

# Australian Wool Production Forecast Report

April 2011

Australian Wool Production Forecasting Committee

## Summary

- The Australian shorn wool production forecast for 2010/11 has been revised upward by 5 mkg greasy to 340 mkg greasy in 2010/11, 0.8% lower than 2009/10 production levels.
- The first forecast for shorn wool production in 2011/12 is 345 mkg greasy, an increase of 1.0% compared with the forecast for the 2010/11 season, and slightly ahead of the 2009/10 production estimate. Table 1 summarises the estimates and forecasts.

**Table 1: Summary of wool production estimates and forecasts for Australia**

| Parameter                                     | 2009/10 estimate | 2010/11 4 <sup>th</sup> forecast | Change YOY | 2011/12 1 <sup>st</sup> forecast | Change YOY |
|---|------------------|----------------------------------|------------|----------------------------------|------------|
| <b>Opening Sheep number</b><br>(million head) | 72.7             | 67.7                             | -6.9%      | 68.3                             | 0.9%       |
| <b>Sheep numbers shorn</b><br>(million head)  | 76.2             | 73.8                             | -3.2%      | 74.4                             | 0.9%       |
| <b>Average cut per head</b><br>(kg/head)      | 4.5              | 4.6                              | 2.7%       | 4.6                              | 0.0%       |
| <b>Shorn wool production</b><br>(mkg greasy)  | 343              | 340                              | -0.5%      | 345                              | 1.0%       |

Note: Totals may not add due to rounding.

- For 2010/11, the upward revision of forecast production reflects good seasonal conditions across eastern Australia, higher wool prices and increased retention of ewes and lambs – these have led to a small increase in the number of sheep to be shorn.
- There has also been a change in the diameter profile of the national clip with reduced volumes of super fine Merino wool being produced and an increased production of strong Merino and cross-bred wool types, as was forecast in December.
- The benefits of the excellent seasonal conditions in much of eastern Australia are expected to flow across into wool production in 2011/12, such that the average fleece weight is forecast to remain at the present high level (4.6 kgs greasy). In addition, the strong intent among growers to build ewe numbers by retaining additional ewe lambs and old ewes is forecast to lead to an increase in opening sheep numbers (0.9%) and sheep shorn, with the exception of Western Australia.
- The changes in forecast production are consistent with a trend toward rebuilding of wool production in Australia, and is in alignment with recent ABARES and MLA forecasts.

### FURTHER INFORMATION

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## Wool Production Estimates and Forecasts

### Forecast for 2010/11

The Committee's 4<sup>th</sup> forecast for 2010/11 shorn wool production is 340 mkg greasy, 0.8% lower than for 2009/10, and 5 mkg greasy higher than the preceding 2010/11 forecast made in December 2010. The comparative estimates and forecasts are shown in Table 2 below.

**Table 2: 4<sup>th</sup> forecast for 2010/11 production compared with 2009/10 for Australia.**

| Parameter                          | 2009/10 estimate | 3 <sup>rd</sup> forecast 2010/11 (Dec. 2010) | 4 <sup>th</sup> forecast 2010/11 (Apr. 2010) | Change YOY (%) |
|------------------------------------|------------------|--|--|----------------|
| Opening sheep numbers (million)    | 72.7             | 67.7   | 67.7   | -6.9%          |
| Sheep numbers shorn (million)      | 76.2             | 72.5   | 73.8   | -3.2%          |
| Average cut per head (kg/head)     | 4.50             | 4.6  | 4.6  | 2.5%           |
| Shorn wool production (mkg greasy) | 343              | 335  | 340  | -0.8%          |

Note: Opening sheep numbers as at 1<sup>st</sup> July of each year. For 2009/10 it is the ABS final estimate. For 2010/11 it is the ABS preliminary estimate

The corresponding State production forecasts are shown in Table 3, comparing December 2010 and April 2011 forecasts.

