Australian Wool Production Forecast Report

August 2010

Australian Wool Innovation Production Forecasting Committee

Summary

- Australian shorn wool production is forecast at 340 mkg greasy in 2010/11, around the same level as the Committee's first estimate for the 2009/10 season. It is below the Committee's first forecast of 350 mkg greasy made in April mainly due to lower opening sheep numbers.
- Good seasonal conditions in most parts of eastern Australia are expected to bring higher fleece weights than in 2009/10 which will offset the lower sheep numbers nationally as well as poor seasonal conditions in Western Australia.
- The Committee's first estimate for the 2009/10 season is 343 mkg greasy, compared with its forecast of 340 mkg greasy made in April. Table 1 gives a summary of the estimates and forecasts.

Table 1: Summary of wool production forecasts for Australia

	2008/09	2009/10e	*change*	2010/11f	*change*
Sheep numbers shorn (million head)	81.6	76.2	*-6.7%*	73.3	*-3.8%*
Average cut per head (kg/head)	4.43	4.50	*+1.5%*	4.64	*+3.1%*
Shorn wool production (mkg greasy)	362	343	*-5.3%*	340	*-0.8%*

Note: Totals may not add due to rounding.

- The Committee has estimated that the number of lambs marked in 2009/10 was around 30.7 million head. This is lower than its preliminary estimate in April. While sheep and lamb slaughterings were down by over 12% in 2009/10 and live exports were down by 25%, total disposals (slaughter plus live export plus deaths) are estimated to be above the numbers of lambs marked in 2009/10. Sheep numbers at the start of the 2010/11 season are therefore estimated at around 70 million head, down from 72.7 million head a year ago and lower than the 71 million head estimated in April.
- The Committee's estimate of opening numbers is in line with estimates from both Meat and Livestock Australia and ABARE. The reduced estimate of opening sheep and thus sheep shorn numbers means that the Committee's latest forecast of 340 mkg greasy is lower than its first forecast in April of 350 mkg greasy.
- Seasonal conditions are reported to be good throughout New South Wales and many parts of Victoria, South Australia and Tasmania. It has, however, been very dry in Western Australia. As a result, higher fleece weights are expected in 2010/11 but not by as much as predicted in April. The Committee predicts that average fleece weights will rise in 2010/11 by around 3%. In its first forecast for 2010/11 in April, the Committee predicted a 5% lift in average fleece weights.
- The Committee also predicts that the better seasonal conditions in several states and an increased focus on sheep will likely result in a broadening of the clip in 2010/11.

FURTHER INFORMATION
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Wool Production Estimates and Forecasts

Estimate for 2009/10

The Committee considered its estimate for the 2009/10, taking into account the full year test statistics from the Australian Wool Testing Authority (AWTA).

Based on the AWTA test data and other information, notably the advice from the state committees, the Committee decided to set its first estimate of shorn wool production in 2009/10 at 343 mkg greasy. This is 3 mkg greasy higher than its April forecast and 19 mkg or 5.3% lower than for the 2008/09 season. Table 2 shows the comparison of the Committee's estimate for 2009/10 with its previous forecasts and the final state-by-state estimate for 2008/09.

Table 2: 2009/10 State and National forecasts – greasy wool production

Wool Production (mkg greasy)	QLD	NSW	VIC	TAS	SA	WA	AUST
2008/09	18.1	125	78	8.8	48	85	362
March forecast for 2009/10	--	--	--	--	--	--	335
July forecast for 2009/10	17.1	116	68	8.5	46	72	330
December forecast for 2009/10	17.2	116	70	9.0	44	72	330
April forecast for 2009/10	16.6	120	74	9.5	47	75	340
August estimate for 2009/10	16.1	121	74	9.5	47	75	343
% change on 2008/09	*-10.9%*	*-3.0%*	*-4.6%*	*+8.8%*	*-1.0%*	*-12.0%*	*-5.3%*

Note: Totals may not add due to rounding.

Table 3 shows the details of the Committee's estimate for 2009/10 by state, including the ABS' final estimate of the number of sheep at 1st July 2009, the estimated number of sheep shorn, estimated average cut per head and estimated wool production.

