

Assessment of impacts of COVID-19 on wool growing enterprises

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Executive summary

WoolProducers Australia conducted a survey of Australian woolgrowers to understand the effects COVID-19 may have had on their farm businesses during the early stages of government imposed restrictions.

The survey found that the majority of respondents believed their wool growing enterprise had been impacted both financially and non-financially with the effects of the pandemic potentially affecting the viability of their businesses in the short, medium, and long term. Impacts included significant reductions in income, difficulties accessing farm inputs and labour, and declines in the wool price seeing most woolgrowers withhold or withdraw their wool from sale at auction, leading to reduced cashflows.

WoolProducers is therefore seeking short, medium and long-term Federal Government assistance and recovery measures that we believe will assist the wool industry to manage through, and recover from, the COVID-19 pandemic.

Short-term assistance measures

WoolProducers advocates that the Australian Government:

- Improves communications and information on COVID-19 financial and employment support measures for woolgrowers, to ensure better understanding of the assistance measures that are available.
- Considers expanding the eligibility criteria of JobKeeper Payment Scheme for employees who have been employed on a full-time basis for less than six-months.
- Funds local mental health support so that people are not referred to mental health services in regional centres (unless these are the nearest town) or state capital cities, that require significant travel from their nearest town.
- Continues drought support measures for affected woolgrowers.
- Improves the efficiency of the application process, and provides expedited access to, efficient the Farm Household Allowance for eligible participants.
- Enables direct access to Farm Management Deposits for companies and agribusiness trusts.
- Retains the accelerated depreciation arrangements for primary producers in perpetuity.
- Suspends wool and transaction levies for wool producers for a 12-month period (i.e. 1 August 2020 to 1 August 2021) and increases the government contribution to the Rural Research and Development Corporations to make-up for the shortfall occurring due to the suspension of collection of transaction levies.
- Expedite the approval of visa applications for shearers and shedhands travelling to Australia for Spring wool harvesting employment.

Medium-term recovery measures

WoolProducers advocates that the Australian Government:

- Maintains and strengthens existing trade relationships and explores market diversification opportunities that will build new export market opportunities for Australian wool.
- Increases support for industry-led market access initiatives, such as trade delegations and support for exporters and other Australian businesses through Austrade initiatives, that foster strengthened industry-to-industry partnerships.
- Fulfil recommendation 13 of the House of Representatives Trade and Investment Growth Committee report: Trade Transformation: Supporting Australia's export and investment opportunities, which is that *'The Committee recommends that the Australian Government conduct an assessment of Australian export industries that are over-exposed to a single market and work with industry towards diversification'*.

- Fulfil recommendation 14 of the House of Representatives Trade and Investment Growth Committee report: Trade Transformation: Supporting Australia's export and investment opportunities, which is that *'The Committee recommends the Department of Agriculture, Water and the Environment, in collaboration with state and territory governments, conduct an audit of the regulatory arrangements for agricultural exports (including seafood) and identify and implement actions in order to:*
 - *Harmonise export regulation across local, state and federal jurisdictions, with an aim of achieving a best-practice outcome;*
 - *Increase competitiveness for the agricultural industry, including assessing whether cost-recovery arrangements and export registration costs are deterring exports, and a comparison between Australia and its international competitors; and*
 - *Assess the impact of red and green tape (at the state and federal levels) on the ability of the sector to reach its goal of growing Australian agriculture to \$100 billion by 2030.*
- Provides support measures to assist farmers who choose to exit farming, such as recognised prior learning resulting in qualifications through TAFE for skills used on-farm (e.g. animal husbandry, welding, equipment licensing (such as forklift, tractor, firearms licences).

Long-term recovery measures

WoolProducers advocates that the Australian Government:

- Prioritises the EU-FTA and the UK-FTA and commits to ensuring that the agreements enhance market access for wool.
- Prioritises the Regional Comprehensive Economic Partnership, with or without India. If India does not enter into the agreement:
 - We advocate that an Australia-India Free Trade Agreement be explored by the Australian Government, and
 - That the Australian Government continue to assist industry with the development of a textile memorandum of understanding with Indian textile industries and the Indian Government, as was commenced in early 2020.

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Overview

WoolProducers Australia (WoolProducers) conducted a survey of Australian woolgrowers in May 2020 to understand the impacts that COVID-19 may have had on their businesses during the early stages (i.e. late March to the beginning of June) of government-imposed restrictions that were applied in response to the pandemic. The results will be used to assist WoolProducers in demonstrating to Government what effects the pandemic was having on woolgrowers, and to help WoolProducers plan advocacy strategies representing growers through COVID-19, with the eventual aim of getting wool growing businesses back to normal operation once the response ends.

The survey questions covered a range of business areas that may be impacted by COVID-19, including access to labour and the use of Government assistance packages, such as the JobKeeper Payment Scheme. Responses were collected via an online survey and promoted through traditional and social media channels. The survey elicited 195 responses from woolgrowers in all states in which wool is grown in Australia.

Key findings and discussion

The vast majority of respondents indicated that their wool growing enterprise had been impacted by COVID-19, with the median response indicating an estimated 32.6 per cent financial loss to their business in these early stages.

