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8. *Where is the wool market likely to head?*

### Dates for the Diary

#### **4<sup>th</sup> September, 2014**

South West Slopes Merino Breeder Field Day – Galong, NSW

#### **10<sup>th</sup> September, 2014**

Bred Well Fed Well – Hay

#### **4<sup>th</sup> March 2015**

MerinoLink Annual Conference – claiming the date

*Sally Martin*

Chief Executive Officer

**MerinoLink Limited**

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Welcome to the second edition of *MerinoLink Limited Quarterly Newsletter*.

The MerinoLink Limited board met recently and has started planning the next MerinoLink conference.

**Claim the date** – Annual conference 4<sup>th</sup> March 2015. The conference will be held the day before the first shearing of the 2014-16 Peter Westblade Memorial Merino Challenge that will go over two days, 5<sup>th</sup> and 6<sup>th</sup> March.

**New Membership Category** - MerinoLink relies on membership, sponsorship and project funding to fulfil our objectives. MerinoLink has developed two new membership categories – Under 25 years and Student - in addition to the current Ram Breeder, Commercial Breeder and Service Provider membership packages.



**Social Media** - MerinoLink is venturing into social media to stay in touch with our members and the wider industry, you can now follow MerinoLink Limited on **Twitter** @MerinoLink and keep up to date **by liking us on Facebook**.



*Sally Martin*

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Condobolin:	02 6895 2851	Adelaide:	0409 177 094



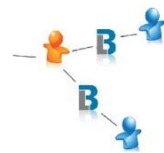
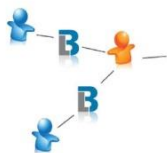
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**MerinoLink Limited is a not for profit organisation that aims to facilitate sheep grower's and service providers link with information, knowledge and research.**

MerinoLink's founding members are from a wide range of sheep businesses with varying production systems. The Members have been brought together by a common enthusiasm for profitable Merino sheep and a desire to continue to build their businesses, client businesses and the sheep industries profitability as a whole.

MerinoLink is committed to assisting our members make better use of past and current research. In addition, MerinoLink aims to build networks and add value to existing and future research and development.

MerinoLink recognise the opportunities to work together to develop research projects for the future improvement of the Australian Sheep industry.

We aim to provide all members with access to industry organisations and facilitate a two way dissemination of information.

MerinoLink consist of producers and service providers moving our industry and members forward as fast and effectively as possible. This is made possible by MerinoLink's engagement with members and industry, education of members, exploration of research ideas and exchange of the results.

## MerinoLink CONTACTS

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# eSheep – using eID in sheep management and breeding

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Sally Martin, Sally Martin Consulting

Acknowledgement – Sheep CRC and Mike Stephens & Associates (Nathan Scott)

*This article will be the first of a series to be featured in the MerinoLink Quarterly Newsletters.*

Electronic identification (eID) using Radio Frequency Identification (RFID) offers opportunities to move from traditional mob based management through to monitoring and managing animals individually throughout their life.

Many of the concepts associated with eID can be achieved using a notch in the ear or visual tag number. eID offers both commercial and stud breeders the opportunity to increase the accuracy and management precision based on individual animals. For stud breeders eID allows vast amounts of performance recording more accurately and efficiently.

Before embarking on implementing an eID system in your business it is critical that you have a good understanding of the information that you want to collect and use to make more informed decisions. Just because you put a tag in an animal does not mean you are going to make more money, it is not a silver bullet, it is a means to fine tuning your enterprise by making informed decisions.

Variation in your flock allows you to add more selection pressure, an eID system helps to make this selection more accurate, easier and potentially faster making it more likely to happen.

A Key driver for using electronic identification is to have a clear plan about what you would like to achieve and then identify what hardware and software is going to meet your needs. The decision tree on the next page is a good starting point.

## What eID isn't!

eID isn't auto drafter – yes there are great tools, however they are not always necessary, most things can be achieved with a hand held reader and weigh crate, the auto drafter simply makes some jobs quicker and more labour efficient. If you do have or

get an auto drafter you are more likely to use it if it is in a fixed location.

eID isn't about owning a lot of fancy "toys". You may not have to own any equipment at all if you have local contractors who are able to assist and collect the information with or for you.

eID doesn't have to be expensive, how much you spend should be gauged on your desired outcome, your enterprise type and size. The more you use the equipment the cheaper it will be.

It is critical that you know what you want to achieve and then find out what you need (what system will best suit your requirements).

## Equipment

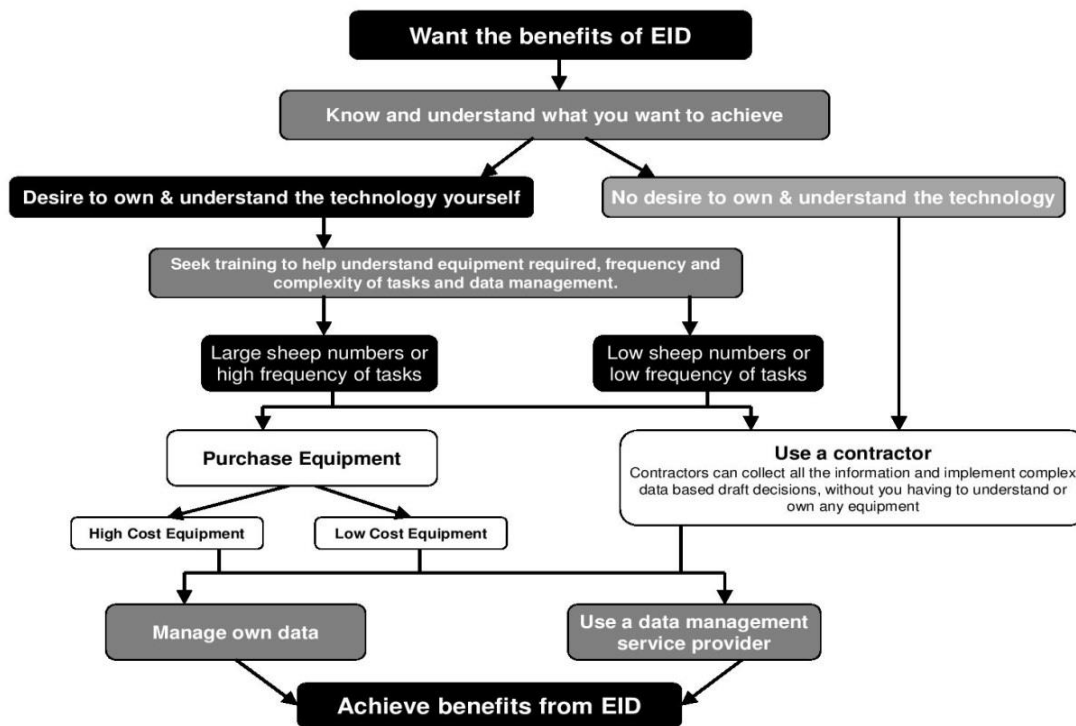
The use of eID involves the integration of a number of measurements and recording technologies. These can include:-

- ✓ RFID tags
- ✓ Hand held reader or panel reader
- ✓ Weigh Scale Indicator
- ✓ Weigh Crate and Load Bars
- ✓ Barcode scanner and printer
- ✓ Laptop computer,
- ✓ Automatic drafter

It is important that you do not buy technology for technologies sake!

