

AN INITIATIVE OF

Making More From Sheep



Welcome & Housekeeping

Emily King



It's ewe time!



It's ewe time! 2019

- MLA and AWI collaboration
- Strict timing
- Evaluation forms
- Emergency exits
- Amenities
- Phones off

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SHEEP MARKET OUTLOOK

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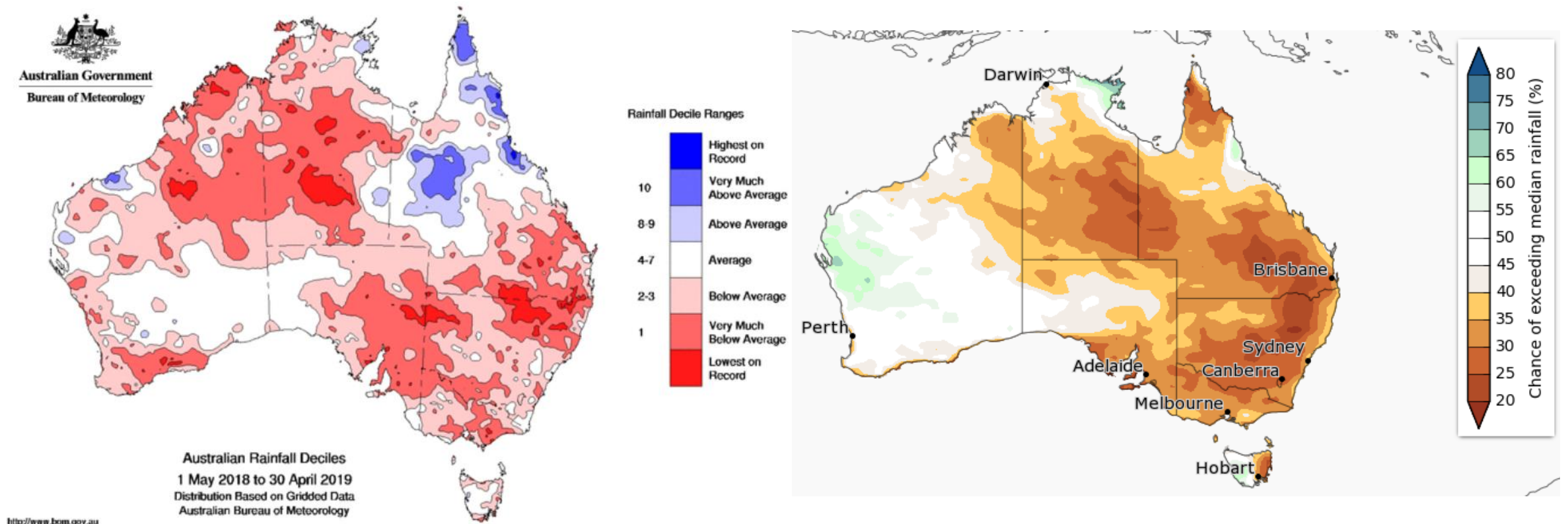
Sheep market – key themes

1. National flock to fall as the drought continues to bite
2. Fewer expected lambs to limit winter and spring supply
3. China and US demand underpin robust saleyard prices

Severe rainfall deficiencies across majority of regions

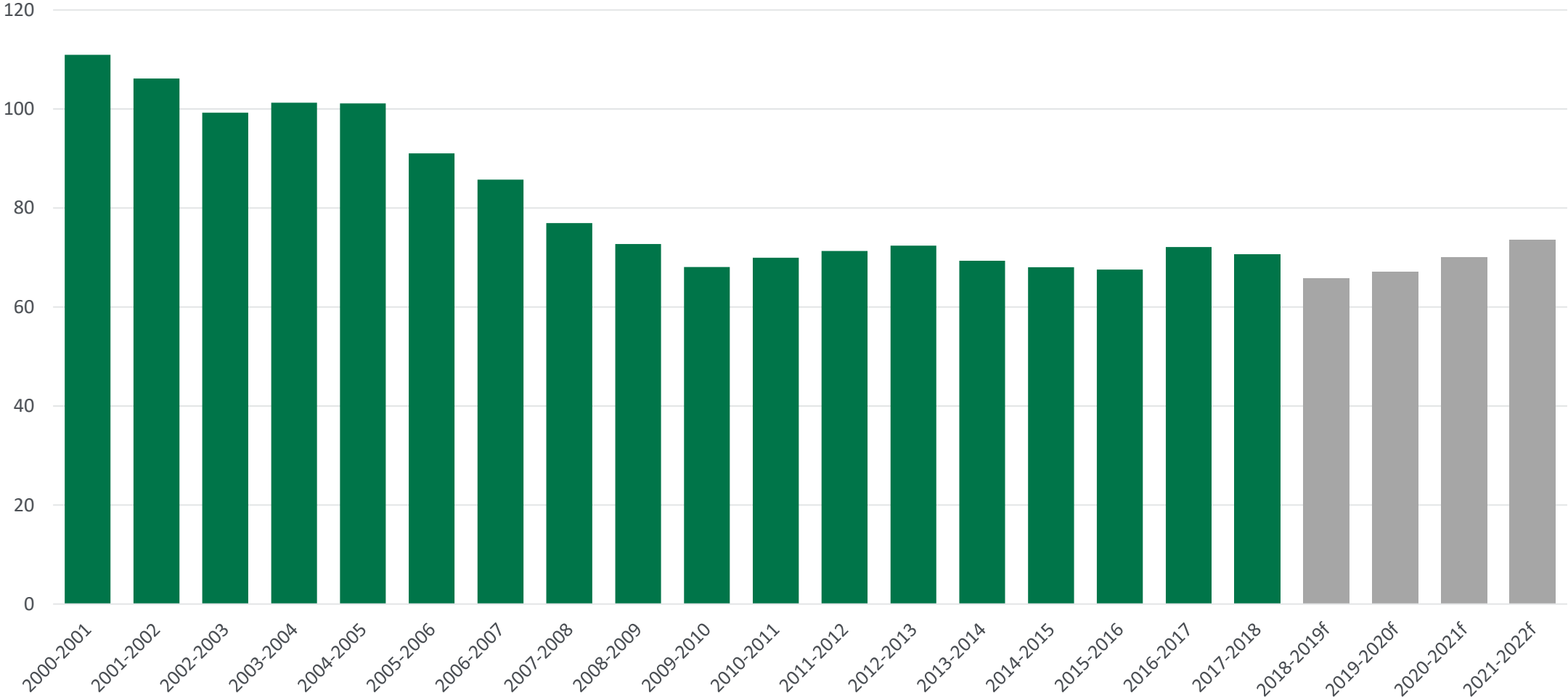
Rainfall deciles: 12 months to 30 April 2019

