

6 September 2023

## NWD S2022:

### *Is Not Declaring (ND) costing you money?*

AWEX's analysis of NWD market data from Season 2022/23 highlighted the value and benefit of completing the National Wool Declaration. Market signals for declared wool were consistent and increasingly positive compared to the prices for similar wool without any declaration.

Mark Grave, AWEX CEO said "The NWD has been a trusted industry document for over fifteen years and during that time the interest in it and the mulesing status of wool lots available for purchase has continued to strengthen. AWEX receives NWD verification requests on a daily and weekly basis."

The NWD Integrity Program is highly regarded throughout the supply chain as many exporters require certificates of verification from AWEX for their customers, in support of their purchases.

AWEX data indicates that total declaration rates have stalled over the last three seasons, declining from 76.1% (S2020) to 74.8% (S2022). The 1.3% decline in declaration rate during this period is a concern as there has been an increase of 2.5% in the non-declared category (ND), which is being discounted compared to all other categories.

State by State breakdown of the data identifies those states which continue to lead the way in declaration rates and those who have the most opportunity to improve.

"Over the last 12 months, the market for merino wool has been volatile and the crossbred market continues to be challenging. This raises the question of why a wool grower wouldn't declare their wool and take advantage of the better market competition that is available?"

For example, Merino Wool in Season 2022/23, analysis shows that, on average:

- 16 - 18 micron wool that was ND received the following discounts:
  - 64 - 17c less per kg/clean compared to wool declared as Non Mulesed (NM), and
  - 39 - 2c less per kg/clean compared to wool declared as M (Mulesed)
- 17 micron wool declared as mulesed with Analgesic/Anaesthetic (AA) received an average premium of 47c per kg/clean when compared to wool that is ND.

The same can be said for the Non Merino market, where analysis of auction data showed:

- 28 - 29 micron wool that was ND received a discount of 15 - 13c less per kg/clean compared to wool declared as M.

The integrity of the declaration is critical to the confidence buyers have in Australian wool.

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## Premiums and Discounts for Mulesing Status

Premiums & Discounts for Mulesing Status, Seasons 2020 – 2022 (Up to 30 June 2023)

		MERINO						NON-MERINO				
		16	17	18	19	20	21	22	27	28	29	30
<b>NON MULESED (NM)</b>												
	<b>2020</b>	33	27	32	26	19	19			0	6	2
	<b>2021</b>	78	77	68	53	51	12		7	5	8	
	<b>2022</b>	25	36	15	17	19	6		0	-2	1	0
<b>CEASED MULESING (CM)</b>												
	<b>2020</b>		1	3	8	8	3			1		
	<b>2021</b>		61	40	31							
	<b>2022</b>		30	14	14	10	6					
<b>MULESED with ANALGESIC and/or ANAESTHETIC (AA)</b>												
	<b>2020</b>	19	12	10	11	11	5	3		4	7	2
	<b>2021</b>		16	12	13	14	1	6	3	5	3	
	<b>2022</b>		19	5	9	6	4	0	0	0		
<b>NOT DECLARED (ND)</b>												
	<b>2020</b>		-4	2	-5	-6	-1	-2		-8	-4	
	<b>2021</b>		-6	-5	-7	-10	-4		-7	-7	-10	-6
	<b>2022</b>	-39	-28	-2	0	0			-4	-15	-13	

### Criteria for Calculation of Ps and Ds for Mulesing Status

- Australian Stored; Merino Fleece/Weaners and Crossbred Fleece
- >30 N/ktex, >60% Schlum Dry, <2.2 VMB, Styles 4/5, Good/light colour (incl. H1), P Cert
- Lengths according to Diameter Range: 70–95 mm (<18 µm), 75–99 mm (19–21 µm), 83–104 mm (22–24 µm), 90–110 mm (26–29 µm), 100–130 mm (30–34 µm)
- Records per group (micron/NWD status) >2, empty cells when not enough data to generate a P/D
- Comparison with Prices for wool declared as Mulesed

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