**Table 3: Changes to recent State-level forecasts for 2010/11 wool production.**

| 3 <sup>rd</sup> forecast (Dec-10)   | QLD   | NSW   | VIC  | TAS  | SA    | WA   | National |
|-------------------------------------|-------|-------|------|------|-------|------|----------|
| Opening sheep number (ABS, million) | 3.6   | 23.9  | 14.4 | 2.0  | 9.1   | 14.7 | 67.7     |
| Sheep to be shorn (million)         | 3.5   | 25.0  | 17.0 | 2.5  | 9.4   | 15.2 | 72.5     |
| Average GFW (kg)                    | 3.9   | 4.8   | 4.5  | 3.9  | 5.3   | 4.2  | 4.6      |
| Wool production (mkg greasy)        | 13.7  | 121.0 | 76.4 | 9.7  | 50.1  | 64.5 | 335      |
| 4 <sup>th</sup> forecast (Apr-11)   | QLD   | NSW   | VIC  | TAS  | SA    | WA   | National |
| Opening sheep number (ABS, million) | 3.6   | 23.9  | 14.4 | 2.0  | 9.1   | 14.7 | 67.7     |
| Sheep to be shorn (million)         | 3.7   | 25.4  | 17.3 | 2.5  | 9.4   | 15.4 | 73.8     |
| Average GFW (kgs)                   | 3.9   | 4.9   | 4.5  | 3.9  | 5.2   | 4.3  | 4.6      |
| Wool production (mkg greasy)        | 14.4  | 123.4 | 78.0 | 9.7  | 49.3  | 65.6 | 340      |
| change (%)                          | QLD   | NSW   | VIC  | TAS  | SA    | WA   | National |
| Opening sheep number                | 0.0%  | 0.0%  | 0.0% | 0.0% | 0.0%  | 0.0% | 0.0%     |
| Sheep to be shorn                   | 5.4%  | 1.8%  | 2.0% | 0.0% | 0.0%  | 1.3% | 1.8%     |
| Average GFW                         | -0.3% | 0.0%  | 0.0% | 0.0% | -1.1% | 0.5% | 0.0%     |
| Wool production                     | 5.1%  | 2.0%  | 2.1% | 0.0% | -1.7% | 1.7% | 1.6%     |

As shown in Table 3, the refinements to the forecasts have occurred in a number of states, most notably:

- The forecast number of sheep to be shorn in QLD, NSW, VIC, and WA has increased from the December 2010 forecast, due to increased retention of young and old ewes, early shearing due to seasonal conditions in some areas, and the strength of the wool market. Nationally, the overall impact of these refinements is to increase numbers to be shorn by 1.8%.
- The forecast average fleece weight of shorn sheep has been revised downwards in QLD (-0.3%) and SA (-1.1%), and increased in WA (0.5%). The overall impact of the refinements was to see forecast average fleece weights remain stable
- Forecast greasy wool production has thus increased in QLD, NSW, VIC and WA (despite the seasonal conditions), is unchanged in TAS, and has declined marginally in SA. The net national position is for greasy production to increase by 1.6% compared to the December 2010 forecast.

The combined effect of the changes is to more than halve the size of the fall in forecast greasy production between 2009/10 and 2010/11. Table 4 shows the result of the 4th forecast in comparison with 2009/10 production estimate.

**Table 4: Comparison of the 2009/10 estimate against the 4th 2010/11 production forecast (April, 2011).**

| <b>2009/10 final estimate</b>                 | <b>QLD</b> | <b>NSW</b> | <b>VIC</b> | <b>TAS</b> | <b>SA</b> | <b>WA</b> | <b>National</b> |
|---|------------|------------|------------|------------|-----------|-----------|-----------------|
| <b>Opening sheep number</b><br>(ABS, million) | 4.3        | 25.6       | 15.1       | 2.1        | 10.0      | 15.7      | 72.7            |
| <b>Sheep to be shorn</b><br>(million)         | 3.7        | 26.2       | 17.6       | 2.5        | 9.0       | 16.9      | 76.2            |
| <b>Average GFW</b><br>(kg)                    | 4.3        | 4.6        | 4.2        | 3.8        | 5.2       | 4.4       | 4.50            |
| <b>Total wool production</b><br>(mkg greasy)  | 16.1       | 121.0      | 74.0       | 9.6        | 47.0      | 74.0      | 343.0           |
| <b>4th forecast (Apr-10)</b>                  | <b>QLD</b> | <b>NSW</b> | <b>VIC</b> | <b>TAS</b> | <b>SA</b> | <b>WA</b> | <b>National</b> |
| <b>Opening sheep number</b><br>(million)      | 3.6        | 23.9       | 14.4       | 2.0        | 9.1       | 14.7      | 67.7            |
| <b>Sheep to be shorn</b><br>(million)         | 3.7        | 25.4       | 17.3       | 2.5        | 9.4       | 15.4      | 73.8            |
| <b>Average GFW</b><br>(kg)                    | 3.9        | 4.9        | 4.5        | 3.9        | 5.2       | 4.3       | 4.6             |
| <b>Total wool production</b><br>(mkg greasy)  | 14.4       | 123.4      | 78.0       | 9.7        | 49.3      | 65.6      | 340             |
| <b>change %</b>                               | <b>QLD</b> | <b>NSW</b> | <b>VIC</b> | <b>TAS</b> | <b>SA</b> | <b>WA</b> | <b>National</b> |
| <b>Opening sheep number</b>                   | -16.3%     | -6.6%      | -4.6%      | -4.8%      | -9.0%     | -6.4%     | -6.9%           |
| <b>Sheep to be shorn</b>                      | -1.4%      | -2.9%      | -1.5%      | 0.0%       | 4.4%      | -8.8%     | -3.2%           |
| <b>Average GFW</b>                            | -9.3%      | 5.0%       | 7.1%       | 2.1%       | 0.4%      | -2.7%     | 2.5%            |
| <b>Total wool production</b>                  | -10.6%     | 2.0%       | 5.4%       | 1.0%       | 4.8%      | -11.3%    | -0.8%           |