3-month rainfall outlook: June to August



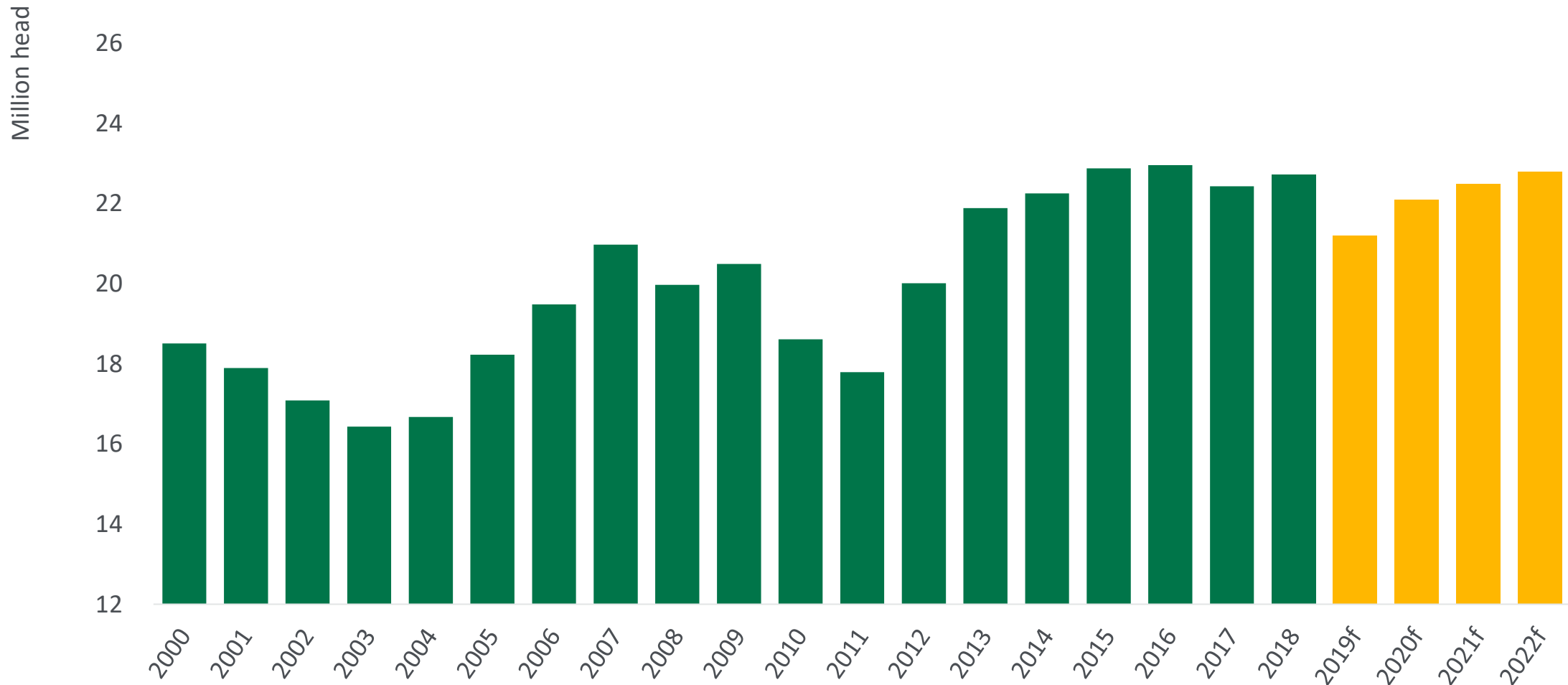
National Flock

million head



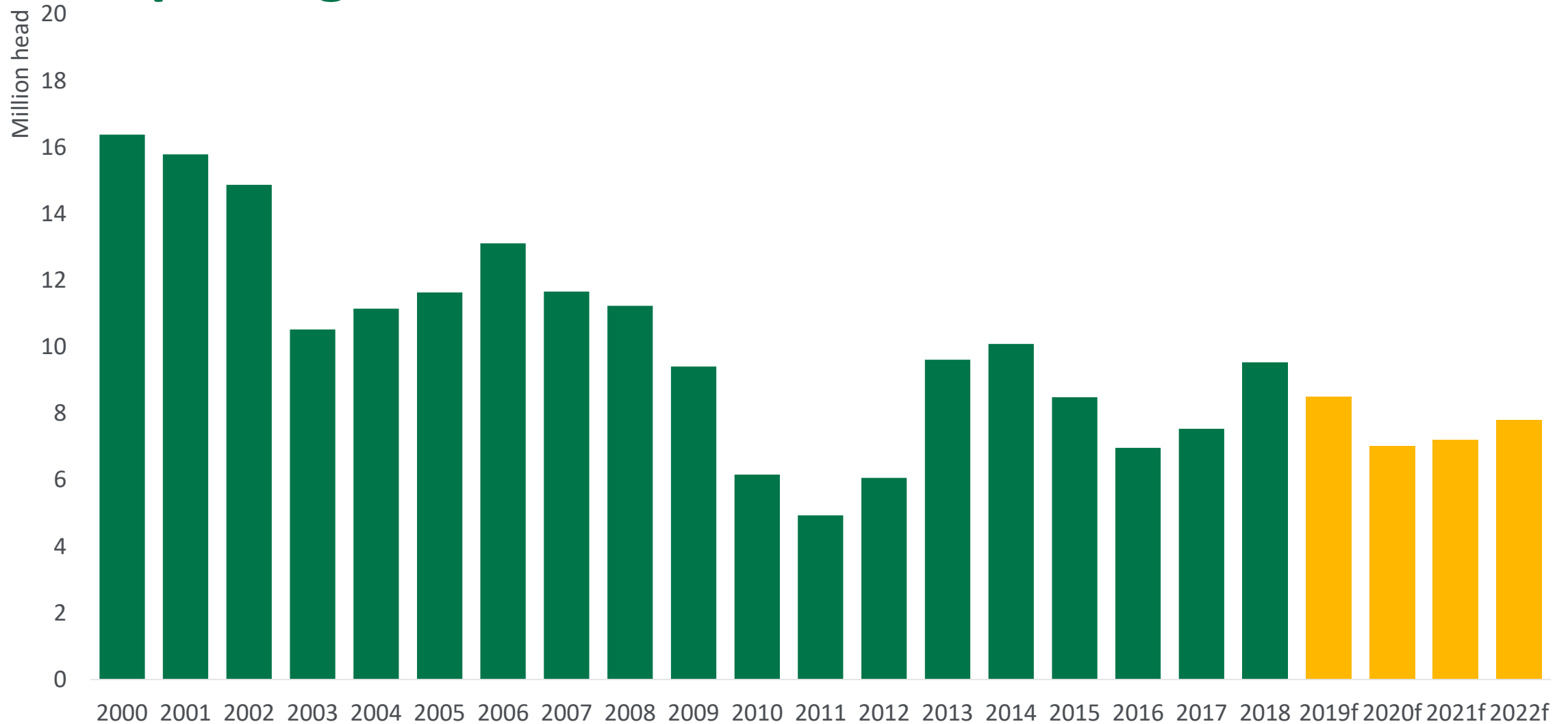
Source: ABS, MLA estimates

Lamb slaughter to decline 7% in 2019 to 21.2m head



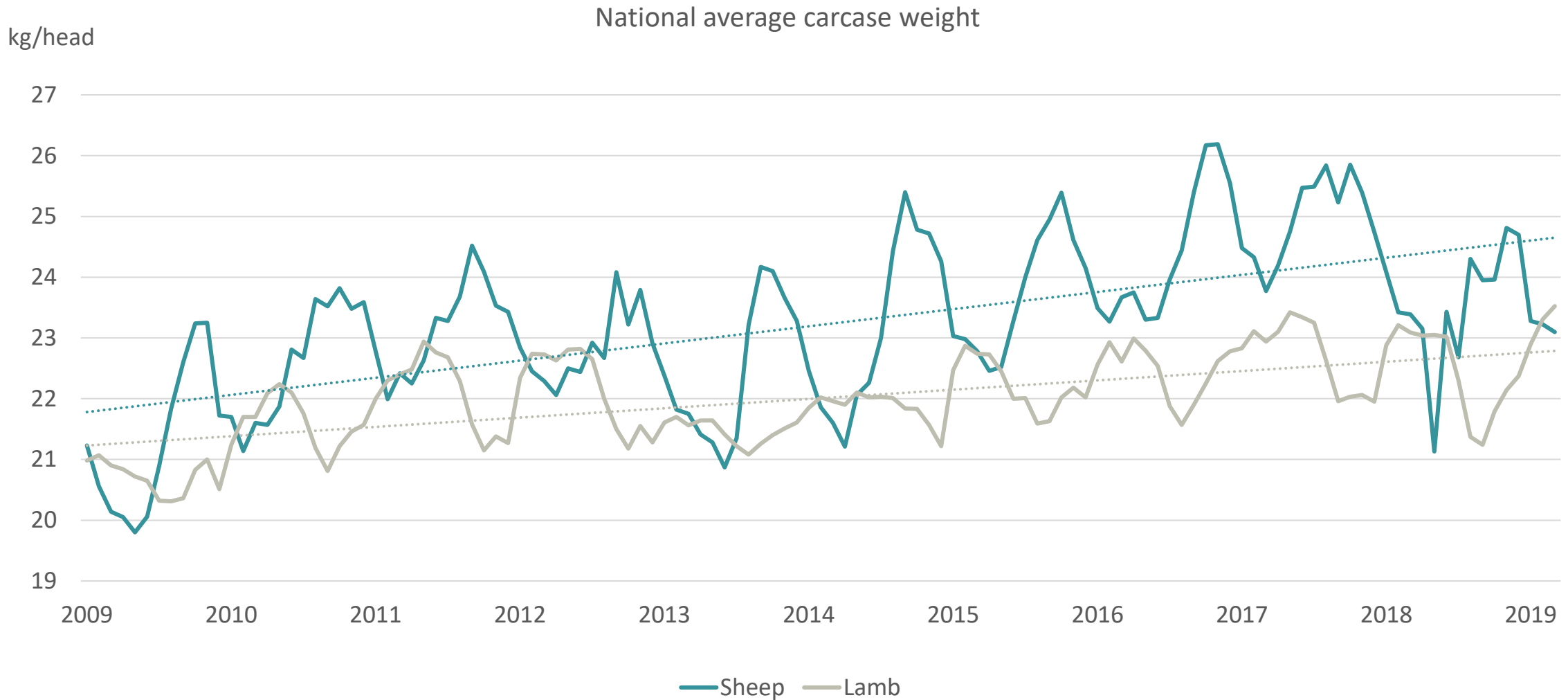
Source: ABS, MLA forecasts

Sheep slaughter to fall 11% to 8.5m head in 2019



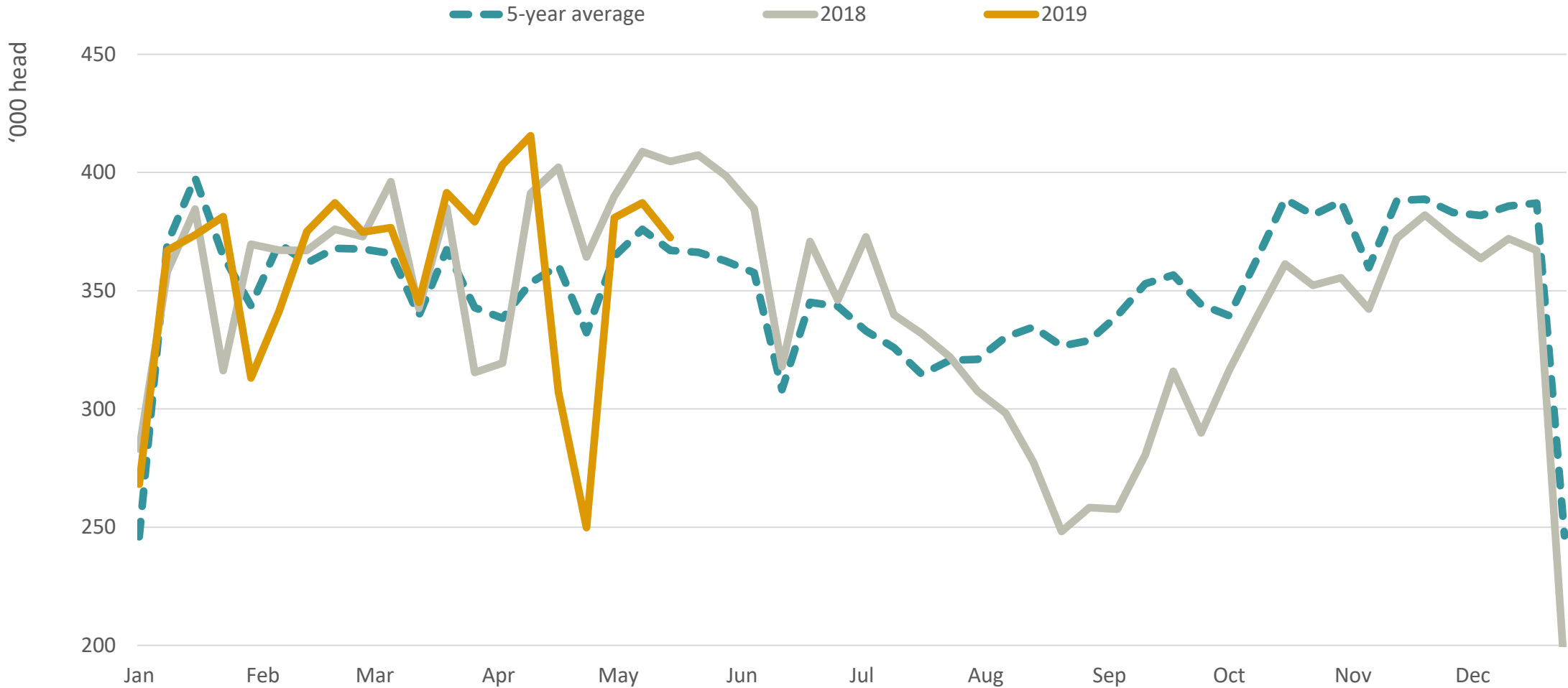
Source: ABS, MLA forecasts

Carcase weights stable but sensitive to season