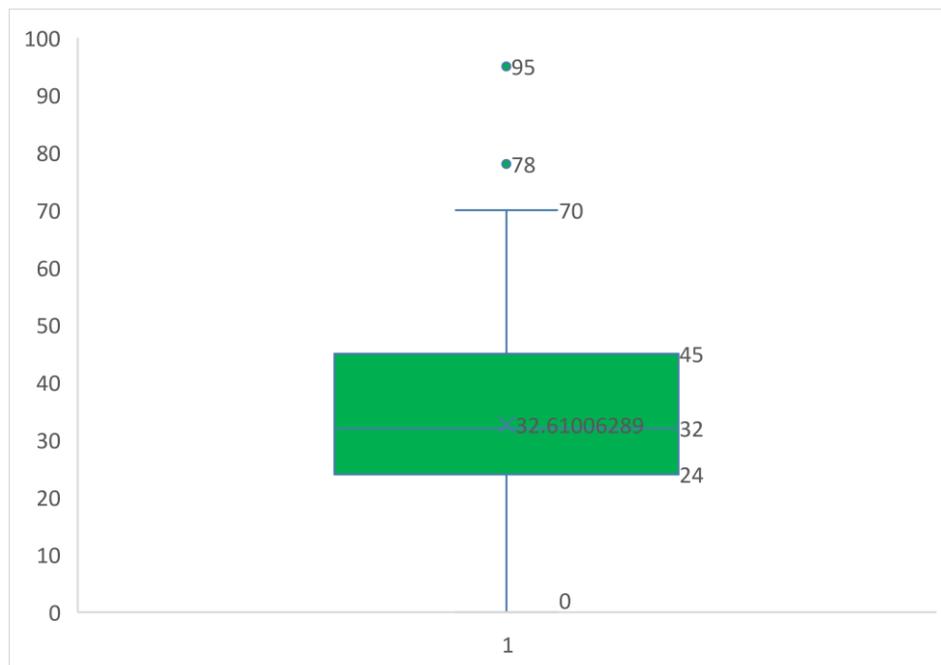


Figure 1 Estimated financial loss to growers' wool enterprises due to COVID-19 (as a percentage)

The main reason for this financial impact was the continued drop in wool prices. While China is the dominant buyer of Australian wool (normally accounting for 75-80 per cent of Australian greasy wool purchasing) during the early global COVID-19 response India and Italy, who are the second and third largest single country purchasers, could not buy Australian wool due to their own domestic regulated lockdown measures preventing wool imports and processing.

During the month of April, China bought 93 per cent of Australian wool, which saw the Eastern Market Indicator (EMI) drop due to lack of customer competition. There was also a lack of market competition for Australian wool which contributed to the fall in the EMI as New Zealand, South Africa and Argentina

(our main production competitors) were unable to sell wool due to the lockdown restrictions imposed in these countries.

WoolProducers recommends that the Australian Government:

Medium-term recovery measures

- Maintains and strengthens existing trade relationships and explores market diversification opportunities that will build new export market opportunities for Australian wool.
- Increases support for industry-led market access initiatives, such as trade delegations and support for exporters and other Australian businesses through Austrade initiatives, that foster strengthened industry-to-industry partnerships.
- Fulfil recommendation 13 of the House of Representatives Trade and Investment Growth Committee report: Trade Transformation: Supporting Australia's export and investment opportunities, which is that *'The Committee recommends that the Australian Government conduct an assessment of Australian export industries that are over-exposed to a single market and work with industry towards diversification'*.
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Long-term recovery measures

- Prioritises the EU-FTA and the UK-FTA and commits to ensuring that the agreements enhance market access for wool.
- Prioritises the Regional Comprehensive Economic Partnership, with or without India. If India does not enter into the agreement:
 - We advocate that an Australia-India Free Trade Agreement be explored by the Australian Government, and
 - That the Australian Government continue to assist industry with the development of a textile memorandum of understanding with Indian textile industries and the Indian Government, as was commenced in early 2020.

The financial impact estimated by survey respondents who believed their businesses had been impacted by COVID-19 is consistent with data from AWEX¹, who provided an analysis of wool sale statistics relating to an eight-week period commencing 16 March, 2020 with the same period of time

¹ AWEX is the company responsible for:

- Monitoring and administering trading rules in Australia,
- Managing wool industry self-regulation through the provision of a framework of business rules governing the trade of wool Between buyer and seller members of AWEX,
- Maintaining recognised standards and codes of practice, and
- Value adding by providing pre- and post-sale market information.

last year, which found the value of wool sold during this time period had decreased 33.1 per cent in the 12-month period.

2018/19						
bales offered	bales pi/nb	PI %	bales sold	ValueSold	EMI	
272,143	28,561	10.5%	243,582	\$500,901,623	1,949	
2019/20						
bales offered	bales pi/nb	PI %	bales sold	ValueSold	EMI	
243,319	56,633	23.3%	186,686	\$262,053,701	1,303	
Differences						
bales offered		bales sold		ValueSold	EMI	
-28,824		-10.6%		-56,896	-23.4%	
				-\$238,847,922	-33.10%	

Figure 2 Comparison of same 8 week period 19/20 v 18/19 commencing 16 March (Source: AWEX)

56.4 per cent of respondents indicated that they were withholding wool from sale, either on- or off-farm. This has been further evidenced in May, which saw the lowest national volumes of wool being offered for sale in 25 years, since records have been kept.

