WICP AGENDA PAPERS

1st August 2024

Australian Wool Innovation Limited

WICP Meeting Agenda

Australian Wool Innovation Limited

Woolgrower Industry Consultation Panel (WICP)

Thursday, 1 August 2024 9.00am – 2:30pm (AEST)

ONLINE VIRTUAL TEAMS MEETING

Joining virtually with the Join the meeting now link in your Outlook calendar
Meeting ID: 481 950 929 048 Passcode: WCFpLx
Or call in (audio only) Sydney: +61 2 8318 0009 Phone Conference ID: 374 378 415#

TIME	TIME	AGENDA ITEM		LEAD
9.00am – 9.15am	15 min	1	**General Business** 1.1 Review Minutes from April 2024 meeting 1.2 Action items from April 2024 meeting 1.3 Communiqué (April 2024) 1.4 Member's Pecuniary Interests	WICP Chair
9.15am – 10.00am	45 min	2	**AWI Chairman's Update**	Jock Laurie
10:00am – 10:30am	30 min	3	**Guest: National Wool Training Advisory Group** 3.1 WoolTAG Update	Don Macdonald
10.30am – 10.45am	15 min	4	**AWI Business Unit Update** 4.1 Business Unit Reports 4.2 Woolmark+ Update	Kevin Wilde ` Emma Gittoes Bunting
10.45am – 11.00am	15 min	**Break**		
11.00am – 11.20am	20 min	5	**Finance Update** 5.1 Finance Report	Tracy Marshall
11.20am – 11.35am	15 min	6	**WoolPoll 2024 Update**	Rich Keniry
11.35am – 12.05pm	30 min	7	**International Market Briefing** 7.1 China Report 7.2 Market Report	Jeff Ma Scott Carmody
12.05pm – 12.35 pm	30 min	**Lunch**		
12.35 pm – 1.20pm	45 min	8	**WICP Member Feedback & Priority Issues** 8.1 Discussion on WICP Panel member's top priorities • Shearing & shearing alternatives • Health & Welfare • Sustainability Credentials • Extension & Adoption	WICP Chair
1.20pm – 1.40pm	20 min	9	**Flystrike Vaccine Update**	Tony Vuocolo - CSIRO
1.40pm – 2.10pm	30 min	10	**Department of Agriculture, Fisheries and Forestry** 10.1 2023/24 Annual Wool Industry Tripartite Discussion	DAFF
2.10pm – 2.15pm	5 min	11	**WICP Chair Contract Renewal**	Kevin Wilde
2.15pm – 2.30pm	15 min	12	**Other Business** • WICP 2025 meeting frequency/dates	WICP Chair
2.30pm		13	**Summary and Close**	WICP Chair

Next meeting: Thursday, 17th October 2024 – Sydney, NSW

ATTENDEES

WICP Members		
Nick Turner	WICP Independent Chair	
Dave Vandenberghe	Chair	ASHEEP & BEEF
Geoff Davidson	President	Australian Association of Stud Merino Breeders
Cathy Hayne	Treasurer	Australian Superfine Wool Growers Association
Tom Moxham	Representative	Australian Wool Growers Association
Peter Blackwood	Representative	Broad Wool
Chris Croker	President	Commercial Merino Ewe Breeders Association
Rich Keniry	Representative	MerinoLink
Bindi Murray	Representative	Pastoralists and Graziers of WA
Steve Harrison	President	WoolProducers Australia
Michelle Humphries	Director	AWI
Steve Harrison	President	WoolProducers Australia
Apologies		
John Roberts (Australian Wool Innovation – CEO)		
Department of Agriculture, Fisheries and Forestry		
Paul Maisey	Director, Levies, Innovation, and Livestock Branch	Department of Agriculture Fisheries and Forestry
Jo Harris	Assistant Director, Levies, Innovation and Livestock Branch	Department of Agriculture Fisheries and Forestry
Jo Stanion		Department of Agriculture Fisheries and Forestry
Australian Wool Innovation		
Jock Laurie	Chairman	Australian Wool Innovation
Tracy Marshall	CFO	Australian Wool Innovation
Kevin Wilde	GM Consultation	Australian Wool Innovation
Jeff Ma	Country Manager, China	Australian Wool Innovation
Scott Carmody	Trade Consultant	Australian Wool Innovation
Tony Vuocolo	Research Team Leader	CSIRO

1. GENERAL BUSINESS

TITLE: General Business

DATE: Thursday, 1st August 2024

1.1 FEBRUARY 2024 WICP MEETING MINUTES

1.1.1 Review of the April 2024 WICP Meeting draft Minutes**.**

1.2 ACTION ITEMS

Action items from the April 2024 meeting will be reviewed.

1.3 WICP Communiqué

The WICP April 2024 meeting Communiqué is available on wool.com and was circulated to members by the Chairman on 30th April 2024 for distribution to their members.

1.4 STANDING DECLARATION OF MEMBER PECUNIARY INTERESTS

Upon establishment of the WICP it was agreed that a standing item at each meeting include the declaration of pecuniary interests of all WICP members' organisations. This should include any funding received from AWI in the past six months. Further to this, The WICP determined at its October 2022 meeting to provide prior to each meeting both their personal and member organisation interests. New or updated pecuniary interests are to be forwarded to the AWI WICP Secretariate prior to each meeting.

WOOL INDUSTRY CONSULTATION PANEL (WICP) MEETING
Minutes [DRAFT]

Date	18 April 2024
Time	7.00 am – 8.52 am (ACST)
Venue	MG Suite 1, Adelaide Oval, Adelaide

Present **WICP Members**

Nick Turner	WICP Independent Chairman
Peter Blackwood	Broad Wool
Richard Keniry	Merinolink
Chris Croker	Commercial Merino Ewe Competition Association
Tom Moxham	Australian Wool Growers Association
Bindi Murray	Pastoralists and Graziers of WA
Dave Vandenberghe	ASHEEP and Beef
Cathy Hayne	Australian Superfine Wool Growers Association
Max Wilson	Australian Association of Stud Merino Breeders
Steve Harrison	WoolProducers Australia

AWI Board Members

Jock Laurie	Board Chair
Michelle Humphries	Director

Department of Agriculture, Fisheries and Forestry (DAFF)

Paul Maisey	Director, Food and Supply Chain Branch
Jo Harris	Assistant Director, Food and Supply Chain Branch
Jo Stanton	First Assistant Secretary, DAFF

AWI Management/Staff

John Roberts	CEO
Tracey Marshall	CFO
Kevin Wilde	General Manager Consultation and Engagement
Jeff Sorrell	Government and Industry Relations Manager
Judith Maude	Meetings into Minutes for WICP Secretariat

Apologies

Mark Waters	Australian Superfine Wool Growers' Association
Geoff Davidson	Australian Association of Stud Merino Breeders
Jo Hall	WoolProducers Australia

1 GENERAL BUSINESS

1.1 Review of minutes

The Chair opened the meeting at approximately 7.00 am and welcomed Panel members.

There were no apologies.

The Panel considered the draft minutes from the meeting held 15 February 2024.

Resolution: The Panel approved the minutes of the WICP meeting held 15 February 2024 *[Moved R Keniry; Seconded M Wilson; Motion Carried]*

1.1

1.2 Action items

1.2 The Chair reviewed the action items from the meeting held 15 February 2024 and noted that:

- Items 1 and 5 are ongoing.
- Items 2, 4 and 6 will be addressed during the meeting.
- All others action items were completed.

The Chair reviewed the action items from previous meetings and noted that:

- Items 1, 3, 4 and 5 will need updating on a regular basis.
- Items 2 is ongoing.

1.3 Communique from Feb 2024 meeting

There was no feedback to report in response to the communique from the 15 February 2024 meeting.

1.4 Declaration of members' pecuniary interests

No other interests were declared that had not been previously reported.

2 WoolPoll Overview

The CEO provided an update on the 2024 WoolPoll, noting that it was a critical time for the industry.

The CEO highlighted the importance of transparency given that the reserves have been fully drawn down.

The Board Chair noted that the Board are working to determine future scenarios depending on different WoolPoll outcomes. Both wool production and the EMI are down. The company will face challenges if an issue arises in the sector which requires additional investment.

The CEO is working with the CFO to forecast different outcomes. Each of the General Managers has been asked to hold back some expenditure to ensure that extra funds are available.

The Panel questioned whether the Board has considered taking a salary cut.. The Board Chair advised that there has been no recent increase in remuneration for Board members and that during COVID Director salaries were decreased. Some of the Committee work is unpaid.

3 WoolPoll Panel Update

The WoolPoll Panel Chair provided an update.

Th Panel is holding its second meeting the following day. The first meeting focused on the Voter Information Kit (VIK), which will be more concise. AWI management has compiled a preliminary document, which is provided to the WoolPoll Panel for their review and feedback.

It was noted that the VIK shows the impact of the different levy rates for AWI, but it would be useful to show what it means for the average woolgrower in terms of both cost and what it will return to the business. It was suggested that an example about the 'average bale' would help growers decide.

The Board Chair confirmed that the Board should not suggest what the levy should be. It is the industry's role to provide a recommendation to the Board. Whatever that is, the Board will consider how they support the industry at those rates. Growers must consider what they want from their research body and the extent that they wish to fund it.

1.1

The Panel had an extensive discussion about the 'AWI Reserves 2024 Forecast' graph and suggested that it be amended. T Marshall provided an explanation about the use of reserves during and after the pandemic, as well as the requirement to retain approximately $50 m to cover the cost of winding up the company. The amount of 'available' funds has gradually reduced.

The Panel recommended including some footnotes to explain each component of the graph, in particular to distinguish between the funds that can be accessed and those that can't.

Action: Management to explore alternative ways of presenting the 'AWI Reserves 2024 Forecast' graph'.

4 WoolPoll Levy Rate Options & Discussion

T Marhsall took the Panel through a presentation outlining the WoolPoll levy rate options. She provided an overview of:

- The amount required to be held in reserves (for instance the Emergency Animal Disease fund)
- The revenue and expenditure over time
- The 25% decline in expenditure on priority areas in the strategic plan
- The influences impacting the company's financial position, being the global economic climate, the geopolitical climate , exchange rates, and Australian interest rates.

T Marshall confirmed that the government matching contribution on eligible R&D is based on gross value of production (GVP) and is not necessarily affected by the WoolPoll result.

The Panel noted that there is some inconsistency in the language in particular the word 'available' is used differently in relation to reserves and is confusing.

The Panel discussed the presentation of the $50 m reserves held for winding up, noting that the focus should be on the funds that are available to growers. T Marshall confirmed that the $50 m must be included in order to comply with the applicable accounting methodology and to satisfy the Department's requirements. T Marshall will prepare some alternative options for the Panel to consider.

The WoolPoll Panel Chair confirmed that the WoolPoll Panel will discuss the VIK further the following day, and will finalise it at its June meeting. A further draft of the VIK does not need to be provided to the Panel, however they are available to the WoolPoll Panel as a resource if needed.

The Panel provide the following further feedback on the VIK:

- The WoolPoll is about the level of investment in AWI going forward. The VIK must give a clear indication of the outcome for each level of investment.
- The graphs showing historical information are not relevant.
- The VIK should include a clear message that there is no buffer.
- The VIK should not be specific about how funds will be spent, for instance by 'pigeon holing' an amount for shearer training. There must be flexibility for the Board to make those decisions.

The Panel discussed the split of spending between research and marketing, and the broad implications of changes in the levy.

The WoolPoll Panel Chair outlined the timeline and next steps. A summary of the timeline will be circulated to Panel members.

5 WICP Member Feedback & Industry Priorities

The Panel considered the members feedback and priorities.

The Panel Chair noted that it was M Wilson's final meeting and thanked him for his valuable contributions over a long period of time.

6 Other Business & Conclusion

The Panel discussed a letter from E Storey that had been sent to the Board Chair and copied to the Panel Chair. The letter related to the Director nomination and election process in 2023, and potential inequities associated with the length of candidates' biographies that were permitted.

The Board Chair noted that management believes that the information was provided fairly and equally. As part of normal process, the AGM will be reviewed to identify any areas for improvement, which will include reviewing the nomination and election process. . The next election will be held in 18 months. The election must be conducted fairly to every candidate without bias or inconsistency. If there are any concerns, an independent review will be conducted. The review will involve benchmarking the process against other Not-For-Profit organisations to identify best practice. This work will not be finalised by 31 May which was requested in the letter, however it will be finalised prior to the next AGM. A report on the review will be submitted to the Panel.

The Board Chair informed the Panel that E Storey has been advised that the matter will be raised with both the Panel and the Board. The letter was constructive, with the intent to improve the process going forward. The Board Chair will contact E Storey again and explain the proposed review process. The Panel suggested that a specific deadline be included rather than a general time frame.

It was suggested that having a clear dispute resolution process would give candidates comfort that any concerns they have will be addressed.

Action: The Board Chair to contact E Storey again and explain the proposed review process.

10 OTHER BUSINESS

The next meeting will be held via Teams on 1 August.

The next face-to-face meeting will be held closer to the WoolPoll vote.

11 SUMMARY AND CLOSE

The Chair closed the meeting at approximately 8.52 am.

1.1

ACTION ITEMS
(FROM 18 April 2024 WICP MEETING)

NO.	ACTION ITEM	STATUS
1.	WoolPoll 24 – Management to explore alternative ways of presenting the 'AWI Reserves 2024 Forecast' graph'.	
2.	The Board Chair to contact E Storey again and explain the proposed review process.	
3.	J Ma to provide graph showing full-year greasy wool numbers compared with prior years. J Ma to provide graph showing full-year greasy wool numbers compared with prior years.	
4.	Circulate a copy of S Hill's presentation.	

ACTION ITEMS CARRIED OVER FROM PREVIOUS MEETINGS

NO.	ACTION ITEM	STATUS
1.	The Panel discussed whether bio harvesting was effective if a sheep is not actively growing wool. Follow up about the effectiveness of bio harvesting on wool that is not in an active growing stage. (Nov 23)	**On-going:** In principle, if the wool follicle is resting, it won't be affected by the weakening agent. However, researchers are looking at options to overcome this issue. We will know more about this question once the research work progresses.
2.	Preparation of the WoolPoll will include sensitivity testing. Conduct sensitivity analysis of wool price and impact of a 25% reduction in flock number in WA (noting that impacts are not only in WA). (Nov 23)	**On-going:** AWI CFO, Tracy Marshall provided an update at the WICP at the April on the financial impact of each scenario. The scenarios continued to be refined through to final Voter Information Memorandum being sent to the Minister for approval.
3.	The Simplifly/Classifly range of extension products was discussed. It was suggested that it would be useful to break these products down into smaller sections. Explore opportunities to deliver Simplifly/Classifly programs in smaller sections. (Nov 23)	**On-going:** Staff are working on scripts for AWI Flystrike Extension Program content to be recorded. Significant time is required to remove some sections (for instance, workshop activities) and to add some content (for instance, to explain concepts usually aided by visual images). (Updated Feb 24)
4.	Check whether the pasture assessment section of the Lifetime Ewe Management course has been updated. (Nov 23)	**On-going:** The Lifetime Ewe Management review is underway, and the Trainer Manual is currently at final draft stage. (Updated Feb 24)
5.	Julie Davies to present to next WICP meeting regarding the work undertaken with brands. (Nov 23)	**Open:** J Davies will present at the next face to face meeting at October of the WICP. (Updated April 24)
6.	**Pecuniary Interests:** C Croker to email the full list of his pecuniary interests for inclusion in the register, as well as J Hall as an alternative representative. (Feb 24)	**Open:** C Croker provided pecuniary interests for CMBA on 5 April 2024. J Hall's pecuniary interests remain outstanding.

1.2

7.	**WoolTag:** Include an update on WoolTag at the next WICP meeting, potentially from the WoolTag Chair. (Feb 24)	**Open:** Chair of WoolTag will be invited to update the WICP on WoolTag at its July meeting.

WICP Questions for AWI:

Peter Blackwood – Broad Wools

1. With >23.5 micron now 20.2% of clip, and as said in Beyond the Bale June 24, highest percentage for more than a decade or 2. The wool is being produced from the strong wool sector, we must have some good news stories from the textile market, or do we leave these wools to languish and inadvertently have more producers leave the wool industry and go shedding?

   AWI continues to work with companies to increase the use of broad wools in a range of products including home furnishings and automotive interiors, while also highlighting the natural, biodegradable and sustainable qualities of all wools. Successful collaborations will continue to be highlighted by AWI but while prices of broader wool remain low, they do not have the impact of stories when prices paid to producers are substantially higher.

   AWI is also keen to hear directly from broad wool producers and their breed associations about successes and will promote them through AWI publications. At present AWI is engaging with Planet Protector, a producer of sustainable wool insulation for packaging to explore opportunities to promote the broader wool market. The product is a novel use of wool, increasing the range of commercial markets available for Australian virgin broad wool and building on its inherent insulation and breathability properties.

2. As an industry I don't like this alternative or as an individual, as there are viable ways to have a true dual-purpose animal, which would help the wool market and meat markets. (this is not a personal ad.) Composite sheep producers need their seed stock suppliers to be micron testing ram teams to at least allow a choice in selection, valuing wool for market and welfare. How can AWI help promote this to help the whole industry?

   The historically low price of broad wool where many growers are paying more to have the wool removed than what they get for it makes it difficult to run a convincing argument that certain breeds work well as a dual-purpose animal at this time. The value of the sheep would then be derived simply from the meat side of the operation. If shearing costs decline and broad wool prices rise, then the case for a dual-purpose animal can be made.

Jo Hall – Wool Producer Australia

1. In light of the draft WoolPoll projections/forecast and the impact on funding of programs under each levy option, there is no mention of reducing funding/sponsorship for engagement activities such as presence at sheep shows, etc. Is this being considered?

   Yes, it is. Future budgets across the business will be adjusted to match the availability of funding.

2. As raised at a previous WICP meeting, is there consideration being given to a reduction in directorship fees paid, given that it has since been reported that AWI directors are paid far more than directors of other much larger RDCs? AWI directors top pay chart among rural research bodies | Farm Online | ACF

1.2.1

Yes, it is being considered. During 2019/20 director fees fell by 2.9% and then fell a further 12.4% in 2020/21. While an 11% increase was observed in 2022/23 this was related to CPI and the additional responsibilities of directors sitting on the newly formed "Marketing and Product Innovation Committee." By way of background, AWI publishes what each director is paid, with some RDCs providing less detail in their reports.

3. If the levy is increased to 2% what activities will AWI be undertaking to increase demand for wool? The opportunity for wool's green credentials to be demonstrated has never been more pertinent with methane, natural capital, carbon footprint, etc.

   A 2% levy would allow AWI to continue its strong commitment to growing the value and international demand for wool across several areas. Promoting and improving wool's environmental credentials is at the core of this strategy with projects focused on raising consumer awareness, engaging in international sustainability policymaking and addressing industry carbon and methane concerns.

Marketing Wool to the World

The consumer marketing program's purpose is to drive demand for wool. One avenue utilised to achieve this is through increasing awareness of its environmental benefits to align with the growing demand for sustainable apparel through a multi-faceted direct-to-consumer marketing program and brand collaborations.

Consumer Campaign - Wear Wool Not Fossil Fuel:

The second phase of the Wear Wool Not Fossil Fuel campaign will be launched this year. The ability to consistently and effectively push messaging across all markets for this campaign depends on the funding available.

Previous Campaign Results:

- Viewed 130 million times globally.
- 75% of viewers said they would consider wearing synthetic clothing less.
- 80% of viewers said they now believe wool is good for the environment.

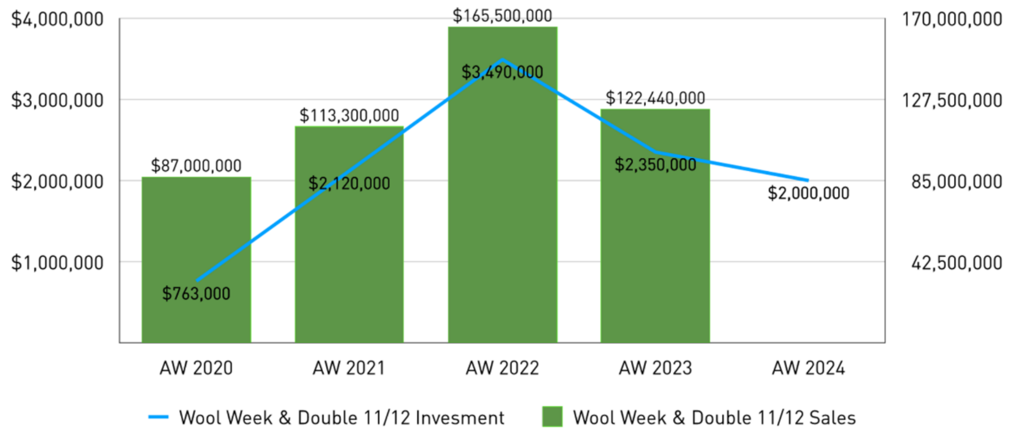
From AWI's projections, a 2% levy would allow for a 70% marketing spend compared to 2023. This would still allow for marketing activities across all key markets including China, Japan, Korea, Europe and America rather than solely focusing on China.