Table 3: 2009/10 Production Forecast – sheep numbers, wool cut

	QLD	NSW	VIC	TAS	SA	WA	AUST
Opening sheep numbers (million head)	4.3	25.6	15.1	2.1	10.0	15.7	72.7
% change on 2008/09	*+8.2*	*-3.2%*	*-10.0%*	*-2.1%*	*-0.1%*	*-11.0%*	*-5.4%*
Sheep shorn (million head)	3.8	26.3	17.6	2.5	9.1	17.0	76.2
% change on 2008/09	*-8.0%*	*-4.0%*	*-6.5%*	*-2.0%*	*-10.0%*	*-9.3%*	*-6.7%*
Average cut head (kg/head)	4.30	4.62	4.20	3.82	5.22	4.38	4.50
% change on 2008/09	*-3.0%*	*+1.0%*	*+2.0%*	*+11.0%*	*+10.0%*	*-3.0%*	*+1.5%*
Shorn Wool Production (mkg greasy)	16.1	121.2	74.0	9.5	47.3	74.5	343
% change on 2008/09	*-10.8%*	*-3.0%*	*-4.6%*	*+8.8%*	*-1.0%*	*-12.0%*	*-5.3%*

Source: Australian Bureau of Statistics and AWIPFC. Note: Totals may not add due to rounding.

The Committee updated its April forecast of wool production for 2009/10 by reducing its estimate in Queensland and lifting it for New South Wales and Tasmania to bring these states into line with the actual volume of wool tested by AWTA. As Table 3 shows, shorn wool production is estimated to have fallen in 2009/10 compared with 2008/09 in every state other than Tasmania.

The largest percentage decline in production is estimated to be in the second largest wool producing state, Western Australia, with a 12% decline, while production in Queensland is estimated to have fallen by 10.8%.

The driver of the fall in shorn wool production in 2009/10 was a fall in the **number of sheep shorn** in every state. The average fleece weights are estimated to have lifted in four of the six states as a result of better seasonal conditions in the second half of the 2009/10 season. However, fleece weights in Queensland and Western Australia declined.

Australian micron profile for 2009/10

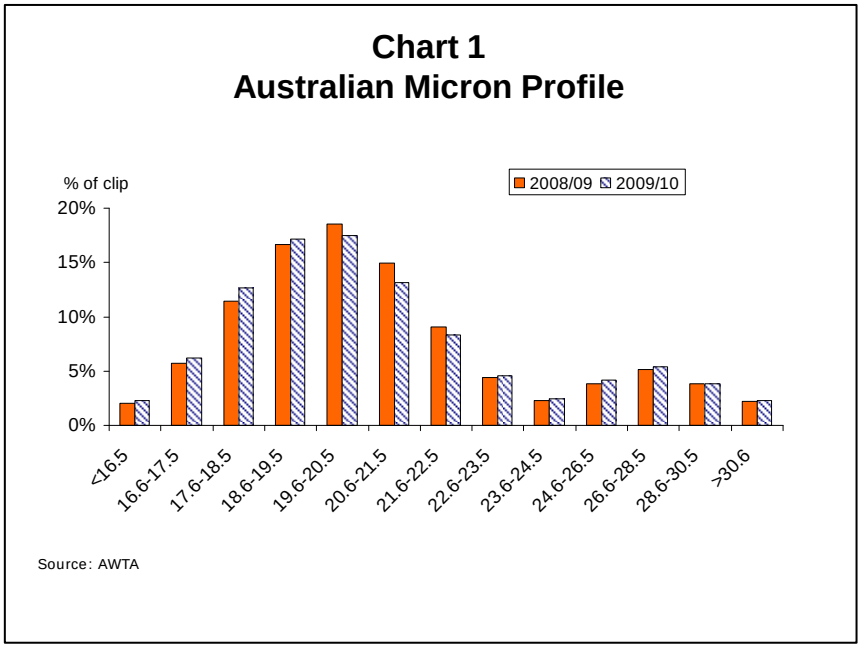
The Committee considered its April forecast of the micron profile for Australia in view of the micron profile indicated by the wool test statistics from the AWTA for the 2009/10 season. It adopted the profile indicated by the AWTA test statistics. The summary by micron category in volume terms is shown in Table 4, while the details are given in Tables 5 and 6.