Overall, production is forecast to decline compared to 2009/10 by 0.8% to 340 m kgs, with large declines in WA (-11.3%) and QLD (-10.6%) partly offset by increases in VIC (5.4%), SA (4.8%), and NSW (2.0%).

### **Forecast for 2011/12**

The Committee's first forecast for 2011/12 shorn wool production is 345 mkg greasy, 1.0% higher than its forecast for 2010/11, and above the 2009/10 estimate of 343 mkg greasy.

The key factors underpinning the forecast of increased wool production are:

- An increase of 0.9% in opening sheep numbers, to 68.3 m from 67.7 m in 2010/11;
- A corresponding 0.9% increase in the number of sheep to be shorn.

In keeping with normal Committee practice, this first forecast for greasy wool production has been rounded to the nearest 5 mkg greasy - hence rounded to 345 mkg (a 1% increase).

These expected increases in production are in line with ABARES and MLA forecasts, and suggest that the run-down in sheep numbers in Australia since 1990 may be ending. However, the Committee notes that the on-going poor seasonal conditions in Western Australia represent a significant downside risk factor for increased production, and these conditions will be monitored closely over the coming months.

### **Major data inputs**

These forecasts are based on detailed consideration by the state and national committees of current seasonal conditions, information gathered on sheep producer and wool grower intentions, including the MLA/AWI Lamb Survey results, AWTA test data, sheep and ABS lamb turn-off for 2009/10, National Livestock Recording System yardings data, and other key inputs.

#### **ABS data**

Table 5 summarises ABS flock statistics, including the November-released provisional forecast for 2010. In this most recent release, ABS revised downwards their forecast of the 2010/11 sheep flock from 70.0 m to 67.7 m (2.3 m or 3.3%).

**Table 5: ABS National flock numbers. Units of sheep numbers are millions (m).**

| <b>Parameter</b>                        | <b>2006</b> | <b>2007</b> | <b>2008</b> | <b>2009</b> | <b>2010p</b> | <b>Change<br/>YOY %</b> |
|---|-------------|-------------|-------------|-------------|--------------|-------------------------|
| <b>Flock size</b><br>(million, at June) | 91.0        | 85.7        | 76.9        | 72.7        | 67.7         | -7%                     |
| <b>Breeding ewes</b><br>(million)       | 48.6        | 46.4        | 45.4        | 40.9        | 42.0         | +3%                     |
| <b>Lambs marked</b><br>(million)        | 35.1        | 34.1        | NA          | 32.5        | 30.3         | -7%                     |
| <b>Ewes mated</b><br>(million)          | 42.7        | 41.5        | NA          | 37.7        |              |                         |
| <b>Marking rate</b><br>(%)              | 82%         | 82%         | NA          | 85%         |              |                         |

National ABS sheep turn-off statistics from Australian farms are shown in Table 6, for the financial year to date (to end January 2011), compared to the equivalent period in 2009/10 and the corresponding year-to-date average for the five years 2005/06 – 2009/10. Significant reductions in sheep and lamb slaughtering as well as live export numbers are shown, all of which are consistent with the anecdotal reports of increased retention of ewe lambs and older ewes for breeding purposes.

