

MEDIA RELEASE

Nanjing Wool Market Conference – Volatility will continue to feature in the wool market

24 September, 2019

WoolProducers Australia were represented by President Ed Storey and CEO Jo Hall at this year's 31 Nanjing Wool Market Conference (NWMC), held in Qufu, China on 21 and 22 September.

The theme of this year's NWMC was 'A Community of a Shared Future for the Wool Textile Industry'.

Mr Ed Storey said, 'The timing of this year's NWMC was well placed given the recent volatility in Australian wool market.'

'The conference has provided an opportunity for the Australian wool supply chain to meet with our biggest customer China and discuss the issues that are affecting our collective businesses'.

There were a number of trends that were spoken about that provide an insight into the recent unpredictable market conditions.

Mr Storey said, 'We heard a number of speakers talk about some of the macro market trends, and while the obvious factor impacting the wool market is the ongoing US-China trade war, there are numerous other issues such as Brexit and a downward economic trend in Europe that are leading to a slowing of the global economy.'

'These factors coupled with low supply and lower quality wools being offered due to drought conditions are obviously leading to a loss of market confidence.'

'WoolProducers take home message from these discussions was that the one certainty of the future wool market will be the volatility, which is unfortunate for Australian wool growers.' Mr Storey said.

WoolProducers were invited by the Chinese Wool Textile Association to make a presentation on Australia's Emergency Animal Disease (EAD) preparedness and response arrangements, following the loss of the South African trade due a Foot and Mouth Disease outbreak earlier this year.

'It was important that China and other attending countries understand the ramifications of an FMD or other significant EAD incursion would have, not only on Australia's wool industry but also the global wool trade'. Mr Storey said.

Other main issues from the NWMC were the increasing demand for both traceability throughout the supply chain and the demonstration of wool's sustainability.

Mr Storey said, 'Consumers are starting to demand traceability and transparency from the production sector, which assists in telling the sustainability credentials that the wool industry has'.

'Australia is well placed to meet these consumer demands through a number of industry driven initiatives, such as the National Wool Declaration, the Sheep Sustainability Framework and the National Livestock Identification Scheme, however we need to start promoting the achievements of these programs to our customers'. Mr Storey said.

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ENDS

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About WoolProducers Australia

WPA plays a critical role in working closely with companies and entities funded by woolgrower funds including compulsory levies or fees for service.

Its mission is to develop constructive and profitable outcomes for woolgrowers nationally.

The agency is responsible for appointing a director to each of the Australian Wool Exchange and the Australia Wool Testing Authority, promoting good corporate governance and ensuring that the interests of growers are met.

WPA maintains a working relationship with Australian Wool Innovation as the voice of woolgrower shareholders. It aims to contribute to AWI's programs for the benefit of growers, promoting responsible use of levy funds and ensuring good corporate governance.

WPA is the sole wool industry member of Animal Health Australia, and as such, carries a significant responsibility for decision making on behalf of the industry in the event of an emergency animal disease outbreak.

As the only wool grower organisation with membership of the National Farmers' Federation, WoolProducers is responsible for providing key policy advice on behalf of our members, and other wool growers, to Australia's peak farm body.

WoolProducers also works closely with the Federal Department of Agriculture and Water Resources on key issues such as animal health and welfare, biosecurity, pest management control, natural resource management, drought preparedness, emergency animal disease outbreak preparedness and industry development, including research and trade.