Woolgrowers can also choose to withdraw bales from auction, or pass-in bales during an auction. Respondents who indicated that they had not sold their wool were asked if they had withheld wool from sale, withdrawn bales from auction or passed-in their lots, with 73.7 per cent of respondents choosing not to offer wool for sale.

The data presented from AWEX in Figure 2 indicates that the pass-in has more than doubled from 10.5 per cent to 23.3 per cent during the same eight-week period between 2019 and 2020. Looking to the medium-term future, the high pass-in and withdrawal rates of wool coupled with the stockpiling of the clip will lead to a glut in the market.

The high storage, pass-in and withdrawal rates of wool is having an impact on producers' cash-flow of woolgrowers, which is posing a significant risk to the short to medium term viability of wool growing enterprises.

WoolProducers recommends that the Australian Government:

Short-term assistance measures

- Improves the efficiency of the application process, and provides expedited access to, efficient the Farm Household Allowance for eligible participants.
- Enables direct access to Farm Management Deposits for companies and agribusiness trusts.
- Retains the accelerated depreciation arrangements for primary producers in perpetuity.
- Suspends wool and transaction levies for wool producers for a 12-month period (i.e. 1 August 2020 to 1 August 2021) and increases the government contribution to the Rural Research and Development Corporations to make-up for the shortfall occurring due to the suspension of collection of transaction levies.

The survey also sought to understand other ways that COVID-19 had impacted woolgrowers. Respondents were asked about impacts on staffing, which found that of the 70.1 per cent of woolgrowers who employ additional staff, 61.8 per cent of those were able to retain staff. Those

woolgrowers who had to let staff go due to COVID-19 were asked if they applied for the Australian Government's JobKeeper Payment Scheme, with 53.9 per cent of those indicating that they had not. Those that had applied and were unsuccessful in receiving this support indicated that the reason that they were not eligible for this assistance was because staff had not been employed for the defined period, or because they could not demonstrate the required loss of income to be eligible.

Respondents were asked if they had applied for government assistance support measures other than JobKeeper. The answers to this open-ended response were varied and ambiguous, indicating that there is a lack of understanding of what support measures are available to woolgrowers.

WoolProducers recommends that the Australian Government:

Short-term assistance measures

- Improves communications and information on COVID-19 financial and employment support measures for woolgrowers, to ensure better understanding of the assistance measures that are available.
- Considers expanding the eligibility criteria of the JobKeeper Payment Scheme for employees who have been employed on a full-time basis for less than six-months.

Woolgrowers are often reliant on contractors, for both livestock and shearing labour and the survey sought to understand if there was trouble accessing these workers. 11.8 per cent of respondents indicated that they had experienced difficulties in accessing staff. Whilst an additional 28.7 per cent of respondents said that they had not needed to access contract labour at the time of the survey.

A range of reasons as to why additional labour could not be accessed were provided, including state and national border restrictions, reduced number of staff allowed under social distancing requirements, contractors not wanting to work due to personal health concerns and a general lack of shearer availability.

State border restrictions presented issues for shearers and shedhands who travel across state borders for work. The Australian wool harvesting sector is heavily reliant on overseas shearers and shedhands, particularly from New Zealand, so the survey also sought to understand what level of reliance the industry has on migrant workers in a 'normal' year. 41.2 per cent of respondents indicated that they or the contractors that they engage source overseas staff during a 12-month period, which explains the issue of national border restrictions for these growers in sourcing overseas labour.

It is important to note that as this survey was conducted in May and the 'peak' shearing season in Australia is during Spring, and while just over 10 per cent of respondents had indicated current problems with sourcing contract labour, there is concern about the upcoming Spring shearing season and the ability to access the required labour at that time. To address this, WoolProducers is working with key stakeholders, including the National Farmers Federation, Shearing Contractors Association of Australia and the Western Australian Shearing Industry Association to lobby the federal government for an efficient process to enable wool harvesting staff from New Zealand to enter Australia.

WoolProducers recommends that the Australian Government:

Short-term assistance measures

- Expedite the approval of visa applications for shearers and shedhands travelling to Australia for Spring wool harvesting employment.

37.3 per cent of respondents indicated that they had experienced other impacts from COVID-19 outside of the specified areas of the survey. Issues cited included:

- A reduced ability to access finance,
- Mental health concerns, both personal and business-related,
- Uncertainty about investment in purchasing additional land,
- Concern about future wool prices and the 'over reliance' on China particularly in light of increased political tensions,
- Impacts on other farm operations such as accessing tradesmen due to social distancing requirements,
- Compounded concern of the viability of enterprises of the impacts of COVID-19 following drought conditions,
- Increased personal and familial workload due to inability to access additional staff,
- Delays in postal and delivery services including for machinery parts,
- Increased costs of shearing due to social distancing requirements,
- Increased vertebrate pest activity due to not being able to engage pest controllers and game harvesters,
- Impacts on secondary farming enterprises such as farm stays, and
- The inability to source groceries at local and regional centre supermarkets.