Table 4: Volume of production and share by micron category

mkg	18.5um and finer	18.6um to 20.5um	20.6um to 24.5um	24.6 um and broader
2006/07	85	141	144	60
% share	*19.7%*	*32.9%*	*33.4%*	*14.0%*
2007/08	73	142	131	57
% share	*18.3%*	*35.5%*	*32.8%*	*13.4%*
2008/09	69	127	111	54
% share	*19.2%*	*35.1%*	*30.7%*	*15.0%*
2009/10e	72.3	118.7	97.9	53.7
% change	*4%*	*-7%*	*-12%*	*-1%*
% share	**21.1%**	**34.6%**	**28.6%**	**15.7%**

(f) = forecast

Chart 1 shows the micron profile for 2008/09 and for 2009/10.



As can be seen in Chart 1 and Table 4, the Australian clip is becoming more bi-modal, with the large portion of production between 16.6 micron and 22.5 micron, and another significant portion in the 24.6 to 30.5 micron range.

The production of **superfine wool (18.5um and finer)** is estimated to have lifted in both total volume and as a share of the clip in the 2009/10 season. This largely reflects dry seasonal conditions in several states (notably Western Australia) and possibly past breeding decisions. The share of the total clip made up by superfine wool is estimated at 21.1%, the highest-ever recorded share.

Production of **wool in the 18.6 to 20.5 um range** is estimated to have fallen as a percentage of the clip to 34.6% and in volume by 7%. The decline is due to a range of factors, most notably a shift finer in WA and, to a lesser extent, NSW.

Production of wool in the **20.6um to 24.5um range** fell most, by 12% to 98 mkg greasy, due to the poorer than expected seasonal conditions in some states (resulting in a shift finer) and an increase in production of broader wool due to a change in breed and joining mix.

This change in breed and joining mix brought an increase in the share of production of **broader wool (24.6um and broader)** in 2009/10. While volumes are estimated to have fallen slightly (by 1% to 53.7 mkg greasy), the share rose to 15.7%.

Full details of the micron profile for 2009/10 compared with the previous four seasons are given in Table 6 and the micron profile forecast by state is given in Table 7 (both on the following page).

Industry Statistics for the 2009/10 Season

AWTA test volumes, AWEX auction offerings, AWEX brand analysis data and ABS data on wool receivals by state of origin for the season to March 2010 all point to lower supplies and production of Australian wool in 2009/10 compared with 2008/09.

Table 5 shows the key AWTA, AWEX and ABS data for the 2009/10 season and the change compared with the year earlier.

Table 5: AWTA tests, AWEX offerings and ABS receivals data for 2009/10

mkg greasy and % change	QLD	NSW	VIC	TAS	SA	WA	Aust
AWTA tests (by WSA)	17.2	121.2	89.7	10.7	46.3	78.8	363.9
% change year-on-year	*-11.2%*	*-2.9%*	*-4.7%*	*+9.2%*	*-0.3%*	*-11.9%*	*-5.2%*
ABS wool receivals*	6.5	90.6	70.4	7.7	42.2	64.2	281.5
% change year-on-year	-13.3%	-4.0%	-2.7%	+12.8%	-1.6%	-10.1%	-4.6%
AWEX auction total offerings *(% change)*	-13.5%	-2.3%	+0.9%	+0.5%	+3.7%	-11.7%	-3.6%
AWEX brand analysis (% change)	-3.7%	-8.1%	-9.2%	-8.6%	+1.8%	-14.0%	-7.2%

Note: AWTA tests based on Wool Statistical Area data (state of origin) for the 2009/10 season
AWEX auction offerings and brand analysis data for full 2009/10 season.
* ABS data for 2009/10 to end March 2010 by state of origin.

Table 6: Australian micron profile – actual for last 5 years

National	<16.5	17	18	19	20	21	22	23	24	25/26	27/28	29/30	>30
2005/06 AWTA	1.5%	4.7%	9.7%	15.1%	18.7%	17.1%	11.5%	5.9%	2.9%	3.9%	4.5%	2.9%	1.6%
2006/07 AWTA	2.0%	5.9%	11.8%	15.9%	17.0%	14.0%	9.9%	6.2%	3.4%	4.3%	4.4%	3.2%	2.1%
2007/08 AWTA	2.0%	5.3%	10.9%	16.8%	18.4%	14.3%	9.2%	5.5%	3.0%	4.1%	4.8%	3.6%	2.2%
2008/09 AWTA	2.0%	5.7%	11.4%	16.6%	18.5%	15.0%	9.1%	4.4%	2.3%	3.9%	5.1%	3.8%	2.2%
2009/10 AWTA	**2.3%**	**6.2%**	**12.6%**	**17.1%**	**17.5%**	**13.2%**	**8.4%**	**4.6%**	**2.5%**	**4.1%**	**5.4%**	**3.9%**	**2.3%**