**Table 6: ABS Sheep turn-off data for 2010/11 (financial year to-date)**

| Parameter                                | Financial year-to-date |                |        | 5 year financial year-to-date average |        |
|--|------------------------|----------------|--------|---------------------------------------|--------|
|  | FY to Jan 2010         | FY to Jan 2011 | Change | FY to Jan                             | Change |
| <b>Sheep slaughter</b><br>(‘000 hd)      | 4,849                  | 3,517          | -27%   | 6,480                                 | -46%   |
| <b>Sheep weights</b><br>(kg/hd cwt)      | 22.25                  | 23.40          | 5%     | 21.51                                 | 9%     |
| <b>Mutton production</b><br>(tonnes cwt) | 107,899                | 82,313         | -24%   | 139,400                               | -41%   |
| <b>Lamb slaughter</b><br>(‘000 hd)       | 11,604                 | 10,664         | -8%    | 11,597                                | -8%    |
| <b>Lamb weights</b><br>(kg/hd cwt)       | 20.64                  | 21.42          | 4%     | 20.44                                 | 5%     |
| <b>Lamb production</b><br>(tonnes cwt)   | 239,548                | 228,379        | -5%    | 237,066                               | -4%    |
| <b>Live exports</b><br>(hd)              | 2,100,107              | 1,894,057      | -10%   | 2,594,067                             | -27%   |

The ABS data suggests substantial year-on-financial-year decline in sheep turn-off, especially when compared to longer term average – significantly reduced adult sheep slaughter (-46%), mutton production (-41%), lamb slaughter (-8%) and live exports (-27%), all of which are consistent with the anecdotal reports of increased retention of ewe lambs and older ewes for breeding purposes.

**AWTA wool test data (year-to-date)**

Following the August 2010 National Committee meeting, AWTA developed a specific Key Test Data report for wool production forecasting purposes. This report aggregates data on a Wool Statistical Area basis, and generates monthly greasy test volumes within diameter categories. Comparative year-to-date results are shown in Table 7 and Figure 1, based on this new report.

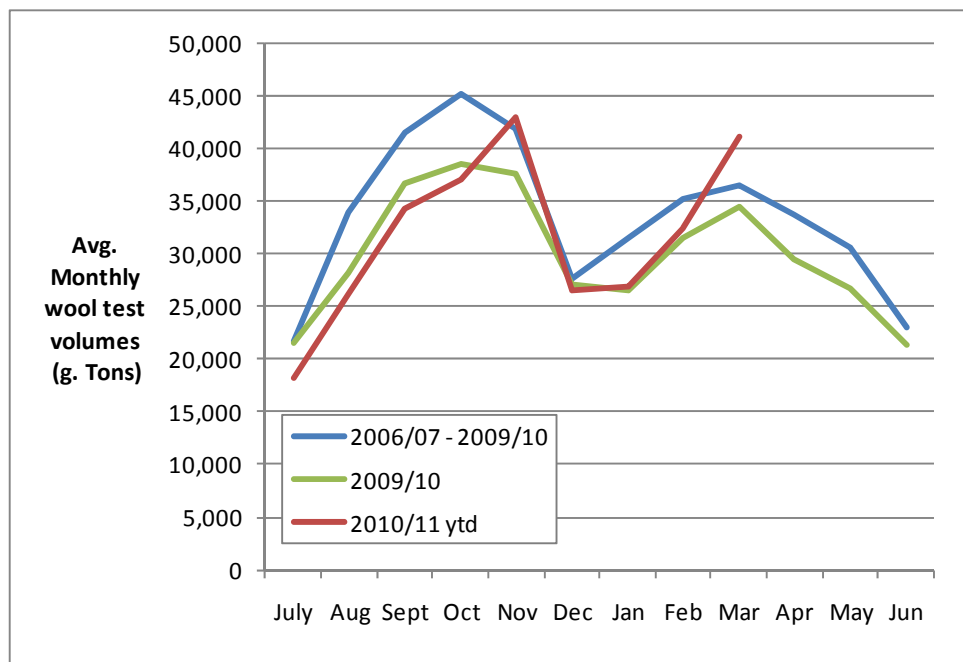
**Table 7: Comparison of year-to-date AWTA wool test volumes for 2009/10 and 2010/11 (to end March 2011).**