WoolProducers recommends that the Australian Government:

Short-term assistance measures

- Funds local mental health support so that people are not referred to mental health services in regional centres (unless these are the nearest town) or state capital cities, that require significant travel from their nearest town.
- Continues drought support measures for affected woolgrowers.

Medium-term recovery measures

- Provides support measures to assist farmers who choose to exit farming, such as recognised prior learning resulting in qualifications through TAFE for skills used on-farm (e.g. animal husbandry, welding, equipment licensing (such as forklift, tractor, firearms licences)).

Conclusion and recommendations

Following analysis of the survey results and understanding the context of these responses it is the assessment of WoolProducers that Australian woolgrowers are being adversely impacted by COVID-19, across a range of issues.

These impacts are both financial and non-financial and have ability to affect the viability of wool growing enterprises in both the short, medium, and long term.

In terms of financial and market impacts of COVID-19, the industry experienced an average 33.1 per cent drop in prices over an eight-week period from the middle of March when compared to the same period last year. Further the price paid for Australian wool measured through the Eastern Market Indicator (EMI), is currently sitting at 1110 cents per kilo², whereas at the start of the 2020 calendar year the EMI was 1609 cents per kilo, which is a 31 per cent drop in the last six-months and is currently the lowest the EMI has been in five-years.

² As of 24 June, 2020

Considering the prices currently being received by woolgrowers, coupled with a global slump in retail demand, this indicates a tough forecast for at least the next 18-months to two years for Australia woolgrowers.

Survey analysis

The impacts of COVID-19 on Australian wool enterprises and wool prices

The majority of respondents (86.7 per cent; n=169) believed their enterprise had been impacted by COVID-19. The remaining number of respondents (n=26) believed that either their business was unaffected or were unsure if it had been impacted because of the pandemic (6.7 per cent, each).

All participants who were selling wool (i.e. were not putting wool into storage; n=41) believed that their business had been impacted by COVID-19. Almost all respondents (98.7 per cent; n=157) believed that wool prices had been impacted by the pandemic, however not all of these respondents believed, or were certain if, their wool business had been financially impacted by COVID-19 (13.4 per cent; n=26).

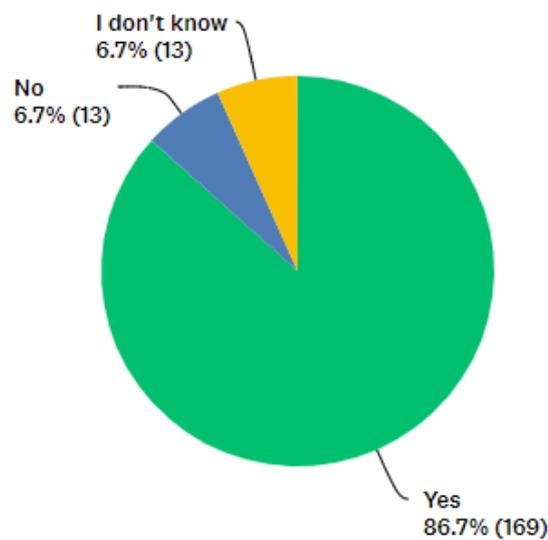


Figure 3 Percentage of woolgrowers who believe their business has been impacted by COVID-19

Most respondents were storing wool either on- or off-farm and had not offered wool for sale at auction. This provides reason as to why some woolgrowers were unsure if, or did not believe, their business was being financially impacted because of COVID-19. Some growers are not shearing until later in the year, and this is another explanation as to why there are some respondents who are unsure if there has been a financial effect on their business because of COVID-19. Because of the prices being received for wool at the time of the survey, some woolgrowers chose to sell only part of their clip because of the differences in prices paid for different lines of wool.

Respondents were asked if they were selling or holding their wool. Of 158 responses, 34.2 per cent of growers were holding their wool off-farm instead of selling (n=54) and 22.2 per cent were storing wool on-farm (n=35), while 25.9 per cent had continued to sell (n=41). This means that the total number of growers storing wool can be taken as a combination of these two responses, at 56.4 per cent. Respondents who selected 'Other' (7 per cent, n=11) mostly provided that they had both sold some wool and stored some wool or planned to store wool in the coming future. The seven respondents who believed their businesses had not been impacted by COVID-19 were either storing their wool or had not sold wool, and this explains that they therefore may not have noticed a financial impact as there was no income being received through a wool cheque as wool was not offered for sale. All growers (with the exception of one, who did not know) believed that COVID-19 had impacted prices, while the one grower did not know (n=41 total).