As China is the largest consumer market for Australian wool AWI will continue its ongoing collaboration with Tmall, China's biggest business-to-consumer (B2C) e-commerce platform while also investigating similar partnerships with other platforms.

The 'content + ecommerce' model is effective at targeting consumers with fibre education and inspiration at the point of purchase using detailed analytics to drive consideration and purchase of Australian wool. This graph demonstrates the success of this model by illustrating the direct correlation between Woolmark's investment and the volume of wool sold by our Chinese partners over time.

1.2.1

CHINA MARKETING INVESTMENT IMPACT ON SALES



Engaging with the European Union and other domains to address flawed environmental rating schemes that bias in favour of synthetics and against natural fibres:

- Undertaking research and publishing improved methodologies for more fairly assessing environmental performance.
- Collecting life-cycle assessment datasets for wool's entire value chain and targeting the environmental hotspots it identified.
- Providing science-based and peer-reviewed evidence countering claims that wool causes microplastic pollution.
- Collaborating with other natural fibre industries and the government to positively influence international legislation.
- Evidencing wool's numerous health and wellbeing benefits over synthetic clothing in peer-reviewed research, factsheets and on Woolmark.com.

Addressing industry concerns of carbon and methane:

- Initiating the National Sheep Methane Program (NSMP) in conjunction with leading researchers in the major wool-producing States.
- Leveraging $3m woolgrower levy funding to generate more than $9m research into the most promising methane-mitigating feed additives and delivery systems for grazing sheep.
- Measuring the Australian wool and sheep industry's emissions since 2005 and modelling potential future carbon reduction pathways.
- Coordinating research and extension with MLA to identify the most effective and regionally relevant interventions farmers can make to sequester carbon and increase resilience to climate change.
- Investigating more cost-effective techniques for measuring carbon sequestration in the farming landscape.
- Investigating the most appropriate metrics for reporting methane emissions that reflect its relatively short-term persistence in the atmosphere.
- Initial work developing a carbon insetting program to connect brands, wanting to reduce their Scope 3 emissions, with like-minded woolgrowers.

Defending the right to grow wool:

AWI aims to ensure wool-growing practices are clearly understood by those developing new standards and laws. Continued support for the sheep industry through reporting on the Sheep Sustainability Framework will foster leadership and transparency. Investment in research will provide a science-based approach to measuring the environmental benefits of wool-growing, ensuring regional specificity and a grower-first narrative. Engagement with industry stakeholders will correct any misrepresentations of wool-growing practices and ensure market access for the future.

4. On the other hand, "you can't be green if you're in the red", the baseline profitability of wool growing needs to be addressed so what are AWI's strategies, over and above current projects (which currently aren't easing these pressures at a farmgate level), to address/improve the demand for wool by reducing its cost of production (increasing productivity and/or diluting costs) to increase the viability of wool production?

   AWI has several planned or potential new projects in the pipeline, building on current priorities related to increasing productivity and or reducing cost of production. However, the rate of implementation of any current or new projects is heavily reliant on outcomes from the upcoming Woolpoll, and the state of the wool market. Even under an increased levy, the business would be operating with a reduced budget, making it difficult to execute major new projects, above and beyond those agreed as priorities. Any new priorities will be decided in the preparation of the next three-year Strategic Plan that will begin July 1st 2025 and run for three years. That plan will be developed in consultation with members of the Woolgrower Consultation Group.

   Planned or potential new projects that deliver on current priorities, over and above the current R&D projects include the planned development of a Genetics Extension Program and an Environmental Sustainability Extension Program. The programs will leverage our R&D investment to date in these areas, including the outcomes from MLP project and other productivity-related add-on genetics and environment projects, by integrating R&D findings related to increased productivity and or reduced costs on farm from these projects, into best practice messages and tools for woolgrowers.

   Other planned or potential new R&D projects include further investment in improving rates of genetic gain in existing traits and in methane mitigation, feed efficiency, improved resilience, improved survival, as well as more investment in projects to combat the blowfly, such as next phase of the flystrike vaccine project and research into the use of biopesticides.

5. Given the current drop in wool production and the predicted current trend of reduced wool volumes due to people leaving the industry, is AWI raising this issue with the supply chain and the need to make wool production more profitable for growers?

   Yes. CEO John Roberts has consistently raised this in Europe and Asia to processors and brands.

6. Understanding that the field trial results for the flystrike vaccine did not meet the efficacy targets, and that AWI and CSIRO were looking at other ways to approach this research, what is the latest update on the progress of this project?

   This will be addressed in a separate agenda item, Flystrike Vaccine Update by Tony Vuocolo (CSIRO - Research Team Leader).

7. What modelling is AWI doing, done or planning to do around the impact of sheep and/or wool prices (and thus including AWI levy income) arising from any ban on live sheep exports?

   AWI is relying on the Wool Production Forecasting Committee work in WA, the sheep producer survey AWI conducts jointly with MLA, as well as consultation with WA growers to assess the potential impact on the WA flock and then its wider impact. There is no doubt that the WA flock has already shrunk and depending on the forecast it may shrink by 25% or more compared to 2023 levels. Any reduction in the amount of wool grown will lead to a reduction in AWI revenue.

Merino Link

1. What are the key priorities for the business and why have they chosen those priorities vs others?

   The current key priorities for AWI are woolharvesting/shearing; growing the value and demand for wool; collaboration, consultation and engagement; sustainability and strengthening the supply chain.

   These priorities were as a result of consultation with members of the Woolgrower Consultation Group from late 2021 through to mid-2022. AWI plans to use the same model of collaboration in preparing the next three-year Strategic Plan that will begin July 1st 2025 and run for three years.

2. What existing priorities will be cut and why?

   That will depend on the result of WoolPoll and the state of the wool market. AWI's top two priorities remain wool harvesting and growing the value and demand of wool. How much money can be dedicated to the existing three other priorities or new ones is an open question.

3. Do the priorities that are "staying" align with industry priorities - potential to ask for feedback to be provided at the next face to face meeting.

   AWI welcomes feedback at any time on industry priorities. As mentioned, the formal process of shaping the next strategic plan will begin after the WoolPoll result is known. The marked differences in projected revenue mean marked differences in the number of projects that can be approved. As general principal AWI wants to focus on key projects.

4. How do they align with the 5 year strategic plan, or will the strategic plan need to be amended. What is the best consultation process for that feedback?

   As mentioned AWI's current work aligns with our three-year strategy and we will consult with the industry in preparation for the next plan.

ASHEEP – Sarah Brown

1. Provide a basic overview of its domestic marketing strategy?

   We work with a select number of local brands that can drive wool sales through premium products such as Sportscraft. We rely heavily on PR and organic channels to amplify our global fibre advocacy content to consumers. More recently, we have been using above the line channels including out of home and connected TV to reach Australian audiences with our wool benefit campaigns.

2. Give its view on whether a review of the domestic marketing strategy could be beneficial in this Context?

   Of course, more marketing would be beneficial in any country. Specifically in Australia, more marketing could be a powerful tool to cultivate a sense of pride in a historic industry and create a national army of wool ambassadors. However, an increase in Australian activities would mean reducing marketing efforts in other countries who offer greater potential for wool consumption, therefore increasing domestic marketing is not advised at this time.

WOOL INDUSTRY CONSULTATIVE PANEL (WICP)

Date: 18th April 2024
Venue: MG Suite 1, Adelaide Oval, Adelaide

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.

Wool Poll Update

With wool production and the EMI both at the lower end of their historic levels, AWI noted that it's a critical time for the Wool industry heading into the 2024 Woolpoll.

The WoolPoll Panel has had one meeting which focussed on the format of the Voter Information Kit (VIK), with the aim to make the document concise, clear and more engaging with the growers. The VIK will show the impact of the proposed different levy rates to the outcomes AWI is able to adequately fund.

AWI made it very clear that they want feedback from the grower representative groups as to what the recommendation should be in terms of the levee rate, rather than AWI suggesting what the levee rate should be.

AWI CFO noted that the Reserves that the company has, needed to be appropriately explained to the grower group as approximately $50M of those reserves needs to be set aside or 'ring fenced' as that is the amount of capital required to wind up the company if that ever materialised. Hence the word available reserves and what that true number was needed to be made very clear in the VIK.

The WoolPoll Panel met again on the 19th April with a subsequent meeting to be held in June 2024 when the document will be finalised.

AWI Business Unit Update

AWI Chair, CEO and CFO gave the WICP the following updates.

- The company has continued to make budget cuts with all the General Managers being asked to do more with less.
- Bio harvesting program remains on track with an expression of interest document being put out for engineering and robotics groups around the different harvesting methods.
- Over the past 2 years the Wear Wool not fossil fuel campaign has garnered 130.6M views, successfully raising fibre awareness with the results surpassing industry benchmarks with,
    - 75% of consumers expressing intent for wool
    - 78% reconsidering the environmental impact of their clothing choices
    - 80% acknowledging wool as environmentally friendly
    - 77% taking fabric/materials into account when making clothing purchases.
- To date in the current 23/24 Financial year AWI has trained and up-skilled 3,286 participants of which 1,444 benefited from in shed shearer training days. The retention rates of those who have received AWI funded training is in excess of 87% across the country.
- Through until the end of March 24, AWI's actual financial results are tracking in line with forecasts.

International Intelligence Briefing

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

Jeff gave an update on the Chinese market with key message being;

- The improving bilateral relations between China and Australia is evident in wool imports from Australia to China which has increased by 52% during January and February 2024 compared to the same period 12 months ago.

Department of Agriculture, Fisheries and Forestry

During the departments DAFF's presentation to the group, the below key points were noted as an area of focus,

- The Department understands the 'cost of living' pressures and are mindful that farmers are paid fairly given their rising input costs.
- The government is committed to the phase out in an orderly way of the live sheep trade.
- The Department is working with appropriate government bodies to revisit the labour skills shortage issue and look at visa settings.
- Panel members voiced their concerns around the imminent drop in sheep numbers coming in WA (estimated at 5 million in 23/24 compared to 22/23) due to the commitment to end the live sheep trade and drought.

The next WICP meeting will be held on the 1st August 2024.

Nick Turner

WICP Independent Chair

WICP Register of Standing Pecuniary Interests Register – as at July 2024

Name	Organisation	Disclosure Date	Method (Written/Verbal)	Role	Organisational Interest or Personal Interest?	Relation to the Affairs of AWI (if any)
S Brown	ASHEEP & BEEF	18 August 2022	Verbal	EO ASHEEP & BEEF, Alternate Member	Organisational	ASHEEP & BEEF has received sponsorship from AWI for a livestock forum. ASHEEP & BEEF has been working with AWI on a sheering school.
N Cole	Broad Wool	18 August 2022	Verbal	WICP Member	Organisational	Broad Wool received sponsorship from AWI for a junior judging competition
S Harrison	WoolProducers Australia	9 February 2023	Verbal	WICP Member	Personal	• Director, AWEX • Director, AWTA • Board member, Sheep Sustainability Framework
R Keniry	MerinoLink	21st February 2023	Email	WICP Member	Organisational	MerinoLink has received sponsorship from AWI for the MerinoLink annual conference.
R Keniry	MerinoLink	21st February 2023	Email	WICP Member	Organisational	• MerinoLink has been involved in the AWI - Merino Lifetime Productivity Project • MerinoLink hosted a trial site and received payments for project activities.
Tom Kirk	Commercial Merino Ewe Competition Assoc	26 April 2023	Written	WICP Member	Organisational	Several NSW Ewe competitions receive sponsorship and/or in-kind support from board members or AWI staff
B Murrey	PGA WA	3 May 2023	Email	WICP Member	Personal	Sheep Producers Australia director

Tom Moxham	AWGA	7 July 2023	Email	WICP Member	Organisational	Nil
Cathy Hayne	ASWGA	27 July 2023	Verbal at WICP mtg	WICP Member	Organisational	ASWGA received $3500 from AWI for the ASWGA Annual Conference combined with the Zegna Wool Awards, held in Tasmania in June 2023.
S Harrison	WPA	27 July 2023	Verbal at WICP mtg	WICP Member	Organisational	WoolProducers Australia have received money from AWI for ATMAC
D Vandenberge	ASHEEP & BEEF	9 February 2024	Email from S Brown	EO ASHEEP & BEEF, Alternate Member	Organisational	ASHEEP & BEEF received AWI sponsorship from AWI for their 2024 conference
C Croker	CMBA	5 April 2024	Email	WICP Member	Organisational	Chris Croker representative for The Commercial Merino Breeders Association (formerly Merino flock ewe competitions Association) declares that members and organisations associated with competition education and promotion of the sheep and wool industry have received funding from AWI in both monetary and in kind forms and if required will pursue similar support in the future if available.

1.4

2. AWI CHAIRMAN’S UPDATE AND DISCUSSION

TITLE: AWI Chairman’s Update

DATE: Thursday, 1^{st} August 2024

3. GUEST – NATIONAL WOOL TRAINING ADVISORY GROUP

TITLE: National Wool Training Advisory Group

DATE: Thursday, 1st August 2024

Discussion lead by AWI Director – Don Macdonald

3.1 WoolTAG Update

4. AWI BUSINESS UNIT UPDATE

TITLE: AWI Business Unit Update Reports

DATE: Thursday, 1st August 2024

AWI Woolgrower Industry Consultation Panel

4.1 RESEARCH UPDATE

August 2024

ON-FARM RESEARCH UPDATE

HEALTHY AND PRODUCTIVE SHEEP

AWI AOP 2023/2024 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.

Woolgrower pilot workshops for StrateFly™, a one-day workshop to assist woolgrowers to develop a property-specific, whole-of-farm strategy for moving to and managing a non-mulesed enterprise, have been completed, and the first train the trainer workshop was held in July, with at least one more planned for coming months. A key focus that will underpin the success of the AWI Flystrike Extension Program is providing industry advisors with access to, and training in the use of, up-to-date and accurate resources and consistent, evidence-based messaging regarding flystrike management, breeding for flystrike resistance and moving to and managing a non-mulesed enterprise. AmpliFly™ is designed to give advisors complementary information to their existing suite of knowledge and skills, allowing them to better assist woolgrowers with solutions for integrating new or improved flystrike management tools into their sheep enterprise and business management. The first of the two-day AmpliFly™ trainer workshops is also being delivered in July.

AWI AOP 2023/2024 Investment Focus: Commission projects in flystrike management tools targeting the viability of the fly.

Vaccine for Control of Flystrike
The final report for the first stage of the flystrike vaccine development project has been submitted and is currently being reviewed internally before being made available on wool.com and results published in industry communications. Initial in-vitro (lab) results were positive in reducing larval mass, but the researchers struggled to replicate these in field trials when vaccinated sheep were exposed to flystrike. Investment in further research to better understand how the blowfly larvae react to the vaccine when it is applied to the sheep and to identify better methods of delivery of the vaccine will be critical in producing an effective vaccine against flystrike.

Informed Modelling Blowfly Chemical Resistance
A recent update from NSW DPI on the sampling of blowfly maggots from flystruck sheep continues to indicate that blowfly resistance to the common flystrike chemical treatments dicyclanil and cyromazine is widespread. This information is being used to inform modelling of blowfly chemical resistance by the University of Tasmania to examine management strategies for reducing the effects of blowfly chemical resistance. AWI reminds producers that chemical resistance to blowfly chemical treatments does not mean the chemicals are ineffective, but that the protection period is

likely to be reduced, requiring more regular monitoring of treated sheep, particularly during high-risk flystrike periods.

Sterile Insect Technique for Blowfly Control (SARDI, MLA, AHA and The University of Adelaide)
A mobile modular facility on Kangaroo Island for the mass rearing of sterile sheep blowfly males is now operational. SARDI aims to produce one million flies per week for the first SIT release campaign, due to commence in coming months. During the release fly numbers (both released and wild) will be monitored using flytraps and sheep producers involved in the trial will be recording numbers of sheep affected by flystrike, as well as fly species observed in the maggots collected.

Semiochemicals for Blowfly Control
The project, which commenced recently, is investigating the development of a targeted novel fly lure technology, using a holistic chemical and microbial understanding of flystrike. In other words, it is attempting to understand and take advantage of what it is that attracts flies to certain sheep, such as the presence of fleece rot, and use this in the development of an effective fly trap, luring the blowflies away from susceptible sheep and reducing flystrike risk. Woolgrowers from VIC and NSW have been engaged, screened and cleared under the Deakin University human and animal ethics processes to participate in the project, and interviews and baseline samples have been collected to optimise protocols ahead of the first season (September 2024). There are 3 WA growers interested in the project, with Tasmanian and SA sites still to be identified. The project is co-funded by an ARC Linkage Grant.

Nanotechnology with Tea Tree Oil
Nanotechnology offers a means of providing extended and 'softer' protection of sheep against flystrike. A project has been contracted to design and test unique tea tree oil – nanoformulations with purpose-design release characteristics to give prolonged periods of protection against flystrike, with minimal residues and off-target effect. This project is being delivered with co-funding and or in-kind support from AgriFutures, Main Camp, the largest commercial tea tree oil company in Australia, and the researchers, the Queensland Department of Agriculture and Fisheries and the University of Queensland.

Novel Targets against the Sheep Blowfly
This new project builds on AWI's previous investment in the blowfly genomics program with the University of Melbourne and lays the foundation for continued research relating to blowfly control. The main objective of this research is to identify genes and proteins that, in their own right, could be of use in the development of future blowfly control strategies. These would include novel targets for new insecticide chemistries or biological interventions. This research is expected to progress further under funding from an ARC Linkage Grant. If the application is successful, researchers will work with these identified targets to develop new chemical compounds that impact on early blowfly larval mortality and later on, investigate methods for formulating these compounds into novel flystrike treatments.

AWI AOP 2023/2024 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 (co-funded by AHA) the National

Wild Dog Management Implementation Manager and the Communications Coordinator, as well as associated operational activities for FY25 (funded by a Federal Government Grant).

AWI AOP 2023/2024 Investment Focus: Increase knowledge and tools available to growers to assist them in choosing feedbase options suited to their region and production system.

AWI, MLA and CSIRO have developed a grower-focused guide on ‘Optimising establishment and utilisation of saltbush-based forage systems’. The guide comes out of the recently completed ‘No more gaps with superior shrub systems project’ that was undertaken by CSIRO and co-funded by AWI and MLA. The guide details the benefits of shrub systems, particularly in filling feed gaps, describes how to design a shrub system and ensure successful establishment and outlines sheep nutrition considerations. The guide has gone to print and will be made public in time for saltbush field walks that CSIRO are conducting in Hay and Tubbul in August.

Development of the updated Pasture Picker website is ongoing. AWI have developed a proposal for the re-development to send to other partners of the old Pastures Australia project (MLA, Dairy Australia, GRDC and AgriFutures), that developed the original Pasture Picker website. Australian Eggs and Australian Pork Limited will also be invited to participate in the redevelopment.

AWI AOP 2023/2024 Investment Focus: Increase grower understanding and adoption of best practice management for reproduction efficiency.

Pregnancy scanning extension materials are being finalised by AWI and MLA. These include a short guide for producers, a ewe scanning and management checklist, a cost-benefit analysis factsheet and a reproduction resource catalogue for scanners to distribute to their clients. Case studies will also be developed and included in the campaign. These case studies will showcase wool and sheepmeat producers and scanners for a variety of regions and include producers that have recently transitioned to scanning for multiples. The release of these resources will be highlighted with a joint AWI and MLA media release, a social media campaign and articles in both an upcoming edition of Beyond the Bale and the summer edition of MLA’s Feedback. The pregnancy scanning extension materials will debut new AWI and MLA co-branding guidelines which feature a neutral typeface and palette.

Further delays to the ‘Prioritising lamb survival interventions’ project resulted in the removal of the final milestone, which included the development of extension materials. AWI will pull key messages and results from the final report in the latter half of 2024 and package them into extension materials that include a cost-benefit analysis and a prioritised list of lamb survival interventions, ranked according to their increase in lamb survival per unit of management change with consideration for the cost per unit of management change.

AWI AOP 2023/2024 Investment Focus: Support woolgrowers to increase their overall wool-growing productivity through access to genetics and genomics tools and information.

The Merino Lifetime Productivity (MLP) project recently concluded its 9-year sheep trials with a final field day at the CSIRO Chiswick research site, attended by over 100 sheep producers. The project, which tracked 5,700 ewes from 134 industry AI sires, aims to enhance, at young ages, the predictability of lifetime productivity and woolgrower returns by analysing genetic and production performance across diverse environments.

Key achievements include extensive data collection and the generation of over 2,000,000 data points, contributing significantly to the MERINOSELECT evaluation system. The project has already led to refinements in ASBV trait analysis and index development and has created a valuable Genomic Reference Flock for genomic improvements across all traits at very young ages. Additionally, the MLP sheep have supported a range of add-on projects, assessing feed efficiency, methane, resilience, meat eating quality and survival. The final data analysis is expected to be completed by 2026, will continue to influence Merino genetics and industry practices for years to come.

AWI AOP 2023/2024 Investment Focus: Support woolgrowers to breed for increasing flystrike resistance.

The 2024 independent review of the genetic component of the AWI breech flystrike RD&E program have been delivered with no significant concerns identified by the reviewers. The review along with the 2024 Australian Veterinary Association (AVA) annual audit report is publicly available on wool.com.

