



awi Australian Wool  
Innovation Limited

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# AWI BUSINESS UNIT UPDATE

## FEBRUARY 2024



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AWI directly communicates regularly with growers. This ranges from wool market reports posted online and sent out via text message, to our quarterly magazine Beyond the Bale (hardcopy & online). In addition we provide a monthly e-newsletter and have a strong presence across social media including Facebook, Twitter, Instagram and YouTube. AWI has recently launched a Woolgrower App and regularly conducts Webinars.

This quarterly business unit update is designed to provide key stakeholders with a snapshot of AWI business units and insights into key projects.

# MARKET ANALYTICS

## PRODUCTION - AWTA KTD

The conclusion of the January 2024 testing period of the 2023/24 season has seen an escalation in Australian wool production of 2.8% based on the AWTA key test data.

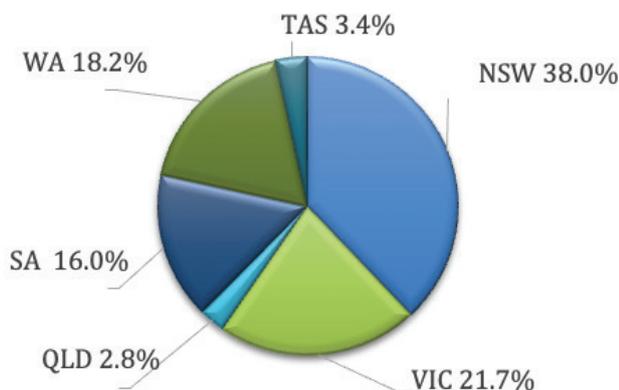
At the end of this period, AWTA Ltd has tested 192.7mkg against the 187.5mkg at the same point last season.

AWTA ktd end Jan 2024	2023/24	2022/23	tonnes diff.	% diff.
NSW	73,141	71,891	1,250	1.74%
VIC	41,724	40,710	1,014	2.49%
QLD	5,367	6,131	-764	-12.46%
SA	30,884	27,489	3,395	12.35%
WA	35,017	34,799	218	0.63%
TAS	6,559	6,478	81	1.25%
<b>TOTAL</b>	<b>192,692</b>	<b>187,498</b>	<b>5,194</b>	<b>2.77%</b>

The most significant change has occurred to the positive and that is the increased weight of production by KTD from South Australian (+12.4%) producers. All other states have registered small production by KTD gains except Queensland which has recorded a 12.5% decrease, but this follows a strong +20.1% gain for the 2022/23 season.

NSW remains the dominant producing state at 38%, with Victorian producers accounting for 22% of the production thus far, by weight, by key test data through AWTA.

## 2023/24 PRODUCTION BY STATE BY AWTA WSA DEC '23



## PRODUCTION - AWTA KTD

At the season's midpoint, a significant year on year change to micron distribution of the national clip has occurred when using the key test data as the base. A surge in testing of sale lots at both extremities of the clip has been registered.

Large production gains have been recorded at the finest (less than 18.5micron) of the spectrum with **13.8%** more wool tested and broadest (greater than 23.5micron) part of the clip with 10.9% more wool tested.

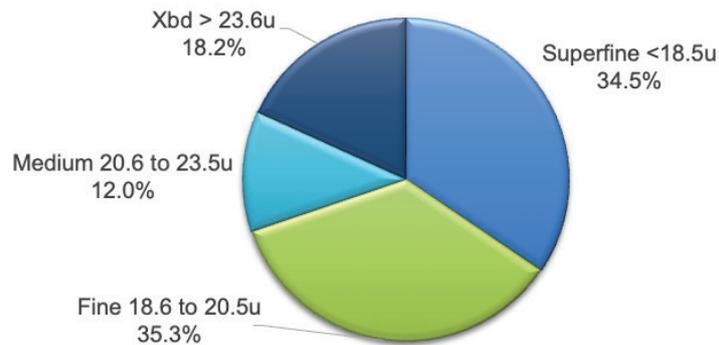
Tonne	2023/24 Dec	2022/23 Dec	Difference	% change
Super-fine <18.5u	57,345	50,392	6,953	13.8%
Fine 18.6 to 20.5u	58,761	58,848	-87	-0.1%
Medium 20.6 to 23.5u	19,960	23,832	-3,872	-16.2%
Xbd > 23.6u	30,237	27,256	2,981	10.9%

Those gains have come at the expense of the dramatic reduction of -16.2% of wools tested being in the Medium wool sector between 20.6 and 23.5 micron. Fine wools of 18.6 to 20.5 micron have largely remained stable compared to the first six months of last season.

Merino wools finer than 20.5 micron make up almost 70% of the national clip as of January 1st, 2024.

# MARKET ANALYTICS

## NATIONAL % OF CLIP BY MICRON BREAKDOWN 2023/24 SEASON



## PRODUCTION - AWPFC

The latest December 2023 Australian Wool Production Forecasting Committee's (AWPFC) forecast of shorn wool production for 2023/24 is 328mkg greasy, equivalent to the 2022/23 season estimate. This has upgraded this season's production by 4mkg from a 1.1% deficit in the August 2023 forecast.

The revised December 2023 forecast reflected a larger number of sheep shorn as lower sheep meat prices relative to wool have increased the number of held over lambs and retained older breeding ewes. The number of sheep shorn is forecast to rise to 72.2 million head, up 1.0% on 2022/23.

**Table 1: Summary of Australian wool production**

	2021/22 Estimate	2022/23 Estimate	Change y-o-y (%)	2023/24 Third forecast	Change y-o-y (%)
<b>Sheep numbers shorn</b> (million head)	71.6	71.5	-0.1%	72.2	1.0%
<b>Average cut per head</b> (greasy kg/head)	4.52	4.59	2.2%	4.54	-2.2%
<b>Shorn wool production</b> (Mkg greasy)	324	328	1.3%	328	0.0%

Seasonal conditions have been average to dry across all key wool producing regions since the August 2023 forecast. However widespread albeit patchy rain occurred during November and early December. The BOM outlook for January to March 2024 is for below median rainfall across most of Australia with average to above average maximum temperatures.

**Table 2: Total shorn wool production by state (million kg)**

Season	NSW	VIC	WA	SA	TAS	QLD	AUSTRALIA
<b>2021/22</b> (Mkg greasy)	113.3	73.9	61.2	56.1	10.3	8.9	324
<b>2022/23</b> (Mkg greasy)	119.0	70.0	60.6	56.7	10.2	11.3	328
Change y-o-y (%)	5.0%	-5.3%	-1.0%	1.1%	-1.0%	27.0%	1.3%
<b>2023/24 Third Forecast</b> (Mkg greasy)	123.6	68.9	56.7	58.2	9.5	10.7	328
Change y-o-y (%)	3.9%	-1.6%	-6.5%	2.6%	-6.9%	-5.3%	0.0%

# MARKET ANALYTICS

Table 3: ABS Sheep turn off data for 2023/24 July to September compared with the same three months in 2022/23

Parameter	Financial year			5-yr FYTD	
	July 2022 to September 2022	July 2023 to September 2023	% Δ	Avg	%Δ
Sheep slaughter ('000 hd)	1,552	2,090	35%	1,754	19%
Sheep weights (kg/hd cwt)	26.9	25.9	-4%	25.6	1%
Mutton production (tonnes cwt)	41,741	54,189	30%	44,968	21%
Lamb slaughter ('000 hd)	5,477	6,588	20%	5,095	29%
Lamb weights (kg/hd cwt)	25.4	24.4	-4%	23.9	2%
Lamb production (tonnes cwt)	139,331	160,954	16%	121,981	32%
Live exports ('000 hd)	6	64	1035%	59	8%
Total Turnoff ('000 hd)	7,034	8,742	24%	6,908	27%

## MODUS OPERANDI FOR THE AUSTRALIAN WOOL PRODUCTION FORECASTING COMMITTEE

The Australian Wool Production Forecasting Committee draws together a range of objective data and qualitative information to produce consensus-based, authoritative forecasts four times a year for Australian wool production.

The Committee has a two-level structure, with a National Committee considering information and advice from state committees. It is funded by Australian Wool Innovation Limited, which also provides an independent representative in the role of the Chairman of the National Committee. That chairman is currently Mr Stephen Hill.

The National and state committees comprise wool producers, wool brokers, exporters, processors, private treaty merchants, AWEX, AWTA, ABARES, ABS, MLA, state departments of Agriculture, sheep pregnancy scanners and AWI.

The Committee releases its forecasts in the forms of a press release and a report providing the detailed forecasts, historical data, and commentary on the key drivers of the forecasts.

The state and national AWPFC Committees will next meet in mid-April 2024.

## RESULTS FROM THE MLA AND AWI SHEEP PRODUCERS INTENTIONS SURVEY

The MLA and AWI Sheep Producers Intentions Survey – October 2023 found that the nett sentiment (% positive - % negative) for the wool industry was -15 (down 27 points compared with October 2022). The nett sentiment for the sheep meat industry was -42 (down 109 points compared with October 2022).

Prime lambs (38%) and Merino lambs (37%) are the dominant breeds in the total lamb flock with first cross lambs comprising 13%. The October survey forecast an 8% decrease in the total lamb flock from 2023 to 2024. Producer intentions to either increase, maintain or decrease their flock size from 2023 to 2024 were 34%, 22% and 44% respectively.

# MARKET ANALYTICS

## AUCTION VOLUMES

At auction the first 26 weeks of selling (at the end of week 31 on 1st February 2024) of the 2023/24 selling season has:

- Offered 1,040,156 bales (approx. 186.2mkg greasy) at auction compared to the 982,753 bales (approx. 175.9mkg) offered at the same point of the selling season last year. That is 57,403 bales (approx.10.3mkg) more or 5.8% more wool offered or an average of 2,208 bales more offered per sale week.
- Sold 955,419 bales (approx. 171.0mkg greasy) at auction this season compared to the 864,016 bales (approx. 154.7mkg) sold at the same point of last year. That is 91,403 bales (approx. 16.4mkg) more or 10.6% more wool sold or an average of 3,516 extra bales sold per sale week.
- Clearance at auction rates this season are at 91.9% nationally of all wool offered compared to the 87.9% cleared over the same period of the 2022/23 season. Whilst offerings are also up, the decision to offer and sell by growers is also far greater and an improvement of 4.6% in clearance rates at auction have resulted.
- Raw wool value of wool sold this season is A\$1.291 billion which is A\$43 million less than the A\$1.334 billion sold by the end of the same week last year. This is a 3.22% year on year reduction of raw wool value sold so far. This must be viewed with the 10.6% more wool having been sold, which indicates the overall lesser values of total wool income/kg.

A total of 43 companies have purchased wool at auction in the 2023/24 season. The top 10 buyers account for 80% of all wool sold, whilst the top 10 Merino fleece buyers purchase 88% of all Merino fleece.