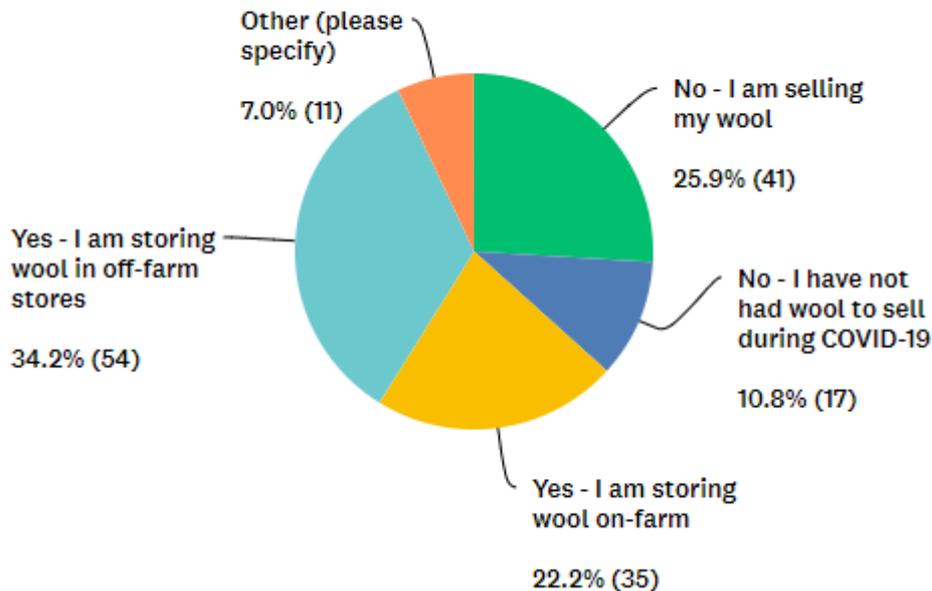


Figure 4 Market actions of woolgrowers who decided to store wool because of current market prices

The majority of respondents who did not know if their business had been impacted by COVID-19 were not shearing until later in the year (37.5 per cent) and this explains their uncertainty.

Other respondents who were unsure if their business had been impacted by the pandemic were storing wool on-farm or in wool stores off-farm (both 25 per cent). Neither of these categories of respondents have having offered wool for sale, so would be therefore unaware of the financial impacts from the pandemic as they have not had to sell their product into the depressed market.

Woolgrowers can choose to withdraw bales from auction, or pass-in bales during an auction. Respondents who selected that they had not sold wool because of current prices (n=99) were asked if they had withheld wool from sale, withdrawn bales from auction or passed-in their lots. The results showed that the majority (73.7 per cent; n=73) chose not to offer wool for sale. 'Other' responses included locking in price prior to sale, selling wool earlier than planned, and not offering top quality wool to market. All seven respondents who had not believed their businesses were being impacted by COVID-19 had not offered wool for sale at either auction or privately.

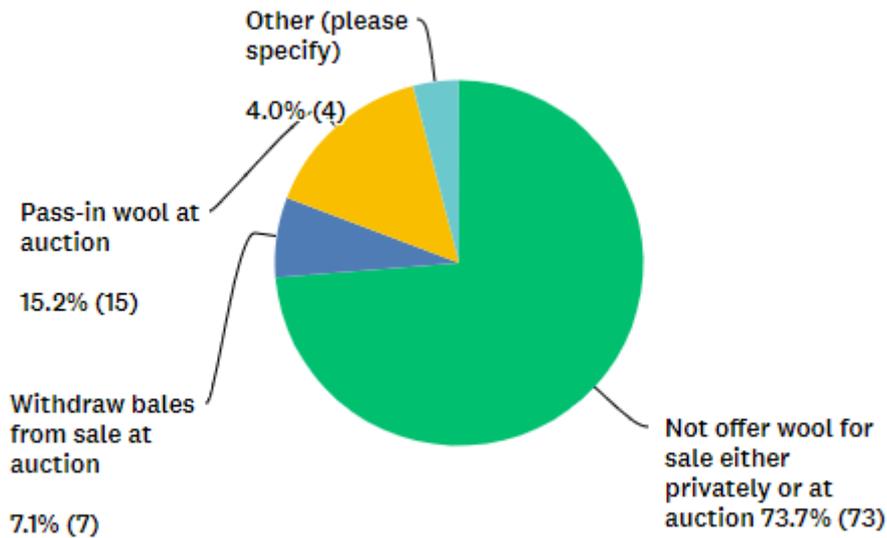


Figure 5 Options taken by woolgrowers who did not sell wool because of current prices

Of the seven of the 13 respondents who were unsure whether their business was being impacted by COVID-19, 57.1 per cent (n=4) responded that they did not offer wool for sale either at auction or privately, while 14.3 per cent (n=1) passed-in wool at auction. One respondent selected 'other' and responded that they are not selling their top lines.

Estimated financial impacts

Respondents were asked to estimate the financial loss COVID-19 had caused to their wool growing enterprise.