| Year           | 0.0 -16.5 | 16.6 - 17.5 | 17.6 - 18.5 | 18.6 - 19.5 | 19.6 - 20.5 | 20.6 - 21.5 | 21.6 - 22.5 | 22.6 - 23.5 | 23.6 - 24.5 | 24.6 - 26.5 | 26.6 - 28.5 | 28.6 - 30.5 | 30.6 + | TOTAL   |
|----------------|-----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------|---------|
| <b>2009/10</b> | 5,712     | 16,740      | 35,230      | 47,894      | 49,344      | 37,635      | 23,759      | 13,012      | 6,920       | 11,898      | 16,029      | 11,591      | 6,520  | 282,284 |
| <b>2010/11</b> | 3,603     | 12,750      | 30,953      | 48,224      | 52,160      | 39,296      | 24,473      | 15,113      | 8,057       | 10,830      | 16,060      | 15,200      | 9,036  | 285,755 |
| <b>YOY</b>     | -37%      | -24%        | -12%        | 1%          | 6%          | 4%          | 3%          | 16%         | 16%         | -9%         | 0%          | 31%         | 39%    | 1.2%    |

The AWTA data presented in Table 7 and Figure 1 indicate that:

- Year-to-date wool test volumes presently show a 1.2% increase over 2009/10 values, with November 2010 and March 2011 volumes being in excess of longer-term average levels, and;
- Increases in year-on-year production volumes are greatest in coarse Merino (22.6 – 24.5 um) and coarse cross-bred (>28.5 um) diameter categories, with substantial reductions evident in super fine Merino test volumes.

**Figure 1: Across-years comparison of monthly wool test volumes – 2010/11 year-to-date compared with 2009/10, and the average of the 4 seasons 2006/07 – 2009/10.**



**AWI Production Forecasting Model (forecast to end June 2011)**

As detailed in the December 2010 report, AWI has developed a statistical forecasting methodology which utilises the new AWTA data report, as a contribution to the AWPFC process. Table 8 outlines the results of the AWI production modelling based on AWTA wool test data to the end of March 2011.

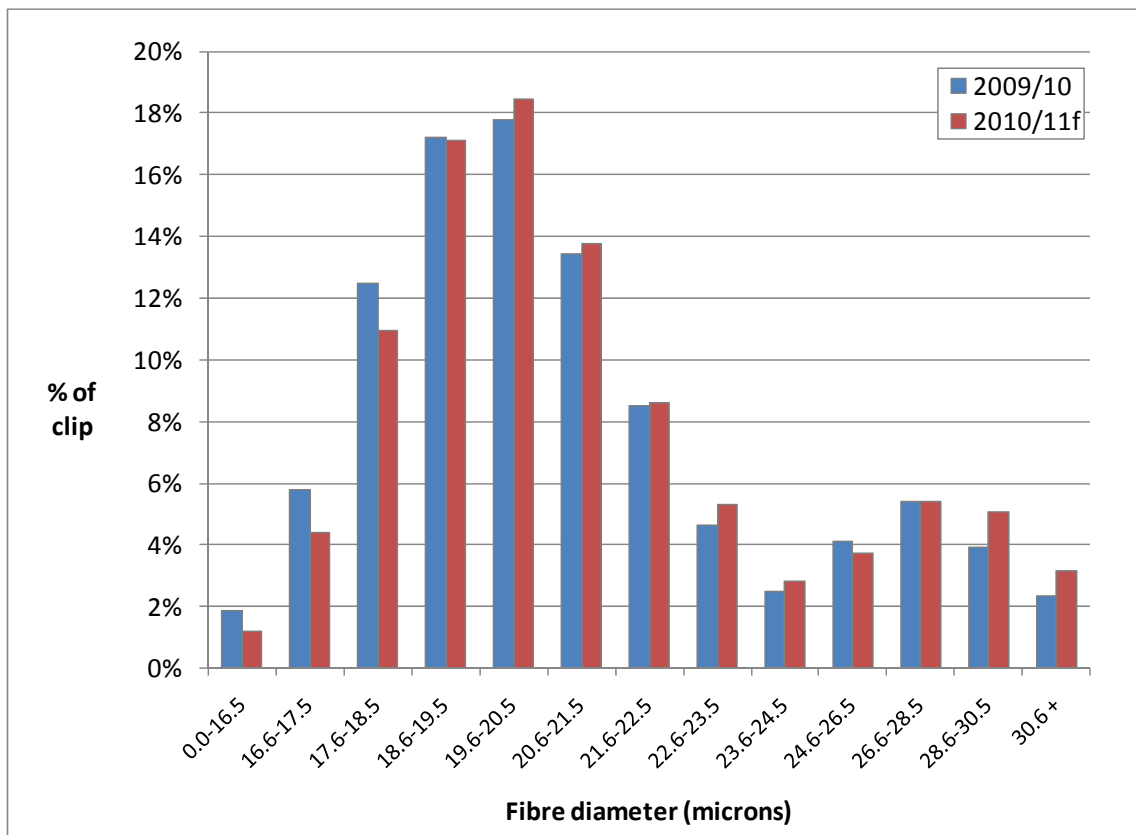
**Table 8: Australian wool production estimates and forecasts derived from the AWI forecasting model and AWTA WSA-based Key Test data.**