It can't be said enough that you need to have a clear understanding of the equipment required and that each piece of equipment will perform a specific task that will return a clear benefit to the enterprise and business.

The Sheep CRC has developed a 2 day training workshop (*see flier in this newsletter*) for producers to attend to explore the options and develop a plan that will work for your situation.



### RFID Tags

There are a number of electronic tags on the market that contain a permanent and unique RFID number. MerinoLink has developed a working relationship with three businesses to deliver electronic tags and visual tags to MerinoLink members at a discounted price. *More details of MerinoLink Tag Buying Power Scheme can be found in the insert within this newsletter.*

The critical issue with all tags is placement and the age when the tags are applied. The drawings below show where the tag should be placed for the best retention rates. Too close to the head results in a higher probability of being cut out when shearing.



### Data collection

There is no point collecting data unless you are going to use it. The more data you collect the more complex it becomes. The data you collect should be adding value to your sheep enterprise.

sort and rank animals based on the traits that are most important to your enterprise. One option is using a RAMPOWER index.

There is an extraordinary range of data that can be collected, anything that can be measured, either objectively or subjectively can be recorded.

In the next newsletter I will explore how you can compile and use the data that you have collected to

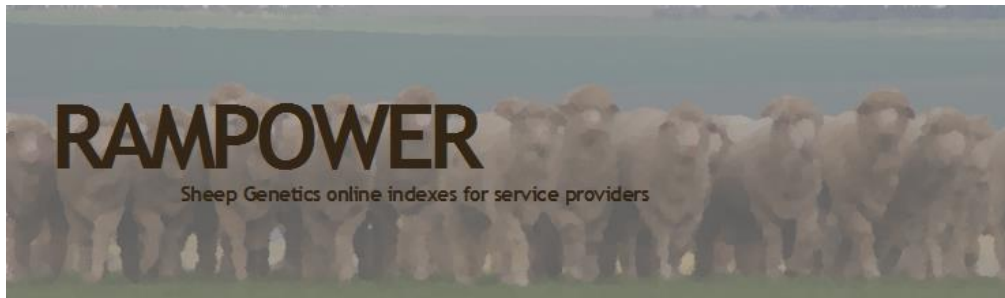


*Adele Offley, Fleece weighing*

## RAMPOWER

**RAMPOWER** is a per-use fee based service for generating within group indexes for enhancing breeding selection decisions. RAMPOWER utilises the

powerful breeding value system behind LAMBPLAN and MERINOSELECT ASBV's.



The **main uses** for RAMPOWER selection indexes have been predominantly for:-

- **Commercial Merino breeders** using a selection index when classing and selecting replacement ewe hogget's in addition to or instead of a wool value (\$/head).
- **Merino ram breeders** exploring the use of selection indexes prior to entering data in to MERINOSELECT
- **Ram breeders** who mate large numbers of ewes to syndicates of rams, and are looking for a within group or flock index to assist in the selection rams and replacement ewes. RAMPOWER indexes offer the same index calculations and terminology (index names) as MERINOSELECT and provide continuity between products.

**How can you access RAMPOWER?** Service Providers registered with Sheep Genetics can access RAMPOWER on your behalf. Data is submitted via a website interface and results reported in either a PDF or Excel format. Key information required includes:-

1. Individual animal identification
2. Fibre diameter test
3. Fleece weight
4. Body weight

Not all data parameter information is essential however the more information the more balanced and robust the results will be for your selection process. Below is an example of a RAMPOWER report.

For more information about RAMPOWER please contact Sally Martin on 0400 782 477 or [sallymartin777@gmail.com](mailto:sallymartin777@gmail.com)

RAMPOWER

MEAT & LIVESTOCK AUSTRALIA

Australian Wool Innovation Limited

Run Date	Test Date	Test Drop	Sex	Description	
4/08/2014	14/07/2014	2011	M	Flock Name	Flock Name

Tag	Index Name	Index Value	Rank	Index Name 2	Index Value 2	Rank 2	Index Name 3	Index Value 3	Rank 3
110177	RP FP	125.07	1	RP MP	121.51	1	RP DP	114.88	1
110105	RP FP	119.51	2	RP MP	116.27	3	RP DP	109.49	8
110288	RP FP	116.31	3	RP MP	111.00	14	RP DP	106.22	38
110583	RP FP	115.64	4	RP MP	112.73	10	RP DP	108.95	9
110043	RP FP	115.28	5	RP MP	115.04	6	RP DP	107.91	17