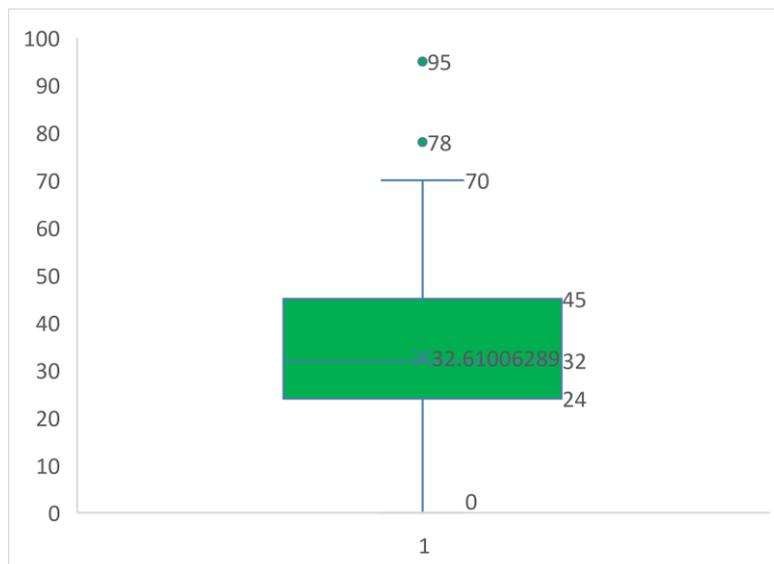


Figure 7 Estimated financial loss due wool growing enterprises due to COVID-19 (as a percentage)

The plot above displays results for all responses received to the survey. Given the 'shortness' of the box, it is evident that most growers estimate similar financial losses resulting from COVID-19 (24-45

per cent), with the median being 32.6 per cent financial loss. This range was similar for growers who had sold wool during COVID-19 and those who believed their business had been impacted by COVID-19. For growers who believed their business had not been impacted by COVID-19, five of the seven respondents to this question estimated 0 per cent loss, while one grower estimated 33 per cent financial loss and another estimated a 52 per cent financial loss, putting the median for this group at 12.1 per cent.

The plot below displays the financial loss to wool enterprises estimated by growers who were unsure if their business had been financially impacted by the pandemic. The box is longer, depicting the larger range in estimates among the nine growers with most predicting a 0 to 25 per cent loss, while one had estimated a 50 per cent loss.

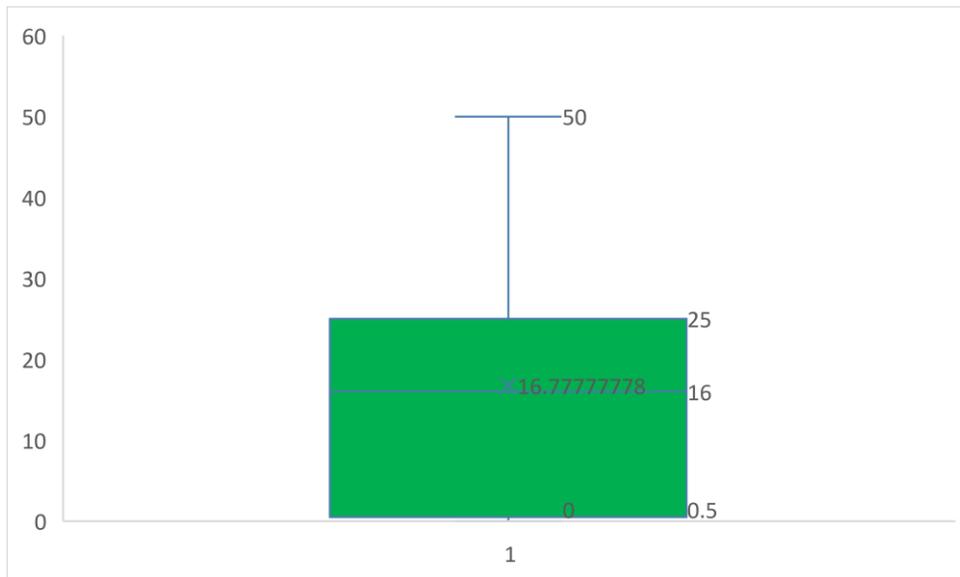


Figure 8 Estimated financial loss to wool growing enterprises from woolgrowers who were unsure if COVID19 had impacted their business (as a percentage)

Impacts of COVID-19 on wool enterprise employment

Staffing

Respondents were asked whether they were unable to keep staff employed due to the impacts of COVID-19 on their wool enterprise. Of the 157 respondents who answered the question, only 8.3 per cent had to dismiss staff, while almost 30 per cent did not have additional staff and 61.8 per cent were able to retain staff in their employ. Of the respondents who believed their businesses had not been impacted by COVID-19 (n=7), 71.4 per cent had retained staff while the remaining 28.6 per cent did not employ additional staff. Of eight participants who were unsure if COVID-19 impacted their business that responded to this question, 50 per cent (n=4) did not need to let staff go while the other 50 per cent did not employ additional staff.

Comparatively, 7.3 per cent (n=3) of woolgrowers who sold wool during COVID-19 had let staff go, while 63.4 per cent (n=26) had not and the remainder did not have additional staff.

This may suggest that woolgrowers who sold wool in the depressed market for cashflow, and who then had to let staff go, were already facing financial hardship which logically would have been a result of the drought.