Final ClassiFly resources have been completed and StrateFly train the trainers are underway. Both workshops address breeding Merinos with increased resistance to flystrike. (see above).

Early breech flystrike genomic only Research Breeding Values (RBVs) for the New England MLP sires were on display at the New England MLP field day, held on Wednesday 29th May.

AWI AOP 2023/2024 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.

Methane mitigating feed additives for grazing sheep (MERiL)
Researchers have been exploring the most promising methane-mitigating feed additives for grazing sheep as well as any productivity and animal health impacts. The MERiL project "National Sheep Methane Program – a delivery solution for grazing sheep" is progressing, exploring the viability of using a modified feeder with up to 10 outlets, designed to deliver additives to larger flocks of up to 800 animals. Preliminary results are showing that sheep behavioural patterns, including adaptation to the feeder, the daily feeding frequency and number of animals visiting the feeder, are highly influenced by the degree of initial training of animals with the feeder, and the number of available feed outlets. Water-based delivery of additives is also being assessed.

The National Sheep Methane Program partners have applied for the final MERiL grant round, seeking a further $3 million from the Australian Government to progress assessment of the efficacy and delivery of sheep feed additives that both abate methane and increase productivity.

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. A key goal of this project is to identify credible and cost-effective metrics to enable farmers to

promote their on-farm natural capital and environmental performance over time, especially metrics most relevant to sustainability and climate resilience.

Consultation with woolgrowers, brokers, buyers, brands and third-party certification bodies has been undertaken to understand the industry's needs and address any barriers in relation to measuring and reporting on-farm environmental performance. There has been broad support for the core, outcome-based measures of environmental performance listed in the table below.

Core metrics

It is proposed that Nature Positive Farming be measured using the following core metrics.

Ground observations	Remote sensed	Future remote sensed	Farm m'ment data

Metric	Measure	Reporting timeframe
Ecological condition	Extent and degree of land cover modification based on underlying State and Transition models: proxy for species habitat	3-5 years
Pasture condition	Condition of forage resources across the farm	3-5 years
Soil condition/ground cover	Ground cover is used as a proxy for soil condition	Annually (5 yr av)
Tree cover	Extent of canopy cover	3-5 years
Tree Aggregation	Distribution of woody vegetation (native & exotic) across farm	3-5 years
Tree Shade and Shelter (proximity)	Extent of productive land with summer shade or winter wind shelter	3-5 years
GHG sequestration	Carbon stored on farm	3-5 years
Aquatic condition (metric needs work)	extent to which riparian and wetland areas are vegetated	3-5 years
Biodiversity management index (BMI)	Degree to which a farm is managed in a biodiversity positive way (Habitat extent, Riparian/Wetland with native veg), Heterogeneity of land-cover types, Grazing pressure, Intensity (fertiliser, pesticide and water use)	3-5 years
Net GHG balance	Scope 1, 2 & 3 emissions minus woody sequestration	Annually (5 yr av)
Water Use Intensity	Water used in production	Annually

AGRITECHNOLOGY

AWI AOP 2023/2024 Investment Focus: Invest in innovative solutions targeting wool harvesting alternatives to improve shearer and or animal welfare and increase shearing efficiency.

Researchers from the University of Adelaide continue to test for the most effective biological agent that creates the weakened zone. AWI is now investing in the second phase of the project which is the development of a way to harvest the weakened wool, i.e. a device that applies a force to separate the wool from the body of the sheep. The development of such a harvesting system is a significant challenge, especially the development of a fully automated system to address the full range of different harvesting components including sheep delivery, positioning and restraint; removal of wool; sheep release; in-shed wool processing; and wool pressing. Four projects have been contracted, all including clear Go/No-Go points linked to whether the researchers achieve significant milestones. This includes an early Go/No-Go point involving wool removal prototypes being tested later this year on treated sheep provided by the University of Adelaide.

AWI Woolgrower Industry Consultation Panel

4.2 RESEARCH UPDATE

August 2024

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.

<u>EU PEF (Product Environmental Footprint)</u>

Wool industry participants were encouraged to respond strongly to the EU's final public consultation on the flaws of PEF methodology and certainly did so.

Notwithstanding the need for a "black belt in passwords and apps" to use the EU's consultation portal, more that 80% of the 293 responses were from natural fibre industries and especially wool.

The level of response would likely have been considerably higher if the EC had been transparent about the results PEF will deliver. Unfortunately, it could not be detected from the source documents that this tool will deliver green labels for polyester and red for animal fibres, thereby promoting the growth in fast fashion and increasing the release of microplastics and plastic waste into the environment.

We have since inquired about the Commission's timeline for responding to the substantive concerns that were raised and were advised "We will carefully read all these comments in the coming weeks and they will feed the revision of the Recommendation 2021/2279 (the EF methods) that will take place in the coming months."

<u>French Ecobalyse Rating scheme</u>

AWI is now focussing effort on the French Ecobalyse rating scheme scheduled for adoption before PEF. The French are more open to methodology improvement that will actually deliver French/EU environmental policy goals.

PEF has been acknowledged as imperfect for textiles and the EU has accepted that other credible schemes may operate in parallel with it. We are seeking to help make Ecobalyse that credible alternative to PEF and have:

- provided AWI's higher quality wool LCA datasets to France on 20th June
- submitted proposals for methodology improvement on 5th July

These proposals specifically target accounting for fast fashion and avoiding unintended collateral damage to natural fibre industries.

With Ecobalyse going first on mandatory labelling it has the advantage of precedence, and its methodology may positively influence PEF methodology development.

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.

Pathways to low emission sheep

Drafts have been received for the two research papers arising from this project:

- Modelling the Australian sheep industry's GHG emissions from 2005 to 2023.
- Assessing the most effective interventions that woolgrowers as well as the broader wool industry can take to reduce net emissions.

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.

Generating a test protocol to measure garment breathability in dynamic sports

This project is providing a robust evidence-base for promoting wool's advantages to the active outdoor market over coming years.

Wool's performance relative to other fibres through multiple stop-go cycles of sport has now been completed, showing:

- Wool provides more thermal stability than other fibre types by effectively buffering temperature change during both the activity and resting phases.
- Polyester and cotton deliver rapid evaporative cooling during the resting phases which results in athletes experiencing uncomfortable 'after-chill' impacts.
-

Work remains to finalise the proposed changes to the ISO11092 Test Method to enable these attributes to be objectively measured, thereby enabling brands to contrast wool's performance relative to other fibres.

The draft journal paper has been received.

AWI Woolgrower Industry Consultation Panel

4.3 WOOL HARVESTING UPDATE

August 2024

TRAINING DAYS / CATEGORIES

This current 23/24 financial year AWI has trained & up skilled **4935** participants. With a total of **2181** training days to deliver this training.

Training Type	Number of People Trained
In Shed shearer training	1996
In Shed wool handler training	662
Industry workshop	235
Novice schools	518
Improver Shearing	245
Wool Handling workshops	16
TOTAL	**3672**

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

High school workshops	446
Expo career days	817
TOTAL	**1263**

DESCRIPTION OF ACTIVITIES

Activity	Description
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 in a practical one-day workshop 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	Introducing school students to the skills needed 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.

4.3

AWI Woolgrower Industry Consultation Panel

4.3 WOOL HARVESTING UPDATE

August 2024

PARTICIPANTS TRAINED 23/24 Financial Year (Year-to-date)

- **TOTAL PARTICIPANTS TRAINED** with **4935** working in industry & upskilled year-to-date.
- **EXISTING WORKERS TRAINED** with **2807** 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 **865** participants trained at an AWI novice school or 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 1263** participants trained are school students, with AWI offering one day high school practical workshops & attending expos/career days.

TRAINING CATEGORIES

4935 participants trained by AWI 23/24 Financial Year

In-Shed Shearer Training	1,996
In-Shed Wool Handler Training	662
Novice Schools	518
Industry Workshops	245
Improver Shearing Training	235
Wool Handling Workshops	16
Expos/Career Days	446
High School Workshops	817

4.3

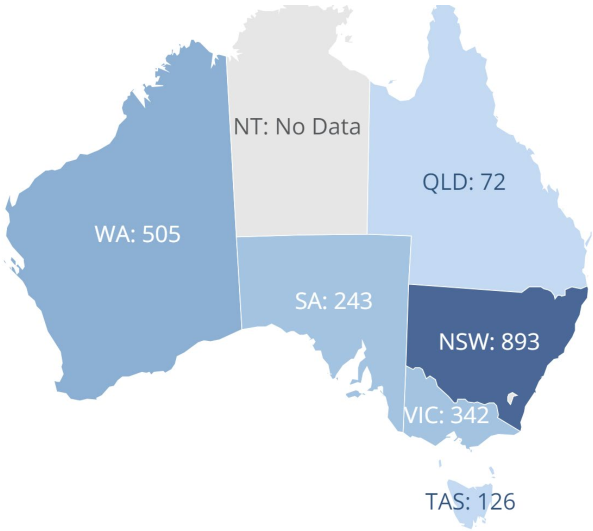
AWI Woolgrower Industry Consultation Panel

4.3 WOOL HARVESTING UPDATE

August 2024

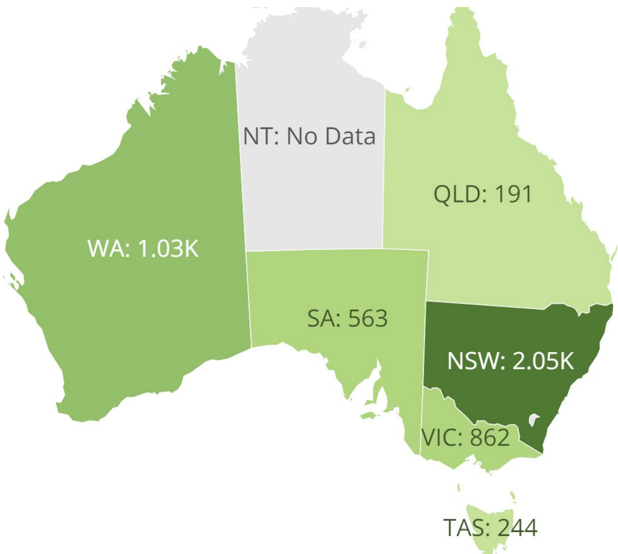
TRAINING DAYS (Per State)

2181 training days delivered by AWI 23/24 Year to date**.**



PARTICIPANTS TRAINED (Per State)

4935 participants trained by state AWI 23/24 Year to date**.**



4.3

AWI Woolgrower Industry Consultation Panel

4.3 WOOL HARVESTING UPDATE

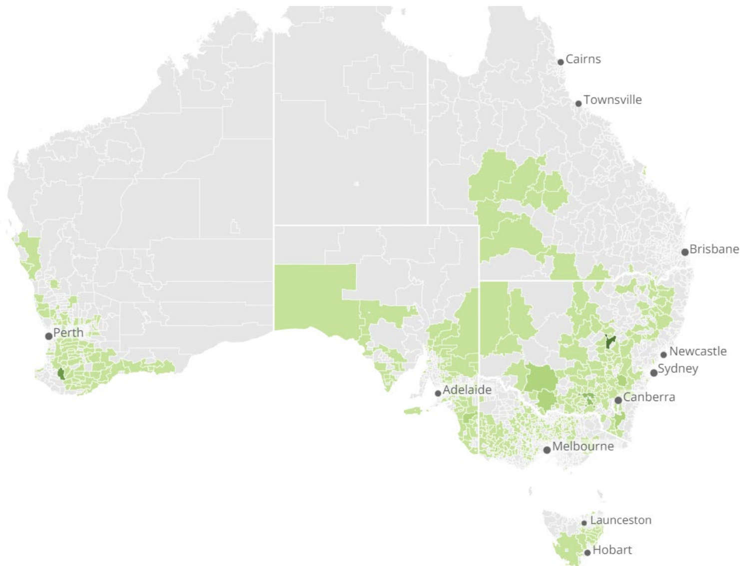
August 2024

INDUSTRY TRAINED (no schools students)

Training Distribution by Industry Tailored Activity

Activity Type	**Number of People Trained**
In Shed Shearer Training	1,996
In Shed Wool Handler Training	662
Novice Schools	518
Industry Workshops	245
Improver Shearing Training	235
Wool Handling Workshops	16
TOTAL	**3,672**

Total Shearer and Wool Handlers Trained by Postcode 2023/24 FY



AWI Woolgrower Industry Consultation Panel

4.3 WOOL HARVESTING UPDATE

August 2024

State by State Training Days Funded by AWI 2023/24 FY

State	Number of People Trained	Number of Training Days	Days by State (%)
NSW	2,048	893	40.9
WA	1,027	505	23.2
VIC	862	342	15.7
SA	563	243	11.1
TAS	244	126	5.8
QLD	191	72	3.3
TOTAL	**4,935**	**2,181**	**100**

Participants Trained by Country of Origin

Country	Number of People Trained
Australia	2,449
New Zealand	28
England	3
Wales	3
USA	2
Ireland	2
Northern Ireland	2
France	1
New Caledonia	1
Austria	1
Falkland Islands	1
TOTAL	**2,493**

Note: 98% of people trained were from Australia with all others trained as wool handlers or shearers with an in shed visit from an AWI trainer.

AWI Woolgrower Industry Consultation Panel

4.3 WOOL HARVESTING UPDATE

August 2024

Trainers Consistency Workshops

WA Trainers Workshop

The AWI trainers workshop held at Narrogin Agricultural College in late June was well received, we had all but one trainer attend the two day consistency workshop. Director Neil Jackson attended half of the first day and all involved appreciated this opportunity. Efforts were made around consistency, terminology & quality of training.

The plan for delivery of all categories of training was discussed with emphasis on the spring & summer program to focus on in shed wool handling for new entrants and in shed shearer training for improved quality of the sheep being shorn.

SCAA/AWI/EWIT Consistency Workshop

A consistency workshop was held at Telopea Downs, Victoria with the Shearing Contractors Association of Australia (SCAA) training arm. SCAA is contracted by AWI to deliver the training funded by AWI in VIC, SA & TAS. AWI and Elite Wool Industry Training (EWIT from New Zealand) came together to run the two-day consistency workshop focused on AWI in shed training. There were 24 trainers including 6 future trainers, all very good shearers looking to cut their teeth in the training side of the business.

Representatives from EWIT, Tom Wilson & Dion Morrell, made the trip over to assist in the exchange of training and patterns for various types of sheep. We expect quite a big influx of NZ shearers in the spring, especially to the southern states and it was good to go through some of the expectations that needed to be addressed as an in shed shearer training day for these overseas shearers.

LEARNER TOOLKITS

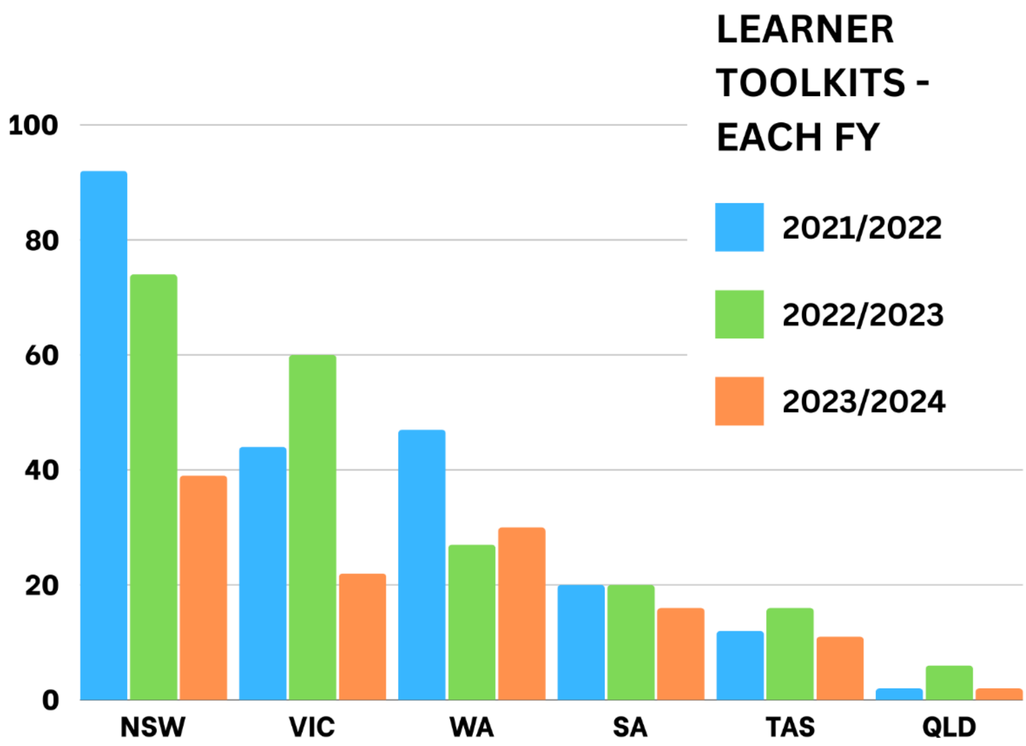
There are still a reasonable and sustainable number of eligible recipients receiving AWI-funded Learner Toolkits, with 120 issued in the 23/24 FY (see below up-to-date figures) however, there is less opportunity than in the last few years. There is still a 100% retention rate for the learner toolkit recipients for this financial year.

A total of 540 learner toolkits have been provided for new entrant learner shearers since the start of the initiative, (past 3 financial years) with an average retention rate of 96.5% retained and working full time as a professional shearer. 19 of the 540 shearers have left the industry or have been pulled into wool handling or pressing.

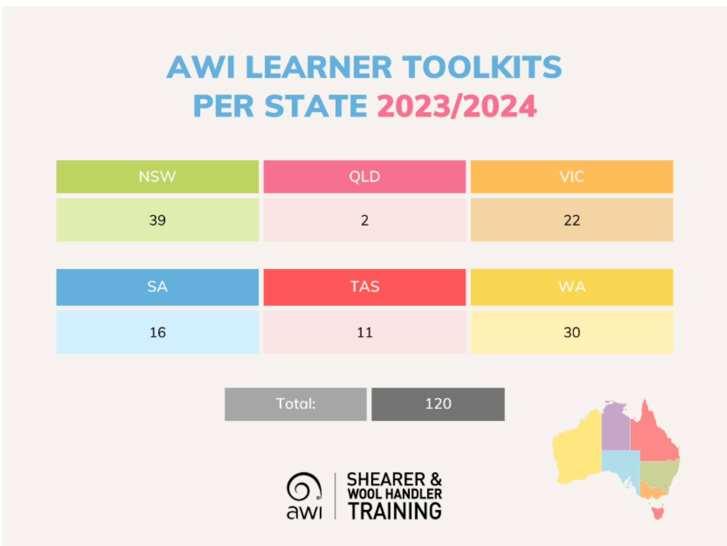
AWI Woolgrower Industry Consultation Panel

4.3 WOOL HARVESTING UPDATE

August 2024



Learner Toolkits 2021/21 = **217** 2022/23 = **203** 2023/24 = **120**



AWI Woolgrower Industry Consultation Panel

4.3 WOOL HARVESTING UPDATE

August 2024

SHEARER & WOOL HANDLER TRAINING

3 MONTH TRAINING SCHEDULE

DATES	COURSE	LOCATION	STATE
01 - 05 July	NOVICE SCHOOL	PININDI	SA
01 - 05 July	NOVICE SCHOOL	MANANGATANG	VIC
8 - 12 July	IMPROVER	COOINBIL	NSW
08 - 12 July	NOVICE SCHOOL	OMEO	VIC
15 - 26 July	NOVICE SCHOOL	WALBUNDRIE	NSW
22 - 26 July	IMPROVER	TELOPEA DOWNS	VIC
22 - 26 July	NOVICE SCHOOL	NORTHAMPTON	WA
29 July - 2 August	IMPROVER	FINGAL	TAS
5 - 9 August	NOVICE SCHOOL	FINGAL	TAS
5 - 9 August	NOVICE SCHOOL	WYCHEPROOF	VIC
5 - 9 August	NOVICE SCHOOL	KAROONDA	SA
21 - 23 August	IMPROVER	YOUNG	NSW
19 - 23 August	IMPROVER	KI KI	SA
August	HIGH SCHOOL WORKSH	LAKE GRACE	WA
August	IMPROVER	LAKE GRACE	WA
August	WOOL HANDLING	LAKE GRACE	WA
2 - 13 Sept	IMPROVER	COOINBIL	NSW
09 Sept – 13 Sept	NOVICE SCHOOL	YORKE PENINSULAR	SA
09 - 13 Sept	NOVICE SCHOOL	WEDDERBURN	VIC
23 Sept – 27 Sept	NOVICE SCHOOL	ROSEWORTHY CAMPUS	SA

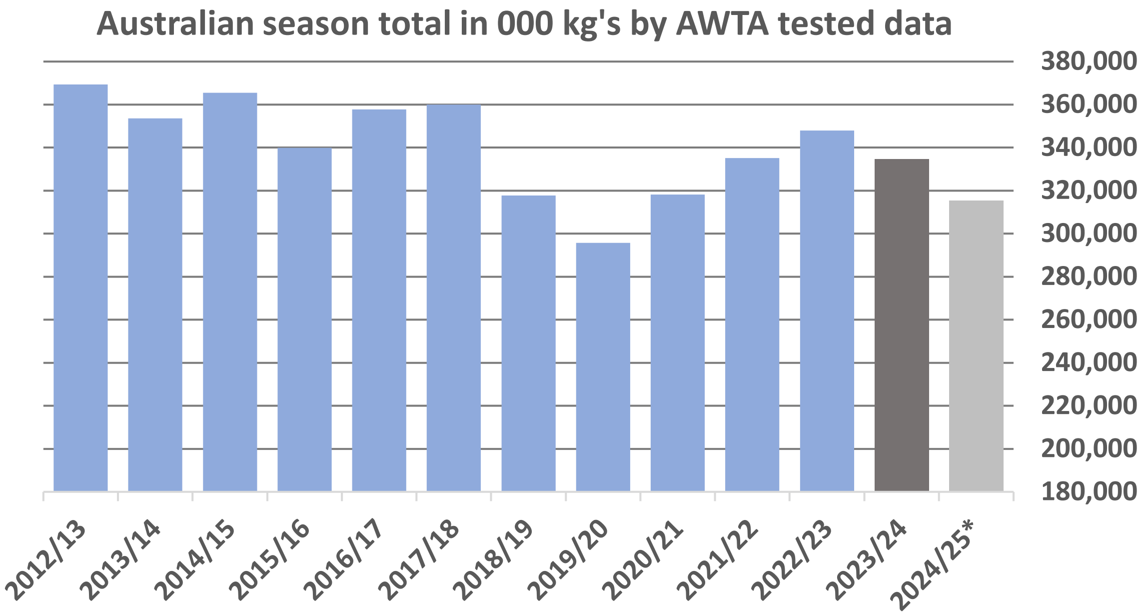
AWI Woolgrower Industry Consultation Panel

4.4 MARKET ANALYTICS UPDATE

August 2024

PRODUCTION – AWTA KEY TEST DATA

AWTA LTD tested 334.7mkg (million kilograms) for this past season compared with 348.0mkg for the previous full season – a 3.8% drop in production by tested wool figures. Given the AWPFC initial forecast of a 5.8% drop in production for the 2024/25 season, this extrapolates the AWTA KTD to hit around 315mkg next season.