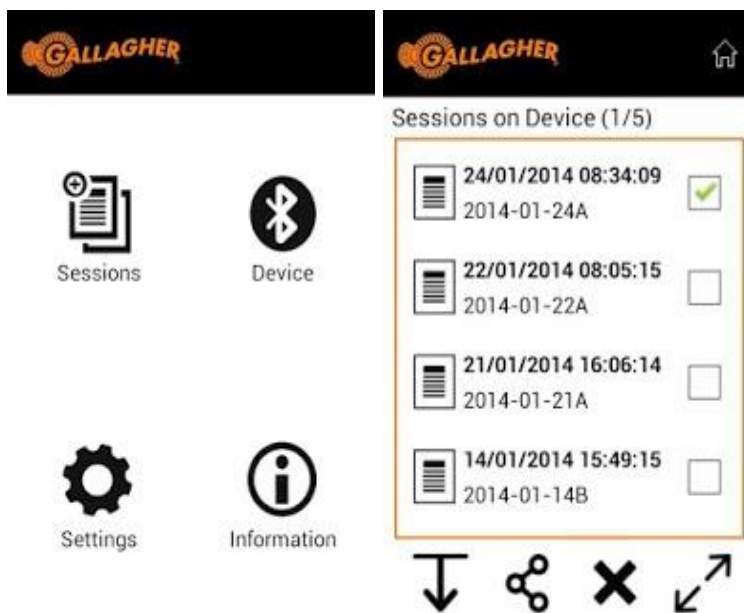
## Smart Phone Apps

Sessions	
Session_024 11 Aug 2014 12:00 AM	Count <b>9</b>
Brock 11 Aug 2014 12:00 AM	Count <b>16</b>
Session_021 11 Aug 2014 12:00 AM	Count <b>2</b>
Session_023 11 Aug 2014 12:00 AM	Count <b>4</b>
Emu flat 6 Aug 2014 12:00 AM	Count <b>60</b>
Paul 21 Jul 2014 12:00 AM	Count <b>5</b>
Wantabadbery 13 Jun 2014 12:00 AM	Count <b>16</b>

Connected to Wi-Fi network ID5000-5168

**Tru-Test Data Link Android** app can be downloaded free from Google Play TM store and is compatible with Android versions 2.3 and above. The App can be used on Tru-Test devices supported using Bluetooth interface or the new 5000 series using the Wi-Fi connection. You can download session files from your Tru-Test device and either send direct to the National Livestock Identification System or via email to your office or service provider.

With the new 5000 series you can also use your **iPhone**. Tru-Test Data Link Apple iOS app can be downloaded free from the Apple App Store TM.



**Gallagher Animal Data Transfer for Android** has been developed to interface to Gallagher hand held EID tag readers via Bluetooth. The application allows the user to extract session files from the reader and attach them to an email, in order to send the data to a PC without the need to connect the reader directly to the PC. The reader can alternately be connected for 'live' tag reads, rather than storing the tag information into the reader's memory.

The application also allows the user to easily send selected animal data directly to the NLIS. Sessions can be renamed and the contents viewed once on the phone for greater flexibility while on the go.



# PASTORA

Poll Merinos

## Open Day Friday 19th September 2014

Commencing at 10am Pastora Woolshed

To be sold by Helmsman Auction commencing at 12 noon:

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## Invitation

[www.pollmerinos.com.au](http://www.pollmerinos.com.au)

Enquiries

Tim Westblade:  
(02) 4920 5423  
mob: 0429 205 423

### Client Wether Trial Results

- **Ovens Valley Wether Trial**  
1st overall for fleece value at completion of 1st shearing
- **Temora Merino Challenge**  
6th overall for wool & carcass value at completion of trial - 60 teams competed
- Dog training and Border Collie working dog demonstrations conducted by Angus Waddell





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# Using eID for Sheep Management & Breeding

**Making technology work for you. Yard to office approach delivered by industry specialists.**

This is a vital workshop for sheep producers interested in electronic identification (eID).

Sheep production systems based on measurement, management and marketing of animals according to individual or group merit will increase productivity, wellbeing and returns.

## Course content

- Review the use of eID tags
- Development of an eID plan for your enterprise
- Understand the challenges associated with eID and the solutions
- Increase understanding of data capture
- Manipulate and interpret data
- Define management strategies to effectively use information

This course is a great opportunity to gain practical skills through interaction with industry experts. This knowledge is immediately applicable and will generate long term benefits for your business.

**Duration:** 2 x 6 hours sessions

**Location:** We will bring the course to your area, so you don't need to travel

**Cost:** \$120 per business - multiple family members or business partners can attend.

**For inquiries and information please contact:**

**Sally  
martin**

**0400 782 477**  
[sallymartin777@gmail.com](mailto:sallymartin777@gmail.com)



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## Changes in profit between sheep enterprise over time

**Phil Graham, Agriculture NSW, Yass**

*phillip.graham@dpi.nsw.gov.au*

For a number of years I have been looking at the relative performance between sheep enterprises. Ashley White and I set up some standard flocks based on our experience of industry averages and these flocks have been used for this work over time. I stress we are using industry averages not the top performers within the industry.

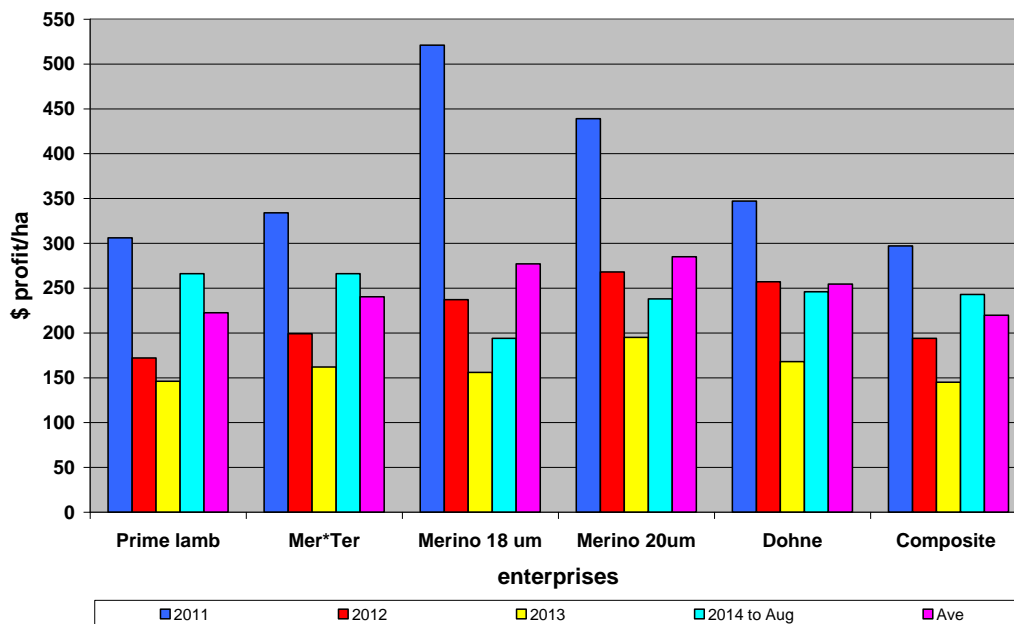
This work uses the GrassGro computer model, the profit figures (overhead costs are included) are the average of the yearly profits based on the weather from 1960 to 2013. This gives us a robust picture of

how an enterprise fits within different environments across the range of seasonal conditions you actually experience.