Table 7: Micron profile in 2009/10 by State

States	<16.5	17	18	19	20	21	22	23	24	25/26	27/28	29/30	>30
QLD	1.7%	3.8%	9.2%	21.2%	29.0%	20.0%	7.7%	2.5%	1.3%	2.0%	0.7%	0.6%	0.2%
NSW	4.0%	9.3%	15.0%	17.4%	16.6%	10.7%	5.0%	2.8%	2.2%	4.9%	6.8%	3.8%	1.5%
VIC	2.2%	5.8%	11.7%	14.2%	14.0%	11.3%	7.5%	4.1%	2.6%	6.0%	8.6%	7.1%	4.8%
TAS	4.5%	12.4%	22.5%	19.8%	9.5%	3.4%	1.7%	1.5%	1.7%	6.0%	8.2%	4.3%	4.4%
SA	0.1%	0.6%	2.9%	7.0%	13.7%	22.1%	25.7%	15.4%	5.2%	2.7%	2.1%	1.8%	0.8%
WA	1.1%	4.8%	14.8%	24.9%	24.6%	15.0%	7.0%	3.4%	1.6%	1.1%	0.6%	0.5%	0.4%
AUST	**2.3%**	**6.2%**	**12.6%**	**17.1%**	**17.5%**	**13.2%**	**8.4%**	**4.6%**	**2.5%**	**4.1%**	**5.4%**	**3.9%**	**2.3%**

Note: Totals may not add due to rounding.

Forecast for 2010/11

The Committee's second forecast for the 2010/11 season is for shorn wool production to be 340 mkg greasy, virtually the same as the estimate for 2009/10.

This forecast is based on detailed consideration by the state and national committees of current seasonal conditions, information they had gathered on sheep producer and wool grower intentions, the MLA Lamb Survey results, sheep and lamb turn-off for 2009/10 and other key inputs. In particular, the forecast is based on the state committees' estimates of the opening number of sheep as at 1st July 2010, which in turn is based on the state committee estimates of the number of lambs marked in 2009/10.

The basis of the national Committee's updated forecast for 2010/11 is shown in Table 8 below. This updated forecast for 2010/11 is lower than the Committee's first forecast made in April. Table 9 shows a comparison of the Committee's first and second forecast.

Table 8: 2010/11 second forecast of wool production compared with 2009/10 for Australia

	2009/10e	2010/11f	*change*
Opening sheep numbers (million head)	72.7	70.0	*-3.7%*
Sheep numbers shorn (million head)	76.3	73.3	*-3.8%*
Average cut per head (kg/head)	4.50	4.64	*+3.1%*
Shorn wool production (mkg greasy)	343	340	*-0.8%*

Note: Opening sheep numbers as at 1st July of each year. For 2009/10 it is the ABS final estimate. For 2010/11 it is the Committee's estimate/forecast.

Table 9: Comparison of the first and second forecast of wool production in 2010/11 for Australia

	April forecast	August forecast
Opening sheep numbers (million head)	71.1	70.0
Sheep numbers shorn (million head)	75.2	73.3
Average cut per head (kg/head)	4.68	4.64
Shorn wool production (mkg greasy)	350	340

Note: Opening sheep numbers as at 1st July of each year. For 2009/10 it is the ABS final estimate. For 2010/11 it is the Committee's estimate/forecast.

As can be seen from Table 9, the major reason for the updated forecast being lower than the Committee's first forecast is that the estimated opening number of sheep is now lower than in April. As a result, the number of sheep shorn is lower by almost 2 million head.

Lamb marking percentages are likely to have been higher in autumn 2010 than autumn 2009, but lamb marking percentages were probably no better in spring 2009 than in spring 2008. As well, the Australian Bureau of Statistics' final estimate of the number of breeding ewes on hand at 30th June 2009 (i.e. the start of the 2009/10 season) was 40.9 million head, 10% lower than a year earlier. The Committee considers that, while the lamb marking percentage is likely to have increased somewhat in most states in all of the 2009/10 season, the fall in the number of breeding ewes at the start of the season means that the total number of lambs marked most likely fell from 31.98 million

head in 2008/09 to 30.7 million head in 2009/10. This is lower than the Committee's preliminary estimate in April, when it estimated that around 33 million lambs would be marked. The Committee's updated estimate is in line with Meat and Livestock Australia's estimate of 30.9 million head, reported in its *"Australian Sheep Industry Projections: Mid-Year Update (August 2010)"*.