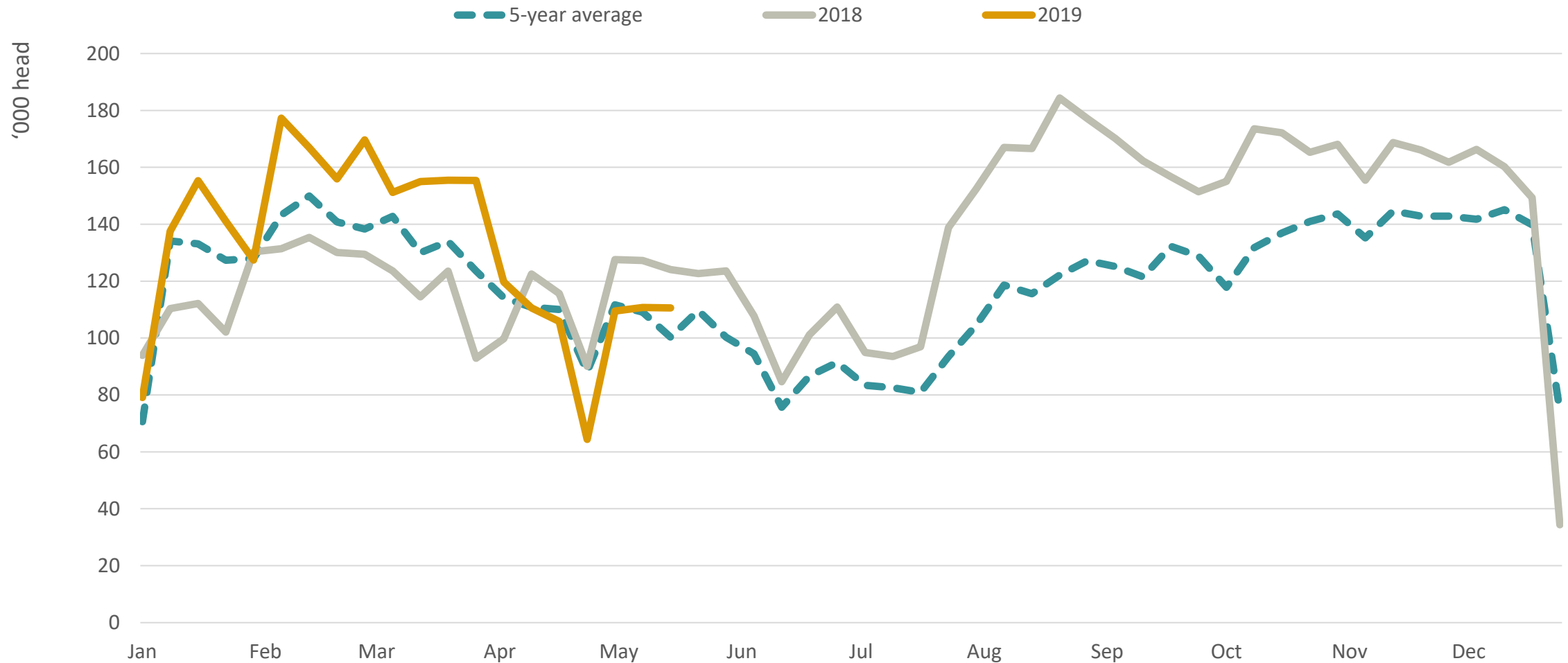
Source: ABS

Eastern states weekly lamb slaughter



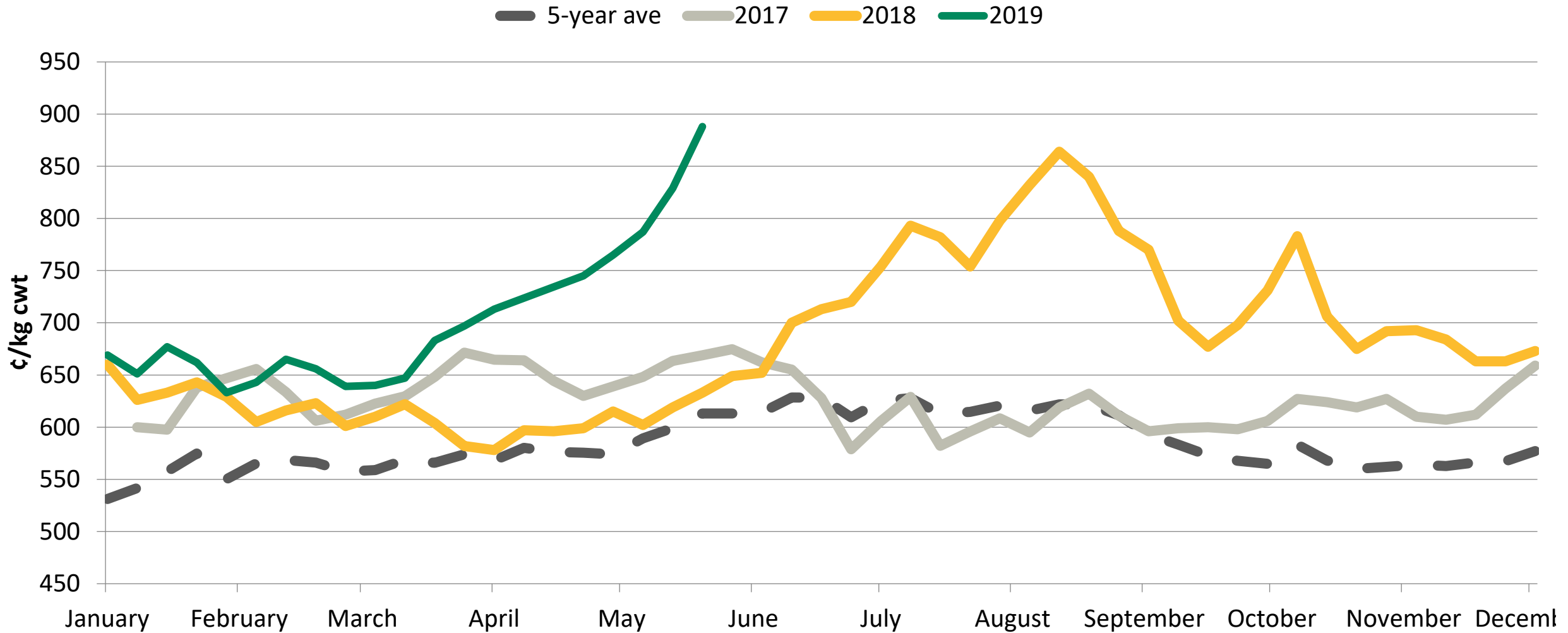
Source: MLA's NLRs

Eastern states weekly mutton slaughter



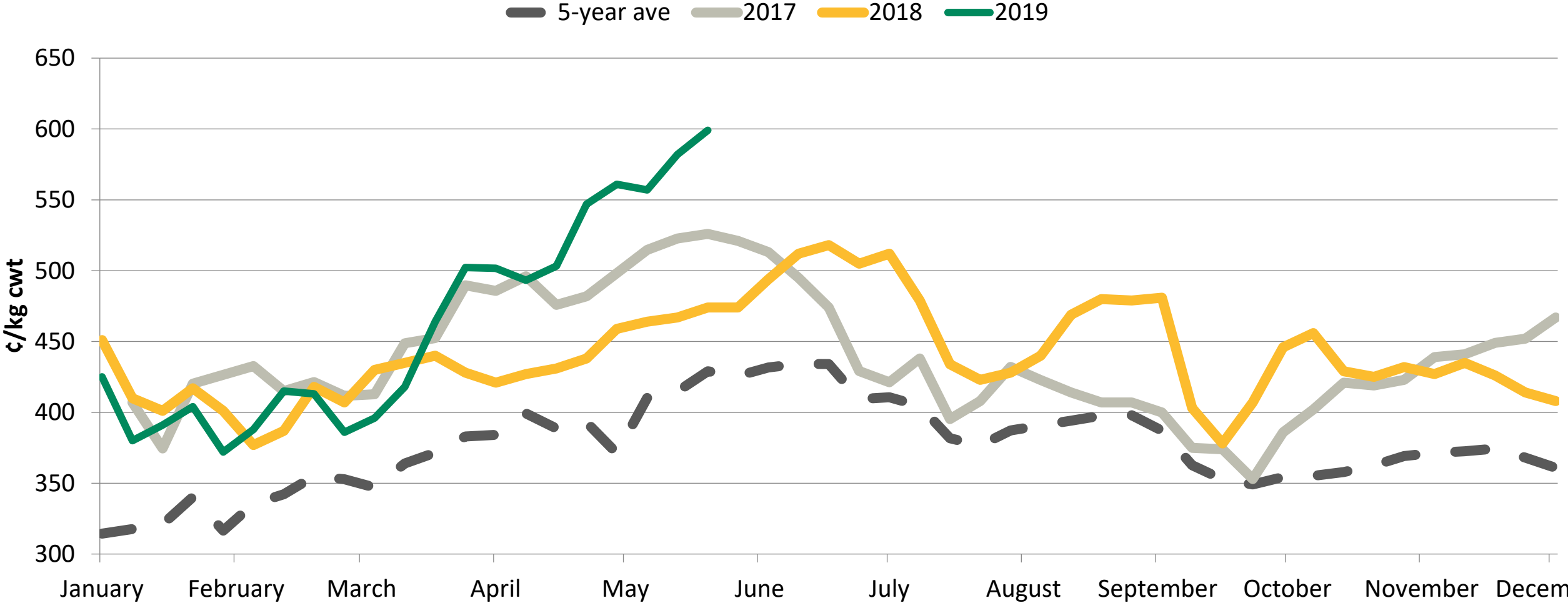
Source: MLA's NLRS

National saleyard trade lamb indicator



Source: MLA

National saleyard mutton indicator



Source: MLA



For more info:

- Latest projections:
 - Sheep <https://www.mla.com.au/prices-markets/Trends-analysis/sheep-projections/>