The prices and costs for each year (2011, 2012, 2013, 1 Jan 2014 to end July 2014) are calculated from current market data and used in the model.

The graph below looks at the results for the years 2011 to 2014, run for a well fertilised property in the Yass, NSW environment.

**Enterprise performance at Yass using weather data from 1960 to 2013**



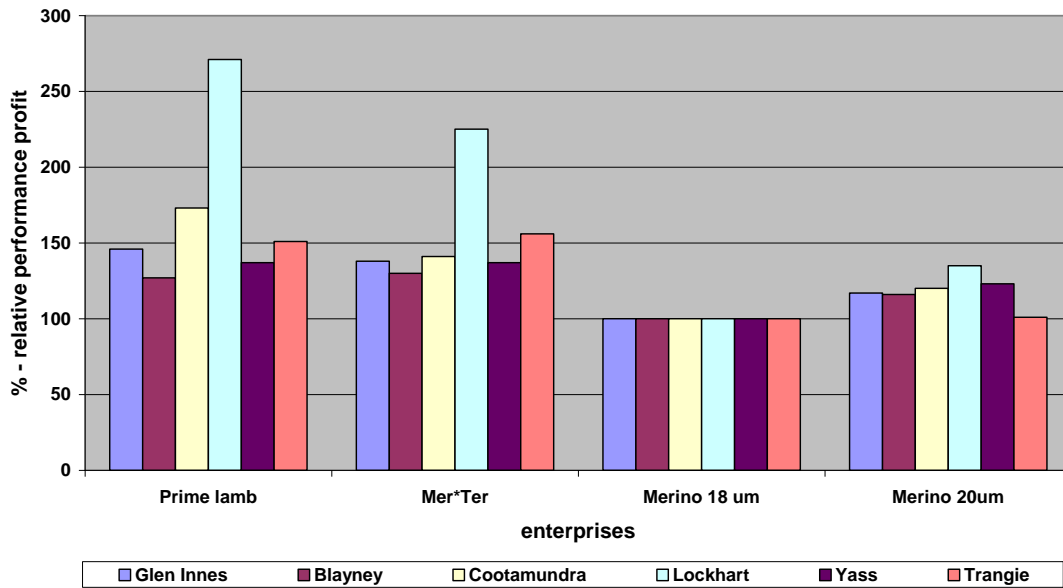
The composite flock is our best estimate within an enterprise which is very variable. The major point is the large variation between enterprises between years.

The same enterprises have also been run for a range of locations. The time of lambing is changed to suit each location however all other production parameters are kept the same. Because the profit figures per hectare are different for the locations the results below are expressed as a relative percentage.

For each location the lowest profitable enterprise is at 100 and the others are shown as a percentage above.

You should not compare between locations (this is not valid to do) however look within a location. At all location the 18um Merino self-replacing enterprise was the lowest income enterprise. The Lockhart site is based on an annual pasture so the enterprise that reduces numbers over summer has an advantage.

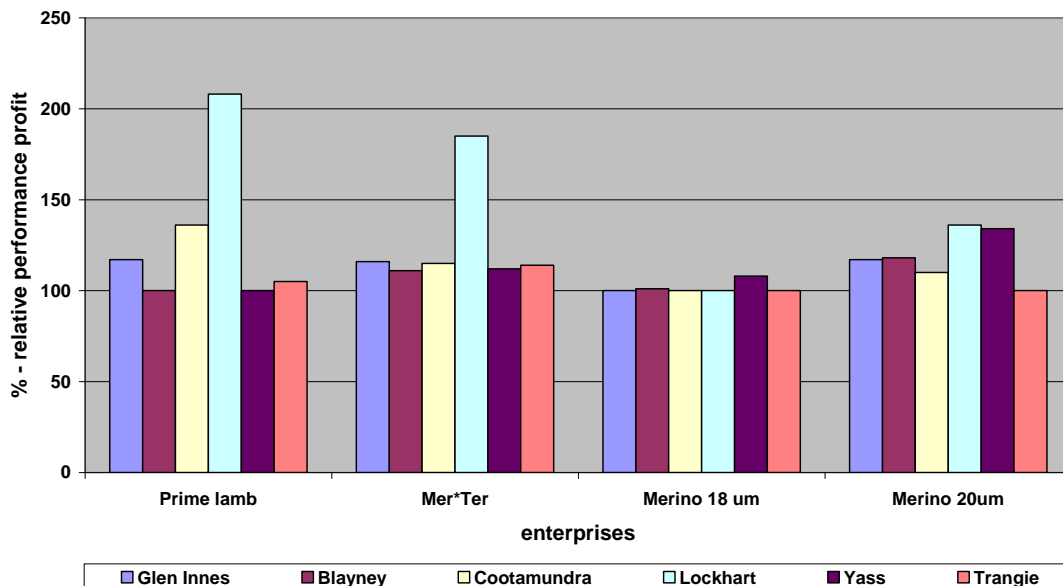
2014 from Jan to end of July



The next graph is the same locations but uses the averages for 2013. The difference between enterprises is not as great. It must be remembered that the 2014 data has averaged the lamb market at its high point and the wool market at a low point. It is

my view that the average lamb price for 2014 will be lower than the figures I used in this work and hopefully the wool price will be up. The difference will narrow using a yearly average.