It is estimated that auction sold figures represent 90% of all wool transacted with a further 10% sold privately or delivered directly outside the auction system.

	All wool	Bales	% buying		Merino Fleece	Bales	% buying
1)	Techwool	143,133	16.9%	1)	Techwool	75,240	16.4%
2)	Endeavour	106,551	12.6%	2)	P J Morris	63,419	13.8%
3)	Tianyu	81,168	9.6%	3)	Tianyu	57,983	12.6%
4)	P J Morris	66,072	7.8%	4)	Endeavour	55,424	12.0%
5)	Pelican	55,625	6.6%	5)	Meliwa	36,961	8.0%
6)	AME	54,357	6.4%	6)	Fox & Lillie	31,540	6.9%
7)	Fox & Lillie	51,695	6.1%	7)	Sequoia	26,991	5.9%
8)	United Wool	41,802	4.9%	8)	AME	24,868	5.4%
9)	Meliwa	37,030	4.4%	9)	Pelican	17,267	3.8%
10)	Sequoia	36,737	4.3%	10)	Natsun	14,027	3.0%
	all others	171,510	20.3%		all others	56,340	12.2%
	TOTAL	845,680			TOTAL	460,060	

## WOOL PRICE

The 2023/24 season has seen the Eastern Market Indicator (EMI) in AUD improve from 1126ac/clean kg at the start of the selling season to be 1171ac/clean kg by the end of week 31 (1st February 2024) This is an intra seasonal gain of 45ac or 4.0% in Australian dollar terms. The AUD EMI has averaged 1156ac/clean kg.

Year to year movement in the AUD EMI has seen a fall of 185ac from 1356ac/clean kg on 1/2/2023 to 1171ac on 1/2/2024, an overall 13.6% reduction in AUD value.

The USD EMI has advanced 22usc/clean kg from 748usc/clean kg at the start of the season in July to close

# MARKET ANALYTICS

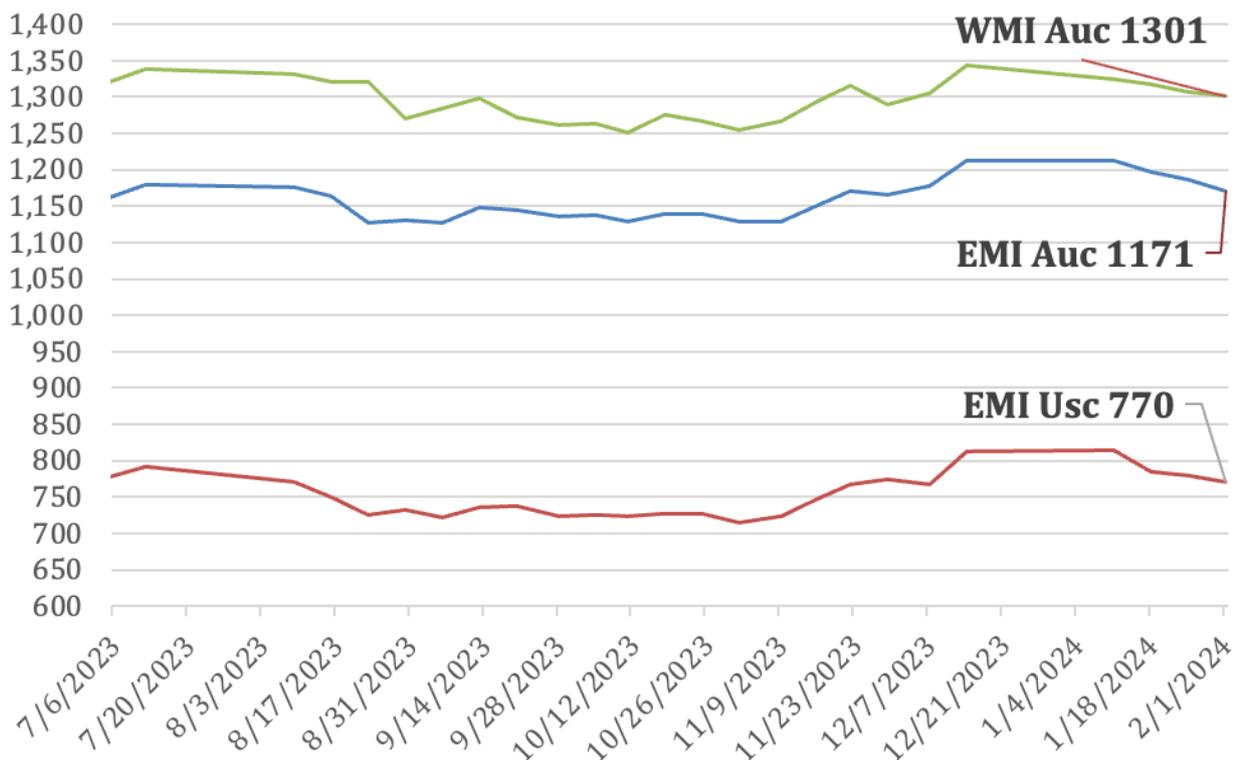
week 31 (1st February 2024) at 770usc/clean kg. This is a seasonal gain in the US dollar terms of 2.9%. The USD EMI has averaged 753usc/clean kg for the first seven months of the season.

The USD EMI has had a year to year reduction of 188usc from 958usc to 770usc, a 19.6% fall in the USD value of wool by indicator.

The 2023/24 season has seen the Western market indicator (WMI) in AUD increase 30ac from the season opening price of 1271ac/clean kg to be 1301ac/clean kg by the end of week 31 (1st February 2024). This is an intra seasonal gain of 2.4% in Australian dollar terms. The AUD WMI has averaged 1295ac/clean kg for the first seven months of the season.

The AUD WMI has depreciated from 1510ac to 1301ac on a year to year comparison. This is 209ac or 13.8% lower in the WMI in Australian dollar values.

## 2023/24 season price indicators

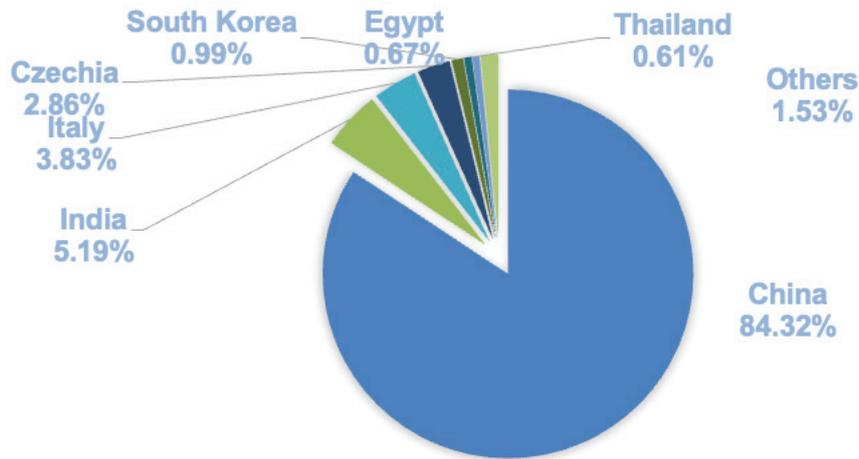


## EXPORT DESTINATIONS

At the completion of the first third of the 2023/24 season, the ABS reported Chinese import even greater than the annual buy in of last year by volume (82.6% last year total). The season thus far has seen 84.32% of all wool exported going into China by weight. Even so, the total weight is 4.4% lower than at the same time last season by the end of October.

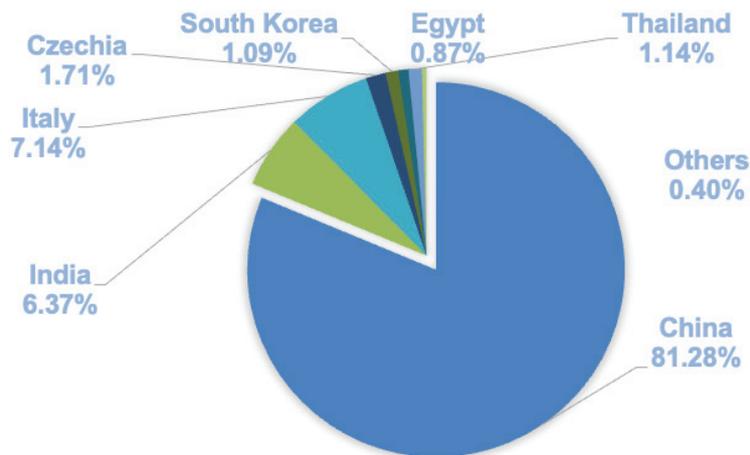
# MARKET ANALYTICS

## EXPORTS BY VOLUME JULY TO OCTOBER 2023



The lack of competition that has been reported for the first six months from both the European and sub-continent users is continuing and borne out by the fall in exports to both India and more concerningly, Italy. Both these importing nations are running about 23.2% lower (India) and 20.5% lower (Italy) than the same reporting period last season.

Whilst the drop off by Italy in volume is the highlighted reported figure, the real impact comes from the value of their import. At the end of the first four months of the current season, the Italian import value represented 7.14% of the total wool export value when you would normally expect to see 10 to 12% as a normal \$ figure.



# MARKET ANALYTICS

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Exports by value July to October 2023

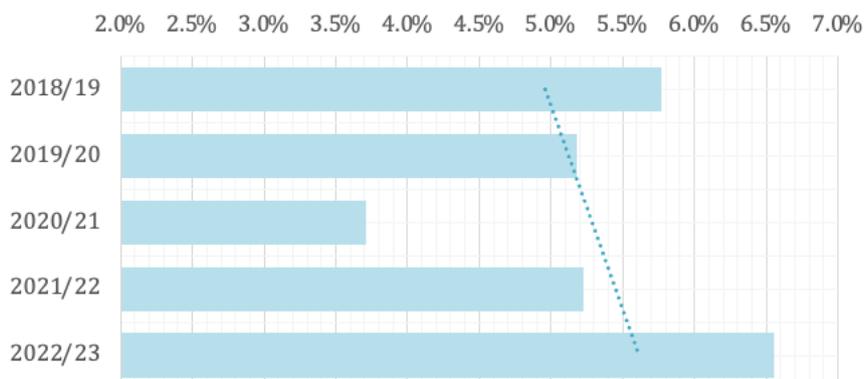
By value, just 7 export destinations make up 99.6% of dollar value from wool exports in any form and those same 7 destinations account for 98.5% of volume.