While sheep and lamb slaughterings were down by over 12% in 2009/10 and live exports were down by 25%, the Committee estimates that total disposals (slaughter plus live export plus deaths) were above the number of lambs marked in 2009/10. Sheep numbers at the start of the 2010/11 season is therefore estimated at around 70 million head, down from 72.7 million head a year ago and lower than the 71 million head estimated in April.

The Committee's estimate of opening numbers is in line with estimates from the MLA (70 million head) and ABARE (69 million head in its June edition of the *Australian Commodities* report). The reduced estimate of opening sheep means that the Committee's forecast of the number of sheep shorn in 2010/11 is now 73.3 million head, compared with 75.2 million head in its April forecast and 76.3 million head in the 2009/10 season.

As well, the average cut per head is lower in the updated forecast at 4.64 kg/head, compared with 4.68 kg/head in April due to the dry seasonal conditions in Western Australia and in southern Tasmania.

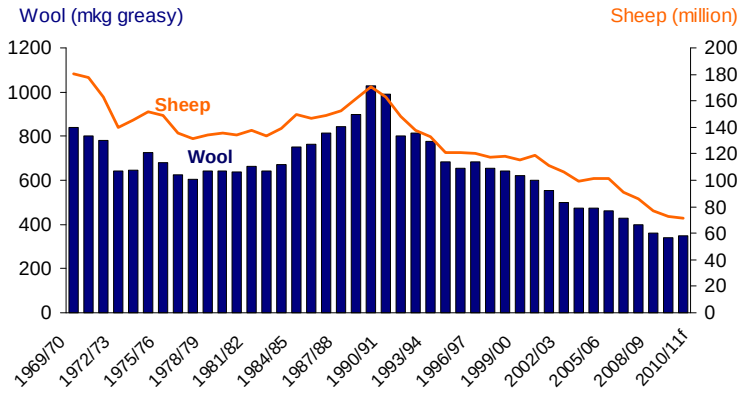
The lower sheep shorn numbers and the small reduction in average fleece weights means that the Committee's latest forecast of 340 mkg greasy is lower than its first forecast in April of 350 mkg greasy.

While the Committee estimates that the number of sheep fell again in 2009/10, the rate of decline is clearly slowing. After large declines of up to 10% in recent years, the decline estimated by the national committee for 30th June 2010 is a more modest 3.7%. Statistics and input from state Committees would suggest that producers are keen to retain sheep, including the retention of older ewes.

In reaching their forecast, the state and national committees assumed that normal seasonal conditions would prevail in the remaining months of winter and in spring. In Western Australia, the next few weeks will be crucial to this assumption. The WA state committee noted that the major sheep growing regions in that state needed good rainfall in the next 2-4 weeks, or there would be a further sell-off of sheep in WA.

Chart 2 shows the trends in sheep numbers and shorn wool production in Australia since 1969/70.

Chart 2
Australian Sheep Numbers and Wool Production
1969/70 to 2010/11f



Source: Australian Wool Innovation Production Forecasting Committee, ABS, Woolmark
Wool production is shorn wool; sheep numbers is as at 1st July.
Updated July 2010

The following provides a summary of conditions in each state as reported by state committees in August 2010.