NSW leads the shortfall at 4.4% lower percentage than last season which is a 5.6mkg loss. WA dropped a higher percentage rate (7.3% down) of their last season's production, at slightly less kgs, but still at a substantial 5mkg loss.

AWTA KTD Weight Tested by State (June 2024)

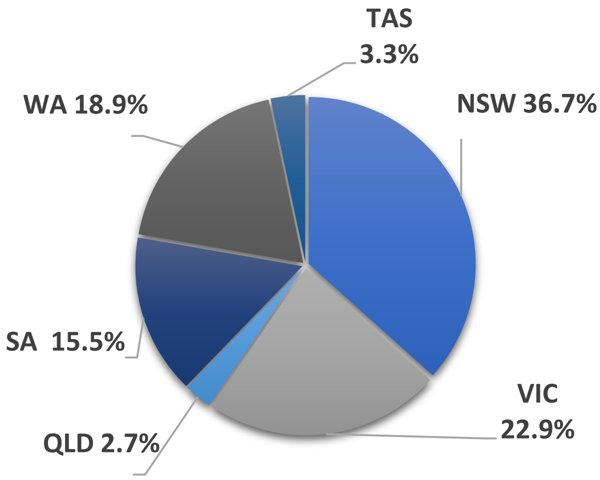
State	2023/24 (mkg)	2022/23 (mkg)	Difference (mkg)	Difference (%)
New South Wales	122,691	128,351	-5,660	-4.41
Victoria	76,629	79,632	-3,003	-3.77
Queensland	8,992	10,707	-1,715	-16.02
South Australia	51,921	49,525	2,396	4.84
West Australia	63,338	68,358	-5,020	-7.34
Tasmania	11,130	11,435	-305	-2.67
TOTAL	**334,701**	**348,008**	**-13,307**	**-3.82**

Queensland's production by AWTA KTD was 16% lower than last season. South Australia was the only state to record an increase at 4.8% or 2.4mkg. This shifted the SA contribution of the clip to 15.5%, up from 14.2% in the 20-22/23 season.

NSW remained the dominant wool producing state and provided well over a third at 36.7% of the national volume by weight of wool tested for the 2023/24 season.

Despite the NSW drop in weight tested, that is a similar percentage to the 36.9% that NSW recorded the previous season.

WA fell to 18.9% of the clip after making up 19.6% of last season's total.



Season Production by State 2023/24

VOLUME BY AUCTION THROUGHPUT

Wool selling at auction at the end of the 2023/24 selling season has seen:

- **Offered 1,797,792** bales (approx. 321.8mkg greasy) at auction compared to the **1,850,110** bales (approx. 331.2mkg) offered through the selling season last year. That is **52,318** bales (approx. 9.4mkg) **less** or **2.8% less** wool offered.

- **Sold 1,659,497** bales (approx. 297.1mkg greasy) at auction this season compared to the **1,607,799** bales (approx. 259.8mkg) sold last season. That is **51,698** bales (approx. 9.3mkg) **more** or **3.22% more** wool sold.

- **Clearance** at auction rates this season was **92.3%** nationally of all wool offered sold compared to the **86.9%** cleared over the period of the 2022/23 season. Whilst offerings were down slightly, more wool was sold. The selling intent of growers was also far more prevalent and saw an improvement rate of **6.2%** of wools being offered being sold.

- Sold **A$ 2.24** billion through the auction system compared to the **A$ 2.42** billion last season, a fall in gross raw wool value of approximately **A$ 180** million for the past year.

2023/24 Season Summary of Exporter/Buyer Purchasing at Auction

Week 52

NATIONAL Weekly Buyers List

www.awex.com.au

Wednesday, 26 June, 2024

AWEX

we know wool

	Auction Buyer (lo sale)	Week 52 AU MFLC	Week 52 AU XBFS	Week 52 AU MSKT	Week 52 AU ODDS	Week 52 AU ALL	Week 52 NZ	Week 52 ALL	Season to Date AU MFLC	Season to Date AU XBFS	Season to Date AU MSKT	Season to Date AU ODDS	Season to Date AU NORTH	Season to Date AU SOUTH	Season to Date AU WEST	Season to Date AU ALL	Season to Date NZ	Season to Date ALL	%
1	Techwool Trading	2,636	805	836	424	4,701		4,701	147,611	48,337	51,028	22,909	75,144	142,884	51,857	269,885	6,633	276,518	16.4%
2	Endeavour Wool Exports	1,759	271	1,026	419	3,475		3,475	103,468	27,305	50,301	19,235	71,030	91,218	38,061	200,309	337	200,646	11.9%
3	Tianyu Wool	3,568	179	967	18	4,732		4,732	117,878	7,790	34,378	3,202	59,138	55,239	48,871	163,248	2,563	165,811	9.9%
4	PJ Morris Wools	3,018		73	14	3,105		3,105	124,594	611	3,361	2,392	19,437	52,556	58,965	130,958		130,958	7.8%
5	Fox & Lillie	1,978	296	347	352	2,973		2,973	62,937	15,637	13,839	19,823	32,816	79,205	215	112,236	365	112,601	6.7%
6	Pelican Australia	995	956	60	43	2,054		2,054	35,139	68,181	3,715	2,978	14,789	95,224		110,013		110,013	6.5%
7	Australian Merino Exports	726	153	321	138	1,338		1,338	48,551	15,512	26,328	12,839	34,910	63,477	4,843	103,230	2,309	105,539	6.3%
8	United Wool Company	529	234	215	606	1,584		1,584	19,879	24,830	13,835	31,740	8,400	73,950	7,934	90,284	141	90,425	5.4%
9	Sequoia Materials	1,991	29	421	105	2,546		2,546	57,411	46	13,732	5,212	30,496	29,802	16,103	76,401	1,225	77,626	4.6%
10	Meliwa	466		121		587		587	65,151	122	1,756	11	19,569	28,865	18,606	67,040		67,040	4.0%
11	Modiano Australia	63	144	35	18	260		260	12,973	21,704	5,283	1,091	12,494	28,557		41,051	3,700	44,751	2.7%
12	Kathaytex Trading		307			307		307	337	28,741	105	925	18,000	10,359	1,749	30,108		30,108	1.8%
13	Michell Wool	25	69	17	504	615		615	1,952	9,332	604	16,141	10,078	12,222	5,729	28,029		28,029	1.7%
14	Natsun (Nanshan)	69				69		69	26,775	117	31	4	10,982	15,945		26,927		26,927	1.6%
15	G Schneider Australia	684	53	28	1	766		766	18,251	4,087	1,688	746	14,339	10,409	24	24,772	905	25,677	1.5%

PRODUCTION - FIBRE DIAMETER

Fibre diameter is the primary influencer of price returns. The seasonal data shows the trend in wool growing enterprises quite clearly, as growers target the higher price superfine wool production zone, whilst anecdotally trying to retain cut/ha.

Seasonal testing data shows distribution of the national clip is enlarging predominantly at the finest end of the merino spectrum, which in theory, is good for total clip value and GDP from wool exports.

Production gains of 7.4% have been recorded year on year on the super fine and ultra fine Merino (less than 18.5micron) wool types. This is the only wool sector where gains have been registered.

AWTA KTD Weight Tested by Micron (June 2024)

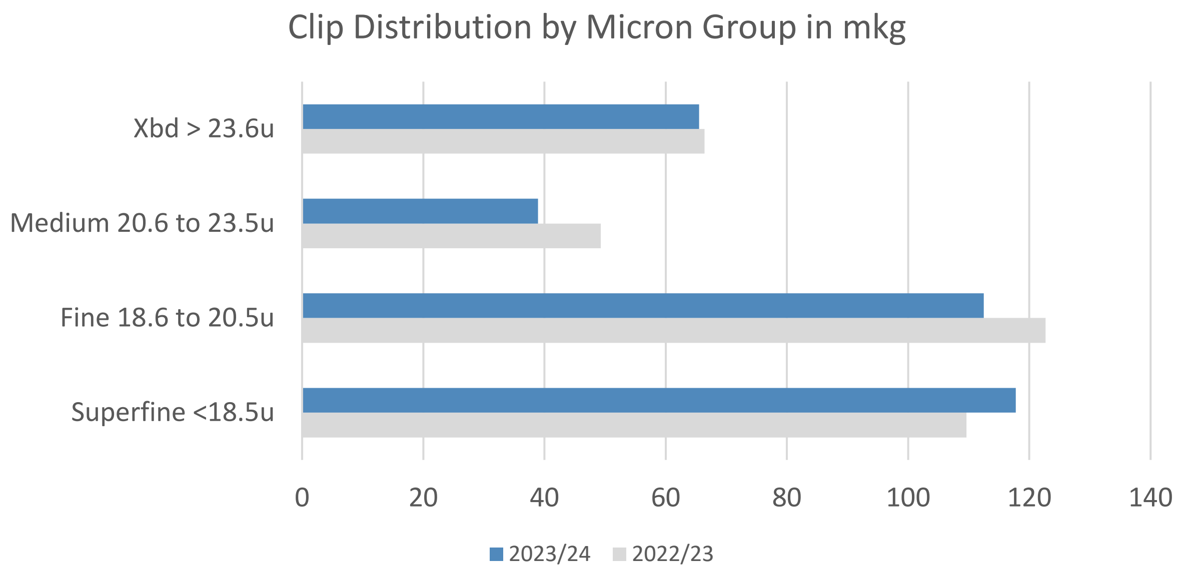
Micron (u)	2023/24 (mkg)	2022/23 (mkg)	Difference (mkg)	Difference (%)
Superfine (<18.5)	117.78	109.63	8.15	**7.43%**
Fine (18.6 to 20.5)	112.49	122.68	-10.19	**-8.30%**
Medium (20.6 to 23.5)	38.91	49.30	-10.39	**-21.08%**
Xbd (> 23.6)	65.51	66.40	-0.89	**-1.34%**

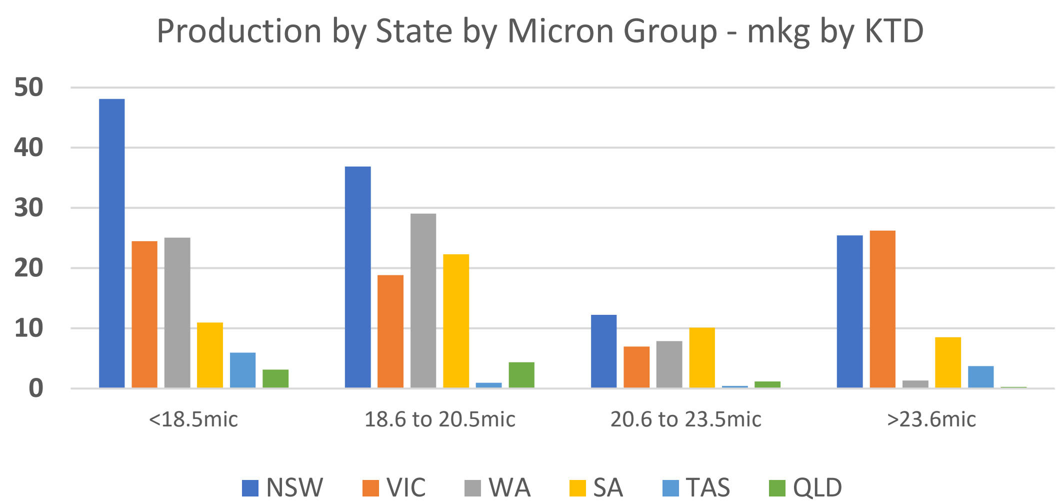
The largest loss of wool type production has been in the Medium wool sector between 20.6 and 23.5 micron, which has seen its percentage share of the clip drop by **21.1%** year on year. By weight though the loss is equivalent to the fine wools drop in production which is a touch over 10mkg in each wool fibre diameter sector.

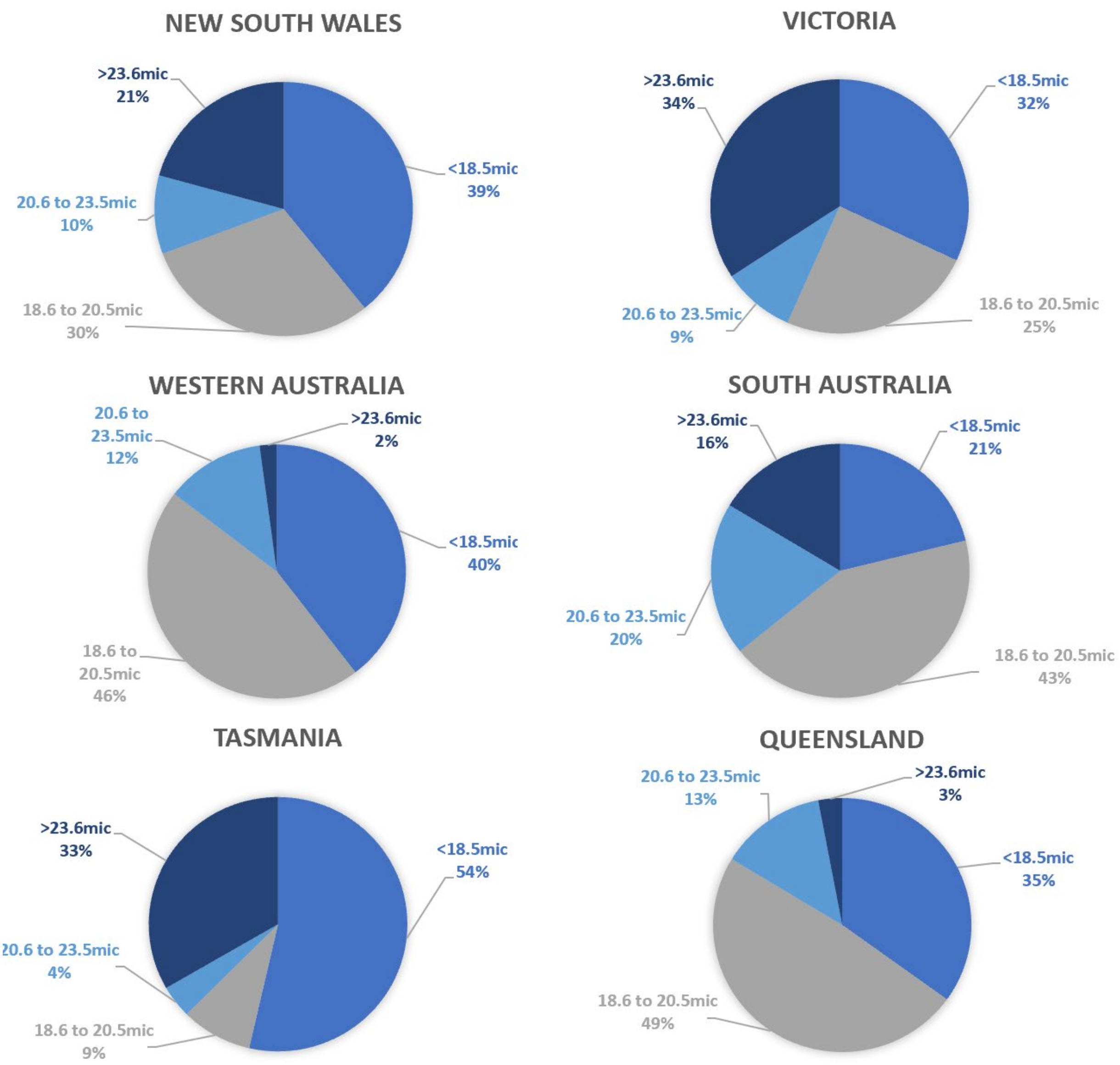
The broadest -generally crossbred- wools of greater than 23.5micron have decreased by **1.3%** season to season, although the percentage share of the clip of crossbred grew from 19% to 19.6%.

In wool production terms, Wools finer than 23.6 micron are 80.7% of the national volume tested and the broad wools greater than 23.5micron make up 19.3% of the national clip for the 2023/24 season.

In sheep terms though, that percentage would be more favourable to the crossbred breed, as the determination of wool cuts are substantially lower than Merino, so more crossbred sheep are needed to produce same wool content against each Merino animal.







PRICE – EMI

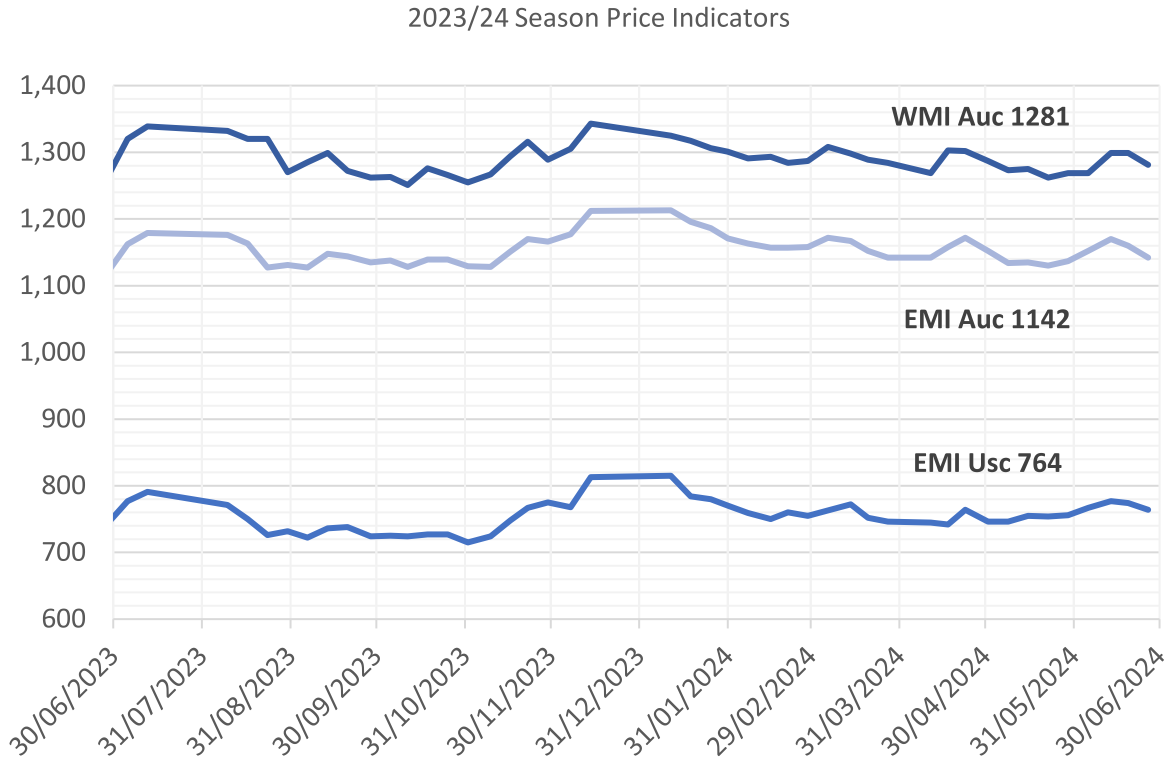
The past season could only be described as average, with possibly one of the least fluctuating price ranges seen in many years.