### FOCUS on Indian wool imports from Australia – By volume

#### Volumes exported to India in kg



#### Export volumes to India as a % of all export kgs



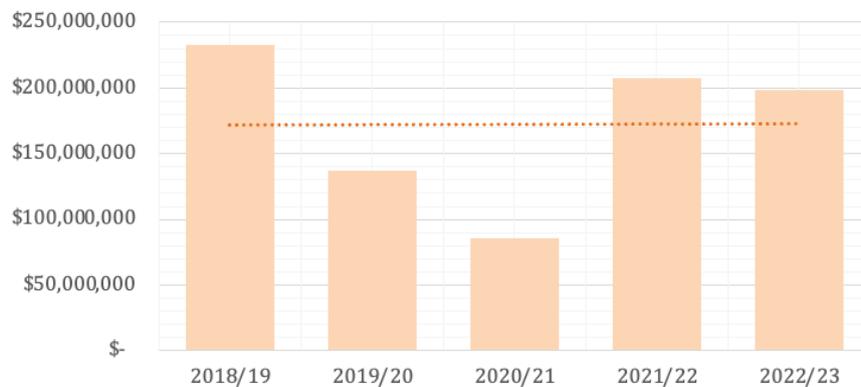
# MARKET ANALYTICS

## FOCUS ON INDIAN WOOL IMPORTS FROM AUSTRALIA.

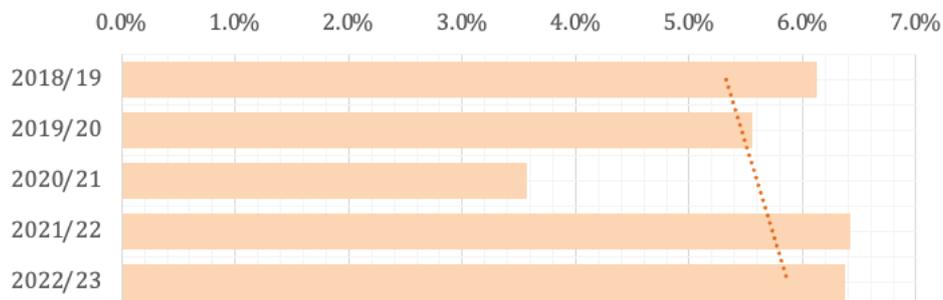
- By value A\$

INDIA	\$ VALUES in \$,000				
	Greasy	Scoured	Carbonised	YTD Total	As a %
2018/19	\$ 217,790,000	\$12,492,000	\$2,054,000	\$ 232,336,000	6.12%
2019/20	\$ 133,234,000	\$ 2,476,000	\$1,501,000	\$ 137,211,000	5.55%
2020/21	\$ 83,659,000	\$ 1,561,000	\$ 630,000	\$ 85,850,000	3.56%
2021/22	\$ 199,777,000	\$ 5,951,000	\$2,068,000	\$ 207,796,000	6.41%
2022/23	\$ 194,409,000	\$ 1,788,000	\$2,415,000	\$ 198,612,000	6.37%

value of exports to India in A\$



Export values to India as a % of all export \$



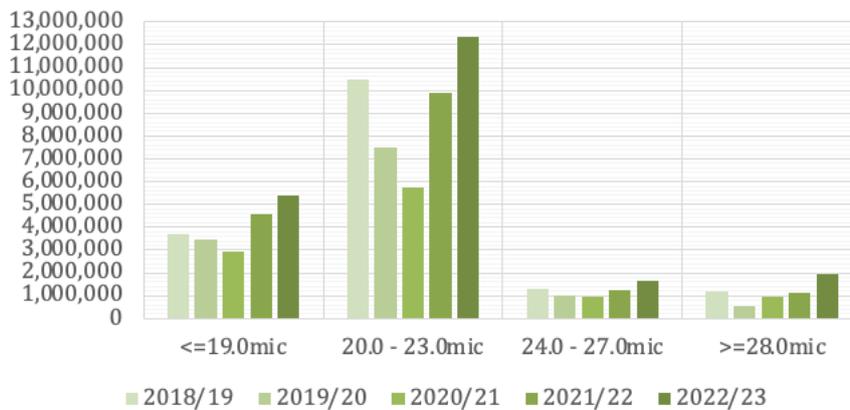
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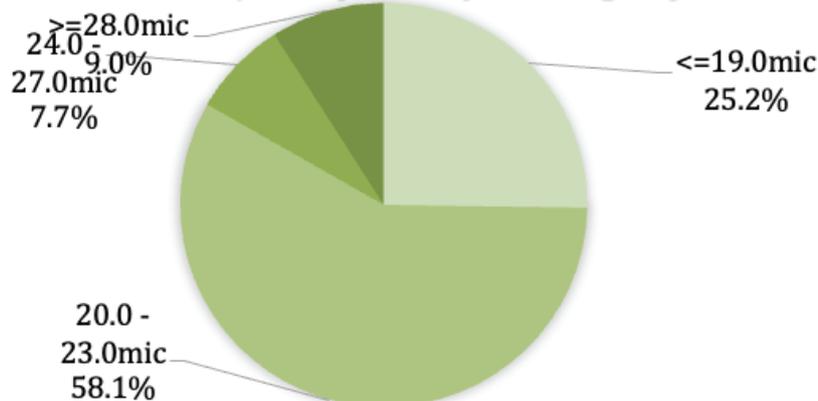
- By value A\$

INDIA	Weight (kg)				Total
	<=19.0mic	20.0 - 23.0mic	24.0 - 27.0mic	>=28.0mic	
2018/19	3,720,872	10,468,457	1,305,117	1,166,387	16,660,833
2019/20	3,440,467	7,477,654	1,032,070	560,649	12,510,840
2020/21	2,935,324	5,727,854	938,773	935,160	10,537,111
2021/22	4,586,342	9,920,615	1,257,234	1,123,127	16,887,318
2022/23	5,375,330	12,371,442	1,639,871	1,924,192	21,310,835

Indian export volumes by micron group



Indian 2022/23 import % by micron group



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# ON FARM RESEARCH

## HEALTHY PRODUCTIVE SHEEP

**Investment Focus: Train growers and advisors in moving to a non-mulesed enterprise and flystrike management covering tactical responses, strategic risk management and breeding for flystrike resistance to reduce risk.**

A Train-the-Trainer (TtT) workshop for SimpliFly and ClassiFly was held online for the first time. Initial thoughts are that whilst generally successful, it is a good option to suit certain circumstances, rather than the preferred option to deliver broadscale TtT workshops.

Four StrateFly pilot workshops with woolgrowers are planned for February in NSW, SA, Victoria and WA. StrateFly is a one-day workshop focused on building awareness of what is required if moving to a non-mulesed enterprise, including consideration of the implications of rebalancing the other tools in the flystrike management toolbox.

**Investment Focus: Commission projects in flystrike management tools targeting the viability of the fly.**

The contract of the Sterile Insect Technique (SIT) project has been signed. This project, led by South Australian Research and Development Institute (SARDI), is the second phase of the project co-funded by AWI, Meat & Livestock Australia, Animal Health Australia, Livestock SA and the University of Adelaide to demonstrate SIT efficiency through eradication of the sheep blowfly from Kangaroo Island by 2026. In the first phase of the project, jointly funded by the South Australian and Australian Governments, SARDI set up a mobile modular facility for the mass rearing of sterile blowfly males on Kangaroo Island and started production.

A project with Deakin University to develop a new fly lure technology has commenced. This project, funded also by an Australian Research Council (ARC) Linkage Grant, will build the key biochemical data to develop a novel fly lure technology (at scale) to be used on-farm. This multidisciplinary initiative (entomology, biotechnology, analytical chemistry and genomics) aims to develop a highly targeted semiochemical approach to fly population suppression by using attractant compounds present in fleece rot. The first stages of work include participant growers' recruitment. Samples of wool

and skin from healthy and fleece rot-affected animals will be collected across 5 states.

**Investment Focus: Support for co-ordination of a national wild dog program.**

AWI continues to manage and implement, in consultation with the National Wild Dog Management Consultation Committee, the National Wild Dog Management Action Plan. This includes administration of the National Wild Dog Management Coordinator (ON-00857, co-funded by AHA) and the National Wild Dog Management Implementation Manager and the Communications Coordinator as well as associated operational activities for FY24 and FY25 (funded by a Federal Government Grant, ON-00894). The key focus at present is responding to threats to wild dog control and control tools such as the toxin 1080, from anti wild dog control and 1080 activist groups. Wool industry efforts through the provision of science-based evidence, reasoned and calm arguments continue, so far, to successfully rebut media-based attacks from these groups.

**Investment Focus: Increase knowledge and tools available to growers to assist them in choosing feedbase options suited to their region and production system.**

An updated version of the Pasture Picker website, be designed in consultation with MLA, will be developed in-house and hosted on AWI's server. The new interface will operate similarly to the Food On Offer (FOO) library and allow users to select pasture species suitable for local conditions and intended use. Original partners (GRDC, Dairy Australia and AgriFutures) will be invited to be involved, as well as commercial seed companies and other RDCs (Australian Eggs and Australian Pork Limited).

Woolgrower resources from the recently closed 'No more gaps with superior shrub systems' project are being developed. These resources will include a producer fact sheet on the benefits of saltbush shrubs, such as Anameka™, in a sheep production system and a 'how to' guide on the establishment and management of these shrubs.

**Investment Focus: Increase grower understanding and adoption of best practice management for reproduction efficiency.**

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# ON FARM RESEARCH

The 'Prioritising lamb survival interventions' project with Murdoch University had been delayed and is now due for completion at the end of the financial year. Outputs from the project will include a prioritised list of management interventions for lamb survival, ordered by increase in lamb survival and profit per unit of management change. The analysis delivered through this project will provide a foundation for a future decision support tool. Key messages will be integrated into existing extension programs and resources.

AWI and MLA are currently developing a suite of resources to promote the adoption of pregnancy scanning. The resources will be released this financial year and include: a producer guide on pregnancy scanning, a pre-scanning preparation checklist, a resource catalogue, grower and scanner testimonials, and a cost-benefit report, in addition to the publication of the project's final report.

**Investment Focus: Support woolgrowers to increase their overall wool-growing productivity through access to genetics and genomics tools and information.**

The MLP and Sire Evaluation projects continue to provide important data to support the continued research and development of MERINOSELECT. All 5,700 MLP ewes have been genotyped and play an important role in the Merino Genomic Reference Flock. Around 40% of 2022 "current drop" Merinos have been genotyped.

On an annual basis the MERINOSELECT and DOHNE genetic trends are published in Beyond the Bale along with the key highlights of those trends. The most recent trends were published in the September 2023 edition.

Sire Evaluation occurs at 12 sites across Australia and the annual publication Merino Superior Sires (Number 29) has just been released. The top 50 sires of the last 5 years are listed for each index and around 50% of the sires in the top 50 are new this year, showing solid genetic gain in sires being entered.

R&D projects into feed efficiency, feed intake, methane, resilience and feet health continue as they are the key next generation traits requiring R&D prior to the adoption phase.

Inconsistent AI results have slowed the use of high merit semen. "Predictors of AI success" has collected data on 30,000 ewes and in the analysis phase.