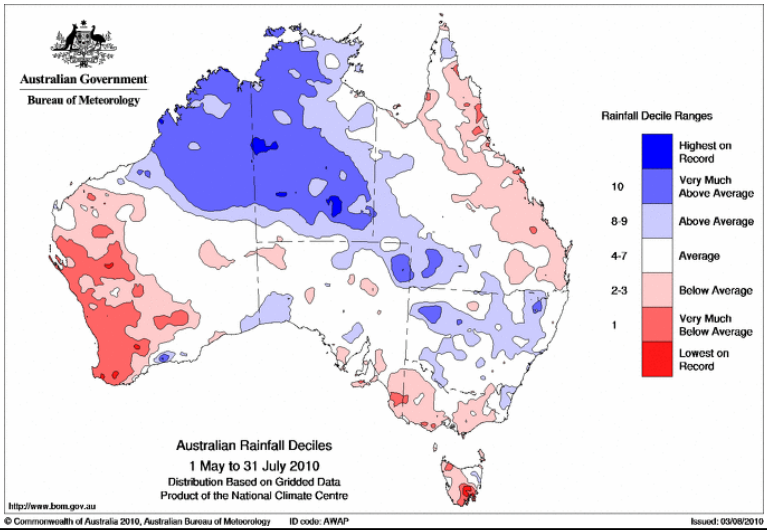
New South Wales

Wool production in NSW in 2010/11 is forecast at 121 mkg greasy, the same level as the estimate for 2009/10. The Committee expects that the good to very good seasonal conditions throughout the state will bring higher *fleece weights*. At the same time, lamb markings in spring 2010 should be good, with the NSW state committee reporting a strong effort by growers to lift lambings and lamb survival in response to the high lamb prices. The resultant increase in the number of lambs shorn in 2010/11 is expected to moderate the rise in the state average fleece weights (as the cut per head for lambs is less than the cut per head for adults). Overall, the Committee predicts that the *average fleece weight* will increase by 5% in 2010/11 to 4.85 kg/head. The Committee estimates the *opening number of sheep* at 24.2 million head, a decline of 5.3%. It predicts that the *number of sheep shorn* will fall by 5%, a smaller decline than that for opening numbers as more lambs are expected to be shorn than in previous years. The state Committee also expects that the *micron profile* for NSW will be broader in 2010/11 than in 2009/10 due to better seasonal conditions and a shift away from superfine wool production in some areas.

Western Australia

Seasonal conditions in Western Australia have been poor, with low rainfall since the Committee met in April (see chart 3). The Committee noted in April that seasonal conditions in the April-May period would be critical for wool production in WA in 2010/11. As a result of the poorer than expected rainfall since April, the Committee now expects that *fleece weights* in Western Australia will be no better than in 2009/10 at an average of 4.38 kg/head, around the 30th percentile in the past 30 years. The Committee also predicts that the *number of sheep shorn* in WA will decline by 4% to 16.3 million head. This is in line with its estimate of a 3.8% fall in the *opening number of sheep* in WA at 1st July 2010 of 15.1 million head. However, the state committee noted that the season is on a knife-edge in WA and that rains are needed in the next 2-4 weeks. If these rains do not come, then the state committee expects another sell-off of sheep from WA as stock water and feed supplies are low. Growers are likely to take advantage of the high prices for sheep for either live sheep export or for slaughtering. Overall, the Committee predicts a 4% decline in shorn wool production in Western Australia to 71.6 mkg greasy. It also expects that the micron profile of the WA clip will be similar to 2009/10.

Chart 3
Rainfall in Australia – May to July 2010



Victoria

In spite of the best seasonal conditions in more than a decade in Victoria, the Committee predicts that shorn wool production will fall slightly in Victoria to 73.1 mkg greasy (a decline of 1%). This decline will be driven entirely by lower sheep numbers, as average fleece weights are expected to rise in 2010/11. The Committee estimates that *sheep numbers* at 1st July 2010 fell by 7.4% compared with a year earlier to 14.0 million head. Lower breeding ewe numbers at 1st July 2009 (the ABS estimates that breeding ewe numbers fell by 12.2% compared with 1st July 2008) means that even though lamb marking percentages were likely to have been higher in 2009/10, the actual number of lambs marked declined in 2009/10. As well, while lamb and sheep disposals from Victoria (slaughter plus live export) fell by almost 13% in 2009/10, disposals exceeded the estimated number of lambs marked and so opening sheep numbers declined. However, the Committee considers that lamb markings will be very good in 2010/11, particularly in spring 2010, and this will lift the number of lambs shorn. As a result, the Committee predicts that the *number of sheep shorn* in 2010/11 will fall by 5%, less than the decline in opening sheep numbers. It also predicts that *fleece weights* will increase by 4% in 2010/11 to 4.37 kg/head. As a result of the good seasonal conditions and a shift to the use of terminal sires, the Committee expects the micron profile of the Victorian clip to broaden in 2010/11.