| Year     | 0.0 -16.5 | 16.6- 17.5 | 17.6- 18.5 | 18.6- 19.5 | 19.6- 20.5 | 20.6- 21.5 | 21.6- 22.5 | 22.6- 23.5 | 23.6- 24.5 | 24.6- 26.5 | 26.6- 28.5 | 28.6- 30.5 | 30.6 + | TOTAL   |
|----------|-----------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|--------|---------|
| 2009/10e | 6,348     | 19,843     | 42,832     | 59,153     | 61,092     | 46,141     | 29,231     | 15,968     | 8,514      | 14,198     | 18,566     | 13,467     | 8,009  | 343,360 |
| 2010/11f | 4,058     | 15,095     | 37,484     | 58,527     | 63,006     | 47,007     | 29,417     | 18,118     | 9,699      | 12,796     | 18,409     | 17,339     | 10,783 | 341,741 |
| YOY      | -36%      | -24%       | -12%       | -1%        | 3%         | 2%         | 1%         | 14%        | 14%        | -10%       | -1%        | 29%        | 35%    | -0.4%   |

For 2010/11, the AWI forecasting model is suggesting overall production of around 342 mkg greasy, which represents a year-on-year production decline of 0.4%, and is slightly above the 4th AWPFC forecast of 340 m kg greasy. This latest AWI forecast represents a substantial improvement from the forecast 2.8% decline in December 2010, which was based on data to the end of November 2010.

Consistent with the year-to-date AWTA data shown in Table 7, the AWI model is forecasting substantial year-on-year changes in the diameter profile of the Australian wool clip, as shown in Figure 2.

Figure 2: Year-on-year changes to the diameter profile of the Australian clip.

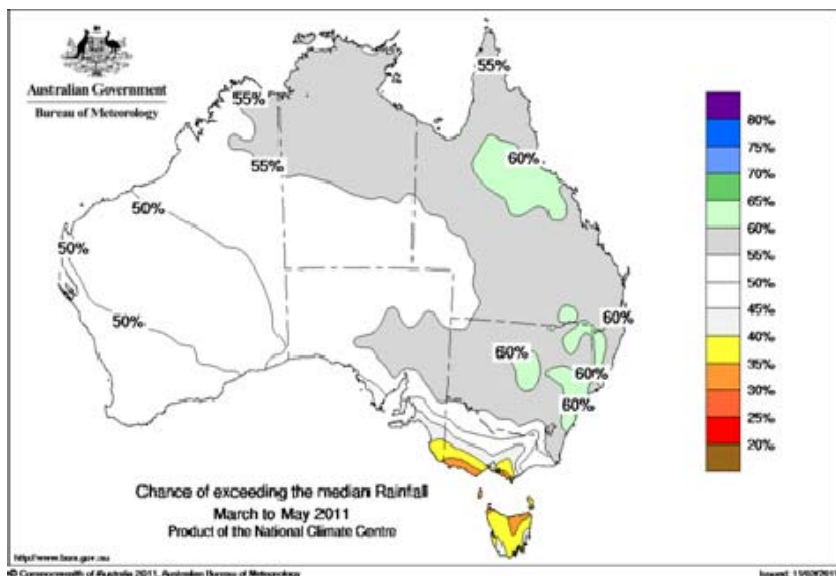


The forecast overall impact of these changes is to increase clip average fibre diameter by 0.3 microns to 21.4 microns.

**Bureau of Meteorology (BOM) Seasonal Outlook**

The BOM seasonal outlook for Autumn 2011 is shown in Figure 3.

Figure 3: BOM seasonal summary for March to May 2011



With the possible exception of Tasmania and parts of south-western Victoria, the BOM Autumn outlook is for a return to more average seasonal conditions.