We have several small projects seeking to obtain a breakthrough in non-invasive cervical insemination using frozen thawed semen, aiming to reduce the risks associated with invasive laparoscopic AI coming from several key European countries.

Sire Evaluation is playing an increasingly important role in genomically enhanced ASBVs and the potential for genomic only ASBVs.

The first genomic only Research Breeding Values for Breech Strike and Body Strike show promise but further data is required. Sixteen ram breeders have agreed to provide the additional data over the next 2 years.

Version 4 of the Sheep Visual Score guide is being released that includes updated feet and udder scores (following trials showing udder traits impact lamb survival and are heritable).

**Investment Focus: Support woolgrowers to breed for increasing flystrike resistance.**

Final ClassiFly resources are nearing completion and StrateFly pilots are underway. Both workshops address breeding Merinos with increased resistance to flystrike.

The link sires used in Sire Evaluation are selected on the criteria of being productive, flystrike resistant sires with good tops to cull ratios.

16 studs are contributing to the pilot flystrike genomic reference project ON-00866, designed to collect more data for broader validation. Early breech and body flystrike genomic only Research Breeding Values (RBVs) are currently being trialled. The RBVs are already demonstrating a strong correlation with the known causes of breech and body strike, which is a good validation of the analysis results.

As more data is collected under ON-00866, new ASBVs of Urine Stain and Faecal Consistency will be combined with the already existing Wrinkle, Dag, Cover and Colour ASBV's to produce a multi trait Breech Strike ASBV.

# ON FARM RESEARCH

## ENVIRONMENTAL SUSTAINABILITY

**Investment Focus: Assist woolgrowers to monitor, measure and improve on-farm natural capital, increase drought resilience and enable new income streams such as carbon and biodiversity markets.**

Farming for the Future (FftF) – The collaborative FftF project is designed to generate evidence that quantifies the relationship between on-farm natural capital and business outcomes, including profitability and productivity. The project will also generate a publication on the management of biodiversity on livestock farms with a focus on woolgrowers.

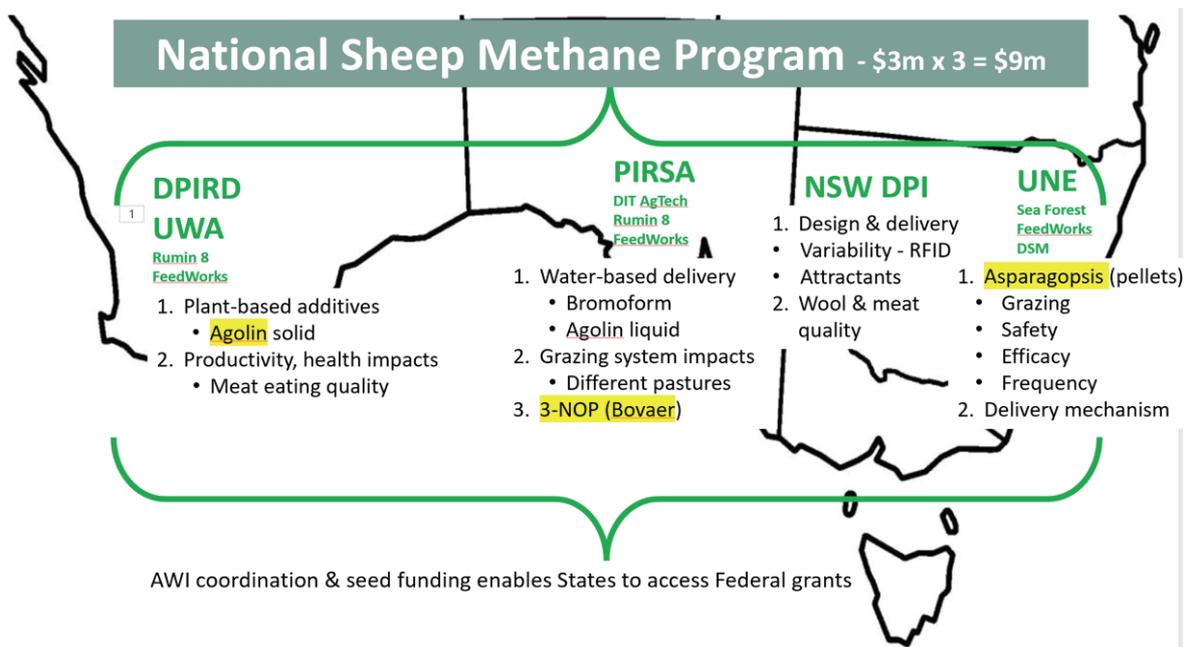
**Natural capital and environmental performance measures for Australian wool growers** – A top priority for AWI is identifying credible, evidence-based and cost-effective metrics that enable wool growers to measure, manage and report on-farm natural capital and environmental performance over time. With this project, we will build on the outputs of the FftT project to achieve our strategic objectives; to provide leadership on how natural capital and environmental performance of Australian wool growers should be measured and reported. The project will describe the key metrics of greatest relevance for sustainability and resilience in the wool growing sector and those measures that are the most commercially measurable. To do so, it

leverages the extensive database of natural capital, management and financial data that has been collected by the FftF project on 130 Australian farms, the published methods of reporting to sustainability-conscious brands and the newly developed Biodiversity Management Index (BMI), as well as the experience and expertise of the FFTF team.

**Methane mitigating feed additives for grazing sheep (MERiL)** – \$3M of woolgrower funding is leveraging an additional \$6M Federal Government and research partner funding to explore GHG emission reductions in grazing sheep through dietary additives.

AWI initiated the National Sheep Methane Program (NSMP), which is a collaborative approach to RD&A to implement practical and safe ways for producers to reduce methane emissions in grazing sheep. The NSMP is coordinated across sheep producing states, involving the University of New England, NSW Department of Primary Industries, the Department of Primary Industries and Regions South Australia, Department of Regional Development and Industries Western Australia and the University of Western Australia.

The NSMP team is now identifying knowledge gaps in the existing research and preparing new research proposals to address these gaps and capitalise on the final phase of the Government’s MERiL grants.



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# ON FARM RESEARCH

## AGRI TECHNOLOGY

**Investment Focus: Invest in innovative solutions targeting wool harvesting alternatives to improve shearer and or animal welfare and increase shearing efficiency.**

The project to develop a biological agent to create a weakened zone of wool is progressing well, in line with previously communicated timelines. Assays for the two most-promising candidate compounds for weakening wool, have been developed. The assays were used to determine the rate of appearance and clearance of the bioagents in plasma after subcutaneous injection. This allows researchers to provide a known plasma concentration of the agents over a sufficiently long period of time to evaluate their effectiveness in weakening wool and to refine the treatment in terms of concentration and time.

Fourteen (14) wool bioharvesting project applications were received under the recent call for proposals. The AWI bioharvesting working group is currently assessing them. The outcomes of the RFP will be communicated to the applicants in February 2024.

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# PROCESS INNOVATION & EXTENSION

## PROCESS & PRODUCT INNOVATION EASTERN HEMISPHERE SUMMARY

More than ever there is an urgent need for global communication on the benefits of wool and the natural sustainability benefits that our fibre can offer a struggling textile industry to find sustainable solutions in both processing and end products. AWI/TWC are supporting industry through technical support, technical transfer, trade engagement such as trade shows, development centre workshops and education, encompassing student, trade and retail segments.

There is also a definite shift to look at automation for processing and textile & garment production not only for the benefit of the end product but to also address labour shortages. Chinese companies such as Nanshan (leading vertical woven textile producers), Xinao (leading spinning mill), Shanghai Challenge (leading circular knitter and garment producer for Ice Breaker and SmartWool) have all invested heavily in automation and robotic engineering during the COVID shut down. They also understand the need to identify themselves as 'sustainable' producers. Xinao have been opening lines for non-chlorinated treatments for early-stage processing. Nanshan has invested in fully automated spinning lines. Shanghai Challenge have invested in fully automated garment production lines.

The above-mentioned companies have also felt the effects of post-COVID customer preferences and have asked Woolmark for support in marketing their innovations globally. The growth in the Chinese domestic market is evident. The Chinese have an appreciation for wool fibre due to its natural, unique benefits (which resonates with Chinese culture) but probably more so the association with luxury and prestige. Local luxury brands such as ICICLE ([www.icicle.com](http://www.icicle.com)) are leading the way with innovative textiles and designs in wool. The diversity of products was evident crossing knitwear, optim woven jackets, worsted wool suiting, wool faux fur and boiled and semi-worsted wool coats. There are other Chinese luxury brands following this trend.

Chinese textile producers, such as DANMAO, are also receiving textile orders from the northern hemisphere. Last August Turkish mills had received worsted wool/blend orders from UK's Marks &

Spencer (M&S). For the past 6 years or so, womenswear suiting has been dominated by synthetic blends, poly/viscose being the main. A Turkish mill has received a substantial 'trial' order for a wool/recycled poly blend to go into M&S. DANMAO in China reports that they are in production of wool/blend woven textiles (20,000mtr trial) for M &S ([www.marksandspencer.com](http://www.marksandspencer.com)) womenswear dept, and are also fulfilling orders for UK's REISS ([www.Reiss.com](http://www.Reiss.com)) and UK's NEXT ([www.next.com](http://www.next.com))

There is a slow movement back towards natural fibres by the big players of fashion apparel. Not only leading luxury brands but volume players.

Sportswear remains a focus with more and more sports & outdoor brands utilizing wool. AWI/TWC global teams are being approached daily for information and support by the sportswear brands. Performance apparel as well as workwear, military, first responder, automotive and interiors will remain a focus for 2024.

Innovation is still key with our global teams working closely with early-stage processors, spinners, textile manufacturers, machinery manufacturers, chemical companies, dyers, printers and finishers to stay at forefront of innovative developments for wool.

## LEARN ABOUT WOOL: 2023-2024 ANNUAL OPERATING PLAN YTD

2023/24 (YTD) - 102 dispatched

## NATIONAL ASSOCIATION OF AGRICULTURAL EDUCATORS CONFERENCE

The 2024 National Association of Agricultural Educators (NAAE) Conference was held at the Victor Harbour Convention Centre on Monday 08 January 2024. The theme of the conference was think global, act local. The audience consisted of 80 Agricultural teachers predominately from secondary schools. There was a large presence of Queensland delegates, approximately 20%.

AWI presented on the Learn About Wool resources, including career resources and School Wether

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# PROCESS INNOVATION & EXTENSION

Challenge lesson plans. AWI also had a trade table for additional queries and engagement

## WOOL4SCHOOL DESIGN COMPETITION: 2023-2024 ANNUAL OPERATING PLAN YTD

2023/24 (YTD) – 843 student registrations

### AUSTRALIA

#### 2022 Winner – Assembly Label Internship

Wool4School 2022 winner, Cate Chapman completed her internship with leading Australian brand, Assembly Label. Cate gained experience in design, product development, production and visual merchandising.