South Australia

Unlike other states, sheep numbers in South Australia are estimated to have lifted in 2009/10 as areas in the state (notably the pastoral areas) re-stocked after a long period of de-stocking. Very good sheep prices and much improved seasonal conditions in the main wool producing areas of South Australia have encouraged growers to rebuild their flock numbers. As a result, the Committee estimates that *opening sheep numbers* at 1st July 2010 in SA was up by 3% to 10.2 million head and the *number of sheep shorn* in 2010/11 is predicted to rise by 4% to 9.4 million head. With the better seasonal conditions, *average fleece weights* are predicted to rise again in 2010/11 (after an estimated 10% rise in 2009/10), by 2% to 5.32 kg/head. Overall, shorn wool production in South Australia is predicted to lift by 6% in 2010/11 to 50.1 mkg greasy. In terms of the micron profile, the Committee considered that better seasonal conditions and a rebuilding of sheep numbers in the pastoral areas (which traditionally produces 21-23 micron wool) would result in an increased volume of 20-23 micron wool in South Australia.

Queensland

The state committee for Queensland is very concerned about a continued shift out of sheep for wool in Queensland in spite of seasonal conditions that have been good for several months. They report a continued shift of properties out of sheep to cattle, in part due to the lower cost of buying into cattle and in part due to long-running problems with wild dogs, which is showing no sign of abating. They also report a strong trend to Dorper sheep in Queensland, which is backed by the MLA's recent survey which showed the highest proportion of Dorper or Dorper-Merino ewes of any state at 17% of the breeding ewe flock. The state committee estimated that the *number of sheep* at 1st July 2010 at 4.3 million head (similar to a year earlier) but predicted that the *number of sheep shorn* in Queensland would fall by 10% in 2010/11. Even though rainfall has been good, the state committee reports that feed quality for woolgrowing is poor and *fleece weights* are forecast to fall by 1% to 4.25 mkg greasy. Overall, the national Committee predicts that shorn wool production in Queensland will fall by 10.9% to 14.4 mkg greasy. The Committee considers that the micron profile in Queensland in 2010/11 will remain about the same as in 2009/10.

Tasmania

Wool production in Tasmania in 2010/11 will be mainly influenced by seasonal conditions. The northern half of the state has been experiencing quite good seasonal conditions and back to what the state committee considers to be 'normal'. However, the

southern half of Tasmania has been very dry, with some parts experiencing the driest winter on record (although there has been rain in the past week since the state committee met). This means that fleece weights are likely to be up in the northern half but lower or similar to a year earlier in the southern half of the state. Overall, the Committee predicts that *average fleece weights* will be up by 3% in 2010/11 to 3.94 kg head, as a result of the much better seasonal conditions. Lamb losses were high in spring 2009 due to bad weather and the state committee therefore estimates that the number of lambs marked fell by 7% in 2009/10. However, sheep disposals fell by over 14% and so the Committee estimates that the *opening number of sheep* in Tasmania at 1st July 2010 increased by 1% to 2.1 million head. It predicts that the *number of sheep shorn* will also rise by 1% to 2.5 million head in 2010/11. It therefore forecasts that Tasmanian shorn wool production in 2010/11 will rise by 4% to 9.93 mkg greasy. In terms of the micron profile for Tasmanian wool production, the Committee expects that there will be less superfine wool production due to better seasonal conditions in the north, a shift out of superfine wool across the state, a shift to the greater use of terminal sires and an increased presence of older sheep.

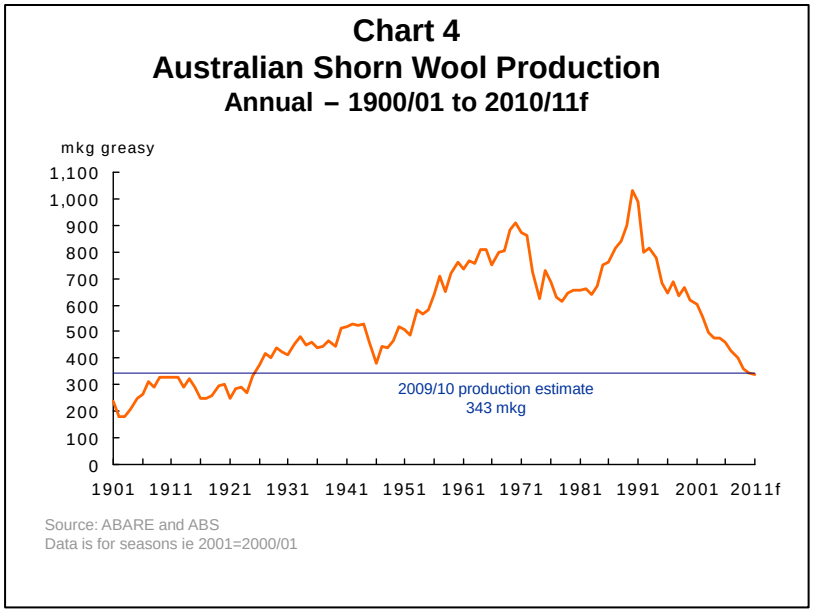
Historical Australian Production Figures