The low of the season was at the commencement being 1126ac, with the top weekly closing EMI of 1213ac in the first week of the new 2024 calendar year. This was an intra seasonal difference of just 87ac, with a trading range of just 3.8% around the mean. Just two weeks straddling December 2023 and January 2024 had weekly closing levels above the 1200ac mark on the EMI.

The just past seasonal average of 1155ac was underwhelming. Put in context, the average was 39ac lower than the covid affected season of 2020/2021 of 1193ac/clean kg. The past 12 months is also the lowest season average since the 2014/15 season.

- The 2023/24 season has seen the Eastern Market Indicator (EMI) in AUD appreciate from 1126ac/clean kg to conclude at 1142ac/clean kg. This is an intra seasonal gain of16ac/clean kg or **1.42%** in Australian dollar terms. The season averaged an AUD EMI of **1155ac/clean kg.**

- The USD EMI has gained 16usc/clean kg from 748usc/clean kg at the start of the season in July 29023 to conclude at 762usc/clean kg in June 2024. This is a seasonal gain in USD of 16usc or **2.14%,** slightly outperforming the Australian dollar value gain. The season averaged a USD EMI of **755usc/clean kg.**



- The 2023/24 season has seen the Western market indicator (WMI) in AUD gain 9ac/clean kg to **1281ac/clean kg** after opening the selling year at 1271ac/clean kg. This is an intra seasonal gain in the AUD WMI of **0.79%.** The AUD WMI averaged **1291ac/clean kg** for the season.

PRICE – MERINO BY MICRON

Prices measured by the USD EMI has seen price degradation for the season greatest within the Merino sector and at the finest end. Prices have depreciated by over 12% for the 16 to 17micron and most exclusive quoted end of the Merino segments.

Super fine Merino 17 to 18.5micron wools were an average of 7.9% cheaper from start to end of the season, whilst fine wool merino wools charted 5.5% lower by the conclusion of the season.

At the other end, the broader than 20 micron types have held on much better to their values and whilst disappointing, these wools recorded a loss of value of 3% since July 2023.

Highlighting the depressed state of the finest wools, the price gaps for 16.5 micron against 20 micron was around 46% at the start of the season, but that price differential is now 32.3%.

US dollar	16.5 mic	17 mic	18 mic	19 mic	20 mic	21 mic
Jul-23	$ 13.64	$ 12.65	$ 10.89	$ 9.97	$ 9.33	$ 9.06
Aug-23	$ 12.78	$ 11.85	$ 10.18	$ 9.26	$ 8.75	$ 8.52
Sep-23	$ 12.36	$ 11.13	$ 9.89	$ 9.15	$ 8.53	$ 8.30
Oct-23	$ 11.53	$ 10.75	$ 9.62	$ 8.89	$ 8.38	$ 8.24
Nov-23	$ 12.02	$ 11.32	$ 10.11	$ 9.64	$ 8.63	$ 8.54
Dec-23	$ 13.30	$ 12.66	$ 11.05	$ 10.38	$ 9.24	$ 9.00
Jan-24	$ 13.49	$ 12.57	$ 10.97	$ 9.73	$ 9.05	$ 8.82
Feb-24	$ 12.30	$ 11.60	$ 10.30	$ 9.21	$ 8.71	$ 8.61
Mar-24	$ 12.14	$ 11.43	$ 10.17	$ 9.33	$ 8.82	$ 8.63
Apr-24	$ 11.83	$ 11.17	$ 10.02	$ 9.30	$ 8.86	$ 8.62
May-24	$ 11.76	$ 11.17	$ 9.97	$ 9.25	$ 8.87	$ 8.63
Jun-24	$ 11.96	$ 11.39	$ 10.24	$ 9.43	$ 9.04	$ 8.77
$/kg +/-	-$ 1.68	-$ 1.25	-$ 0.65	-$ 0.54	-$ 0.29	-$ 0.29
	-12.3%	-9.9%	-6.0%	-5.4%	-3.1%	-3.2%

PRICE – CROSSBRED BY MICRON

In comparison to the entire Merino sector, the crossbred wool types have maintained a steady price recovery since the start of the season - albeit from a very poor, low price basis.

All crossbred wool types by percentage have recorded gains of between 15 and 20%, far outstripping the value position change in the season for all other types and descriptions.

The season closing quotes were at or very close to the seasonal highs of October for the finer crossbreds.

October and February saw the 32 micron types average over 2 usd/kg for the month, which the season closing basis almost matches.

US dollar	28 mic	30 mic	32 mic
Jul-23	$ 2.15	$ 1.94	$ 1.72
Aug-23	$ 2.19	$ 2.02	$ 1.67
Sep-23	$ 2.35	$ 2.20	$ 1.84
Oct-23	$ 2.46	$ 2.32	$ 2.00
Nov-23	$ 2.30	$ 2.17	$ 1.99
Dec-23	$ 2.33	$ 2.15	$ 1.96
Jan-24	$ 2.35	$ 2.19	$ 1.95
Feb-24	$ 2.36	$ 2.20	$ 2.01
Mar-24	$ 2.34	$ 2.21	$ 1.95
Apr-24	$ 2.32	$ 2.16	$ 1.93
May-24	$ 2.35	$ 2.19	$ 1.89
Jun-24	$ 2.56	$ 2.29	$ 1.98
$/kg +/-	$ 0.41	$ 0.35	$ 0.26
	19.1%	18.2%	15.3%

EXPORT DESTINATIONS FOR AUSTRALIAN WOOL 2023/24 SEASON

With just a month left of data from the ABS (Australian Bureau of Statistics) to be added, the May 2024 export figures for the 2023/24 season has seen the Chinese Import of Australian wool grow even further to **86.4%** for the current season.

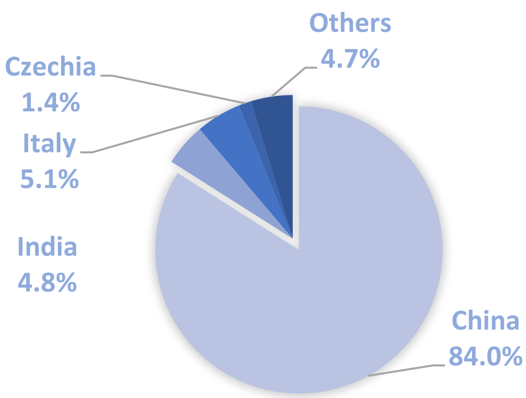
On a percentage basis, this means that China has increased its market share of the Australian clip by **4.6%** by volume year on year thus far.

China's share in dollar value of that import dominance falls to a still very healthy **84.0% o**f the total export dollars. Last full season saw **78.8%** of value being exported to China, so the growth is much greater in dollars earnt from China for Australian exports of wool at **6.6%** more of the total value.

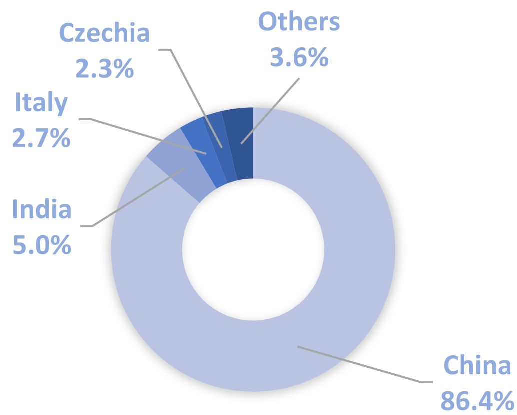
Whilst Italy's volume share is very low at just 2.7% historically that grows to 5.1% of the value when looking at export earnings.

It is still quite a disappointing figure when the earnings from the Italian import are usually well above 12% of the export value of the Australian clip.

India has imported around 5% of the clip by both volume and value. Exports to Czechia (100% Modiano) are heavily weighted towards crossbreds so the volume figure sits well above the dollar value.



imports by $value - abs data



imports by volume - abs data

For the current season, Australia has exported 96.3% of weight of wool in the greasy, raw form. 1.2% is scoured wool and 2.5% carbonized.

There are a total of 13 countries that receive greasy wool, but in a commercial sense, that destination list drops to 6 significant and viable users given our volumes produced.

29 countries have received exports from Australia this current season in all wool forms – either greasy or semi processed.

Export Destinations by Wool State

	Country	Greasy	Scoured	Carbo
1	China	✓	✓	✓
2	India	✓	✓	✓
3	Italy	✓	✓	✓
4	Czechia	✓		
5	South Korea	✓		✓
6	Thailand		✓	✓
7	Egypt	✓		
8	Bulgaria	✓		
9	United Kingdom	✓	✓	✓
10	Germany		✓	✓
11	United Arab Emirates		✓	
12	Japan	✓		✓
13	USA	✓	✓	✓
14	Turkiye		✓	✓
15	Spain		✓	✓
16	Mexico			✓
17	South Africa			✓
18	Vietnam			✓
19	Mauritius			✓
20	Pakistan			✓
21	Singapore	✓		
22	Portugal		✓	✓
23	Iran		✓	
24	Tunisia			✓
25	Uruguay	✓		
26	New Zealand	✓		✓
27	Lithuania		✓	
28	Taiwan			✓
29	Myanmar			✓

AWI Woolgrower Industry Consultation Panel

4.5 FINANCE UPDATE

August 2024

The figures below are the **draft** figures for the year ending 30th June.

REVENUE

Source	FY2023/24 '000's	FY2022/23 '000's	Budget 2023/24 '000's
Wool Levy	36,491	40,412	39,000
Government Contributions	14,209*	15,263	14,300
Woolmark Licensing	5,612	5,120	5,001
Investment Income	3,475	2,509	1,813
Other Income	2,763	1,856	457
Total Income	**62,550**	**65,160**	**60,571**

The year-on-year revenue is highlighting the reduction in wool levy received, offset by an increase in investment income.

*The Government contribution is an estimate as at the time of preparing the accounts the declaration had not been made.

EXPENDITURE

Source	FY2023/24 '000's	FY2022/23 '000's	Budget 2023/24 '000's
Marketing	28,795	40,883	30,321
Sheep Production	12,030	13,715	12,709
Industry Development	6,092	7,530	6,982
Market Analytics	4,392	5,112	5,294
Consultation	3,856	3,983	4,697
Support & Admin	10,772	10,643	11,256*
Total Expenditure	**65,937**	**81,866**	**71,259**

*Includes AUD $1.5 of project-related costs.

The expected loss after interest and tax for 2023/24 FY is AUD $4,270.

AWI Woolgrower Industry Consultation Panel

4.6 MARKETING UPDATE

August 2024

MARKETING PLANNING FOR 2024/25 FY

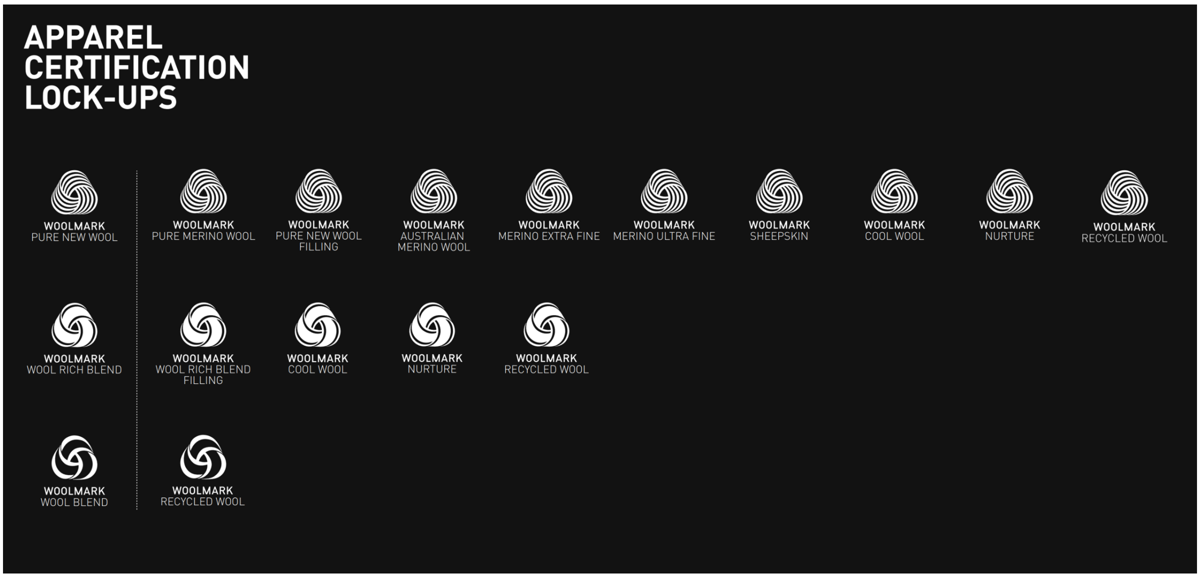
Project and budget planning is well advanced with 75% of the budget approved and projects in development. This allows for flexibility to pursue additional unforeseen opportunities that are of material value.

BRAND PLAYBOOK

A new brand playbook has been developed to streamline the Woolmark branding strategy and address low brand familiarity amongst consumers. Familiarity is achieved through consistency and can lead to improved brand equity.

Key updates include:

- Reintroduction of the original 'Woolmark' logo for marketing uses.
- Removal of 'The Woolmark Company' logo for consumer and trade facing marketing. To be used on corporate collateral only.
- Addition of the word 'Woolmark' on all ticketing and labelling collateral.



CERTIFIED BRAND COLLABORATION SWING TAG EXAMPLE

The relevant certification logo should be used on swing tags and sew-in labels.

INTERNATIONAL WOOLMARK PRIZE

Applications for the 2025 International Woolmark Prize are now closed. We received 321 applications, a 39% increase YoY. The finalists will be contacted in August to commence their IWP journey. After conducting an analysis of potential locations for the final event, the final will be held in Milan in March/April 2024. We are assessing opportunities to align with Milan Fashion Week or hosting the event off-schedule.

WEAR WOOL NOT FOSSIL FUEL CAMPAIGN

The Wear Wool Not Fossil Fuel campaign will be re-run in Australia during the Olympic Games coverage from 12-6 pm, targeting swimming coverage on channel 9, Gem and OnDemand to align with the winter selling season.

WEAR WOOL NOT WASTE CAMPAIGN

The Wear Wool Not Waste Campaign will launch 28th Sep in Australia, NYC, London and Paris across connected TV, YouTube, TikTok and select cinemas until late October.

AWI Woolgrower Industry Consultation Panel

4.7 PIEE UPDATE

August 2024

DISCOVER AG

The Royal Agricultural Society of NSW held Discover Ag. An annual agriculture and agribusiness career expo that cultivates careers in every sector spanning the agriculture industry. Discover Ag provided AWI with access to over 700 secondary school students to showcase career opportunities in the wool industry. AWI ran 3 hands-on workshops providing students with an opportunity to live a day in the life of the wool industry.

Discover Ag attended by; Oskar Mitchell (Graduate), Sophie Mawson (Project Officer Education Extension) & Chris Watt (Product and Processing Development Officer & previous Graduate).

WOOL4SCHOOL DESIGN COMPETITION

2023-2024 Annual Operating Plan YTD

Financial Year	Target Student Registrations	Total Student Registrations
2022/23	1,614	1,669
2023/24 (YTD)	1,833	1,781

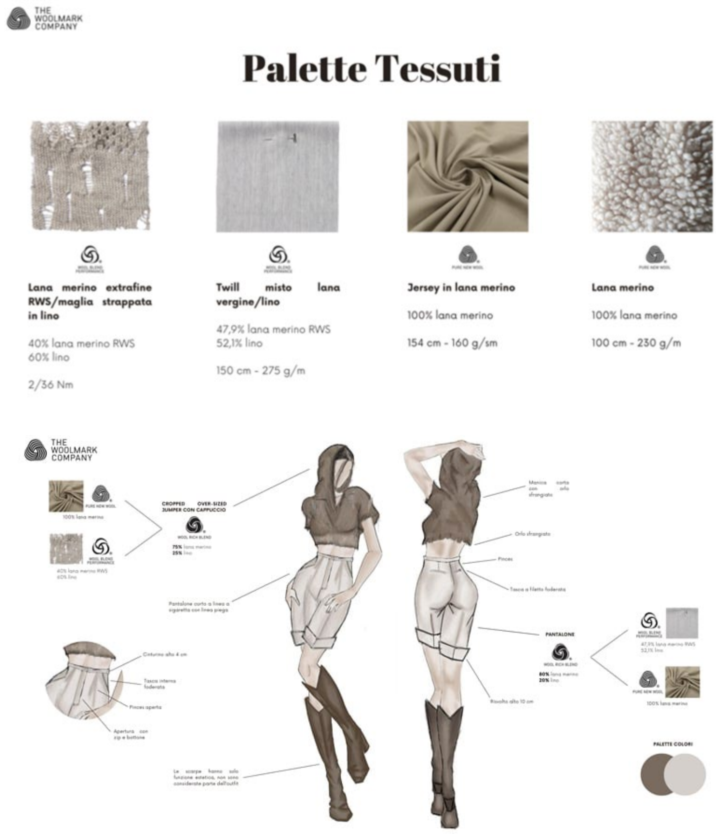
Italy

The Italy Wool4School Design Competition closed on the 8th of April, with numbers increasing from last year's competition.

Total registrations: 902 (829 in 2023)
Total submissions: 410 (294 in 2023)

This year's brief, ***Youth Formal,*** asked students to use the Wool Lab trends and materials to take traditional formal wear and evolve it for a new generation. Students were asked to break the boundaries of conventional style by infusing formal wear with a more relaxed and casual feel.

The winners were announced on the 17th May. Here is a snapshot of the overall winner's submission, Greta Magni from Istituto Istruzione Superiore P. Sraffa Crema, Italy.



Australia

The 2024 Australian competition is still open. However, AWI held a 'wool workshop' for the teacher winner of the 2023 competition at Burraneer College. We presented the workshop to roughly 20 students to learn about wool fundamentals, properties, innovations and sustainability. Students also had the opportunity to explore and utilise the Wool Lab.

Also in June, the education team held a Wool4School focus group with 4 teachers from all over Australia, who are heavily involved in the competition. We discussed past and current competitions, education materials and how to better engage students in the program. The feedback provided proved that the competition is highly regarded and welcomed within schools.

4.7

TRADE SHOWS

Trade Shows Exhibited or Attended in this Reporting Period:

TRADE SHOW	LOCATION	DATE	PARTICIPATION
The Mills Fabrica	London, UK	14 May 2024	**WORKSHOP**
Fed Tex	NC, USA	14 - 15 May 2024	**ATTENDED**
ITM 2024 Turkey	Turkey	4 - 8 June 2024	**ATTENDED**
World Bio Markets	Netherlands	26 – 27 June 2024	**PARTICIPATED**
Pitti Filati	Florence, Italy	25 – 27 June 2024	**EXHIBITED**
Milano Unica	Milan, Italy	9 – 11 July 2024	**EXHIBITED**
Premiere Vision	Paris, France	2 – 4 July 2024	**ATTENDED**

The following workshops and trade shows took place in May and June:

<table>
<tr><th colspan="2">THE MILLS FABRICA | Woolmark (industry workshop)</th></tr>
<tr><td>Date</td><td>14 May 2024 (during London Craft Week)</td></tr>
<tr><td>Venue</td><td>The Mills Fabrica, London UK</td></tr>
<tr><td>Topic</td><td>'Explore the Potential of Wool’</td></tr>
<tr><td>Format</td><td>Industry Workshop & panel discussion</td></tr>
<tr><td>Total attendees</td><td>35 (targeted business development)</td></tr>
<tr><td>Team</td><td>Louise Campbell, Rebecca Kelley – Woolmark, UK</td></tr>
<tr><td colspan="2">About:
TWC hosted an interactive workshop and panel discussion in partnership with:
• The Mills Fabrica (an innovation and education hub driving sustainable commercial solutions in the areas of agrifood, technology, fashion, and textiles)
• London Craft Week
• The Campaign for Wool

Panel Topic:
Explore the Potential of Wool – the discussion explored wool’s innate properties, and how these can be optimized, as well as developments in textile processing (such as alternative colouration) and the commercial opportunities and challenges brands face in the present climate.</td></tr>
</table>

4.7

Panel:

- **Professor Sheila-Mary Carruthers** – Designer, Honorary Professor, Heriot Watt University, School of Textiles and Design
- **Elisabeth Van Delden** – Sustainability Manager Europe, The Woolmark Company
- **Jessica Giannotti** – Founder of SeaDyes, Marine Biologist, biotech innovator
- **Joseph Houghton** – Senior Scientist, Virustatic
- **Emma Wright** – Material Researcher and Developer
- **Stephanie Rolph** – Lecturer and R&D Lead, Central Saint Martins
- **Chetna Prajapati** – Lecturer in Textiles: Innovation & Design Loughborough University
- **Lucy Hope** – Development Director, Virustatic

Key Industry Representatives:

- Rapha – Sports performance, cycling
- UKFT – UK Fashion & Textile Organisation
- Paul Smith – Luxury fashion & functional brand
- Burberry – Luxury fashion brand
- John Smedley – British fine knitwear
- Solid Wool - Interiors
- Onward – Sports performance

The following trade shows were also attended by AWI:

- Pitti Filati, Florence (25 - 27 June 2024) - exhibited
- Milano Unica, Milan (9 - 11 July 2024) – exhibited
- Premiere Vision, Paris (2 – 4 July 2024) – attended

4.7

AWI Woolgrower Industry Consultation Panel

4.8 SUSTAINABILITY UPDATE

August 2024

WOOLMARK+ UPDATE

Verbal update to be provided at the meeting.