#### 2023 Winner – Whitehouse Institute of Design

As the Aspiring Designer category winner, Lille Osborne from Camberwell Girls Grammar School (VIC) won a scholarship at Whitehouse Institute of Design, she will commence her studies in early 2024.

#### 2024 Home Economics Institute of Australia Conference (HEIA)

AWI attended the National HEIA conference with approx. 170 delegates present including textile/home economics teachers, university lecturers, Department of Education staff and Australian Curriculum and Assessment Reporting Authority staff.

At the AWI booth the Wool4School Design Competition and the Learn About Wool program were presented to teachers to support learning about wool, sustainability and innovation in Australian classrooms.

### TERTIARY STUDENTS (TEXTILE)

2023/24 (YTD) – 151 participating students (1 in India)

In October 2023 a course was delivered at The Technological Institute of Textile & Sciences (TIT&S) for 150 students. TIT&S now incorporate the Wool Science & Technology program in their curriculum.

### TERTIARY STUDENTS (FASHION)

2023/24 (YTD) – 2,276 participating students

For the months of November and December student seminars and workshops were held with a reach of 931 students.

### THE WOOL LAB

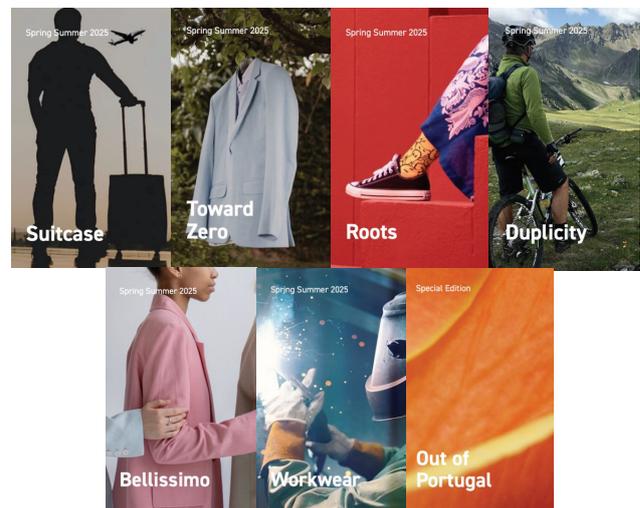
2023/24 (YTD)

- 5,282 swatch requests
- 141 supply chain partners
- 407 registrations

From July 2023 – January 2024 there were at total of 5,282 swatch information requests.

### The Wool Lab Spring/Summer 2025

Woolmark launched six (6) new Wool Lab sample theme guides for Spring/Summer 2025 between November 23 – January 2024.

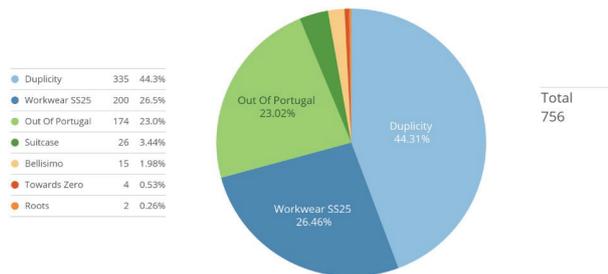


# PROCESS INNOVATION & EXTENSION

## Results for the current Wool Lab Spring/Summer 2024 collection

### Number of Swatches by Theme

The following controls & filters were applied: Season contains Spring Summer 2025.



## Trade Shows

Woolmark attends a number of trade shows globally. A few highlights:

### MILIPOL, PARIS

**Date:** 14 – 17 November 2023

**Strategic focus:** Military (growth market)

A global tradeshow dedicated to defence, safety and homeland security covering a broad scope including; products, equipment, services and solutions.

As an entry level strategy at this new trade show and market, The Woolmark Company partnered with Nordic wool apparel specialist, Aclima (sharing 50% of the stand space and costs)

Showcased wool's natural benefits in high performance and extreme conditions

Woolmark presence supported by; on-stand messaging, video loop, display of the latest wool innovations in this market, preview of the new Defence & First Responders Toolkit and new

### ISPO, MUNICH

**Date:** 28 – 30 November 2023

**Strategic focus:** Sports Performance (core)

ISPO Munich is the flagship Sports & Performance trade show for the global sports business community. The ISPO 2023 theme was 'New Perspectives on Sports'

Like many B2B / B2C trade shows, ISPO has been evolving it's hybrid platform since COVID and there is a strong sense of these shows still 'finding their feet' as they establish a new and robust trade show model.

Circularity remains a prominent theme; minimising waste, recycling and extended lifespan of sportswear.

Woolmark licensees who won ISPO innovation awards included; ACLIMA, DEVOLD, ORTOVOX and SMART WOOL.

The Woolmark Performance Challenge finalists event was strategically aligned with ISPO Munich to optimise and engage with the wool supply chain and key sports & performance brands and partners in the same city at the one time.

## RETAIL TRAINING

2023/24 (YTD) – 33 retailer education programs delivered

A total of 8 retail training programs have been delivered during the November/December period, reaching 68 retail training staff across Japan, North America, and Turkey.

## WOOLMARK LEARNING CENTRE

This financial year so far the Woolmark Learning Centre has 1,964 new user registrations and 808 course completions.

The top five Woolmark Learning Centre courses include:

1. The Wool Appreciation Course
2. Wool Introductory Course (short course)
3. Knitwear design and make
4. Seamless Knitting – Santoni
5. Sustainability and wool

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# SUSTAINABILITY

## MAKE THE LABEL COUNT

### Campaign aims:

- The aim of the Make the Label Count (MTLC) campaign is to work with the European Commission to improve EU's Product Environmental Footprint (PEF) methodology before it is introduced in the EU market for apparel and footwear so that natural fibres, including wool, do not receive a bad rating based on incomplete information.

### Progress update:

- In the November 2023 WICP update, we noted that the Green Claims legislative proposal from the European Commission did not recommend the PEF be used to measure the environmental footprint of apparel and footwear products.
- The Green Claims legislation is currently going through the parliamentary committee debate stage, and our advocacy aim has been to ensure the PEF is not inserted back in the proposal.
- We have been actively engaging with Members of Parliament (MEPs), drafting and sharing amendments with them to strengthen the position.
- Members of Parliament have tabled over 800 amendments to the proposal. With the exception of a few amendments, MEPs have refrained from re-inserting PEF as a mandatory requirement in the legislation, evidence of support for our arguments. We have also seen our amendment wording adopted and tabled by MEPs.
- To date we have had 65 meetings with EU Institutional stakeholders, including European Commission, Members of European Parliament (MEPs), Member State Permanent Representatives (PermReps) etc.
- There are currently 30 members (and counting) who have joined wool in this advocacy to form the MTLC coalition from cotton, silk, hemp, alpaca, mohair, manufacturers, environmental NGOs and more.

### Next steps:

- Amendments to the Green Claim legislation are currently being consolidated, with a final proposal for parliamentary voting expected in March 2024. We are continuing our engagement with MEPs through this process.
- Alongside Green Claims, we are also monitoring other relevant legislative developments, such as the Waste Framework Directive, which is at a similar legislative stage as Green Claims. In addition, the Textile Labelling Rules are being reviewed and we are preparing a stakeholder response to consultation.
- The latest version of the Product Environmental Footprint Category Rules (PEFCR) for Apparel and Footwear will be open for public consultation in March/April of 2024. This will be a very important consultation to respond to for all members of the wool industry. We will prepare and share guidance on how to respond.

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# EMERGING MARKETS

## VIETNAM

Successful tour to Vietnam with five (5) Japanese trading houses, introducing them to ten (10) of Woolmark's supply chain partners in November. Ongoing outcomes includes sourcing opportunities for the trading houses and product development with three (3) of the suppliers.

## BANGLADESH

Woolmark has recruited a Business Development Manager (contractor) to carry out awareness work and education in country as well as provide supply chain connectivity and seek product development and technical transfer opportunities in wool.

## MEXICO AND PERU – LATIN AMERICA (LATAM)

Currently recruiting Business Development Managers in these two countries to carry out on ground Woolmark work including awareness and education, supply chain connectivity, product development, and technical transfer opportunities in wool.

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# EXTENSION NETWORKS

Late, widespread rain has been received across many of the wool-growing regions of eastern Australia. A lot of growers were able to finish harvest before the rain hit but many got rain during harvest and encountered animal health issues (e.g., flies and worms) whilst trying to finish off harvest which provided a lot of stress in trying to manage both.

Reports of fly and worm activity have been widespread and are ongoing, particularly in areas that have thus far had a relatively mild summer, with regular showers of rain and high levels of humidity.

Most growers are reporting their sheep are in good condition but a lot of areas are starting to dry off now and have pregnant ewes or are joining so are beginning to supplementary feed.

Feedback from the AWI Grower Extension Networks' Producer Advisory Panels (PAP) shows growers continue to be concerned about commodity prices (mostly in the red meat and crossbred wool prices, less concern recorded in Merino wool prices) and high input costs. A lot of relief in the last few weeks with red meat prices picking up from the slump seen at the end of 2023.

AWI Extension Networks' PAP Meetings in SA, WA, Queensland and Victoria will take place in February and March.

AWI is in the process of rebranding the six AWI Grower Extension Networks to have a unified brand across Australia. The new name of the Extension Networks is AWI Extension QLD; AWI Extension NSW; AWI Extension VIC; AWI Extension TAS; AWI Extension SA; and AWI Extension WA.

The launch date for the new branding is in early March 2024. This body of work is large, and includes new logos, updated social media, websites

## AWI CORE EXTENSION PROGRAMS – OVERVIEW

### Lifetime Ewe Management™ (LTEM)

The Lifetime Ewe Management (LTEM) course is delivered in small groups of five to seven growers that meet six times per year with a professional trainer. During these hands-on sessions, the group visits each participating farm and learns skills in

condition scoring, pasture assessment and best practice ewe and lamb management to increase reproduction efficiency and wool production, mainly through better meeting the nutritional needs of different classes of stock and reducing ewe and lamb mortality.

The course focuses on practice change in key areas:

- Weaning and preparing ewes for next year's joining.
- When and what to feed ewes to optimise ewe condition at joining.
- Linking ewe condition at joining with lambing potential.
- Managing nutrition for improved lamb survival.
- Managing nutrition during late pregnancy to optimise lamb survival and future wool production of progeny.
- The economics of different feeding strategies.

LTEM is owned by AWI and Rural Industries Skill Training (RIST) and delivered nationally by RIST. For more information or to register your interest, contact RIST on 1800 883 343 or check out their website.