2013 data

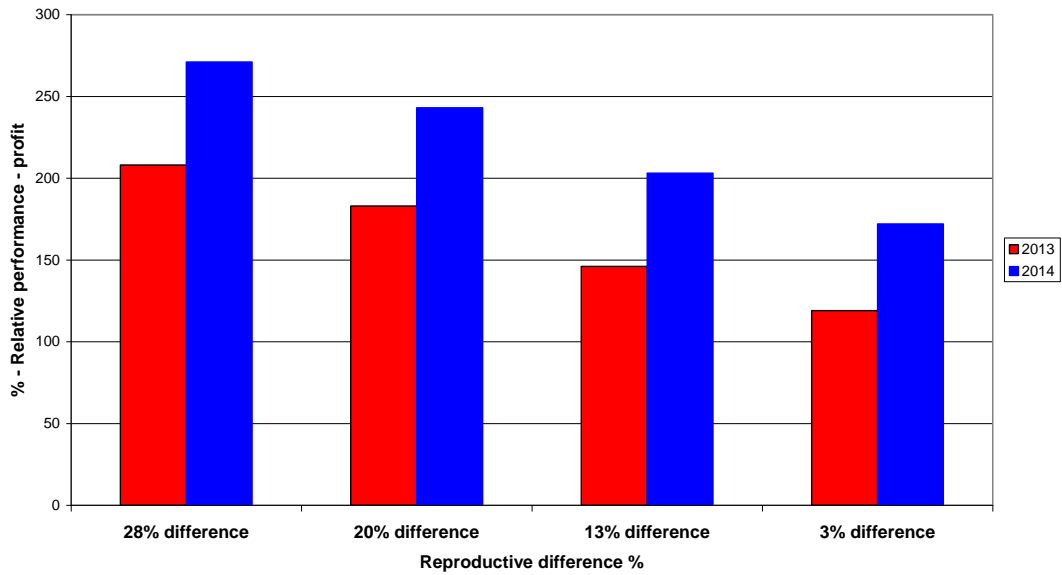


The 2014 lambing has had problems in the mixed farming areas with ewe deaths, particular with first cross ewes and merinos joined to terminals. In the above work I have used a 3% higher death rate (7% instead of 4%) for the merino\* terminal. In my view this is at the bottom of what producer's experience. This graph looks at the impact on the relative profit (%) of reducing the difference in marking

percentages between prime lambs and 18 um merinos for the Lockhart location. The data above has a difference of approximately 30%. We have poor data on what the difference in reproductive rates is between enterprises. What is your experience, it does impact on the result.



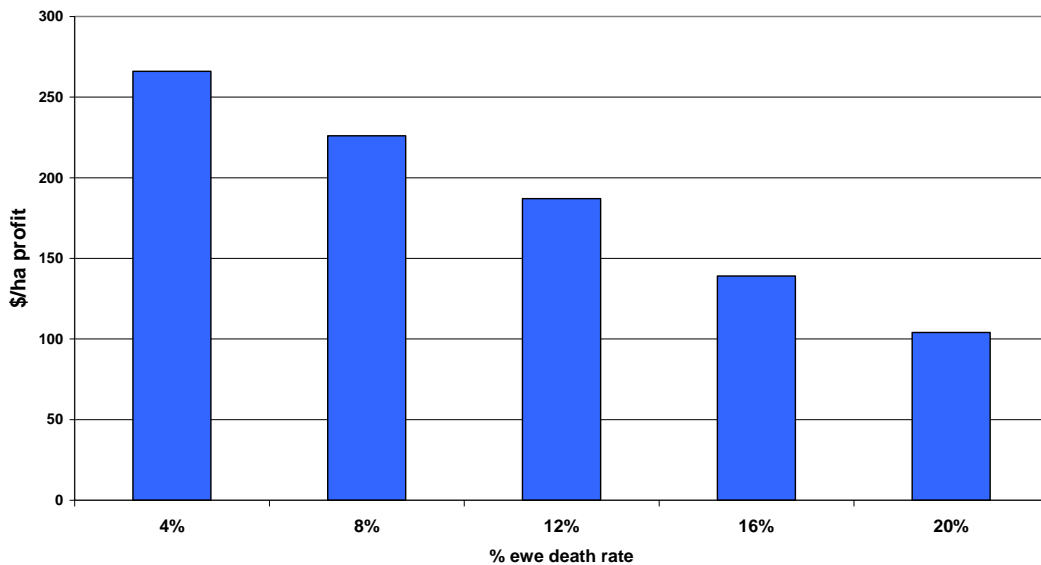
Impact of changing the difference in reproductive rates between Prime lambs and 18 um Merino



One of the factors that drive the changes in relative marking percentages is ewe death rate. Again from recent experience ewe death rates are higher in the meat producing industries. The graph below looks at the impact of varying ewe death rates on a prime

lamb enterprise run for the Yass location. The rates I have used are based on producer information from 2014. The impact is driven by lower marking percentages and the higher number of replacement ewes that need to be bought.

Impact of ewe death rate on profit/ha - prime lambs



I'm seeing producers making changes based on frustration with their existing industry rather than the relative merits of the enterprises. Management factors (ewe death rate) can have a big influence on relative performance but is a factor that is not known or ignored. Use realistic facts in making any decision about changes to your enterprises.

within the enterprise rather than moving to another one to lift farm profits. Sometimes people find it harder to make a within enterprise change than changing enterprises. By changing enterprise you can blame it "on the industry", whereas a within change might be seen as "I got it wrong".

Over a five year period the differences between enterprises is lower than shown here. There is the ability to improve all enterprises by making changes

Ego can get in the way of some good business decisions.



# South West Slopes Stud Merino Breeders

## 2014 FIELD DAY

Presenting 54 Studs Under Cover  
**Thursday 4th September, 2014**  
commencing 10 am

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St. Clement's Retreat Centre  
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more information: [www.swsmerinofieldday.com](http://www.swsmerinofieldday.com)



## MerinoLink Sire Evaluation – Jugiong NSW

*Sally Martin, CEO MerinoLink*

MerinoLink set up a sire evaluation site on a commercial property at Jugiong in February 2014. Dean and Mandy Bourlet are hosting the sire

evaluation in which we will progeny test 12 sires under the Australian Merino Sire Evaluation Association (AMSEA) guidelines.

### Who is being evaluated?

Sire Identification	Stud	
600571-2010-100701	Billandri	Link Sire
601250-2009-907538	Centre Plus	
503884-2012-122165	GRASS Merinos	
505069-2012-120012	Greendale	
500383-2008-003561	Hazeldean	Link Sire
601413-2012-120425	Kerin Poll	
601415-2012-120100	Lachlan Merinos	
601442-2012-120506	Pooginook	
504166-1988-881232	Roseville Park	Historical Sire
600438-2012-000117	Weealla Poll Merinos	
600610-2012-120026	Willandra Poll Merino Stud	
601151-2012-120407	Woodpark Poll	



### Historical Sire Program

The 12 Merino sires being evaluated includes a historical sire, 1988 drop, and is part of the AMSEA Historical Sire Program (funded by Australian Wool Innovation). The Historical Sire program aims to evaluate sires that have been previously entered in sire evaluation sites between 10 and 20 years ago. The progeny will be fully evaluated alongside the current industry sires.

Whilst providing a very interesting comparison between leading sire of the 80's and 90's with those of today, the main purpose of the Historical Sire

Program is to provide further validation and confidence in the system of linkage that is used by MERINOSELECT to directly compare animals across drops.