 - Cattle: <https://www.mla.com.au/prices-markets/Trends-analysis/cattle-projections/>
 - Global Meat Insights: <https://mlaus.sharepoint.com/sites/GlobalMeatInsights>
- Contact Tim Ryan for any global market queries: tryan@mla.com.au
- Contact Alex McIntosh for domestic supply queries: amcintosh@mla.com.au

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WOOL MARKET OUTLOOK

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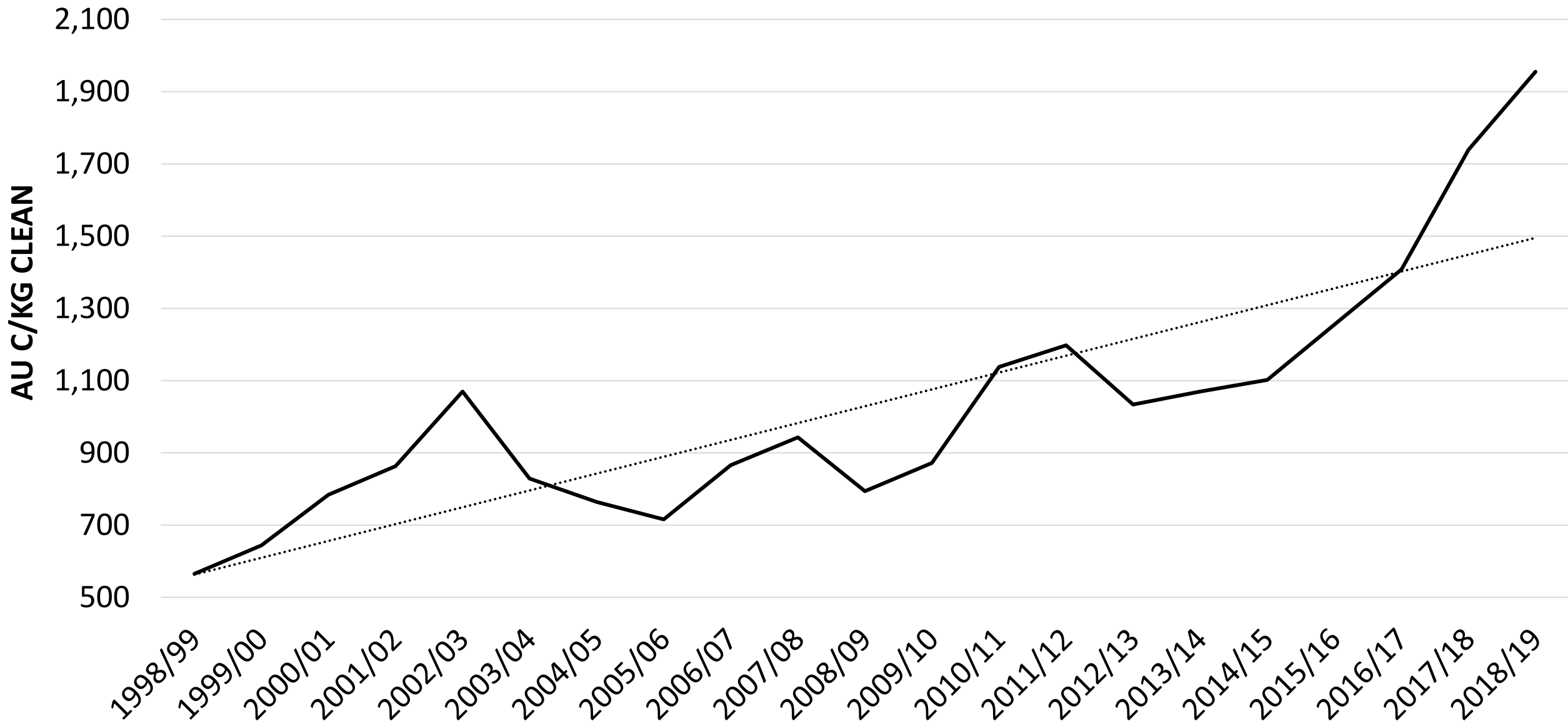
It's ewe time!