[www.wool.com/ltem](http://www.wool.com/ltem)

### Winning With Weaners™ (WWW)

Winning With Weaners (WWW) is aimed at lifting the lifetime performance from Merino ewes through improved management of weaners. WWW assists participants in understanding the key issues affecting weaner survival and performance and guides them through developing targets for growth for this key cohort of sheep. The one-day workshops discuss factors that contribute to weaner mortality and illthrift and provide practical pathways for improving lifetime performance. Participants will gain an understanding of the impact of weaning weight on the survival of weaners to first joining; weaner nutrition – both energy and protein; the importance of weaner management on lifetime performance of breeding ewes; and strategies for success – mapping out growth targets and monitoring plan.

[www.wool.com/www](http://www.wool.com/www)

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# EXTENSION NETWORKS

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[www.wool.com/www](http://www.wool.com/www)

### Picking Performer Ewes™ (PPE)

The Picking Performer Ewes (PPE) one-day workshop is aimed at lifting lifetime performance from Merino ewes by recognising and placing importance on the total lifetime productivity potential and value of Merino ewes (fleece, meat and surplus stock).

Participants will step through sessions relating to the whole reproductive cycle and focus on: understanding ewe lifetime performance and the concept of 'passengers vs. performers'; the importance of undertaking the three key performance practices of scanning, condition scoring and wet & drying at marking; turning potential into profit by lambing and weaning well; and strategies for success – mapping it all out in a management calendar.

[www.wool.com/ppe](http://www.wool.com/ppe)

### RAMping Up Repro™ (RUR)

RAMping Up Repro (RUR) is a one-day, hands-on workshop focussed on improving ram performance and working longevity in commercial sheep enterprises, increasing the skill of producers across the key components of ram performance and impacts on overall breeding enterprise performance.

Each participant is guided through a thorough pre-joining ram inspection by an accredited deliverer and given the opportunity to increase their practical skills to undertake this in their own operation. The workshop is designed to give attendees the confidence to incorporate these skills into their own routine management, thus improving the performance of their rams.

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# EXTENSION NETWORKS

RAMping Up Repro is a collaboration between AWI and Zoetis.

[www.wool.com/rur](http://www.wool.com/rur)

## **It's Fly Time!™**

Practical, just-in-time information in the lead up to, and during, high-risk flystrike periods.

Prevention, monitoring and treatment all play key roles in integrated flystrike management in the lead up to, and during, high-risk flystrike periods. It's Fly Time!™ provides a succinct introduction for woolgrowers on managing flystrike during high-risk periods; including tips for preventing flystrike, information on prioritising sheep for monitoring and treatment, and options for treating sheep when flystrike does occur.

[www.wool.com/itsflytime](http://www.wool.com/itsflytime)

## **DemystiFly™**

Practical information about managing chemical resistance in blowflies.

AWI has made available a range of resources for woolgrowers and their advisors about blowfly chemical resistance to 'demystify' this complex, yet important, issue.

There are only a small number of chemical groups registered for flystrike control, so it is important to prolong the usefulness of these chemicals for as long as possible. By implementing resistance management strategies, woolgrowers can slow the development of resistance, which will help maintain the effectiveness of the currently registered chemical products.

[www.wool.com/demystify](http://www.wool.com/demystify)

## **SimpliFly™**

A one-day workshop to develop a property-specific strategic flystrike management plan.

SimpliFly™ is a one-day workshop, delivered by AWI accredited advisors in partnership with the AWI state grower extension networks, to help woolgrowers reduce the incidence and impact of flystrike on their flocks and profits.

During the interactive workshop woolgrowers explore the range of short- and long-term management tools and strategies available in their flystrike management toolbox. Woolgrowers work through practical activities that enable them to combine these strategies and tools for their own property, building a customised annual flystrike management plan and calendar relevant to their environment, sheep type and farm operations.

During the workshop woolgrowers will learn about the range of tools available in their flystrike management toolbox and how to use them in combination. Throughout the day, attendees work through developing a strategic flystrike management plan and annual calendar that incorporates both short- and long-term tools specific to their property.

[www.wool.com/simplify](http://www.wool.com/simplify)

## **ClassiFly™**

A one-day workshop to increase understanding and skills in breeding for flystrike resistance.

ClassiFly™ is for any woolgrower that is looking to improve their understanding of what is involved in breeding sheep that are resistant to flystrike, regardless of their climate, and operating and husbandry environments.

The one-day workshop is designed to increase woolgrower knowledge and skills in classing, and selection strategies for improved flystrike resistance. Improving a sheep's natural resistance to flystrike through breeding reduces the risk of flystrike in both mulesed and non-mulesed sheep, reducing labour and reliance on chemical use, mulesing and crutching. These activities are generally the most labour intensive and costly tools so reducing reliance on these can improve productivity and profitability, along with improving the lifetime welfare of sheep.

Woolgrowers work through practical activities that enable them to leave with a written breeding objective, specific to their property, that helps further focus their breeding and selection decisions on traits that improve overall animal welfare, profitability and productivity.

[www.wool.com/flystrikeresources](http://www.wool.com/flystrikeresources)

## **StrateFly™**

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# EXTENSION NETWORKS

A one-day workshop to develop a property-specific whole-of-farm strategy for moving to a non-mulesed enterprise.

Moving to a non-mulesed enterprise is not a decision that should be taken lightly by woolgrowers, in some situations it can involve significant changes to current practices. It requires commitment and flexibility, and for it to be effective woolgrowers need to have a robust, long-term plan in place to manage the transition.

Woolgrowers that attend the interactive, one-day workshop will better understand the tools available to them to choose from if they wish to develop a strategy to go non mulesed. In removing the 'mulesing tool' from the flystrike management toolbox, woolgrowers must rebalance the use and timing of the other tools available to them (such as crutching, shearing and chemical use, classing and selection) to make the transition. Also discussed will be ensuring woolgrowers have 'buy-in' from both people within their business and those that provide services to their business (for example, livestock agents and contractors).

During the workshop woolgrowers will work through practical activities that leave them with a moving to non-mulesed plan, specific to their property, that helps further focus their whole-of-farm decisions to improve overall animal welfare, productivity and profitability.

ClassiFly™ will be available in 2024.

[www.wool.com/flystrikeresources](http://www.wool.com/flystrikeresources)

## **AmpliFly™**

One-on-one coaching and support for a trained and accredited advisor to assist you over time to implement your whole-of-farm plan for preventing and controlling flystrike.

Through AmpliFly™, woolgrowers can engage AWI-trained and -accredited advisors under a fee-for-service consultancy arrangement to assist them to implement, monitor and improve their whole-of-farm plan for preventing and controlling flystrike. The AWI accreditation of trained advisors ensures woolgrowers will receive expert, nationally consistent, hands-on coaching and support that is tailored to their specific

enterprise by their trusted advisor.

AmpliFly™ builds on woolgrower learnings from SimpliFly™, ClassiFly™ and StrateFly™ although these are not prerequisites to participation. The advisor support package is designed to be easily embedded into the suite of services that advisors offer to their clients, enhancing advisor capacity and broadening the reach of woolgrower funded research and development into reducing the impact of flystrike on Australia's sheep flock.

The practicalities of effectively preventing and controlling flystrike are different for every woolgrower, so it's important for the grower to be able to engage the advice they need to tailor a plan specific to their individual circumstances and needs.

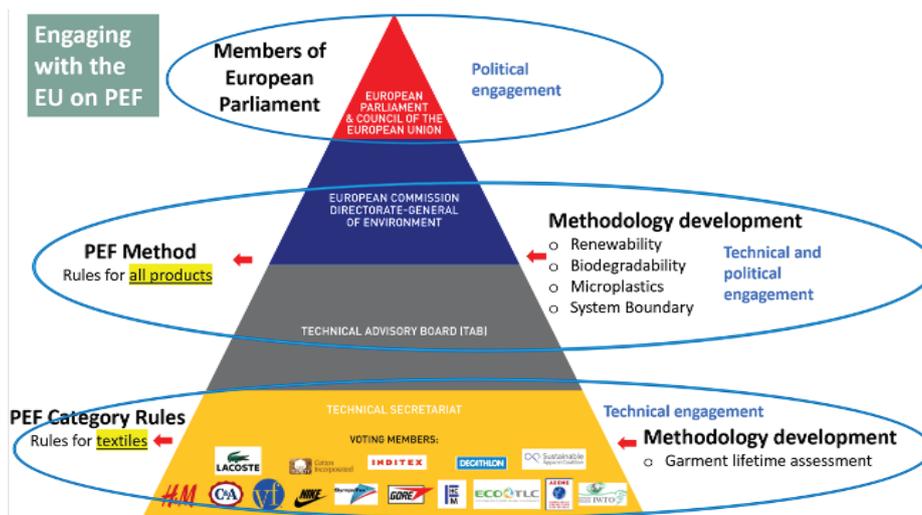
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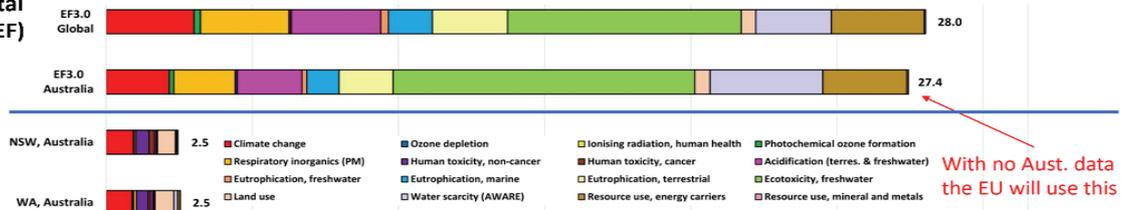
# FIBRE SCIENCE

AWI AOP 2023/2024 Investment Focus: Contribute to the development of textile environmental rating schemes to level the playing field across fibre types and enable accounting for wool's environmental credentials.

- The most substantive methodology changes to the PEF Category Rules document since it was first drafted were made in December. A key focus for AWI/IWTO was to ensure a clear statement is made in the document acknowledging the lack of



## EU Product Environmental Footprint (PEF)



## EU PEF (Product Environmental Footprint)

Over the last three years we have been engaging with the EU to influence and improve PEF methodology to help create a level playing field for wool products in this proposed textile rating scheme.

The EU is a large organisation and we have found it necessary to engage at each level in their decision-making structure.

## Yellow level – PEF Technical Secretariat (TS)

The TS is rushing to finalise all major methodology changes prior to the final public consultation on PEF in mid-2024.

a science-based supporting PEF methodology, and the need for targeted research to address this deficiency. We had success on that front.

- Moderate methodology improvements were achieved for wool in the areas of reparability, circularity, the use phase and microplastics. However, the high physical durability testing thresholds remain a threat to wool.
- IWTO lost its voting membership of the Technical Secretariat on January 1 due to the significant increase in membership cost. However, this is expected to have little adverse effect, as only modest methodology changes will be made in the lead-up to the final public consultation.