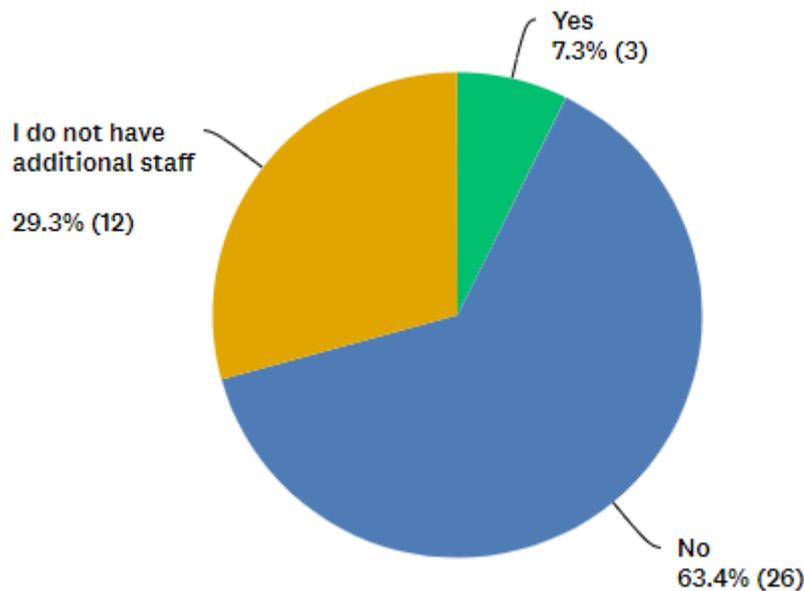


Figure 9 Staff retention by woolgrowers who have sold wool during the COVID-19 response

Respondents who had let staff go because of COVID-19 were asked if they had applied for the Australian Government’s JobKeeper Payment Scheme to assist them to retain staff. Of the 13 respondents who had let staff go, 53.9 per cent (n=7) had not applied while 46.1 per cent (n=6) had applied.

Two of those who had applied were growers who had sold wool during COVID-19. Some respondents were not aware of the outcome of their JobKeeper application. Two respondents who applied for JobKeeper were unsuccessful in being approved for the Payment Scheme, stating reasons:

1. Not employed for 12 months, and
2. Not a significant enough drop in income in the current eligible months.

Survey respondents were asked if they had applied for any other government assistance to help their business through COVID-19, of which 24.3 per cent (n=33) had, verbatim responses included:

- *Small business cash flow boost,*
- *ATO payment wages,*
- *Small business tax relief,*
- *BAS returns,*
- *Farm Household Allowance,*
- *Withholding tax refund,*

Nine of the 41 respondents who sold wool during COVID-19 applied for additional government support (including the one grower who listed Farm Household Allowance). Interestingly, some respondents specified that they had applied for JobKeeper and JobSeeker payments to this question, although they should have declared this earlier on in the survey.

The varied responses to this question, including ambiguous terminology, indicates that there is confusion amongst woolgrowers as to what government assistance measures are available and who is eligible to apply for them.

Contractors

Access to skilled labour, such as shearers and wool handlers, is an issue faced by many woolgrowers outside of COVID-19. Respondents were asked if they had faced difficulty in accessing these staff, to which only 11.8 per cent of respondents (n=18) had, while 59.5 per cent (n=91) had not found access to be an issue. The remaining respondents were unsure as they had not needed to employ contract labour. None of the seven respondents who believed their businesses had not been impacted by COVID-19 had issues accessing contractors, with one respondent not requiring contract services.

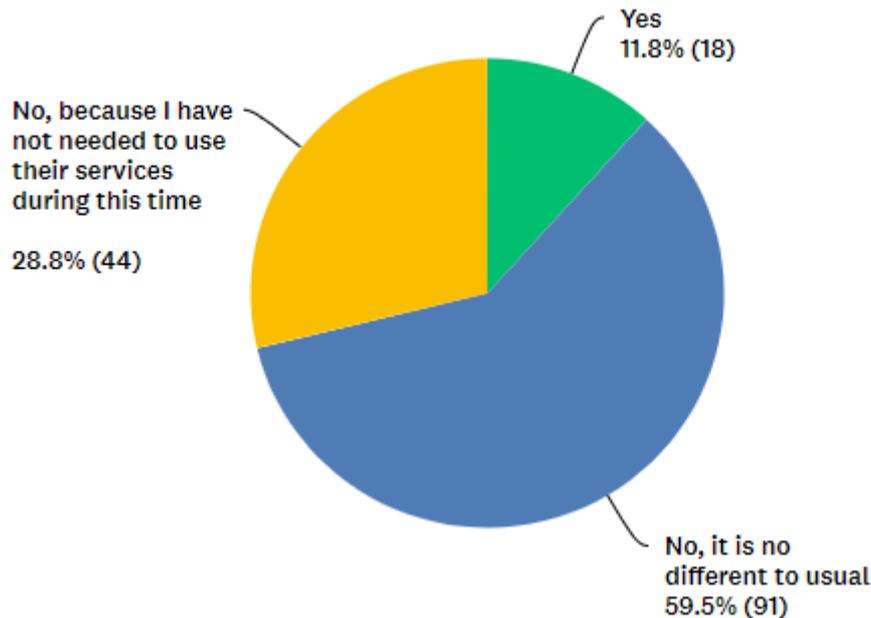


Figure 10 Difficulties experienced attracting skilled labour

Similarly, none of the respondents who were unsure if their businesses had been impacted by COVID-19 had issues accessing contract labour, with 62.5 per cent (n=5) responding it was no different to usual and 37.5 per cent (n=3) not requiring contractors during the time the survey was open.