FACTS & FIGURES – AUSTRALIAN WOOL INDUSTRY

- 67 million sheep (~40 million ewes)
- 75 – 80% of flock is Merino
- 20% of total world wool production
- 90% of the world's fine, next-to-skin apparel wool (<19µm)
- 60% of the world's apparel wool
- 98% of Australian wool is exported
- Worth over \$4 billion to Australia in 17/18
- Premium brand in a niche product

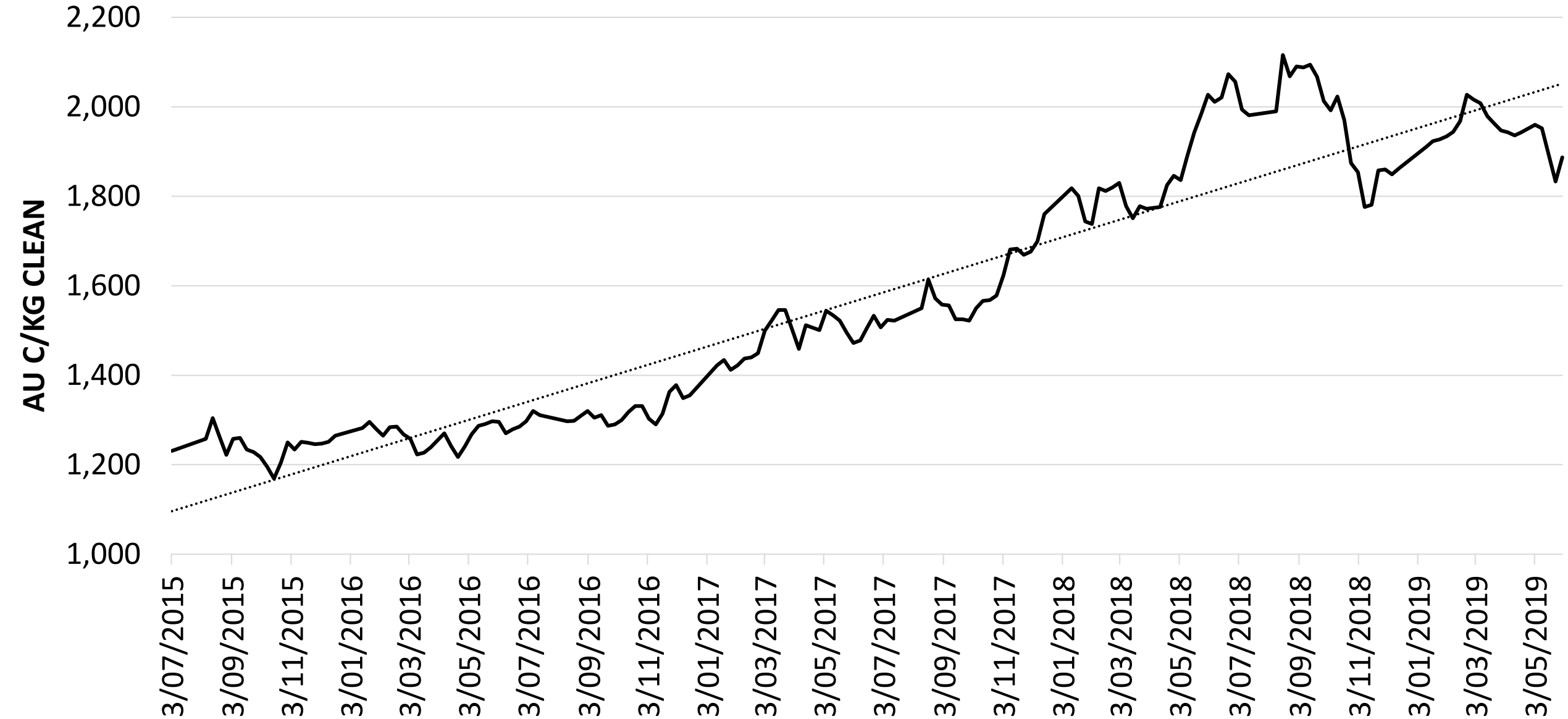
20 YEAR EMI: 1998/99 – 2018/19 YTD (MAY)