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# FIBRE SCIENCE

## Blue level – Director General of the Environment (DG ENV)

- AWI has developed a high-quality wool LCA dataset for submission to the EC for inclusion in PEF, and the mandated external review of data quality required by the European Commission has been successfully completed.
- The final step involves the Commission's technical staff reviewing the data before they sign it off as approved for PEF.
- It's important that the Commission's current dataset is replaced as it grossly overestimates wool's environmental impacts for the farming stage. The longer this information remains in the public domain, the more reputational damage to wool.

## Red level – Ministers of the European Parliament (MEPs)

Recent meetings include:

- Ludovica Serafini, the parliamentary assistant of Polish liberal MEP Roza Thun, who is in charge of negotiations on the Waste Framework Directive.
- Spanish centre-left MEP Laura Ballarín, shadow rapporteur on the Green Claims Directive.

**AWI AOP 2023/2024 Investment Focus: Generate evidence to support industry's eco-credentialed claims.**

## Highlighting wool's circularity – Extended Producer Responsibility (EPR)

EPR legislation is coming in Europe and other domains to tax brands for the end-of-life costs of the clothing they sell. Capitalising on wool's long history of reuse and recycling, a video is in production highlighting the advantages of wool to brands and the broader market, such as reduced EPR tax.

## Stewarding the landscape

Evidencing the wool industry as proactive, forward-looking and carefully stewarding the environment is important to maximising market interest in wool. In combination, the two projects below are helping build the business case for woolgrowers to improve

on-farm natural capital, and identify the most effective pathways to do so.

- Farming for the Future – is providing the evidence and practical support that growers require to incorporate natural capital, including biodiversity, as part of the foundation of a profitable farming business. Good progress has been made, leading to the creation of a new project focussing on development of the most credible and cost-effective metrics for reporting on-farm environmental performance.
- Carbon Storage Partnership – aims to identify the most effective techniques and interventions growers across Australia can take to reduce greenhouse gas emissions, sequester carbon in soil and vegetation, and build biodiversity in their environment.

**AWI AOP 2023/2024 Investment Focus: Generate knowledge of wool's carbon account to inform delivery of Australia's climate goals as well as the Sheep Sustainability Framework.**

A briefing paper was prepared and presented to inform peak livestock industry bodies on delivery of Australian climate goals as well as potential adoption of a 'split-gas' approach. The short-lived nature of methane in the atmosphere (with a lifespan of roughly a decade) is recognised by the UN's Food and Agriculture Organisation. Unlike long-lived greenhouse gases such as CO<sub>2</sub>, methane does not need to reach 'net zero' to achieve the Paris Agreement targets.

A paper detailing sheep industry GHG emissions for the 2005-2023 period is in draft and will be finalised in the next few months. It will inform the Sheep Sustainability Framework metrics.

A paper on potential future carbon reductions in the Australian sheep industry has been commenced and will be completed early in the new year.

**AWI AOP 2023/2024 Investment Focus: Develop a robust evidence base of wool's health and wellbeing attributes to enable ongoing promotion to the growing wellness and sustainability market.**

**Evidencing next to skin Merino garments as therapeutic to eczema**

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# FIBRE SCIENCE

This study is building on the existing evidence-base demonstrating superfine wool baselayer garments to be therapeutic to eczema, targeting the 0-5 year age group, which is most prone to eczema. The study at Northwestern Hospital in Chicago is progressing with half of the targeted 50 participants now recruited.

## **Generating a test protocol to measure wool's breathability in dynamic conditions**

The challenge of developing a fabric-based test method to objectively demonstrate wool's ability to keep wearers more comfortable in stop-go sports such as cycling and rock climbing has been successfully overcome. A variant to the methodology used in test DIN SPEC 60015 demonstrates that wool significantly reduces the after-chill experienced by athletes during the stop phase.

We are awaiting publication of the papers arising from this research prior to liaising with major brands to gain their help to encourage Standards organisations to incorporate this protocol variant in the test method.

## **Assessing fibre type effect on the cognitive performance of the wearer in stressful situations**

The paper arising from this study, which showed that people wearing wool got to the right answer faster during cognitively stressful tasks, has been submitted for publication in the journal *Frontiers in Psychology*.

# WOOL HARVESTING

## TRAINING DAYS / CATEGORIES

During the current 23/24 financial year AWI has trained and up skilled 2984 participants. With a total of 1298 training days to deliver this training.

In Shed shearer training	1307
In Shed wool handler training	396
Industry workshop	170
Novice schools	297
Improver Shearing	105
Wool Handling workshops	14
<b>TOTAL</b>	<b>2289</b>

High school workshops	562
Expo career days	133
<b>TOTAL</b>	<b>695</b>

Exposure to the wool harvesting Industry with high school workshops and career expos with the following students:

**In Shed Shearing** - On the job training in the workplace whilst shearing in a working team

**In Shed Wool Handling** - On the job training in the workplace whilst working as a wool handler

**Industry Workshops** - Existing workers trained on a work free day for all wool harvesting staff.

**Improver Shearing** - Full time learner shearers that require more than in shed on the job training.

**Wool Handling Work** - New entrant workers in a 2-3-day workshop in a working shed as extra staff.

**Novice Courses** - New entrant participants in a 5-day structured and consistent novice course.

**High School Work** - Training school students the skills to work as a wool handler, providing a pathway for these students, in school holidays and post school to enter the industry.

**Expo / Career Days** - Exposure to the wool harvesting roles and opportunities in industry for students to provide a pathway and highlight the wool harvesting industry.

## PARTICIPANTS TRAINED 23/24 FINANCIAL YEAR (YEAR-TO-DATE)

- **Total trained** with **2984** working in industry & upskilled year-to-date.
- **Existing workers trained** with **1780** existing workers trained in the workplace, either with an AWI in shed training day or at an AWI industry workshop and/or an AWI improver course.
- **New entrants trained** with **246** participants trained at either an AWI novice school, or at an AWI wool handling workshop or trained as a learner new entrant with an AWI in shed training day in wool handling with on-the-job training.
- **High School Exposure** with **509** participants trained are school students, with AWI offering one day high school practical workshops & attending expos/career days.

## TRAINING CATEGORIES – Delivered by AWI 23/24 Financial Year to date

2984 Total Participants Trained

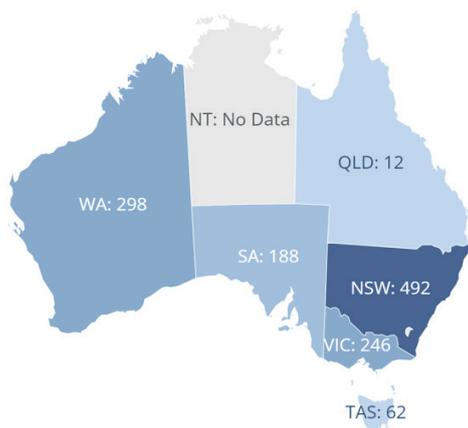
In-Shed Shearer Training	1,307
In-Shed Wool Handler Training	396
Industry Workshops	170
Novice Training	297
Improver Shearing Training	105
Wool Handling Workshops	14
Expos/Career Days	133
High School Workshops	562



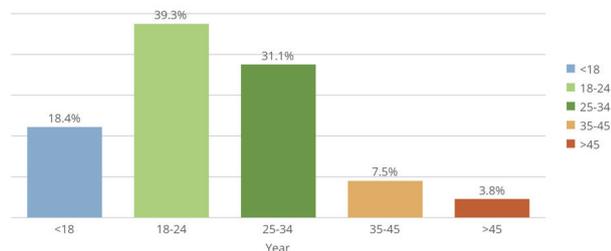
# WOOL HARVESTING

## TRAINING DAYS – Delivered by AWI 23/24 Year to date

1298 Total Training Days



## PERCENTAGE OF PARTICIPANTS TRAINED BY AGE GROUP



## OVERSEES STAFF

In another initiative to increase the availability of wool harvesting staff in Australian sheds, AWI has launched a campaign to encourage shearers and wool handlers from overseas to work in Australia during times of peak demand.

The AWI videography team went to Merryanbone North at Nyngan, to capture this footage and interview oversees staff with Mick Taylors shearing contracting team and AWI Director Don McDonald.

Video link – <https://youtu.be/ZQGfK1YZVFE>

### AWI Wool Harvesting Ambassadors

There are 17 AWI wool harvesting ambassadors, with 15 going to Queenstown this Saturday the 27th Jan.

They will travel with AWI & SCAA senior trainer Paul Oster, meet with Elite Wool Industry Training, complete the induction and two-day workshop, upskilling them all to be able to shear and handle the sheep and wool effectively in New Zealand. From here they will be divided up amongst 6-7 approved contractors and work up until the Pre-Shears leading up to the Golden Shears at Masterton in early March.

This Video was launched at the WA Wool TAG & WASIA meeting last week in Perth, with AWI Director Neil Jackson, who presented at the WASIA meeting.

[https://www.dropbox.com/scl/fi/icfhupsexw0zdd653aifn/WA\\_AMBASSADOR\\_LAUNCH\\_2023\\_02.mp4?rlkey=izdihpny0d43bf32pih6f1ryb&dl=0](https://www.dropbox.com/scl/fi/icfhupsexw0zdd653aifn/WA_AMBASSADOR_LAUNCH_2023_02.mp4?rlkey=izdihpny0d43bf32pih6f1ryb&dl=0)

## RETENTION RATES

The following is a breakdown of current retention rates (those participants working full time in sheds) by state, covering those trained by AWI funded training as current year to date 2023/24 Financial year period to-date.