The issues faced by respondents who had difficulty sourcing contract staff included:

- State border restrictions i.e. travel exemptions for essential workers into Tasmania and the need to quarantine workers upon arrival,
- National border restrictions, including sourcing shearers from New Zealand,
- Reduced shearer numbers in-shed, because of requirements to social distance by using alternate shearing stands,
- Social distancing issues during travel en-route to work, in many cases this increases travel costs for woolgrowers who pay travel for each vehicle that travels to the shed
- Social distancing requirements causing issues with accommodation arrangements in shearing quarters,
- Contractors not wanting to work because of COVID-19 due to personal health concerns
- Shortage of shearers.

To understand the effects of international travel restrictions on sourcing contract staff, respondents were asked whether they themselves, or their contractors, sourced migrant labour, to which 58.8 per cent (n=10) responded they did not.

Other impacts of COVID-19 on wool enterprises

To understand whether other impacts had been experienced by woolgrowers' businesses because of the COVID-19 pandemic, an open-ended response option was available for comments to be provided. Of 150 respondents, 37.3 per cent (n=56) responded 'yes' that they had experienced other impacts than those covered by the survey. Of these respondents, 19 had sold wool during COVID-19. One respondent who did not know if their business had been impacted by COVID-19 responded that they had had issues obtaining machinery parts and chemicals.

Below is a summary of the impacts other than those covered by the survey that respondents were experiencing due to COVID-19:

- Reduced ability to access finance is currently being experienced. Given the drop in wool price from March, the ability for woolgrowers, particularly who are specialist woolgrowers who do not have the immediate opportunity to diversify income, to access finance has reduced as forecast income and borrowing capacity has diminished on the back of price volatility.
- Financial pressures and general fiscal uncertainty.
- Uncertainty about investment in new land purchases has also arising for similar reasons outlined in the dot point above.
- Uncertainty about the viability of wool enterprises into the future.
- Mental health concerns arising from personal and business related impacts.
- There is significant concern regarding future wool prices. During the COVID-19 response the Australian wool industry experienced a huge retraction in price received for greasy wool. This retraction has been felt along the supply-chain, initiated by the retail end where consumer demand is significantly down. The industry also saw many of our processing facilities shut down outside of China, meaning that the only buyer of Australian wool were the Chinese for a period of time, seeing the market drop due to lack of competition.
- This has led to concern about the reliance on China to buy wool in the future. China, on average buys between 75-80per cent of Australia's wool but during April they purchased 93per cent
- Other impacts on farm operations, such as fuel reduction burns, cancellation of field days and on-property livestock sales, and access to tradesmen because of social distancing requirements have also been experienced.
- There is also concern about the ability to recover from drought with the added impacts of COVID-19. Many of Australia's woolgrowers were severely impacted by the drought, while some parts are seeing more favourable seasonal conditions, there are still a number of areas that are waiting for the drought to break. This coupled with the impacts of COVID-19 on wool prices will leave some woolgrowers facing business continuity issues.
- The potential for political issues affecting trade with China impacting wool sales. Other commodities have seen China place unusually high tariffs on their products or revoke licenses to export into China, whilst these are claimed to be technical issues, some woolgrowers are concerned that political tension between the Australian and Chinese governments may impact on the wool industry.
- In some cases, there has been increased personal workload because of difficulty of accessing additional staff due to social distancing and isolation requirements.
- leading to an increased detrimental impact on mental health.
- Delays in the arrival of packages/post due to postal service changes (including overseas packages) have also been experienced by some respondents.

- Difficulties sourcing machinery parts, seed, chemicals, and fertiliser, in many situations linked to these inputs coming from China.
- An increase in costs of shearing, as mentioned in the 'Contractors' section above, social distancing requirements have seen an increase in travel costs being paid by woolgrowers to get shearers and shed staff to work, further the reduction in the number of shearers in a shed, means that the duration of shearing has increased in many circumstances, whilst shearers are paid on piece-rate there is no difference to the wages being paid, shed hands and wool classers are paid per run or a daily rate, meaning that the longer the shearing goes the more wages that need to be paid.
- Increased feral vertebrate pest activity due to reduced control from off-farm sources, such as hunters or contract vermin controllers having restricted access due to social distancing and travel restrictions. Some woolgrowers have secondary income from their enterprises such as hospitality and tourism businesses (e.g. farm stays), which have been impacted because of the travel restrictions,
- Whilst not being unique to woolgrowers, some respondents indicated that the lack of availability of groceries to purchase in regional centre supermarkets.