The following table provides historical sheep numbers, wool production and fleece weight statistics since 1997/98 for background information. Chart 4 shows wool production levels in Australia since 1900.

Table 10: Australian Wool Production Statistics

	Opening Sheep Numbers (million)	Sheep Shorn (million)	Average Cut Per Head (kg/head)	Shorn Wool Production (mkg greasy)
1997/98	120.1	150	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	340
2010/11f	70.0	73.3	4.64	340

Note: Totals may not add due to rounding. Source: AWPFC (incl March 2006 revised series)



The following table provides the historical micron profile for Australian wool for background information.

Table 11: Micron profile of Australian wool (% share)

Year	<18.5	19	20	21	22	23	24	25/26	27/28	29/30	>30
1991/92	4.0%	7.9%	15.2%	21.5%	20.0%	13.4%	7.1%	5.5%	2.9%	1.6%	1.0%
1992/93	2.2%	5.4%	12.0%	19.9%	20.6%	15.6%	10.0%	7.9%	3.0%	1.9%	1.6%
1993/94	3.0%	5.5%	12.1%	18.8%	20.8%	15.7%	10.0%	7.4%	2.8%	1.9%	1.7%
1994/95	4.2%	8.6%	15.2%	20.9%	19.9%	13.0%	7.0%	4.7%	2.8%	2.0%	1.7%
1995/96	3.9%	8.2%	15.3%	20.8%	18.5%	13.2%	8.1%	6.0%	2.7%	1.8%	1.6%
1996/97	4.8%	9.7%	15.3%	20.2%	18.3%	13.1%	7.4%	5.3%	2.3%	1.9%	1.8%
1997/98	5.9%	9.8%	14.8%	19.4%	18.3%	12.8%	7.7%	5.4%	2.6%	1.8%	1.5%
1998/99	5.4%	8.8%	14.6%	19.6%	18.6%	14.0%	7.6%	5.1%	2.7%	2.0%	1.5%
1999/00	5.3%	9.3%	14.4%	19.1%	18.2%	13.6%	7.7%	5.2%	2.9%	2.4%	1.9%
2000/01	6.7%	11.1%	15.7%	18.5%	16.4%	11.4%	6.8%	5.1%	3.6%	2.8%	1.9%
2001/02	9.5%	14.4%	19.9%	18.9%	12.9%	7.7%	4.1%	3.7%	3.8%	3.1%	1.9%
2002/03	14.6%	15.7%	18.9%	17.6%	12.0%	6.6%	2.9%	3.4%	3.7%	2.9%	1.7%
2003/04	14.2%	15.8%	18.3%	16.6%	11.9%	7.5%	3.6%	3.5%	3.8%	2.9%	1.8%
2004/05	15.9%	16.5%	18.7%	16.0%	10.7%	6.2%	3.2%	3.6%	4.1%	3.1%	2.0%
2005/06	15.8%	15.1%	18.7%	17.1%	11.5%	5.9%	2.9%	3.9%	4.5%	2.9%	1.6%
2006/07	19.7%	15.9%	17.0%	14.0%	9.9%	6.2%	3.4%	4.3%	4.4%	3.2%	2.1%
2007/08	18.2%	16.8%	18.4%	14.3%	9.2%	5.5%	3.0%	4.1%	4.8%	3.6%	2.2%
2008/09	19.2%	16.7%	18.8%	15.4%	9.5%	4.6%	2.3%	3.6%	4.7%	3.4%	1.8%
2009/10	2.30%	6.17%	12.64%	17.13%	17.50%	13.18%	8.35%	4.58%	2.46%	4.13%	5.39%

Note: Totals may not add due to rounding. Source: Australian Wool Testing Authority (AWTA)

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.

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.

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