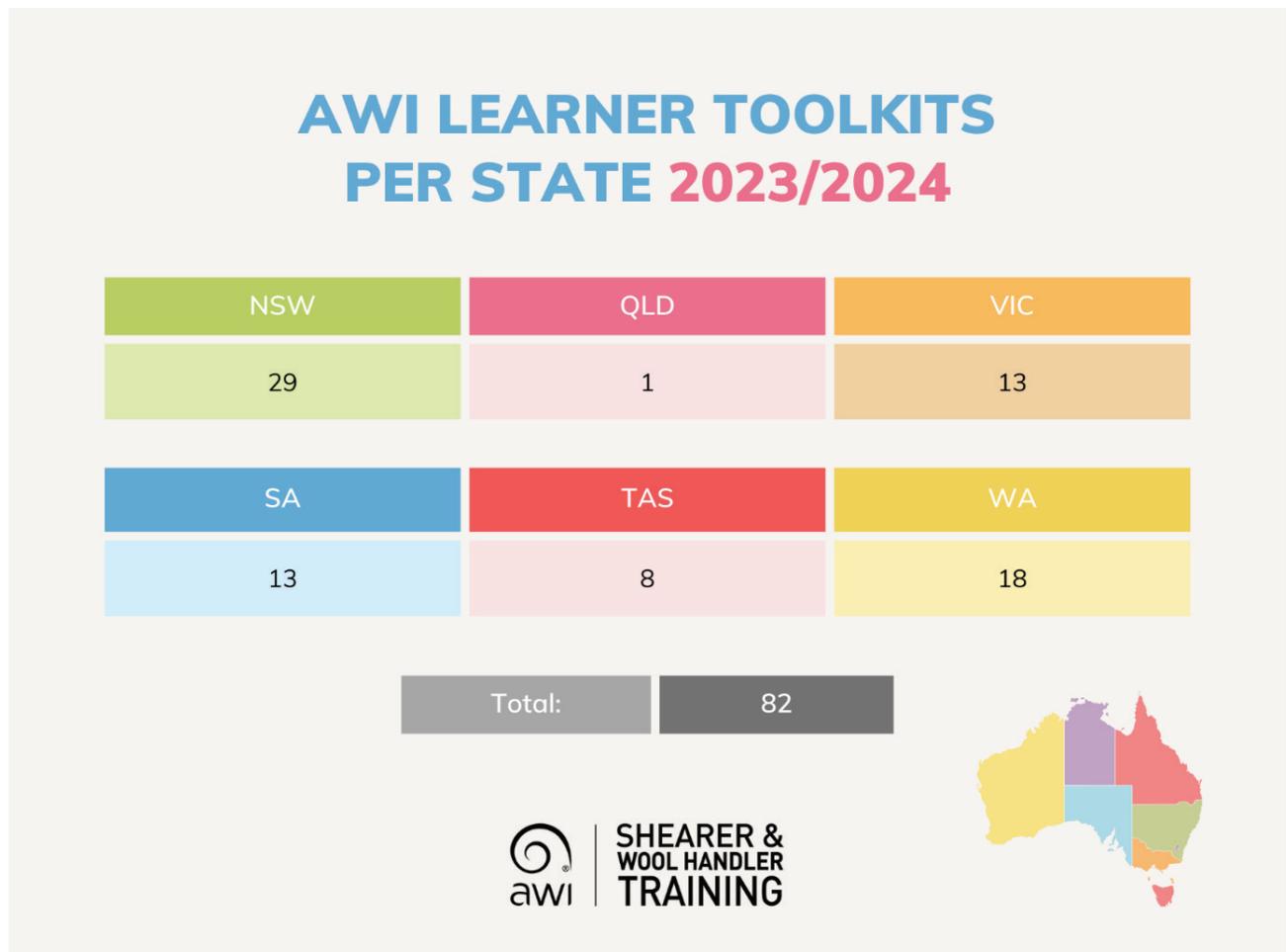
STATE	Trained	Retained	Retention Rate
NSW	755	642	85%
SA	352	331	94%
VIC	463	430	93%
WA	309	256	83%
TAS	101	93	92%
QLD	44	32	73%

SA, VIC & TAS are States that have Novice courses paid for by their respective state governments therefore the AWI investment is in post novice level training and therefore a higher retention rate of participants trained. NSW has approximately 35% contribution by the state government, with QLD & WA has No contribution for training at this level.

# WOOL HARVESTING

## LEARNER TOOLKITS

A significant lower number of toolkits have been issued out to learner shearers, there is less opportunity than in previous years, there of course are still reasonable and sustainable numbers of eligible recipients that are receiving the AWI funded Learner Toolkit, see below the up-to-date figures for this current financial year



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# MARKETING

The 2022/24 marketing strategy has been adjusted following a critical review through the lens of a reduced budget whilst considering the impact of current economic and cultural challenges.

The Woolmark 2022-24 marketing strategy is defined by 3 core priorities:

**Priority 1:** Drive growth through sports sponsorships and performance brand collaborations

**Priority 2:** Defend wool's core apparel categories through collaborations with premium, sustainably minded brands and content and commerce partnerships

**Priority 3:** Build wool's reputation as the ultimate circular fibre

## Marketing Strategy Adjustments

1. Let's own winter, with a 'fewer, bigger, better' ethos to fashion and sport collaborations
2. Transform the meaning of the Woolmark to quality + positive environmental outcomes
3. Improve brand familiarity with better consistency, ensuring we show up the same in every setting – We are Woolmark
4. Tighten our sports category focus – Champion one functional, unique benefit e.g. dynamic breathability, and dominate 1-2 sports (winter / golf), then move onto the next

The International Woolmark Prize (IWP) serves as the linchpin of The Woolmark Company's global fashion and positioning strategy has been approved for its 13th year. The program educates the next generation of designers, global buyers, and media about wool's unique properties while connecting them with the global wool supply chain; utilizing celebrity endorsement and events to keep wool and Woolmark culturally relevant.

The program has a measurable impact on Australian Merino wool demand and sales, with an average benefit-cost ratio of 2.4 since 2012, generating:

- 92 billion media reach and 240 million social reach
- \$287 million in earned media value
- 92% of 600 IWP alumni continuing to promote wool's eco-benefits post-prize
- Past winners consistently using wool, creating an average of 5.6 additional wool SKUs for A/W and 3.5 wool SKUs for S/S each year
- A network of 100+ retail partners promoting Merino wool's benefits
- Significant business development opportunities for the company

The program has been refined to ensure investment is continuing to deliver maximum return by modifying entry criteria to target more established designers, reducing overall costs by 25% and increasing focus and investment on the commercialising strategy for winners.

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# WICP CHINA REPORT – FEBRUARY 2024

## 1. CHINA AUTUMN/WINTER CAMPAIGN RESULTS

For Autumn/Winter season 2023, The Woolmark Company partnered with TMALL, the largest e-commerce platform in China, for a fourth consecutive year, on Wool Week. Widely known by industry insiders and consumers alike, Wool Week has become an annual campaign generating significant brand exposure and driving substantial sales in wool apparel categories. During the campaign, the number of searches for “Merino wool” on Tmall surged by 3.7%. Moreover, a total of 4000+ brands participated in the shopping festival, resulting in live shopping page views of 6.68+ million and landing page views of 230 million. The results indicate that Merino wool remains top of mind for consumers every Autumn/Winter season, and brands are keen to actively promote wool products to increase sales.

This season we also invited Guan Xiaotong, a young A-list actress as Merino wool ambassador, to shoot an editorial series. The A-list celebrity endorsement strategy has long proven successful for attracting considerable attention and driving noteworthy traffic to the event: this year TMALL’s official Weibo received 5.98+ million in impressions and engagement and 6.9+ million video views in total.

TMALL Wool Week then led up to brand partnerships in the run up to China’s Double 11 online shopping extravaganza. Double 11 (also known as Singles Day) is an online shopping festival held on 11 November in China that is similar, in some ways, to Black Friday in western nations. There is also a Double 12 shopping festival (also known as Couples Day) on 12 December, effectively maximizing the peak selling season for wool apparel.

For 2023, eleven brands – which are also TWC key partners and brand licensees – participated in the shopping festivals. The brands all gained double-digit sales growth, with Eifini brand achieving over 100% growth in GMV due to releasing a wider collection and upgrading product quality. Another highlight was the continued success of the gig-with-purchase promotion, with 18 brands participating in giging a total of 4,000 wool socks and 5,000 needle felt wool packs to consumers. A total of AUD3.3+ million in retail value of wool sales was driven by this

approach, emphasizing its effectiveness in enticing brands’ promotions and engaging consumers alike.

Furthermore, an estimated 173,175KG of wool was used for all goods sold, an encouraging figure which provides valuable insights into the input-output efficacies, as well as provides woolgrowers and supply chain stakeholders a greater understanding of wool consumption.

### IN SUMMARY:

#### Tmall Wool Week Highlights:

1. Number of participating brands: 4,000+
2. Algorithm-generated brands viewable on the wool pavilion: 200+
3. Wool Pavilion page views: 230M
4. Live shopping page views: 6.68M+
5. Average daily GMV growth (compared to pre-launch): 1.5x
6. Total number of wool SKUs: 860,000+
7. Increase in searches for “Merino wool” on Tmall: 3.7%
8. The best-selling product category in wool: lightweight knits and suiting
9. AUD 433K invested in project

#### Double 11 and Double 12 Highlights:

1. Number of participating brands: 11
2. Units sold: 575,447
3. Total TMALL page views: 6M+
4. Wool GMV: 81M+
5. YoY GMV Growth: 20%
6. Total Wool Usage: 173,175KG (estimate based on sales volume)
7. Total Stock of Wool Products: 29M+
8. The best-selling category in wool: knitwear

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# WICP CHINA REPORT – FEBRUARY 2024

## 2. OUTDOOR AND WINTER SPORTS MARKET BOOM

Outdoor sports in China started relatively late, but it has now become one of the fastest-growing markets globally. According to Euromonitor, China's outdoor sports equipment market reached RMB 315 billion in 2020, with an average annual compound growth rate of 13.5% over the past five years.

The market boom, driven by the pursuit of a better life, reflects the continuously growing demand of Chinese consumers. The recently released "China Outdoor Sports Industry Development Report (2022-2023)" also indicates that in the first half of 2023, the outdoor sports industry experienced a robust recovery, with a steady increase in outdoor sports consumption. Niche sports have transformed into mainstream activities now. The report reveals that from 2022 to 2023, outdoor sports such as winter sports, running, cycling and camping saw explosive growth.

Additionally, the so-called "Post 90s" generation (Gen Z) constitutes the largest participant group in outdoor sports, accounting for 36.1%. The outdoor activities and leisure demands of consumers, especially the younger generation, have given rise to various new growth opportunities.

The demand in the outdoor sports is strong, and wool textiles are increasingly being used in the sportswear and shoes. Wool can be applied in various outdoor sports such as skiing, cycling, hiking, golfing etc. Many brands have also started introducing wool-rich sportswear, indicating a broad market space in the future. From 2014 to 2019, the number of skiers in China increased from 10.3 million to 20.9 million, and the number of ski resorts nearly doubled.

The hosting of the 2022 Beijing Winter Olympics has significantly promoted the rapid development of the domestic winter sports market. Based on the average number of skiing visits over the past five years, China ranks 8th globally with 17.04 million skiing visits.

With the arrival of winter season, there is a surge in demand for winter sports equipment. Data from the DeWu app (online community) indicates that winter

sports consumption continues to rise. The sales of skiing equipment in December, including ski suits, boots, helmets, goggles, protective gear, gloves, and more, have increased by over 14 Dmes compared to the same period in November. Among them, the sales of ski suits have risen by over 120% YoY.

It is also worth noting that, when young people purchase skiwear nowadays, they consider wearing scenarios and extend the use of skiwear to daily wear. It has transitioned from its previous status as purely professional sportswear to becoming part of fashion wardrobes. Specialty, functionality, light-weight design, and a sense of style are becoming new trends in consumer preferences.



[WOOL.COM](http://WOOL.COM)