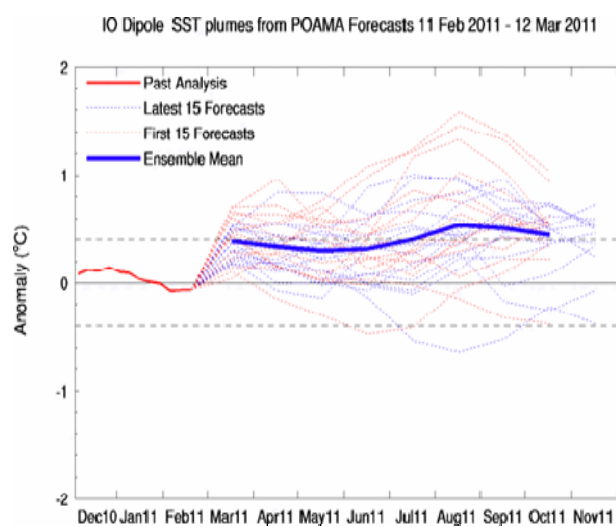
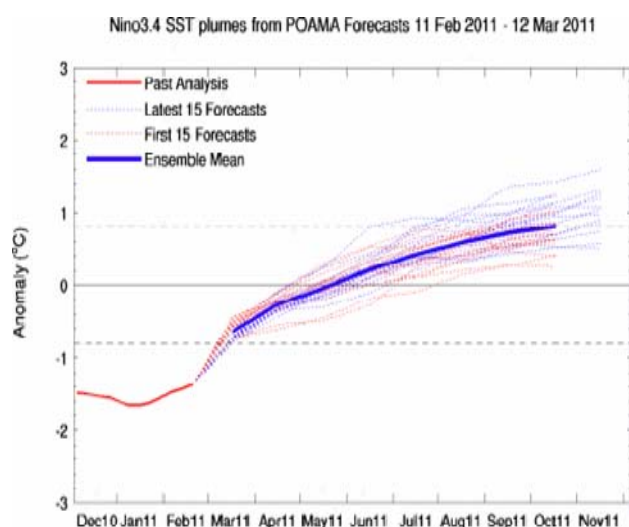
A longer term view may be gained from considering the outlooks for the major climate anomalies affecting sheep production areas of Australia, namely the Southern Oscillation Index (SOI) and the Indian Ocean Dipole (IOD):

- The SOI is the underpinning climatic engine for the El-Nino/La-Nina patterns. Consecutive strongly positive monthly SOI values generally indicate a shift to a El-Nino climatic pattern, which is associated with a higher risk of drought in sheep production areas in eastern Australia, especially north-eastern areas. Consecutive strongly negative monthly SOI values indicate a shift toward the La-Nina climatic pattern, which is associated with wetter conditions in eastern Australia, such as has occurred in the most recent year. SOI events generally last 6-12 months or more.
- The IOD is the climatic system in the Indian Ocean corresponding to the SOI (El Nino/La Nina). Positive IOD events are short lived (months) and result in dryer than normal Winter/Spring rainfall in central and southern Australia.

The SOI outlook (Figure 4) is for a weakening of the previously strong La-Nina pattern (e.g. temperature anomaly shifts to the positive), which had resulted in such wet conditions in eastern and particularly north-eastern Australia, and which may therefore indicate a return to more normal Winter/Spring rainfall in eastern Australia in 2011/12.

**Figure 4: SOI outlook (12/3/11).**

**Figure 5: IOD outlook (12/3/11)**



The summary of model forecasts for the corresponding IOD (Figure 5) remains stable and neutral/slightly positive – the implication being close to median rainfall expectations for southern Australia, including WA. Nonetheless, some climate forecasters are forecasting another dry Winter/Spring for south-western WA (e.g. 20-30% of median).

**State Committee inputs**

The following provides a summary of conditions in each state as reported by State Committees in March 2011.

Queensland

The Queensland State Committee increased 2010/11 greasy production volumes, reflecting expected increase in the number of sheep to be shorn and slight decrease in the average greasy fleece weight due to the increased number of sheep to be shorn as lambs.

For 2011/12, the Committee felt that production levels would remain at 2010/11 levels.

## New South Wales

Forecast wool production in NSW in 2010/11 has increased by 2% compared to the 3<sup>rd</sup> forecast, made in December 2010.

In increasing the production forecast, the Committee increased the number of sheep to be shorn by 2%, reflecting increased retention of ewe lambs and older ewes, and left greasy fleece weight unchanged at the present high level of 4.9 kgs. The Committee noted NSW producer intent to build Merino numbers, given favourable seasonal conditions, but also anecdotal reports of increased mortality in some areas.

In relation to 2011/12, the Committee forecast increased opening sheep numbers due to increased ewe retention, and slight reduction in fleece weights due to increased numbers of both youngest and oldest sheep age classes, and with expected return to more normal seasonal conditions.