AWI AOP 2023/24 INVESTMENT FOCUS: EU Legislation Contingency Framework
Make the Label Count (MTLC) Update

<u>Background</u>

- The aim of the AWI-managed Make the Label Count (MTLC) campaign is to work with European policymakers to improve the PEF methodology for apparel and footwear before it is introduced in the EU market.
- On 22 March 2023, the European Commission published its legislative proposal on the substantiation of green claims that the MTLC campaign has been advocating on. The proposal did not mandate that PEF method be used and instead outlines a list of criteria against which claims will be measured. In the proposal, the Commission recognised the shortcomings of the PEF and committed to improving it further. Since then, we have been continuing to advocate through the European Parliament and Council of the EU debate process to ensure policymakers were aware of the shortcomings of PEF. The Parliament position was aligned with the Commission.

<u>Update</u>

- Policymakers in the Council included stronger language that would push the Commission to use Product Environmental Footprint Category Rules (PEFCRs) where they've been adopted for product categories (which will soon be completed for apparel and footwear). This language around using the PEF was agreed by the Council on 17 June 2024. This means that as soon as the PEF for Apparel and Footwear is concluded in 2025, the Commission can move to implement it as a way to substantiate Green Claims, despite all its flaws.

<u>Next steps</u>

- The Commission, Parliament and Council now need to come together to agree a final position on the Green Claims Directive – this negotiation process is anticipated to begin in September 2024.
- During this process, MTLC will continue to advocate to EU policymakers.
- Once adopted, EU Member States will have two years to transpose it into national law.

AWI AOP 2023/24 INVESTMENT FOCUS: Generate knowledge of wool's carbon account to inform delivery of Australia's climate goals as well as the Sheep Sustainability Framework
Australian Sheep Sustainability Framework now available in online dashboard

- A new digital data dashboard was recently launched for the Australian Sheep Sustainability Framework (SSF).

- The SSF has been created as a single reference for the wool and sheep meat industry's progress across four themes:
    - Caring for our sheep
    - Enhancing the environment and climate
    - Looking after our people, our customers and the community
    - Ensuring a financially resilient industry
- Established by WoolProducers Australia and Sheep Producers Australia and supported by AWI and MLA, the SSF is now in its fourth year of data collection and reporting.
- The SSF is a great tool for you to reference or refer stakeholders to who are looking for the latest data around sustainability practices in the Australian wool industry.
- Please visit and share: https://www.sheepsustainabilityframework.com.au/resources/ssf-digital-dashboard/

AWI Woolgrower Industry Consultation Panel

4.9 EMERGING MARKETS UPDATE

August 2024

MARKET OVERVIEW

Bangladesh

Woolmark's new BDM based in Chittagong, Bangladesh has started his role and is forming relationships across the supply chain. He is currently developing a plan for the market which will be presented in 3 months.

Additional projects include:

- Technical transfer for wool yarn dyeing to one of Bangladesh's largest sweater manufacturers and yarn dyers.
- Development of sourcing, education and market opportunities throughout Bangladesh.
- Potential for TWC presence at upcoming tradeshows – Bangladesh Denim Expo in October and the Bangladesh Climate Action Forum in November.

Peru and Mexico

The two consultants in Peru and Mexico have been working closely with new supply chain partners. Exploring new business opportunities and R&D with 9 suppliers looking to spin, knit or weave wool, all with varying stages of experience with the fibre.

Other marketing opportunities include:

- **International Woolmark Prize -** Our consultants have increased applicants by 200% and sourced three nominating bodies, and on-boarded one.
- **The Wool Lab -** Secured nine new suppliers to submit material for the next season.
- **Trade Extension -** Executed a speaking opportunity at an industry trade event and two trade media interviews.
- **Education -** Provided wool education to multiple designers, and nearly twenty suppliers.
- **Vietnam** – Woolmark's technical staff visited Vietnam to run workshops with leading spinners, knitters and weavers. The trip was highly successful in providing technical support for new fabric development, improvement in quality assurance and staff training in wool dyeing techniques for key partners in Vietnam.

AWI Woolgrower Industry Consultation Panel

4.3 EXTENSION UPDATE

August 2024

KEY EXTENSION EVENTS

LTEM Train-the-Trainer Workshop

The Lifetime Ewe Management (LTEM) Train-the-Trainer Workshop was held for the Australian Veterinary Association in Victoria and saw 11 vets in attendance. The workshop focused on the key outcomes from the LifetimeWool research, emphasising the impact of nutrition and condition score on sheep performance. Evaluation was very positive, averaging 9.36/10 for satisfaction, 9.09/10 for value and 9.36/10 for likelihood to recommend to others.

BestWool BestLamb (BWBL) and BetterBeef (BB) Conferences

The conferences were a strong success with 300 registered and a cautiously optimistic mood. There was a strong focus on wool price and the tough season in western Victoria, with very little rain received and plenty of drought feeding occurring. Out-of-season summer rain has also led to many achieving record scanning results, so stress levels are high with a massive foetal load and no green feed.

AWI co-delivered a bioharvesting update with the University of Adelaide and chaired a few concurrent sessions. Evaluation is currently underway, but anecdotal feedback on the day was very positive with attendees praising the venue change from Bendigo to Ballarat.

PARABOSS WORMBOSS WORKING ON WORMS PILOT WORKSHOP

The final of five sheep worm pilot workshops under the ParaBoss Phase III funding was held in June. The workshops will now be tidied up and feedback incorporated and delivered to AWI and MLA for use in ParaBoss Phase IV.

ANAESTHETICS, ANALGESICS & ANIMAL HEALTH WORKSHOP

This workshop will be delivered by AWI Extension TAS on 25 July 2024. It will provide the latest information on practical pain relief options for lamb marking, mulesing, tail docking and castration, as well as an in-depth seasonal strategic animal health update, covering worms, feet and vaccination. The event has received **48 registrations**.

Other events/workshops hosted or attended by AWI

- AWI and MLA pregnancy scanning extension materials workshop (online)
- Australian Sheep and Wool Show (Bendigo, VIC)
- AWI StrateFly™ Train-the-Trainer Workshop & AmpliFly™ Advisor Training Workshop (Wagga Wagga, NSW)
- UPCOMING: LambEx (Adelaide, SA)
- UPCOMING: AWI Future Wool (Molong, NSW)
- UPCOMING: AWI Extension SA PAP Meeting (Adelaide, SA)
- UPCOMING: AWI StrateFly™ Train-the-Trainer Workshop & AmpliFly™ Advisor Training Workshop (Naracoorte, SA)

MAKING MORE FROM SHEEP

The Making More From Sheep modules aggregate key information for managing a successful sheep and/or wool enterprise, generated from years of research and on-farm experience. The current platform has been reviewed and updated by AWI and MLA and will be relaunched on Wednesday, 7 August 2024.

The process for updating Making More From Sheep (MMFS) has included:

- Technical review by subject matter experts for all 12 Modules;
- AWI and MLA development and complete rewrite of Module 9;
- Rebranding of all MMFS assets and new logo design;
- Building a whole new website (hosted by AWI); and
- Building a whole new eLearning package, which will be housed on both AWI Woolmark Learning Centre and MLA The Toolbox.

Example of updated MMFS branding:

MMFS MAKING MORE FROM SHEEP A joint initiative of awi Australian Wool Innovation Limited mla MEAT & LIVESTOCK AUSTRALIA

AWI EXTENSION NETWORKS REBRAND

AWI rebranded its investment in the six AWI Grower Extension Networks on 12 March 2024. This has now been finalised with unified branding across Australia, clearly showing woolgrowers where their levy is being invested.

Example of the new Networks’ branding at Eyre Peninsula Stud Merino & Poll Merino Pre-Sale Expo at Wudinna, SA on Monday, 1 July 2024.

AWI Woolgrower Industry Consultation Panel

4.10 TRACEABILITY UPDATE

August 2024

AUSTRALIAN WOOL TRACEABILITY HUB

At the time of sending this update the Australian Wool Traceability Hub (AWTH) was about to go live at the end of July.

The purpose of the Hub is to strengthen the confidence in reliability and efficiently transfer key information within the Australian wool supply chain from wool growers to first stage processors.

- Supports Australian Wool's Emergency Animal Disease (EAD) response plan
- Provides an End-to-End Traceability System for domestic wool bale movements from Grower to Processor
- A Hub for Integrity Schemes integration to verify grower membership and streamline administrative activities

The Australian Wool Testing Authority (AWTA) will now be managing this new application. Webinars to introduce the Australian Wool Traceability Hub which includes a demonstration of the platform.

5. FINANCE UPDATE

TITLE: Finance Update

DATE: Thursday, 1st August 2024

Tracy Marshall, AWI's CFO, will provide a finance update.

6. WOOLPOLL 2024 UPDATE

TITLE: WoolPoll Panel Update

DATE: Thursday, 1stAugust, 2024

Rich Keniry, WoolPoll Panel Chair, will provide an update on the WoolPoll Panel.

7. INTERNATIONAL MARKET BRIEFING

TITLE: International Market Briefing

DATE: Thursday, 1st August 2024

7.1 Jeff Ma, Head of Country (China), will provide an update on the current market conditions in China.

7.2 Scott Carmody, AWI Market Consultant, will provide an update on the wool market.

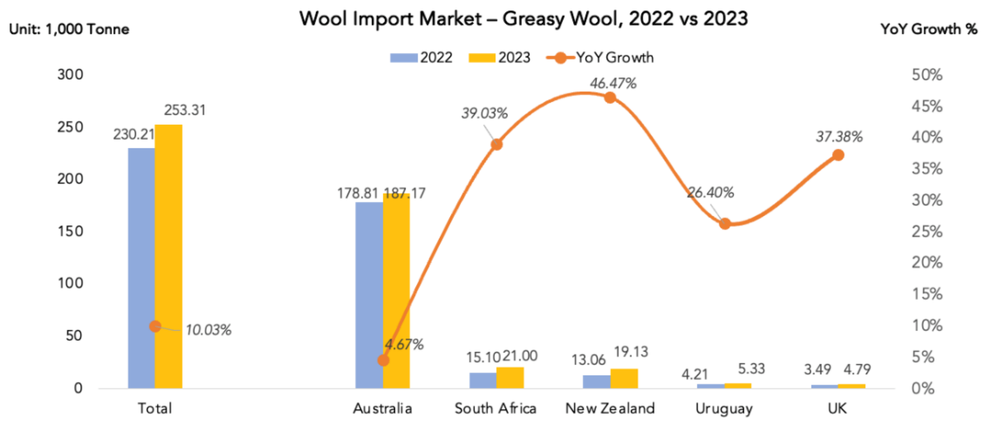
AWI Woolgrower Industry Consultation Panel

7.1 CHINA MARKET UPDATE
August 2024

Additional information requested from the April meeting - Greasy Wool Import to China 2022 versus 2023

The total import volume of greasy wool increased from 230 thousand tonnes in 2022 to 253 thousand tonnes in 2023, a YoY growth of 10.03%. Imports from Australia, South Africa, New Zealand, Uruguay, and the United Kingdom saw increases, with New Zealand experiencing the highest growth rate at 46.47%. Most countries exhibited growth, indicating rising production and demand for greasy wool post the Covid pandemic.

In 2023, greasy wool imports from Australia reached 187,170 tonnes, accounting for 73.8% of the total greasy wool imported to China. Following this are South Africa (21,000 tons) and New Zealand (19,130 tons), with a relatively smaller share of around 8.3% and 7.5% respectively.

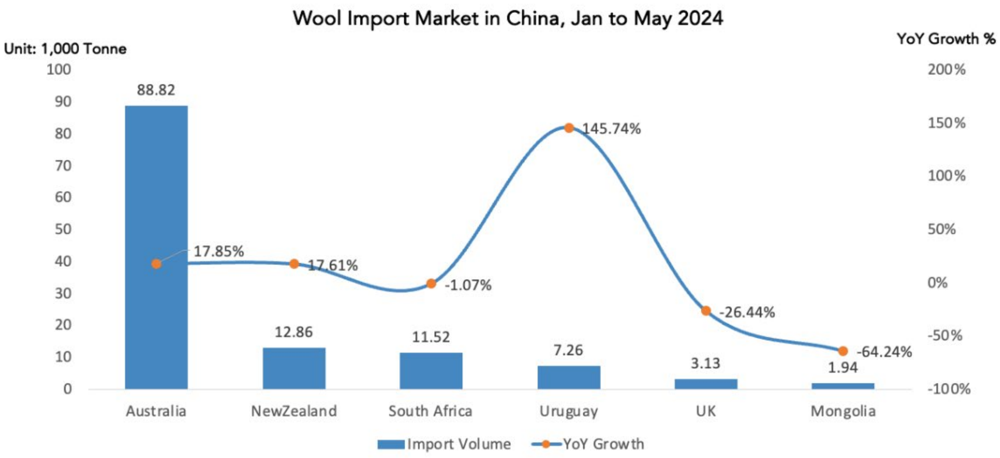


Source: China Customs

2024 CHINA WOOL MARKET UPDATE

From January to May, the total wool import volume was approximately 141,000 tonnes, representing a YoY increase of 14.3%. The average import price was USD 6.53 per kg, a YoY decrease of 11.6%.

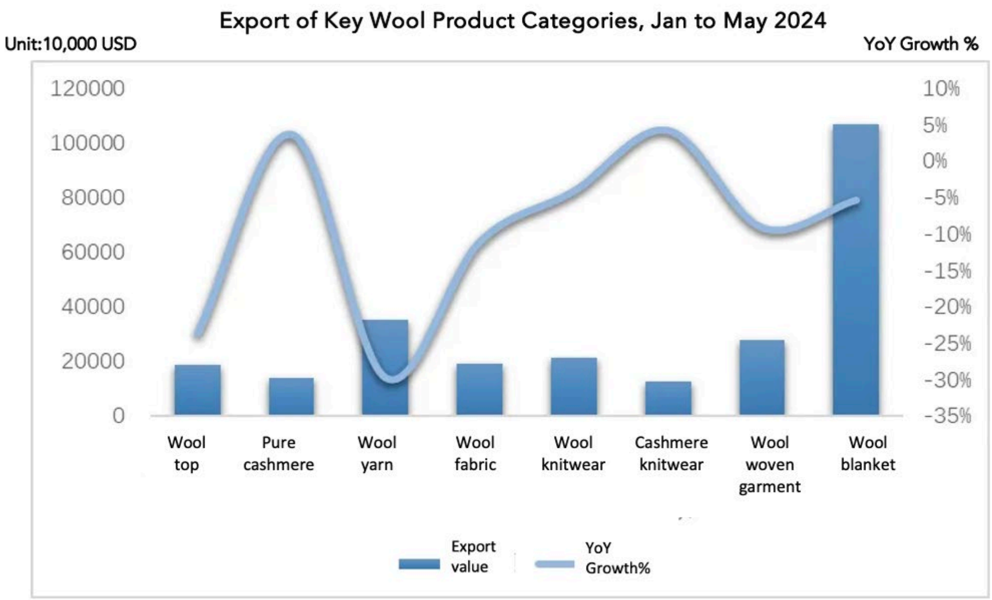
From the perspective of key wool-producing countries, Australia leads with an import volume of 88,816.37 tonnes, marking a 17.85% YoY growth. New Zealand and South Africa followed with 12,856.67 tonnes (17.61% YoY growth) and 11,522.45 tonnes (-1.07% YoY decline), respectively. Uruguay's imports increased by 145.74% YoY to 7,260.48 tonnes. Conversely, imports from the UK and Mongolia saw significant declines, with the UK at 3,127.67 tonnes (-26.44% YoY) and Mongolia at 1,937.70 tonnes (-64.24% YoY).



Note: Imports of wool including grease wool, scoured wool and wool tops
Source: China Customs

Wool textile product exports remained at a low level from January to May 2024.

From January to May 2024, the total import and export value of wool raw materials and products was USD 5.6 billion, a decrease of 3.6% YoY. Of this, the export value was USD 3.99 billion, down 6.1% YoY, while the import value was USD 1.61 billion, up 3.2% YoY.



Source: China Customs

From January to April this year, textile exports declined YoY due to the impact of the international environment and soft demand. According to Nanjing Wool Market, in the first half of the year, export orders ended shorter and earlier than in previous years, leading to a quieter market. Many companies began preparing for domestic sales in the second half of the year, stocking up regular yarn varieties. Many companies felt that business in May was less satisfactory than in April.

For the domestic market, online retail platforms have become the main channel for clothing sales. However, with demand not picking up faster than expected, and finished product prices not rising, the prices of upstream raw materials are also being suppressed.

RETAIL BRAND PARTNERS UPDATE

TWC China has been engaging in face-to-face meetings with retail brand partners in recent months, gaining first-hand insights into their business objectives, needs and challenges, to better identify opportunities for partnerships and projects. These interactions have led to a further understanding of the brands' supply chain status, marketing strategies, wool product status, new requests, as well as other research and development updates.

- **Ban XiaoXue:** Womenswear designer Ban Xiaoxue was the winner of 2012/13 Woolmark Prize Asia and has since been a steadfast designer partner of TWC China; regularly attending TWL meetings, collaborating on TWC projects that culminated in the launch of a co-branded sustainable knitwear collection in AW2019. In 2022 Ban launched an additional brand called Pu Jian Ji – the brand is sold primarily through showroom orders and fashion buyers' boutiques across China.
  - *Licensing status: Licensee*
- **Eifini Group:** Includes womenswear brand Eifini, MM, Seifini. Founded in 2001, Eifini Group focuses on a multi-brand development strategy, with each brand catering to highly targeted markets to meet the diverse needs of increasingly segmented consumer groups.
  - *Licensing status: Licensee*
- **EPO Group:** Includes womenswear brand Mo&Co., Edition and childrenswear brand Little Mo&Co.
  - *Licensing status: Licensee*
- **JNBY Group:** Includes womenswear brand JNBY and Less, menswear brand CROQUIS and A PERSONAL NOTE 73, childrenswear brand jnby by JNBY and POMME DE TERRE, Home Furnishing brand JNBYHOME.
  - *Licensing status: Licensee*
- **GOELIA:** Founded in 1995, womenswear brand GOELIA targets female consumers aged 25 to 35 with middle to high spending power.
  - *Licensing status: Licensee*
- **VGRASS:** VGRASS was established in 1997 as a high-end womenswear enterprise integrating design, production and sales. In 2011, it entered the top five in market share of China's high-end womenswear market.
  - *Licensing status: Non-Licensee*
- **Maryling:** MARYLING is a premium womenswear brand founded in 2010, with its R&D as well as production centre located in Milan, Italy. The brand's retail stores are spread across Italy, South Korea, Singapore, Taiwan, Hong Kong SAR, and Mainland China.
  - *Licensing status: In Progress. The brand has applied for license approval, as it hopes to use Woolmark swing tags and labels on its AW2024 products.*
- **GEI JOENG:** Womenswear brand founded in 2019, with its design philosophy centered around "Singular Pluralism" within minimalism. Products are mainly made from natural fabrics. They retail mostly through e-commerce, 3 stores in Shenzhen and fashion buyers. The brand's pricing and positioning is close to EDITION (middle to high-end).
  - *Licensing status: Licensee*

- **Saint Angelo:** Menswear brand Saint Angelo caters to the clothing needs of middle to high-end business professionals. It includes the flagship brand SAINT ANGELO, the men's customization brand SOLOSALI and British golf brand Henry Grant.
    - *Licensing status: Licensee*

SUMMARY OF POST-VISIT INSIGHTS

- **Increasing usage of wool in spring/summer collections.** Brands incorporate more wool into their spring/summer collections due to increased consumer demand and the natural benefits of wool, such as breathability, temperature regulation and moisture-wicking. In addition, wool can be blended with other fibers to create lighter-weight fabrics suited to warmer weather, while still retaining its beneficial properties.

    - **EPO:** For spring/summer the brand is also exploring and developing wool knitwear products. The brand is predicting an upward trend in annual wool usage and woven fabrics usage will also increase this year.
    - **VGRASS:** VGRASS expressed an interest in lightweight wool fabrics from TWL for spring/summer. They will consider developing new wool apparel products for their SS2025 collection.
    - **JNBY:** Upcoming retail, product and social promotions will be centered around the themes and campaigns of Cool Wool, Woolmark Gold, easy-care, eco-friendly wool and traceable wool collections.

