgesic and/or Anaesthetic (AA), where a registered APVMA pre- and/or post-operative product is used.

For further information on the NWD and its Integrity Program go to awex.com.au or contact the authors.

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