Results from the Historical Sire program will be published by AMSEA at the conclusion of the program in addition to individual sire performance results for historical sires being published in the MerinoLink Sire Evaluation Site Reports and the annual Merino Superior Sires.

### MerinoLink Sire Evaluation Program

600 ewes were artificially inseminated in late February. The ewes have now lambed down in their sire groups. At two weeks of age they were tagged and are now running together as one mob. The lambs were weighed at tagging, the average weight was 10.5kg at 2 weeks of age. The range was from 5kg (triplets) to 15.7kg for a single ewe lamb. The next data to be collected will be at marking for breech wrinkle, crutch cover, fibre and non-fibre pigment traits as per the Sheep Visual Guide.



*Dean Bourlet, Jugiong*



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*Annual MerinoLink Conference  
Save the Date – Wednesday 4<sup>th</sup> March 2015*

# Evolution in providing sheep meat eating quality that meets future consumer requirements

**Dr Alex Ball**

**Meat and Livestock Australia**

## Consumers demand quality – is industry responding?

Satisfying consumer expectations, particularly for eating quality, is critical to maintaining and increasing demand for Australian sheepmeat. Consumers are increasingly looking for more from lamb including; being loved as an Australian product, improved

convenience, more delicious to eat, improved health attributes and more enjoyable meal experiences. These and other key attributes are summarised in the following survey:

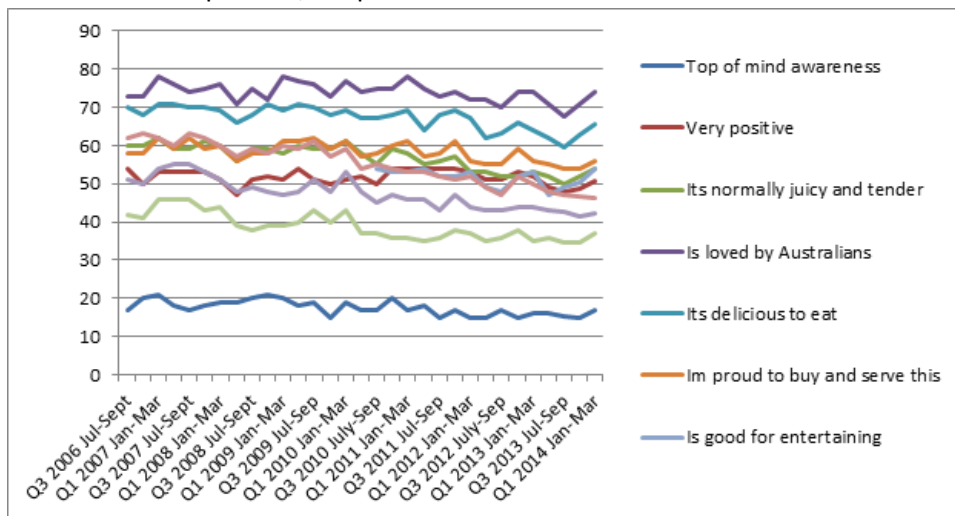


Figure 1. Key consumer requirements for Australian lamb

Industry is responding to the eating quality element with strong rates of adoption and growing volumes of lambs being MSA trademarked. However, expectations will continue to demand further differentiation and identification of lamb and sheepmeat eating quality. Therefore, in order to continue to improve eating quality, the Australian sheepmeat industry must focus on quality throughout the entire supply chain. Each sector of the sheep industry has a clear impact and therefore

has great responsibility in ensuring that each time product hits a consumer’s plate the highest level of eating quality is achieved. When any part of the supply chain neglects eating quality the consumer is ultimately affected. In such occurrence two things may occur; price willing to pay decreases or demand for the product declines. As a result MLA’s strategy for improving eating quality has investments in all stages of the sheep industry, as evidenced in figure 2.

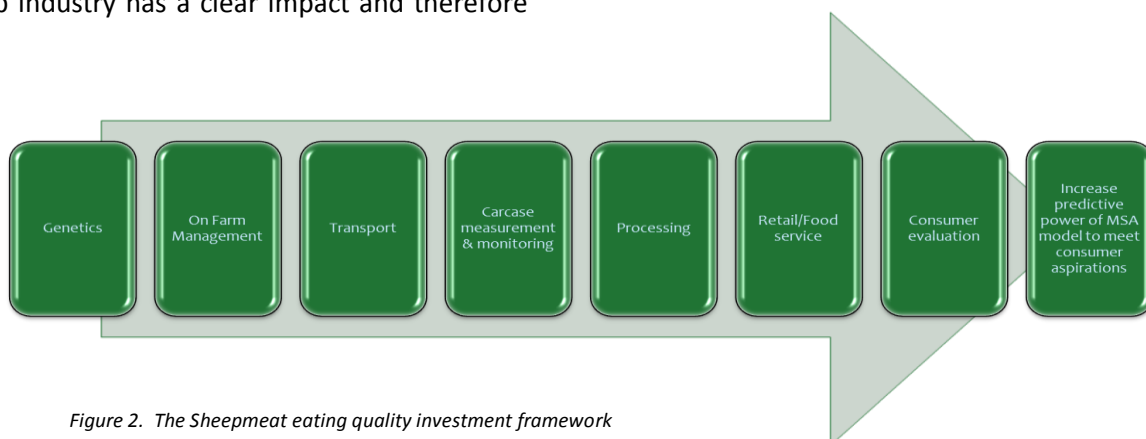


Figure 2. The Sheepmeat eating quality investment framework

## Current Situation

The current eating quality grading program for sheepmeat (MSA – Meat Standards Australia) is based on science conducted by the Sheep Meat Eating Quality Program (SMEQ) and the first Sheep CRC, from 2001 to 2006. The research identified pathways and systems which underpin eating quality performance of lamb on a mob basis. Such research has led to a significant investment in technologies which improve eating quality, such as electrical stimulation, measurement of pH declines (potential hydrogen), consignment methods, a maximum time (48 hours) off feed and minimum growth rates required.

There are now 18 MSA licensed processing plants located across Australia which account for more than

5.4 million lambs (figure 3). Through intervention programs and quality management systems nearly 34% of the annual national lamb slaughter has benefitted from such eating quality improvements.

The current MSA program for sheepmeat is essentially a pass/fail carcass grading system, unlike the beef eating quality grading system whereby individual carcasses and primal cuts are graded using an individual animal specific predictive model. Additionally, feedback to producers is mob based and at best only average weight/fat data is provided, thus limiting information which can potentially assist with on-farm improvements.