- **More interest in luxurious and innovative wool fabrics**. Consumers' demand for high-end and innovative wool fabrics is driven by a desire for quality, performance, sustainability, innovation and design. Chinese consumers are drawn to luxurious, high performance wool fabrics that offer unique properties or functionalities. This includes fabrics with advanced technologies such as wrinkle resistance, four-way stretch, water repellence and stain resistance. Brands that invest in the research and development of cutting-edge wool fabrics are more likely to attract consumers looking for more avant-garde options.
    - **Saint Angelo:** Saint Angelo is attempting to develop new, innovative fabrics. They have utilized fabrics blended with around 7% elastic fibers and wool, sourced from VBC. This season, they are interested in woven fabrics with different textures such as bamboo patterns, seersucker and the popular wool denim blue series.
    - **Maryling:** Almost all the knitting yarns used by Maryling are from Suedwolle, and these are mainly 30 double ply yarn and 48 double ply yarn, with good anti-pilling properties.
    - **VGRASS:** Interested in digital printing, plant dyed and tie-dyed fabrics.

- **Promotion through joint campaigns.** With growing awareness of environmental issues, consumers are seeking sustainable and eco-friendly options in their clothing purchases. Consumers are interested in wool fabrics that are ethically sourced, environmentally friendly and sustainably made. After seeing the traceable merino wool collection developed by TWC and Edition last year, brands have shown more interest in such partnerships.

    - **Eifini:** MM is extremely interested in a direct collaboration with TWC, such as a traceable collection campaign.
    - **JNBY:** The brand is keen on doing projects related to traceability.
    - **Saint Angelo**: The brand has expressed a keen interest on in-depth collaborative projects moving forward.

- **GOELIA:** GOELIA places a strong focus on travel themes, often producing video content filmed in various locations worldwide, with Australia frequently featured. The brand is eager to explore opportunities for photoshoots in Australia with TWC.

For brands, autumn/winter remain the main selling seasons for wool. **1)** Ban Xiaoxue indicates that consumer awareness of wool products still tends to lean towards autumn and winter. The brand's wool products for winter account for 50%-60% of all products, while spring and autumn wool products make up close to 30%. **2)** Fashion brand GEI JOENG states that they had 200 SKUs in its AW2024 collection, with wool knitwear for autumn and winter accounting for 30% of all products and woven wool products accounting for 40%. According to GEI JOENG, they received a higher number of orders for wool products, with knitwear as the most popular category. **3)** Maryling has approximately 500 SKUs for autumn and winter seasons, with around 90% of products containing wool. Among the wool products, knitwear accounts for 40% and woven products 60%. Sweaters are the best-selling category for the autumn and winter season.

ICICLE TRACEABLE WOOL CAMPAIGN AND COLLECTION

Over the past three years, The Woolmark Company China has been breaking new ground with traceable merino wool capsule collections, in partnership with some of its long-term brand partners. The successful launches of these collections have bolstered supply chain partnerships and have accentuated the prominence of provenance, telling the full story from farm to fashion for increasingly informed consumers. One such brand partner is ICICLE, a renowned high-end, eco-friendly fashion brand that has made its mark locally and internationally, with approximately 270 stores across 100 cities in China, as well as 5 international points of sale – including flagships in Paris and Toyko's Isetan Shinjuku.

This inaugural traceable collection with ICICLE marks yet another milestone in the brand's storied history and sustainability objectives. Debuting in July 2024, the A/W2024 collection includes two product lines – the Superfine Merino Wool Collection and DEW collection. Each garment features a QR code on its Woolmark swing tag, allowing customers to verify the authenticity and origins of each wool garment. Crafted from wool sourced from Australian wool growing properties – including Mulgowan in southeast Queensland and Old Ripponhurst from the Warrabkook region of Victoria – the collections embody a commitment to responsible wool sourcing, with full transparency and traceability.

As part of the collection launch, The Woolmark Company arranged a "Wool: The Story at the Source" media and VIP tour to Victoria, Australia from 17-20 June 2024 to celebrate the campaign and further drive the traceability and provenance messaging home. The select group included ICICLE founder Mr. Ye Shouzeng, ICICLE Chief Strategic Officers Mrs. Xu, and senior fashion editors from top publications such as Elle China, Jing Daily, Modern Weekly and Jiemian. The tour included a visit to the Old Ripponhurst farm, where ICICLE sources wool for their DEW collection, as well as a stop at the Coliban Park merino wool property owned by Duncan Barber, a member of the Australian Superfine Woolgrowers Association.

The group also visited Elders Ravenhall, a pioneering automated wool handling business and Victorian Selling Centre. Visiting these sites effectively fleshed out the origins of Australian Merino wool, the importance of traceability, as well as highlighted the painstaking efforts of the Australian woolgrowers for the guests.

The collection will be promoted through a series of marketing collateral, which includes breath-taking imagery and a campaign video shot in Mulgowan by Paris-based photographer Kin Coedel.

The assets feature a diverse group of models dressed in the collection traversing through the beautifully raw and rustic farm terrain, while interacting with the sheep flock and Mother Nature. The result is visually striking and brings the farm-to-fashion story fully to life. The Woolmark Company also shot some media event and farm imagery and videos featuring Old Ripponhurst, to create more behind-the-scenes material and trade-focused content to provide more insight into woolgrowing properties.

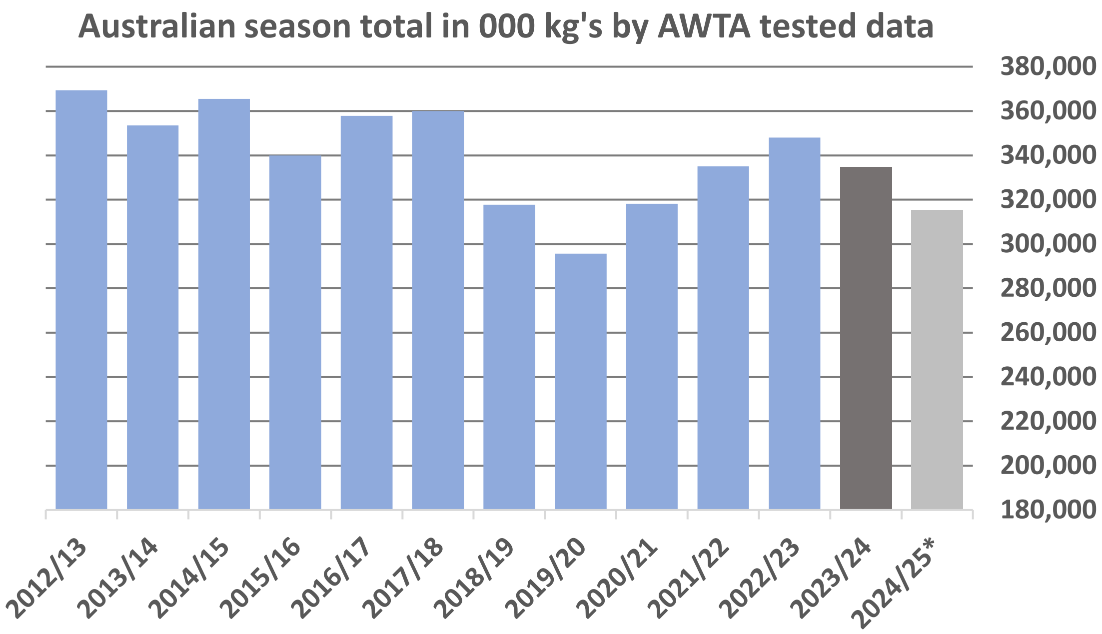
In terms of the garments, the two collections comprise of 33 styles and 49 SKUs (stock keeping units), with 20 styles in the DEW collection and 13 styles in the Super Wool Collection respectively. With prices ranging from RMB 2,596 - 15,996 (AUD$530-3300), a 70% sell-through rate is projected with an estimated sales value of RMB101 million (AUD 21million); an encouraging figure given the high price point and luxury positioning of the brand. In terms of wool usage and production, approximately 21,000 meters of fabric will be used for the DEW collection, and 4 tonnes of wool for the Superfine Wool Collections for both S/S2024 and A/W2024, while estimated production quantity is at 28,000 units. This represents a YoY wool usage growth estimate of 10%.

Consumers are more likely to support and remain loyal to brands that demonstrate a genuine commitment to sustainability through their business practices, marketing and corporate social responsibility initiatives. ICICLE successfully debuted its traceable merino wool collections to answer the demands of their customers and get ahead of the game. Many other brand partners and licensees have also expressed a keen interest to collaborate on similar collections; an encouraging sign of things to come as the concept and corporate imperative of sustainability evolves in China.

Production - AWTA Key Test Data

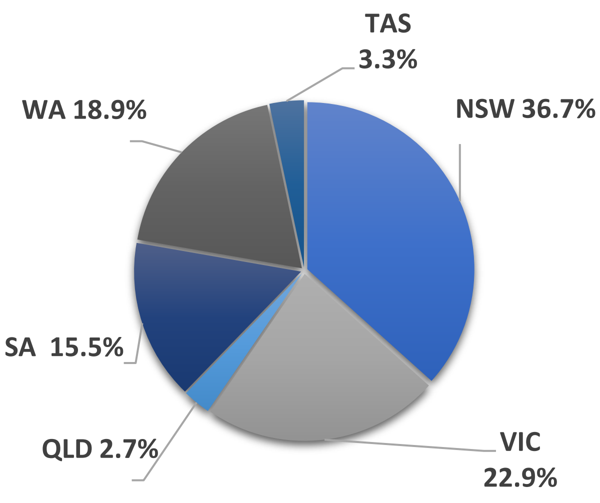
AWTA LTD tested 334.7 mkg (million kilograms) for this past season compared with 348.0 mkg for the previous full season – a 3.8% drop in production by tested wool figures.

Given the AWPFC initial forecast of a 5.8% drop in production for the 2024/25 season, this extrapolates the AWTA KTD to hit around 315mkg next season.



NSW leads the shortfall at 4.4% lower percentage than last season which is a 5.6mkg loss. WA dropped a higher percentage rate (7.3% down) of their last season's production, at slightly less kgs, but still at a substantial 5mkg loss.

AWTA ktd end June 24	2023/24	2022/23	tonnes diff.	% diff.
NEW SOUTH WALES	122,691	128,351	-5,660	-4.41%
VICTORIA	76,629	79,632	-3,003	-3.77%
QUEENSLAND	8,992	10,707	-1,715	-16.02%
SOUTH AUSTRALIA	51,921	49,525	2,396	4.84%
WEST AUSTRALIA	63,338	68,358	-5,020	-7.34%
TASMANIA	11,130	11,435	-305	-2.67%
TOTAL	334,701	348,008	**-13,307**	**-3.82%**



2023/24 season production by state

Queensland's production by AWTA KTD was 16% lower than last season. South Australia was the only state to record an increase at 4.8% or 2.4mkg. This shifted the SA contribution of the clip to 15.5%, up from 14.2% in the 20-22/23 season.

NSW remained the dominant wool producing state and provided well over a third at 36.7% of the national volume by weight of wool tested for the 2023/24 season.

Despite the NSW drop in weight tested, that is a similar percentage to the 36.9% that NSW recorded the previous season.

WA fell to 18.9% of the clip after making up 19.6% of last season's total.

Volume by auction throughput

Wool selling at auction at the end of the 2023/24 selling season has seen: -

- **Offered 1,797,792** bales (approx. 321.8mkg greasy) at auction compared to the **1,850,110** bales (approx. 331.2mkg) offered through the selling season last year. That is **52,318** bales (approx. 9.4mkg) **less** or **2.8% less** wool offered.

- **Sold 1,659,497** bales (approx. 297.1mkg greasy) at auction this season compared to the **1,607,799** bales (approx. 259.8mkg) sold last season. That is **51,698** bales (approx. 9.3mkg) **more** or **3.22% more** wool sold.

- **Clearance** at auction rates this season was **92.3%** nationally of all wool offered sold compared to the **86.9%** cleared over the period of the 2022/23 season. Whilst offerings were down slightly, more wool was sold. The selling intent of growers was also far more prevalent, and saw an improvement rate of **6.2%** of wools being offered being sold.

- Sold **A$ 2.24** billion through the auction system compared to the **A$ 2.42** billion last season, a fall in gross raw wool value of approximately **A$ 180** million for the past year.

2023/24 Season summary of exporter/buyer purchasing at auction

Week 52

NATIONAL Weekly Buyers List

www.awex.com.au

Wednesday, 26 June, 2024

AWEX
we know wool

	Auction Buyer	lo sale	Week 52 AU MFLC	AU XBFS	AU MSKT	AU ODDS	AU ALL	NZ	ALL	Season to Date AU MFLC	AU XBFS	AU MSKT	AU ODDS	AU NORTH	AU SOUTH	AU WEST	AU ALL	NZ	ALL	%
1	Techwool Trading		2,636	805	836	424	4,701		4,701	147,611	48,337	51,028	22,909	75,144	142,884	51,857	269,885	6,633	276,518	16.4%
2	Endeavour Wool Exports		1,759	271	1,026	419	3,475		3,475	103,468	27,305	50,301	19,235	71,030	91,218	38,061	200,309	337	200,646	11.9%
3	Tianyu Wool		3,568	179	967	18	4,732		4,732	117,878	7,790	34,378	3,202	59,138	55,239	48,871	163,248	2,563	165,811	9.9%
4	PJ Morris Wools		3,018		73	14	3,105		3,105	124,594	611	3,361	2,392	19,437	52,556	58,965	130,958		130,958	7.8%
5	Fox & Lillie		1,978	296	347	352	2,973		2,973	62,937	15,637	13,839	19,823	32,816	79,205	215	112,236	365	112,601	6.7%
6	Pelican Australia		995	956	60	43	2,054		2,054	35,139	68,181	3,715	2,978	14,789	95,224		110,013		110,013	6.5%
7	Australian Merino Exports		726	153	321	138	1,338		1,338	48,551	15,512	26,328	12,839	34,910	63,477	4,843	103,230	2,309	105,539	6.3%
8	United Wool Company		529	234	215	606	1,584		1,584	19,879	24,830	13,835	31,740	8,400	73,950	7,934	90,284	141	90,425	5.4%
9	Sequoia Materials		1,991	29	421	105	2,546		2,546	57,411	46	13,732	5,212	30,496	29,802	16,103	76,401	1,225	77,626	4.6%
10	Meliwa		466		121		587		587	65,151	122	1,756	11	19,569	28,865	18,606	67,040		67,040	4.0%
11	Modiano Australia		63	144	35	18	260		260	12,973	21,704	5,283	1,091	12,494	28,557		41,051	3,700	44,751	2.7%
12	Kathaytex Trading			307			307		307	337	28,741	105	925	18,000	10,359	1,749	30,108		30,108	1.8%
13	Michell Wool		25	69	17	504	615		615	1,952	9,332	604	16,141	10,078	12,222	5,729	28,029		28,029	1.7%
14	Natsun (Nanshan)		69				69		69	26,775	117	31	4	10,982	15,945		26,927		26,927	1.6%
15	G Schneider Australia		684	53	28	1	766		766	18,251	4,087	1,688	746	14,339	10,409	24	24,772	905	25,677	1.5%

7.2

Production – Fibre diameter

Fibre diameter is the primary influencer of price returns. The seasonal data shows the trend in wool growing enterprises quite clearly, as growers target the higher price superfine wool production zone, whilst anecdotally trying to retain cut/ha.

Seasonal testing data shows distribution of the national clip is enlarging predominantly at the finest end of the merino spectrum, which in theory, is good for total clip value and GDP from wool exports.

Production gains of 7.4% have been recorded year on year on the super fine and ultra fine Merino (less than 18.5micron) wool types. This is the only wool sector where gains have been registered.

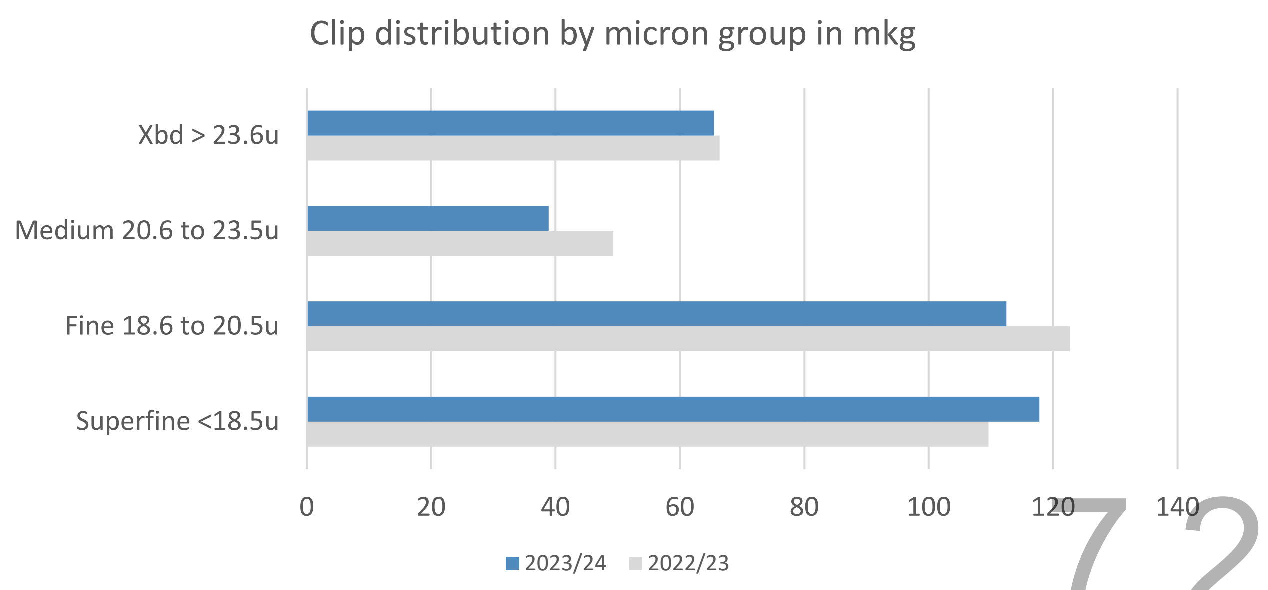
production by KTD in Mkg	2023/24	2022/23	Difference mkgs	% change
Superfine <18.5u	117.78	109.63	8.15	7.43%
Fine 18.6 to 20.5u	112.49	122.68	-10.19	-8.30%
Medium 20.6 to 23.5u	38.91	49.30	-10.39	-21.08%
Xbd > 23.6u	65.51	66.40	-0.89	-1.34%

The largest loss of wool type production has been in the Medium wool sector between 20.6 and 23.5 micron, which has seen its percentage share of the clip drop by 21.1% year on year. By weight though the loss is equivalent to the fine wools drop in production which is a touch over 10mkg in each wool fibre diameter sector.

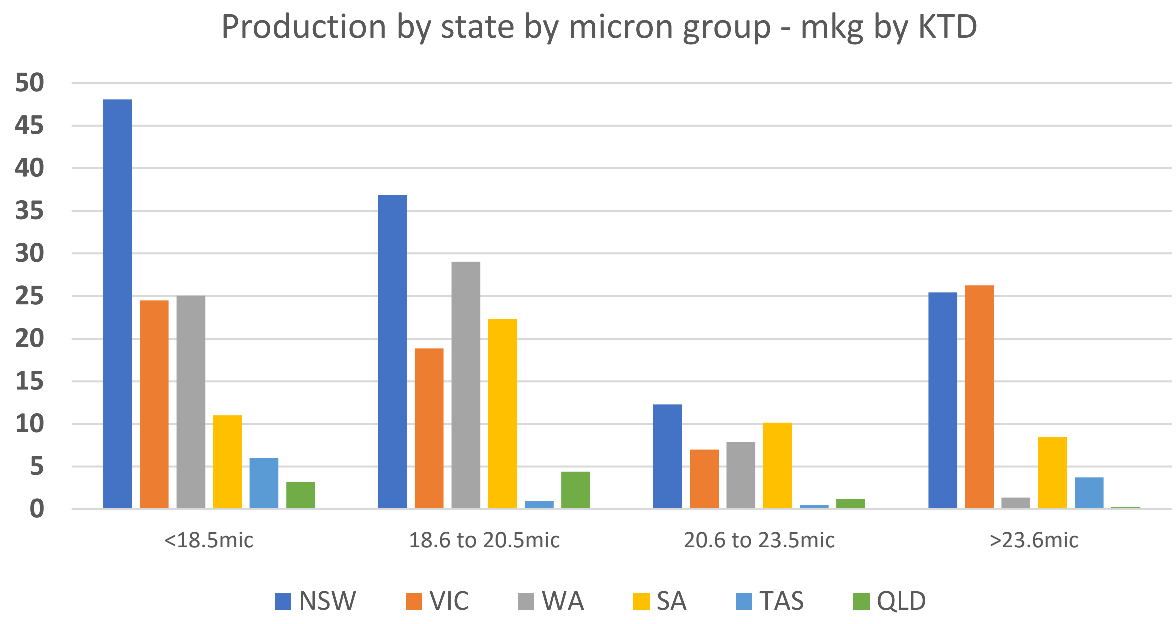
The broadest -generally crossbred- wools of greater than 23.5micron have decreased by 1.3% season to season, although the percentage share of the clip of crossbred grew from 19% to 19.6%.