Source: AWEX data, analysed by AWI



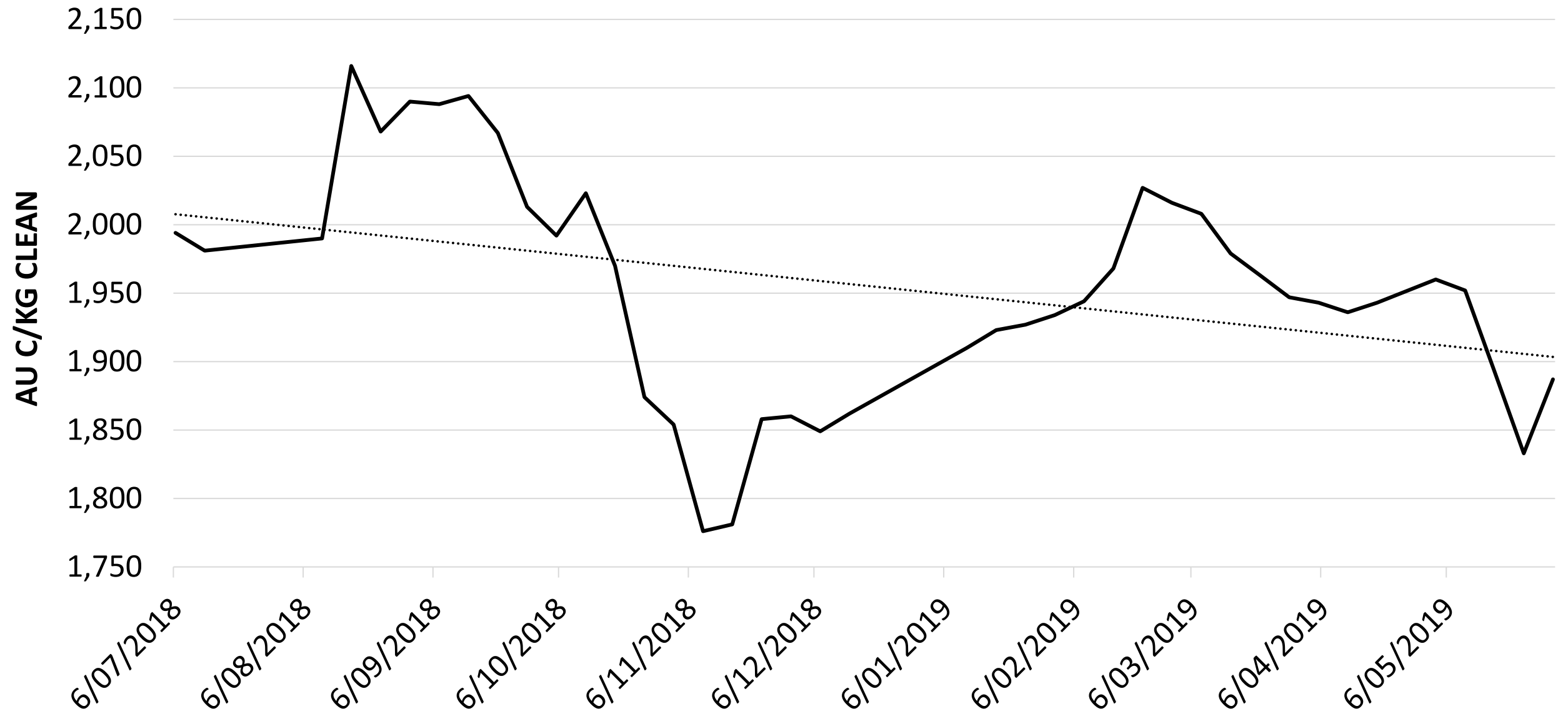
5 YEAR EMI: 1 JULY 2015 - 31 MAY 2019



Source: AWEX data, analysed by AWI



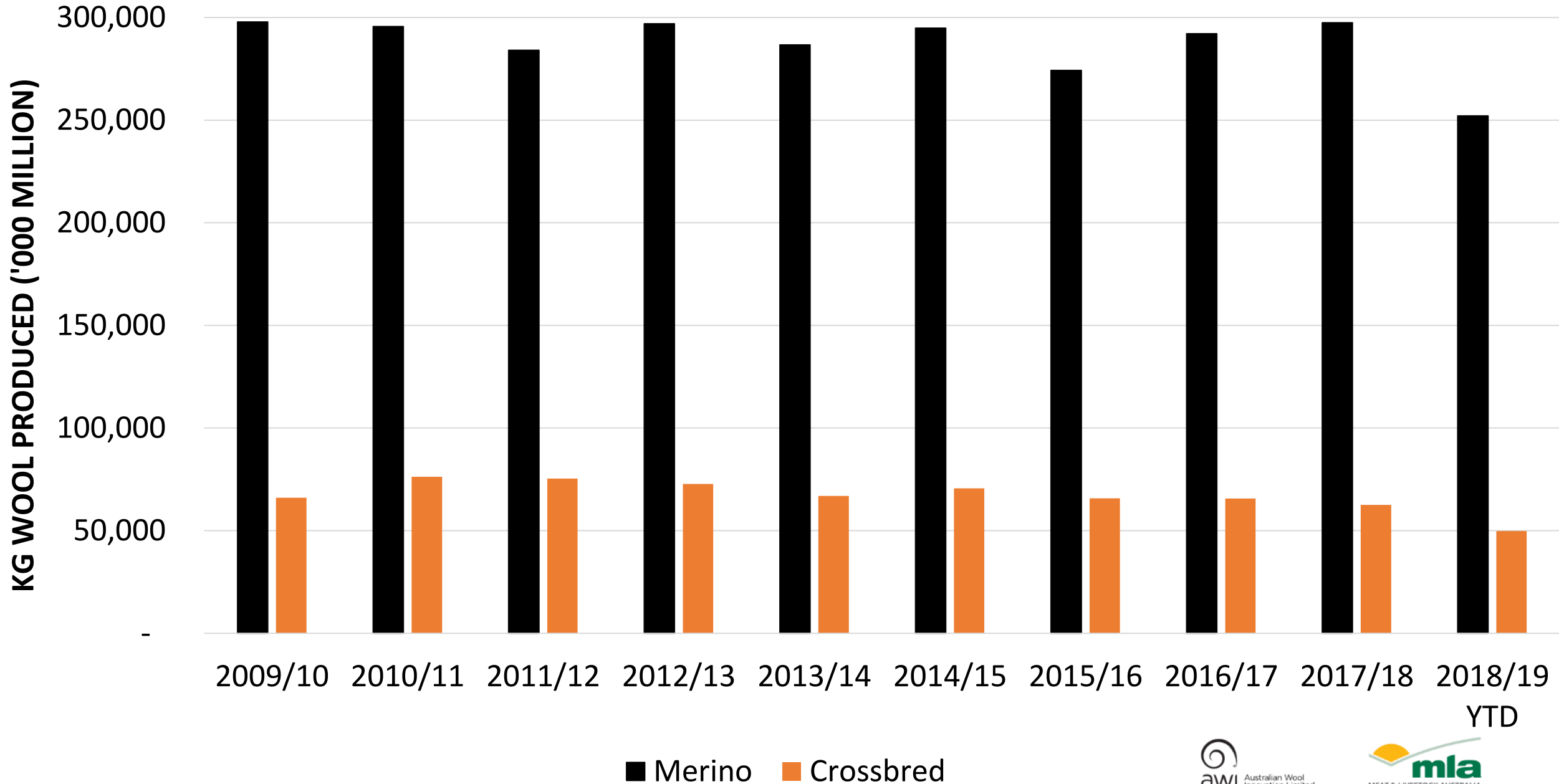
1 YEAR EMI: 1 JULY 2018 - 31 MAY 2019



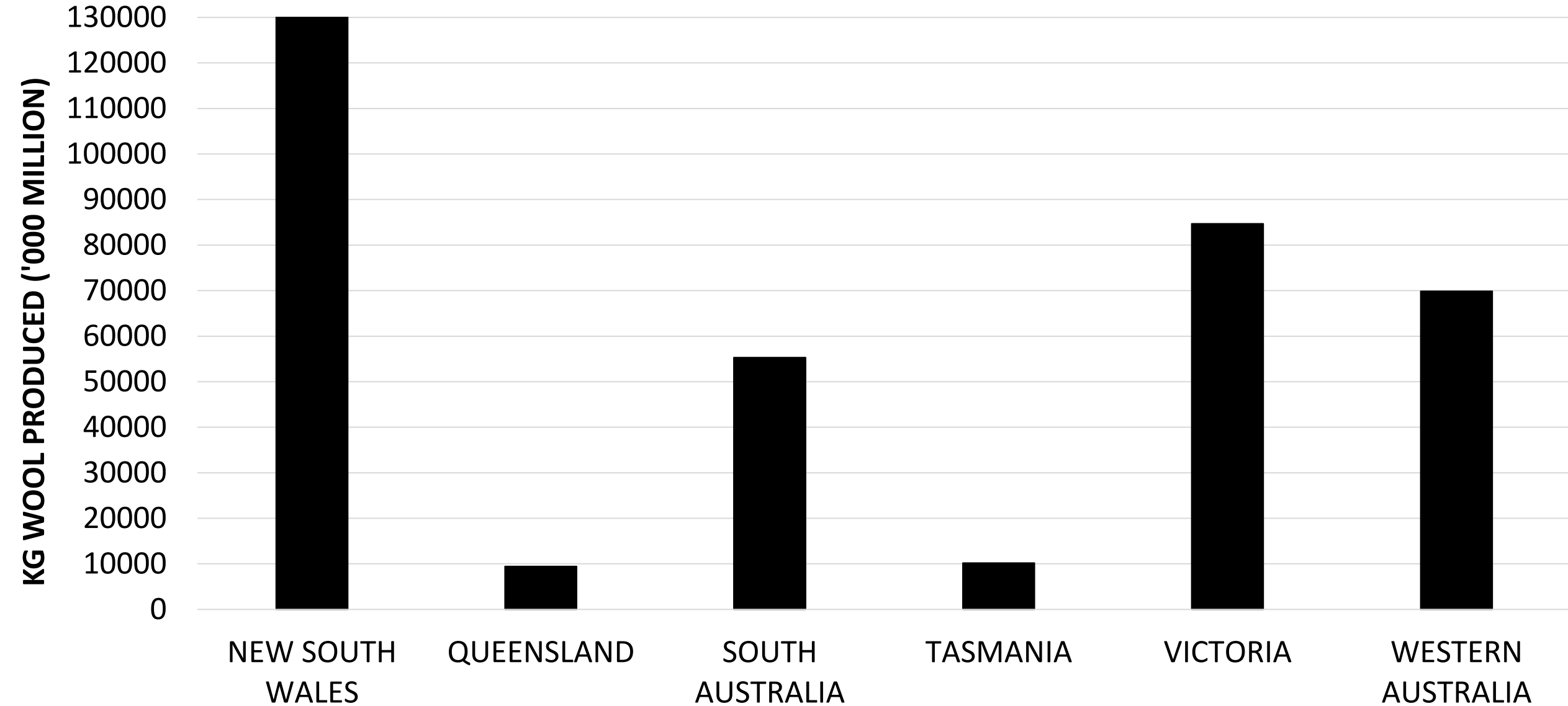
Source: AWEX data, analysed by AWI



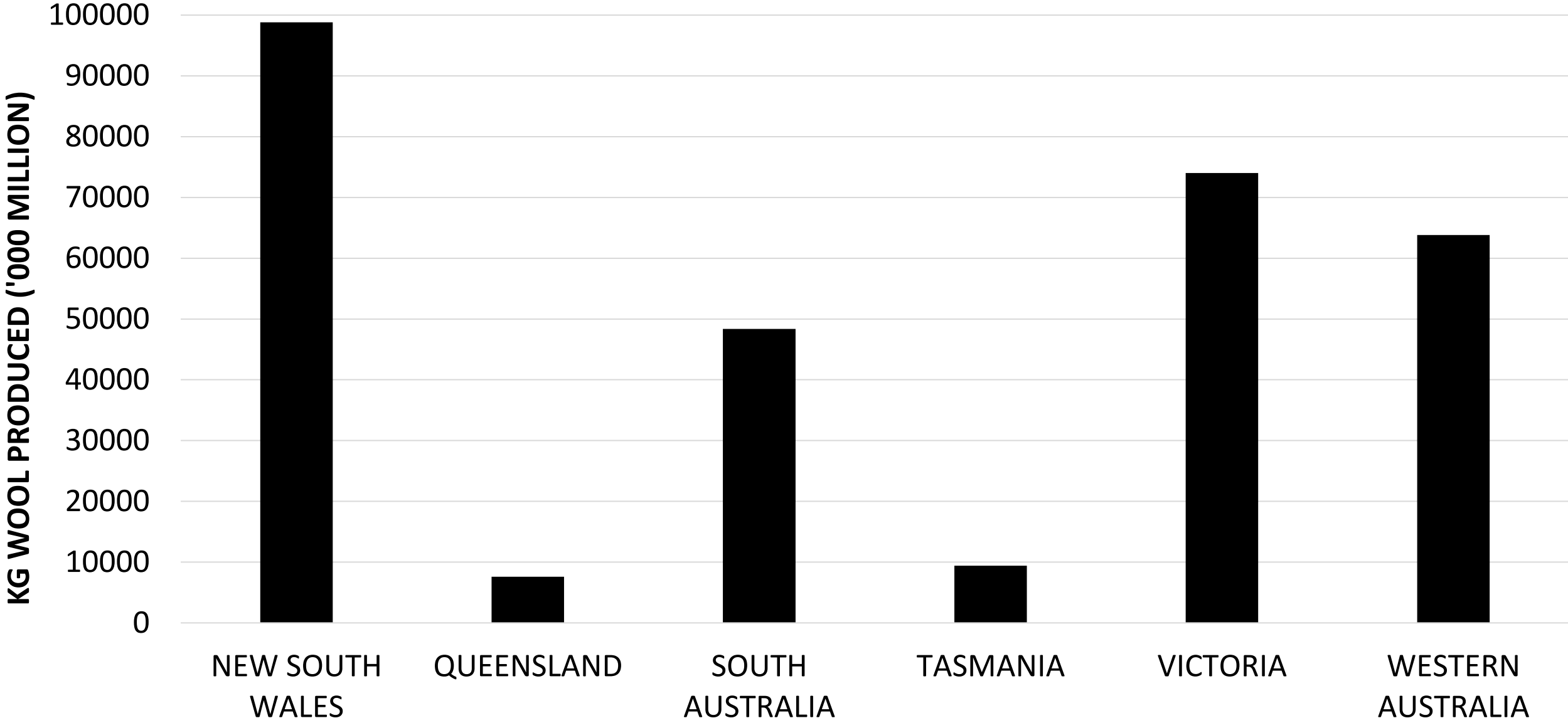
WOOL PRODUCTION BY TYPE: 2009/10 - 2018/19 YTD