**In 2012/13 total Lambs Presented for Grading 5.4 million**

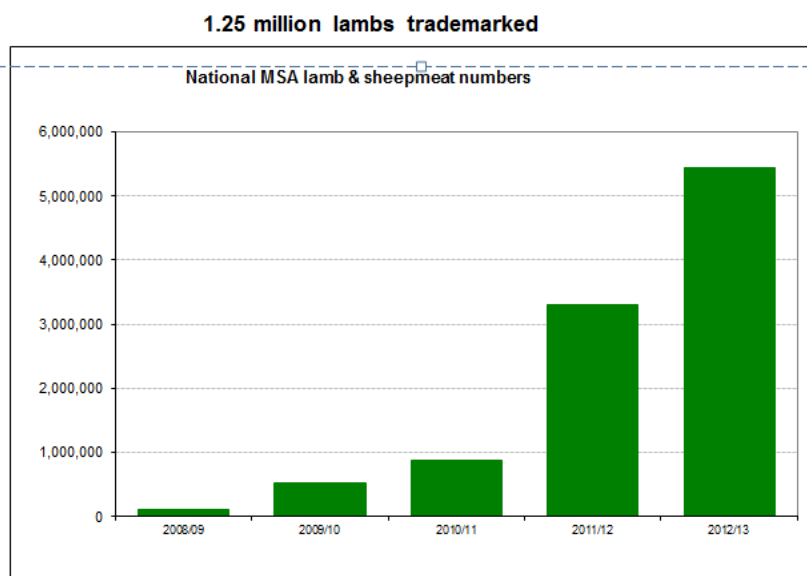


Figure 3. shows the rapid increase in MSA lamb and sheepmeat grading numbers from 2008 to 2014

## Improving the current system

In 2011 the Sheep Industry Strategic Plan (SISP) identified that the next phase of MSA for lamb and sheepmeat would be the development of a process to allow the separation of lamb cuts based on consumer preferences. This process would be a significant improvement on the current pass/fail MSA grading and therefore would allow greater influence on defining eating quality for MSA of lamb and sheepmeat.

Over the last four years MLA, together with key R&D providers and the Sheep CRC, have run a series of consumer eating quality studies using animals from the industry's information nucleus research flock. Results indicate:

- Within the current MSA program of best practice management and processing there is still variation in consumer eating quality scores (up to 40 units for loin muscles).



- At a phenotypic level it is possible, through knowledge of breed type, HCWT (hot carcass weight), fat, EMD (eye muscle depth) and IMF (intra-muscular fat), that an MSA model may account for up to 70% of eating quality variance in both loin and topside grills and that this model may segregate cuts into MSA graded 4 star (better than everyday) and 5 star (premium) categories.
- At a genetic level it is possible to produce a breeding index using carcass and eating quality values which explain up to 65% of eating quality variance.
- Consumers are prepared to pay half the value if the product fails (2\*) and 50% more if the product is 4\* when compared to 3\*. Consumer will also offer up to 100% more if the product is for 5\* compared to 3\* (Table 1).

Table 1: Willingness to pay – price relative to 3\* (Sheep CRC and MLA consumer testing, 2010, based on 1,858 consumers).

	N	Ungraded	3*	4*	5*
Mean	1,858	49%	100%	147%	200%

### Measurement is key to future eating quality improvement

There is an old saying “you cannot improve unless you measure it”. The key to the development and implementation of a cuts-based grading model for sheepmeat is to obtain direct measurements of HCWT, fat, EMD, IMF and potentially retail/meat colour. There are technologies being developed and evaluated over the next six months which have the potential to measure the above mentioned parameters without human intervention. If

successful, a cuts-based MSA system could be trialed as early as July 2015.

The success of the Sheep CRC rebid will also result in further exploration in a yearling sheepmeat category within the MSA program and the utilisation of heavier carcass weights, therefore allowing lamb producers to continue to aim for productivity improvements via heavier carcasses.

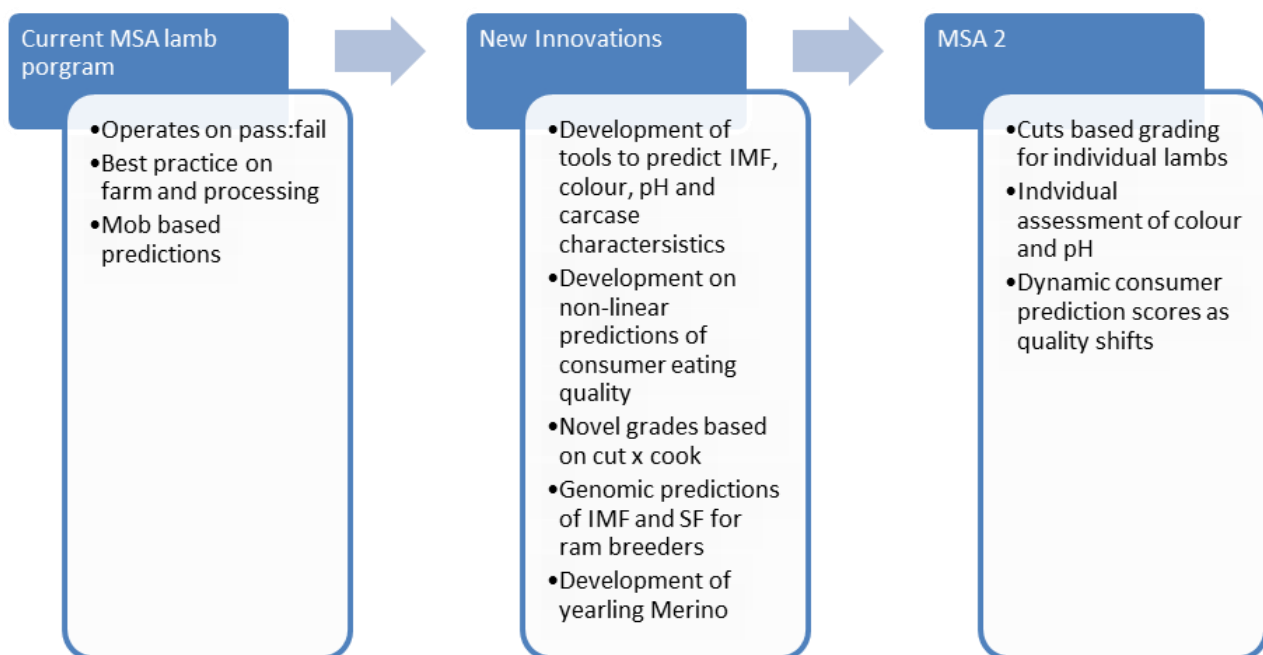
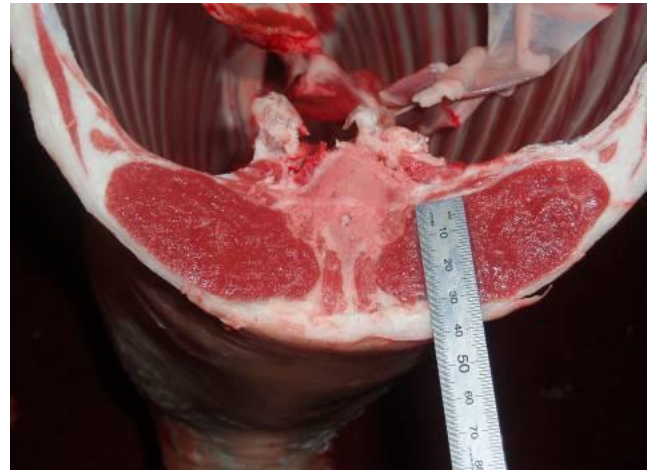