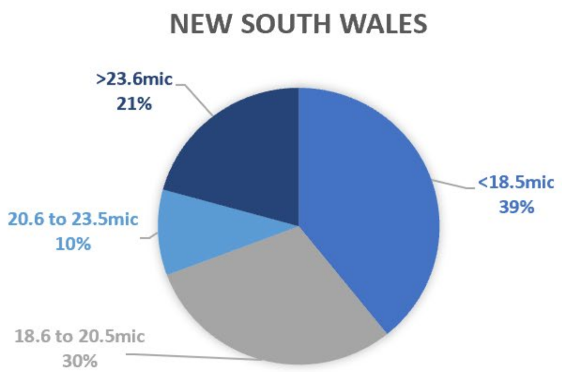
In wool production terms, Wools finer than 23.6 micron are 80.7% of the national volume tested and the broad wools greater than 23.5micron make up 19.3% of the national clip for the 2023/24 season.

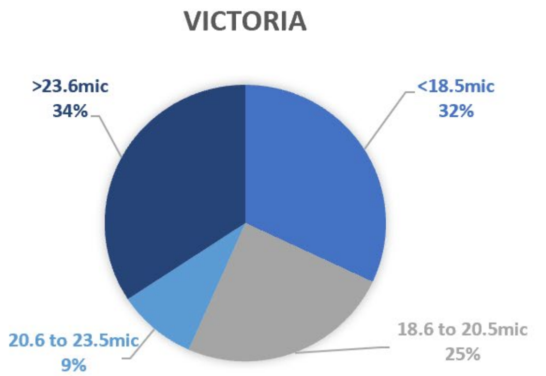
In sheep terms though, that percentage would be more favourable to the crossbred breed, as the determination of wool cuts are substantially lower than Merino, so more crossbred sheep are needed to produce same wool content against each Merino animal.

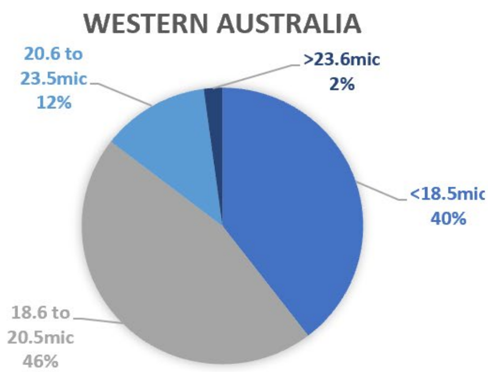


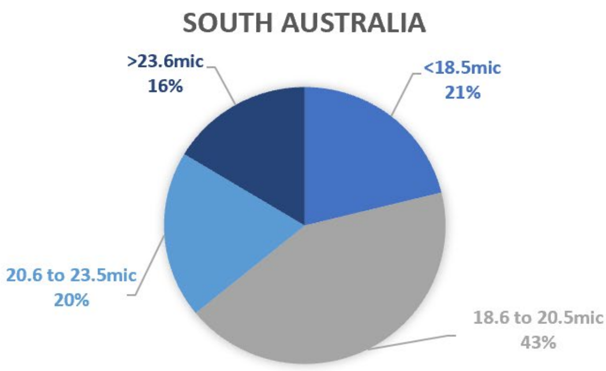
7.2

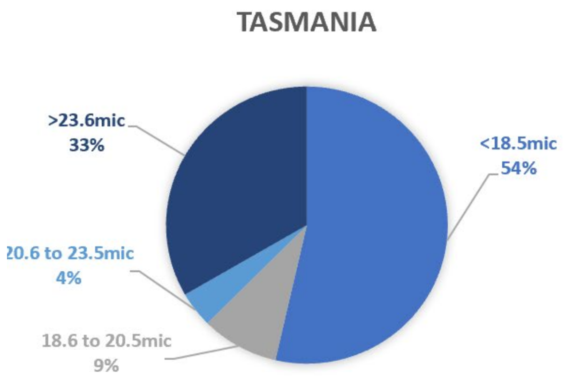

Production by state by micron group - mkg by KTD
50
45
40
35
30
25
20
15
10
5
0
<18.5mic
18.6 to 20.5mic
20.6 to 23.5mic
>23.6mic
NSW
VIC
WA
SA
TAS
QLD

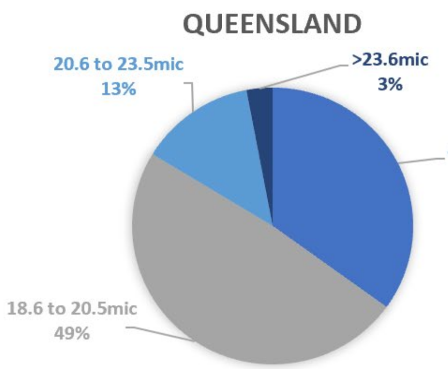

NEW SOUTH WALES
>23.6mic 21%
<18.5mic 39%
20.6 to 23.5mic 10%
18.6 to 20.5mic 30%


VICTORIA
>23.6mic 34%
<18.5mic 32%
20.6 to 23.5mic 9%
18.6 to 20.5mic 25%


WESTERN AUSTRALIA
20.6 to 23.5mic 12%
>23.6mic 2%
<18.5mic 40%
18.6 to 20.5mic 46%


SOUTH AUSTRALIA
>23.6mic 16%
<18.5mic 21%
20.6 to 23.5mic 20%
18.6 to 20.5mic 43%


TASMANIA
>23.6mic 33%
<18.5mic 54%
20.6 to 23.5mic 4%
18.6 to 20.5mic 9%


QUEENSLAND
20.6 to 23.5mic 13%
>23.6mic 3%
<18.5mic 35%
18.6 to 20.5mic 49%

Price - EMI

The past season could only be described as average, with possibly one of the least fluctuating price ranges seen in many years.

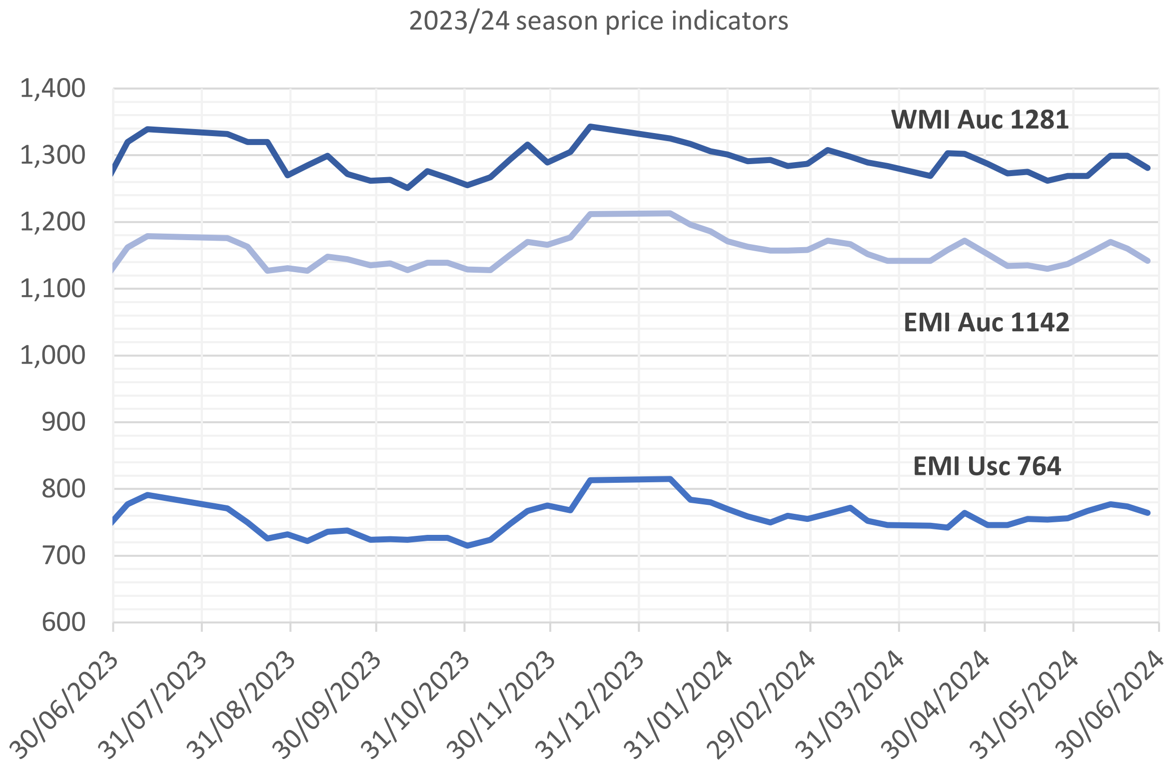
The low of the season was at the commencement being 1126ac, with the top weekly closing EMI of 1213ac in the first week of the new 2024 calendar year. This was an intra seasonal difference of just 87ac, with a trading range of just 3.8% around the mean.

Just two weeks straddling December 2023 and January 2024 had weekly closing levels above the 1200ac mark on the EMI.

The just past seasonal average of 1155ac was underwhelming. Put in context, the average was 39ac lower than the covid affected season of 2020/2021 of 1193ac/clean kg. The past 12 months is also the lowest season average since the 2014/15 season.

- The 2023/24 season has seen the Eastern Market Indicator (EMI) in AUD appreciate from 1126ac/clean kg to conclude at 1142ac/clean kg. This is an intra seasonal gain of16ac/clean kg or **1.42%** in Australian dollar terms. The season averaged an AUD EMI of **1155ac/clean kg**

- The USD EMI has gained 16usc/clean kg from 748usc/clean kg at the start of the season in July 29023 to conclude at 762usc/clean kg in June 2024. This is a seasonal gain in USD of 16usc or **2.14%,** slightly outperforming the Australian dollar value gain. The season averaged a USD EMI of **755usc/clean kg**



- The 2023/24 season has seen the Western market indicator (WMI) in AUD gain 9ac/clean kg to **1281ac/clean kg** after opening the selling year at 1271ac/clean kg. This is an intra seasonal gain in the AUD WMI of **0.79%.** The AUD WMI averaged **1291ac/clean kg** for the season.

Price – Merino by micron

Prices measured by the USD EMI has seen price degradation for the season greatest within the Merino sector and at the finest end. Prices have depreciated by over 12% for the 16 to 17micron and most exclusive quoted end of the Merino segments.

Super fine Merino 17 to 18.5micron wools were an average of 7.9% cheaper from start to end of the season, whilst fine wool merino wools charted 5.5% lower by the conclusion of the season.

At the other end, the broader than 20 micron types have held on much better to their values and whilst disappointing, these wools recorded a loss of value of 3% since July 2023.

Highlighting the depressed state of the finest wools, the price gaps for 16.5 micron against 20 micron was around 46% at the start of the season, but that price differential is now 32.3%.

US dollar	16.5 mic	17 mic	18 mic	19 mic	20 mic	21 mic
Jul-23	$ 13.64	$ 12.65	$ 10.89	$ 9.97	$ 9.33	$ 9.06
Aug-23	$ 12.78	$ 11.85	$ 10.18	$ 9.26	$ 8.75	$ 8.52
Sep-23	$ 12.36	$ 11.13	$ 9.89	$ 9.15	$ 8.53	$ 8.30
Oct-23	$ 11.53	$ 10.75	$ 9.62	$ 8.89	$ 8.38	$ 8.24
Nov-23	$ 12.02	$ 11.32	$ 10.11	$ 9.64	$ 8.63	$ 8.54
Dec-23	$ 13.30	$ 12.66	$ 11.05	$ 10.38	$ 9.24	$ 9.00
Jan-24	$ 13.49	$ 12.57	$ 10.97	$ 9.73	$ 9.05	$ 8.82
Feb-24	$ 12.30	$ 11.60	$ 10.30	$ 9.21	$ 8.71	$ 8.61
Mar-24	$ 12.14	$ 11.43	$ 10.17	$ 9.33	$ 8.82	$ 8.63
Apr-24	$ 11.83	$ 11.17	$ 10.02	$ 9.30	$ 8.86	$ 8.62
May-24	$ 11.76	$ 11.17	$ 9.97	$ 9.25	$ 8.87	$ 8.63
Jun-24	$ 11.96	$ 11.39	$ 10.24	$ 9.43	$ 9.04	$ 8.77
$/kg +/-	-$ 1.68	-$ 1.25	-$ 0.65	-$ 0.54	-$ 0.29	-$ 0.29
	-12.3%	-9.9%	-6.0%	-5.4%	-3.1%	-3.2%

Price – Crossbred by micron

In comparison to the entire Merino sector, the crossbred wool types have maintained a steady price recovery since the start of the season - albeit from a very poor, low price basis.

All crossbred wool types by percentage have recorded gains of between 15 and 20%, far outstripping the value position change in the season for all other types and descriptions.

The season closing quotes were at or very close to the seasonal highs of October for the finer crossbreds.

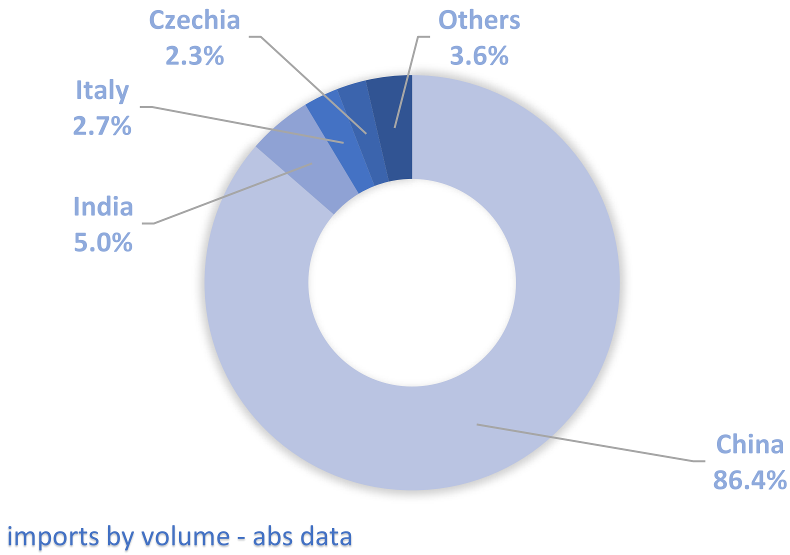
October and February saw the 32 micron types average over 2 usd/kg for the month, which the season closing basis almost matches.

US dollar	28 mic	30 mic	32 mic
Jul-23	$ 2.15	$ 1.94	$ 1.72
Aug-23	$ 2.19	$ 2.02	$ 1.67
Sep-23	$ 2.35	$ 2.20	$ 1.84
Oct-23	$ 2.46	$ 2.32	$ 2.00
Nov-23	$ 2.30	$ 2.17	$ 1.99
Dec-23	$ 2.33	$ 2.15	$ 1.96
Jan-24	$ 2.35	$ 2.19	$ 1.95
Feb-24	$ 2.36	$ 2.20	$ 2.01
Mar-24	$ 2.34	$ 2.21	$ 1.95
Apr-24	$ 2.32	$ 2.16	$ 1.93
May-24	$ 2.35	$ 2.19	$ 1.89
Jun-24	$ 2.56	$ 2.29	$ 1.98
$/kg +/-	$ 0.41	$ 0.35	$ 0.26
	19.1%	18.2%	15.3%

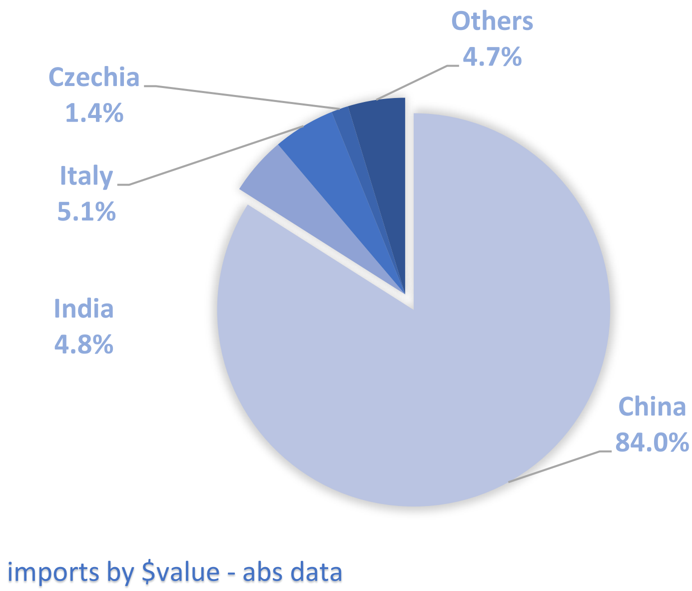
Export destinations for Australian wool 2023/24 season

With just a month left of data from the ABS (Australian Bureau of Statistics) to be added, the May 2024 export figures for the 2023/24 season has seen the Chinese Import of Australian wool grow even further to **86.4%** for the current season.

On a percentage basis, this means that China has increased its market share of the Australian clip by **4.6%** by volume year on year thus far.



China's share in dollar value of that import dominance falls to a still very healthy **84.0% o**f the total export dollars. Last full season saw **78.8%** of value being exported to China, so the growth is much greater in dollars earnt from China for Australian exports of wool at **6.6%** more of the total value.



Whilst Italy's volume share is very low at just 2.7% historically that grows to 5.1% of the value when looking at export earnings.

It is still quite a disappointing figure when the earnings from the Italian import are usually well above 12% of the export value of the Australian clip.

India has imported around 5% of the clip by both volume and value. Exports to Czechia (100% Modiano) are heavily weighted towards crossbreds so the volume figure sits well above the dollar value.

For the current season, Australia has exported 96.3% of weight of wool in the greasy, raw form. 1.2% is scoured wool and 2.5% carbonized.

There are a total of 13 countries that receive greasy wool, but in a commercial sense, that destination list drops to 6 significant and viable users given our volumes produced.

29 countries have received exports from Australia this current season in all wool forms – either greasy or semi processed.

Export destinations by wool state

	Country	Greasy	Scoured	Carbo
1	China	✓	✓	✓
2	India	✓	✓	✓
3	Italy	✓	✓	✓
4	Czechia	✓		
5	South Korea	✓		✓
6	Thailand		✓	✓
7	Egypt	✓		
8	Bulgaria	✓		
9	United Kingdom	✓	✓	✓
10	Germany		✓	✓
11	United Arab Emirates		✓	
12	Japan	✓		✓
13	USA	✓	✓	✓
14	Turkiye		✓	✓
15	Spain		✓	✓
16	Mexico			✓
17	South Africa			✓
18	Vietnam			✓
19	Mauritius			✓
20	Pakistan			✓
21	Singapore	✓		
22	Portugal		✓	✓
23	Iran		✓	
24	Tunisia			✓
25	Uruguay	✓		
26	New Zealand	✓		✓
27	Lithuania		✓	
28	Taiwan			✓
29	Myanmar			✓

8. WICP MEMBER FEEDBACK & PRIORITY ISSUES

TITLE: WICP Member Feedback & Priority Issues

DATE: Thursday, 1st August 2024

Chair of WICP – Nick Turner will conduct the session.

8. WICP MEMBER PRIORITY ISSUES

At the November 2023 WICP meeting Panel Members' set out their top five priorities with a view to identifying the issues that were the most important for members, and the preferred areas for AWI investment over the next five years.

The list was prioritised as follows:

1. **Shearing & Shearing Alternatives**
    a. Shearer shortages
    b. Shearer training
    c. Labour intensive activity that is high-risk
    d. Animal health risk
    e. In-shed issues
    f. Classing in shed
    g. Cost-benefit (noting that wage structure is not something that AWI can influence)
2. **Health and Welfare**
    a. Worms
    b. Flies (including mulesing from a grower/animal welfare perspective)
    c. Pain relief
    d. Biosecurity
    e. Traceability (also included under 'sustainability')
    f. Genetics
3. **Sustainability Credentials** (Noting that marketing in this area bridges the gap towards new markets that are determined by consumer demand)
    a. Industry being economically sustainable
    b. Traceability
    c. Animal welfare (mulesing from a consumer/sustainability perspective)
4. **Extension & Adoption**
    a. This is where growers can see benefits from their levies. There is a low-level engagement from growers.
    b. Communication
5. **Other Priorities**
    a. Emerging markets/securing the supply chain
    b. Feral animals
    c. Classing of broad wools

9. FLYSTRIKE VACCINE UPDATE

TITLE: Flystrike Vaccine Update

DATE: Thursday, 1st August 2024

Tony Vuocolo – Research Team Leader - CSIRO will lead the session

10. DEPARTMENT OF AGRICUTURE, FISHERIES AND FORESTRY UPDATE

TITLE: Department of Agriculture, Fisheries and Forestry Update

DATE: Thursday, 1st August, 2024

The Department of Agriculture, Fisheries and Forestry will provide a Commonwealth update.

10.1 2023/2024 Annual Wool Industry Tripartite Discussion

11. WICP CHAIR CONTRACT RENEWAL

TITLE: WICP Chair Contract Renewal

DATE: Thursday, 1st August 2024

Independent Chairman Nick Turner has indicated he would like to continue in the role for the next twelve months.

The panel needs to approve this.

The responsibilities, terms and conditions of his role would be the same as the last twelve months.

If the panel does not approve this course of action a separate expression of interest process will be run before the next meeting.

12. OTHER BUSINESS

TITLE: Other Business

DATE: Thursday, 1st August, 2024

12.1 WICP 2025 meeting frequency /dates