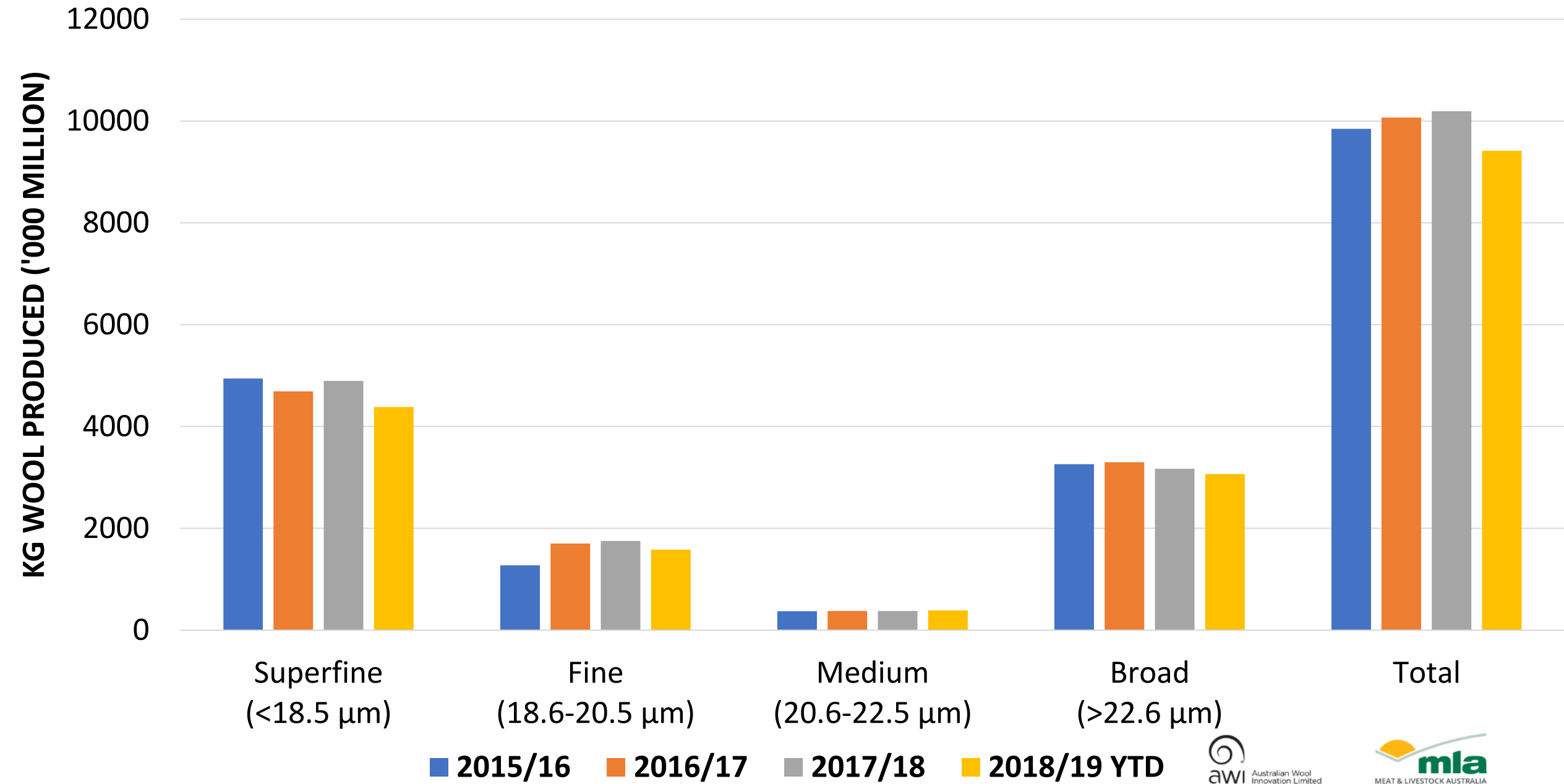
WOOL PRODUCTION BY STATE: 2017/18



WOOL PRODUCTION BY STATE: 2018/19 YTD



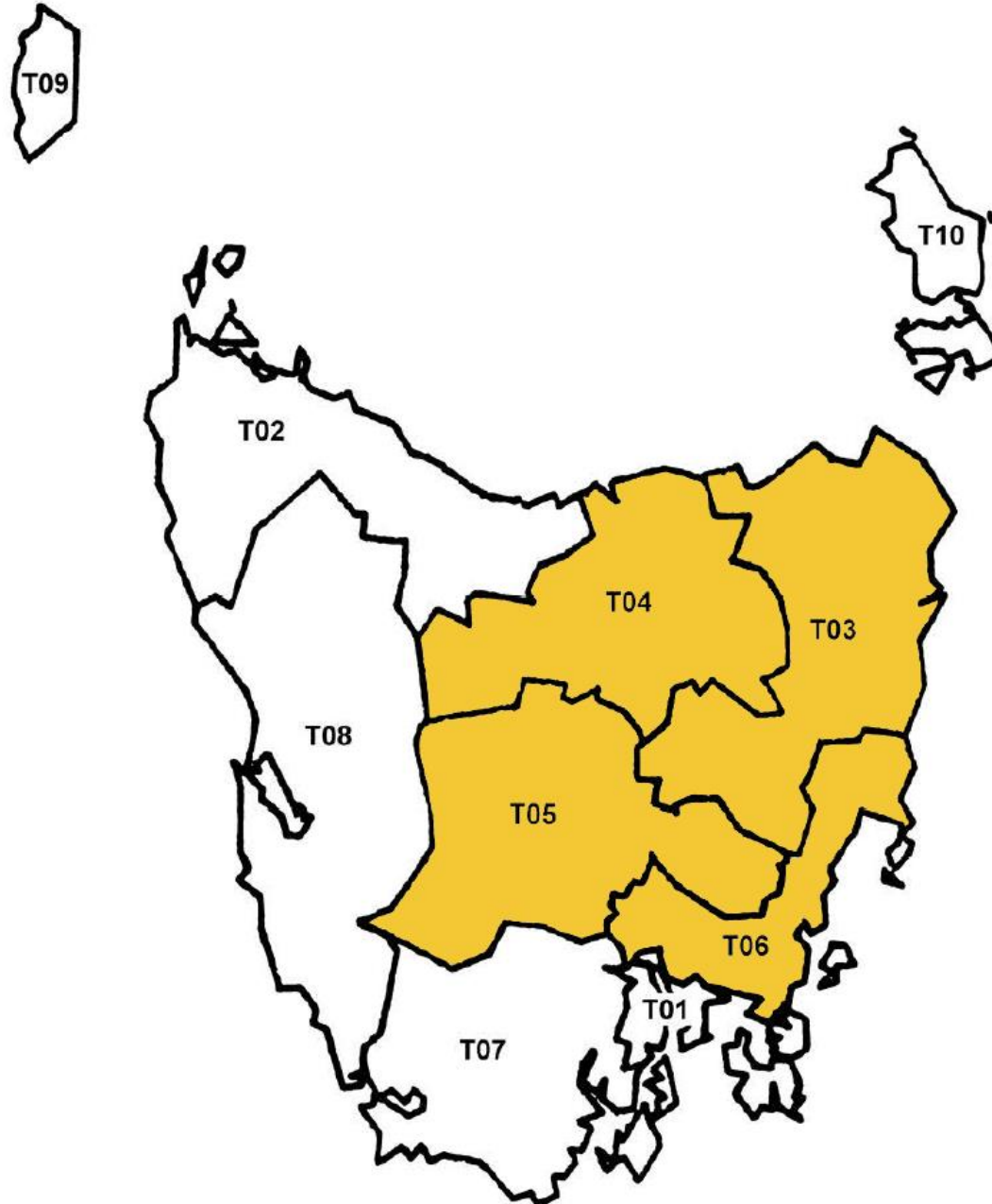
TASMANIA SEASON VOLUME: 2015/16 - 2018/19 YTD