## Victoria

The Victorian State Committee has further increased 2010/11 greasy wool production compared to 2009/10, reflecting expected increase in the number of sheep to be shorn and receivals of live sheep from Western Australia.

For 2011/12, the State Committee forecast a further increase in opening sheep numbers and the number of sheep to be shorn, but no change in greasy fleece weight.

## Tasmania

The Tasmanian Committee left the December 2010 forecast of 2010/11 production levels unchanged. However, 2011/12 production was forecast to rise as a result of a lift in opening sheep numbers, which reflects an expected increased retention of young and old ewes.

## South Australia

While the SA State Committee elected not to adjust December 2010 forecast values for SA sheep numbers and wool production, the National Committee felt that on-balance the greasy fleece weight estimate was too high, and marginally adjusted it downwards. For their initial 2011/12 forecast, the State Committee felt that opening sheep numbers and greasy fleece weight would increase.

## Western Australia

The WA State Committee increased the number of sheep to be shorn in 2010/11 and slightly increased greasy fleece weight, partly reflecting increased staple length in AWTA wool tests. However, the critical change relates to 2011/12 sheep numbers, where the movement of over 1 million sheep out of WA to eastern states has substantially reduced forecast 2011/12 opening sheep numbers and the number of sheep to be shorn.

## **Historical Australian Production Figures**

Table 10 provides historical sheep numbers, wool production and fleece weight statistics since 1991/92 for background information.

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**Table 10: Australian Wool Production Statistics since 1991/92.**

| Season   | Opening Sheep Numbers (million) | Sheep Shorn (million) | Average Cut Per Head (kg/head) | Shorn Wool Production (mkg greasy) |
|----------|---------------------------------|-----------------------|--------------------------------|------------------------------------|
| 1991/92  | 163.1                           | 180.9                 | 4.43                           | 801                                |
| 1992/93  | 148.1                           | 178.8                 | 4.56                           | 815                                |
| 1993/94  | 138.0                           | 172.8                 | 4.49                           | 775                                |
| 1994/95  | 132.5                           | 156.3                 | 4.37                           | 682                                |
| 1995/96  | 120.8                           | 145.6                 | 4.50                           | 655                                |
| 1997/98  | 120.1                           | 150.0                 | 4.22                           | 633                                |
| 1998/99  | 117.4                           | 153.6                 | 4.33                           | 665                                |
| 1999/00  | 115.4                           | 144.2                 | 4.30                           | 619                                |
| 2000/01  | 118.5                           | 139.5                 | 4.31                           | 602                                |
| 2001/02  | 110.8                           | 118.6                 | 4.68                           | 555                                |
| 2002/03  | 106.1                           | 116.6                 | 4.28                           | 499                                |
| 2003/04  | 99.2                            | 104.7                 | 4.53                           | 475                                |
| 2004/05  | 101.2                           | 106.0                 | 4.49                           | 475                                |
| 2005/06  | 101.1                           | 106.5                 | 4.33                           | 461                                |
| 2006/07  | 91.0                            | 101.4                 | 4.24                           | 430                                |
| 2007/08  | 85.7                            | 90.2                  | 4.43                           | 400                                |
| 2008/09  | 76.9                            | 81.6                  | 4.43                           | 362                                |
| 2009/10e | 72.7                            | 76.3                  | 4.48                           | 343                                |
| 2010/11f | 67.7                            | 73.8                  | 4.63                           | 340                                |
| 2011/12f | 68.3                            | 74.4                  | 4.6                            | 345                                |

Note: Totals may not add due to rounding.

Source: AWPFC (incl March 2006 revised series)

### **Explanation of Revised AWPFC Data Series**

At the December 2005 meeting, the national Committee made the decision to collate and review the key variables (shorn wool production, cut per head, number of sheep shorn) used in the committee from the available industry sources and to create a consistent historical data series at both a state and national level. This was required as some differences existed between industry accepted figures and the AWPFC data series and to ensure a consistent methodology over time. This process resulted in changes to the parameters 'average cut per head' and the 'number of sheep shorn' for some seasons at both a state and national level.

### **Modus operandi for the AWI Production Forecasting Committee**

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

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

The National and state sub-committees comprise wool producers, wool brokers, exporters, processors, private treaty merchants, AWEX, AWTA, ABARE, ABS, MLA, Dept of Ag WA and The Woolmark Company.

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