Figure 4. shows the activities and required outcomes to transition to a cuts based program for eating quality.

## Managing Lean meat yield together with eating quality will drive consumer satisfaction and industry profitability

Satisfying consumer expectations for eating quality, and industry expectations for a profitable and sustainable future, is reliant on industry delivering more consistent high quality sheepmeat with an expanded range of carcasses and more efficient production. Underpinning all of this is the accurate prediction of carcass value based on lean meat yield (LMY) and eating quality. There is a significant challenge for the Australian sheep industry in that the correlation between LMY and eating quality is highly negative. Therefore as the industry strives for faster growing, leaner sheep with better muscle it is likely that eating quality will decline if measurement and grading systems such as MSA are not implemented.

To deliver accurate predictions the sheepmeat industry has an urgent need to modernise carcass grading systems with science-based technologies, which may include; value based marketing (VBM) payment systems (linked to LMY and eating quality) as well as national benchmarks of LMY and eating quality for the Australian lamb industry. Importantly amalgamating all aspects of a grading system, to deliver information back to the farm gate, will be a crucial step in ensuring industry's continuous improvement for consistently satisfied consumers and a vibrant innovative industry.



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Limited places available, please register with **Sally Martin** to secure your place in *More Lambs More Often* – [sallymartin777@gmail.com](mailto:sallymartin777@gmail.com) or phone **Adele Offley** on 02-63825340 or email [adele@mosesandson.com.au](mailto:adele@mosesandson.com.au)





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# Where's the wool market likely to head?

By Andrew Woods | Source: AWEX, ICS

## Key points

- Price projections point to moderate rises for the 19 MPG during the first half of this season.
- Variations from the median projection are biased slightly to the upside, but the model is mainly calling a rise in price of around 100c/kg clean by early 2015.
- Prices in the second half of the season are projected to ease.

**The review of price prospects for the 21 MPG in March has proved to be a reasonable assessment, with prices slightly higher than anticipated. This article looks at prospects for the 19 MPG (which is the middle merino micron category) for this season, based on a model of the median merino micron price.**

One of the difficulties when considering future prices is to incorporate probabilities. Farmers and exporters tend to like a definitive price target from an analyst, even though such a projection is highly speculative.

Figure 1 shows a range of price projections for the 19 MPG, with the median level shown by the dark line in the middle of the shaded area. The dark and light green shaded areas denote price levels that have a higher level of probability of occurring and the grey shaded regions show lower probability price levels.

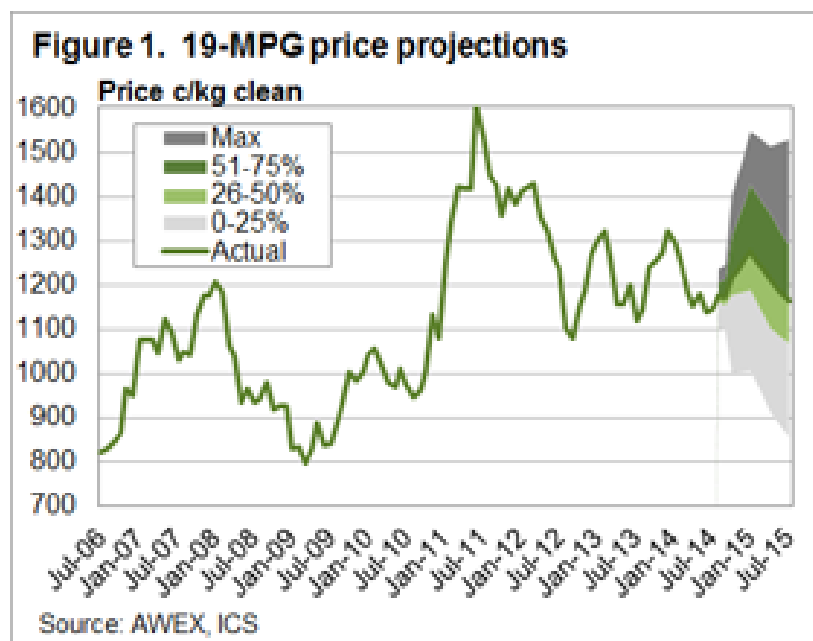
The base projection shows that the 19 MPG has a good chance of rising through to early 2015, before weakening. Recent seasonal price patterns fit with this pattern and are in fact part of the model used to make these projections. This middle price projection points to a rise in price of around 100 cents.

The spread of price projections about the median (middle) level favour the upside slightly. Keep in mind that this model is designed to use what information we have at hand now, combined with past relationships between this information, to give an idea of the trend we can expect during the current season. Short term rises and falls will pull prices away from these trend projections, assuming the projections are reasonably accurate.

Lower supply continues to be supportive of the merino market in general, with high cotton stocks and low polyester staple prices likely to cap apparel fibre prices generally (including wool).

## What does this mean?

Price expectations for wool have improved slightly from the autumn. While cotton stocks remain at high levels and polyester staple prices low, thereby capping apparel fibre prices, wool supplies remain low. In summary, wool prices look to have a good chance of following recent seasonal price patterns of firming in the first half of the season and weakening in the second half.





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