■ 2015/16 ■ 2016/17 ■ 2017/18 ■ 2018/19 YTD

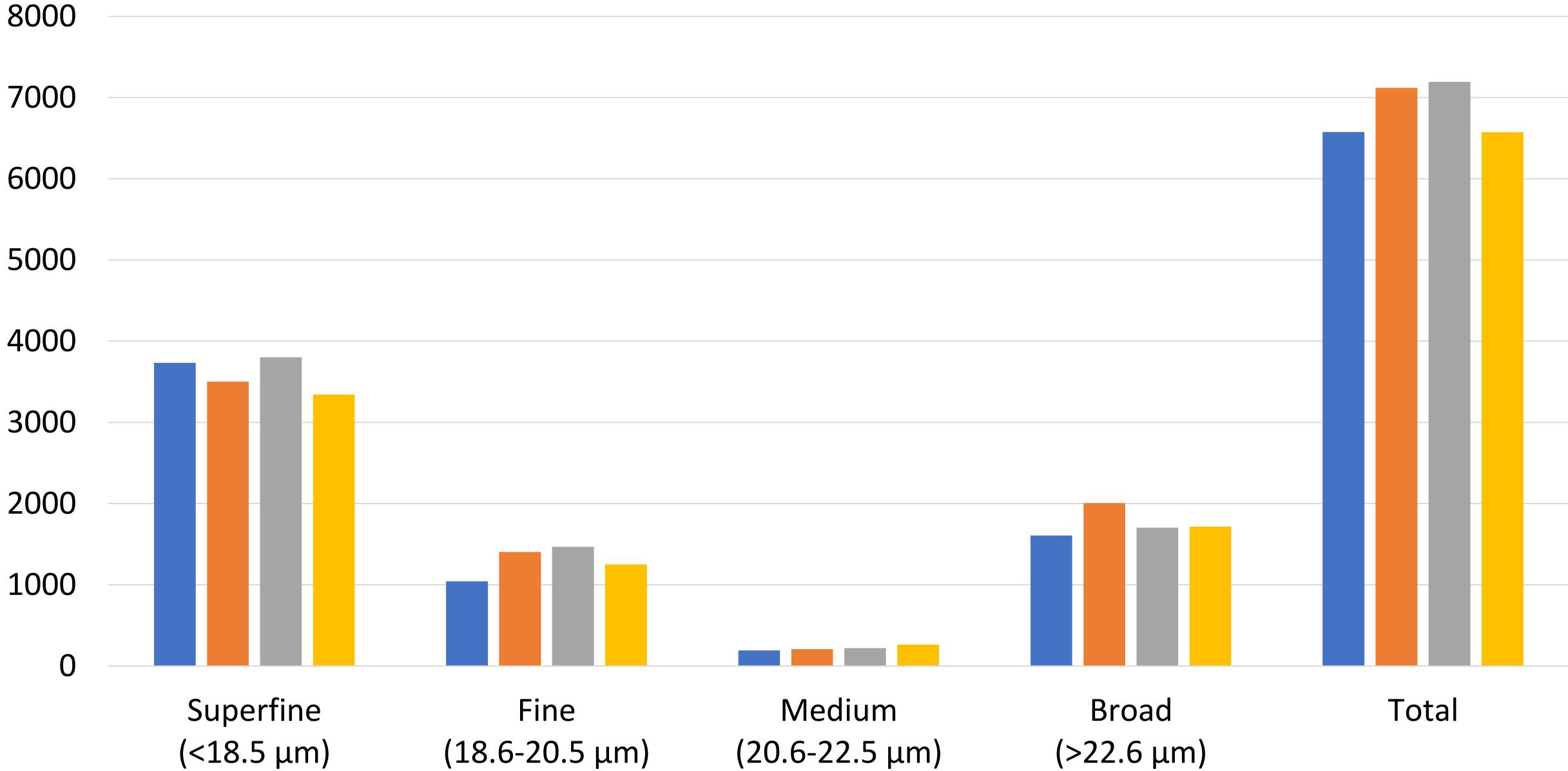


REGION-SPECIFIC DATA FOR WSAs T03, T04, T05 & T06



MIDLANDS & EAST COAST SEASON VOLUME: 2015/16 - 2018/19 YTD

KG WOOL PRODUCED ('000 MILLION)

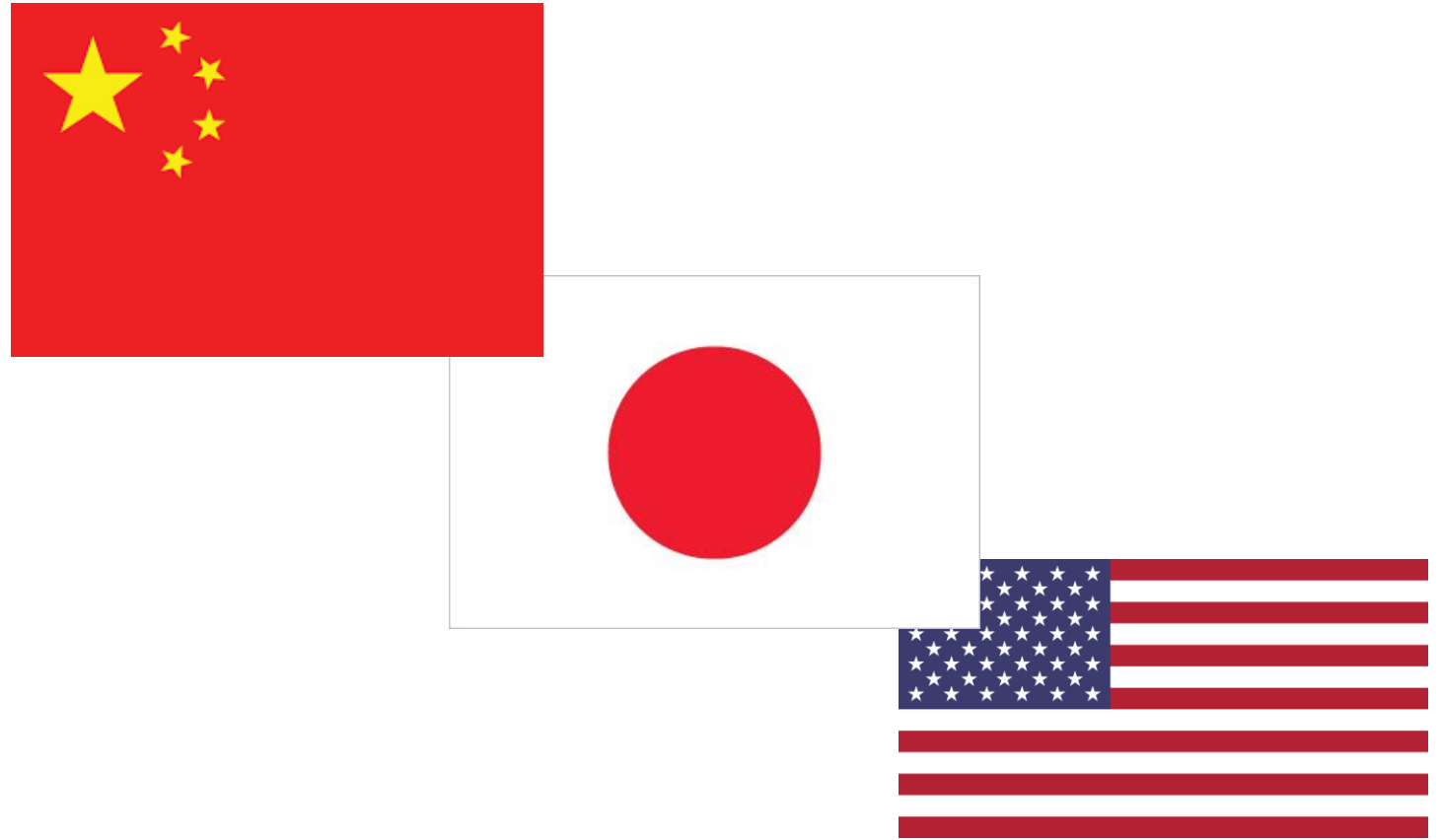


■ 2015/16
 ■ 2016/17
 ■ 2017/18
 ■ 2018/19 YTD



TOP 12 APPAREL WOOL CONSUMING COUNTRIES

1. China
2. Japan
3. USA
4. UK
5. Germany
6. Italy
7. South Korea
8. France
9. Russia
10. Turkey
11. Spain
12. India



WOOL INDUSTRY OUTLOOK

- Supply decreasing – season will be instrumental
- Demand steady
- Increasing world middle class and affluence
- Increase in consumer interest in ethical production that is renewable and sustainable
- Investment in quality
- Global casualisation – decline in traditional suiting markets, increase in active wear
- Trust is increasingly important
- Defensible claims
- Brand spokespeople and ambassadors – instant credibility