

# Network NEWS

AWN Client Newsletter

Issue 44, Spring/Summer 2020

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**“Increased demand has  
seen stock coming over from  
Western Australia in big numbers.  
The demand is going to remain  
due to the undersupply.”**

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*delivering the vision*



**21**  
YEARS

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# Managing Director's report



AWN Managing Director John Colley

As 2020 draws to a close, I am sure most people reflect on what can only be described as an unbelievable time. Starting with droughts, floods and US/China trade tension, we then were (and continue to be) smashed worldwide by COVID 19. The world has taken a battering and we in the wool industry wore the brunt of the collapse.

Retail spending contracted to zero in many countries and at the time of writing, much of Europe is still in lock down dealing with the second wave of infection. Our local economy took huge hits and without the government intervention, I am sure most retail and trade businesses would have gone to the wall. On the AWN front, we have survived, grown and can see the light appearing in many areas.

The year has been dogged by the mulesing debate and it still causes issues with lots of people. There is no doubt the pipeline and retailers want us to move to an NM environment...there is no doubt the woolgrowers of Australia only mules out of necessity, but they do need an available alternative to control

breach strike. Until we find a true genetic solution, AWN's investment and backing of Sheep Freeze Branding (SFB) could prove to be the transitional process. The world waits for an independent study into the process, which is due next year. Our role is to report what the world wants and not tell wool growers what to do with their sheep, however it is very clear, mulesed wool sells at a discount and is much harder to sell.

AWN's move into the livestock arena has worked very well. We now operate branches in NSW, Victoria and WA and with expansion assured the network will continue to grow. We see the expansion of livestock as a natural progression for the business.

the trade war between the US and China will interfere with the wool trade. To date that has not been the case, however with trade tensions running so high nothing should be discounted. Growers have opted to hold quite substantial amounts of wool over the last year as the livestock prices soared, fuelled by the break in the season. Disposable animals must be sold... wool can be stored. We know demand is improving in China, but we are building a stockpile in brokers stores that will hold the price until Europe and India come back online.

As always, I would like to thank our fantastic staff, who have had the worst possible year. Our roles have changed, our habits have changed and our resilience has been challenged....but we are still here. I would also like to take the opportunity to thank you...our clients for your unwavering support of

AWN's move into the livestock arena has worked very well. We now operate branches in NSW, Victoria and WA and with expansion assured the network will continue to grow. We see the expansion of livestock as a natural progression for the business.

We welcomed a total of 27 new staff in the livestock arm in 2020 and I know there will be plenty more in 2021.

The wool market is slowly recovering, driven by low supplies post the drought and internal consumption within China. With Europe and India manufacturing in shut down, China has picked up the mantle. Many fear

AWN. Without that we have no business, so we the staff, the shareholders and the Board are indebted to you. Please have a safe and happy Christmas and.....bring on 2021!!!

**John Colley**  
Managing Director



# Sheep freeze branding trial results expected soon



End of day – SFB Dispensing unit - Western Riverina NSW July 2020

**Sheep Freeze Branding (SFB) technology is gaining momentum across NSW and Victoria as we await much-anticipated trial results from a study being carried out through Melbourne University.**

The technology eliminates the need for mulesing and entered the commercial arena through a partnership between AWN and SFB pioneer John Steinfort which saw the formation of AgVet Innovations. It uses a unique cryogenic process to create a plainer breech, make crutching easier and reduce the risk of flystrike.

The University of Melbourne trial was initially delayed by COVID restrictions, which had a huge impact on universities throughout the world, however, the trial was able to get underway in October.

AgVet Innovations General Manager Stuart Blair said the aim of the trial was to evaluate the animal welfare responses of lambs to the breech modification process.

“This involves the application of liquid nitrogen (Sheep Freeze Branding) in terms of animal behaviour (postures and activities indicative of comfort or discomfort), wound healing wound healing (size, appearance and inflammation) and animal production (changes in bodyweight), in comparison with marking alone and surgical mulesing, all performed with pain relief,” he said.

“The trials have taken place in northern Victoria with the trial sheep having now been weaned, so we are expecting some preliminary results very soon.

“This industry peer review study by Melbourne Uni will provide us with the

science to enable AVI to further discuss and implement the sheep freeze branding technology.

“AWEX is seeking more scientific evidence. Currently, SFB is considered by AWEX to be non-mulesed.”

Following AWEX’s review of its National Wool Declaration (NWD) in March and recognising the important of finding alternative methods to mulesing, AWEX has committed to conduct a further review of the NWD with respect to mulesing status, with particular focus on the identification of wool from sheep treated with liquid nitrogen. This review will take place within 12 months or when the results of the scheduled trials, providing clear animal welfare outcomes, are available, whichever comes first.

The commercialisation of the technology involved accrediting and training existing contractors in the key areas of best management practice and work health safety. This training was undertaken by Dr Steinfort with three SFB dispensing units operating in Victoria and two in NSW.

“In terms of capability, we would have liked to have gone into South Australia however we were unable to get border permits. We are hoping to get to Tasmania in December so this will be a nice build on our capability,” Stuart said.

“We have recently completed our Spring run with the dispensing units and it has gone really well. We are certainly growing and eagerly anticipating the release of the study results as well as further capability gains and greater geographic coverage which is planned for 2021.”



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**Sheep Freeze Branding -  
breech health for life**



**0447 265 862**

**agvetinnovations.com**



# Quest to produce world's first carbon neutral fleece



18-month-old Kingston Merino ewes

**AWN client and Tasmanian superfine wool grower, Simon Cameron, is pioneering a trial which may result in the world's first carbon neutral fleece.**

For the wool grower, there are two drivers. Firstly, acknowledgement of the need for all businesses to reduce their greenhouse gas emissions, and, secondly, the need to respond to growing calls from consumers to “decarbonise” wool production.

Fifty 18-month-old Kingston Merino ewes were selected at random for the trial with half to be given a supplement which CSIRO research suggests makes methane emissions undetectable, offering the potential for sheep producers to significantly reduce their carbon footprint. The ewes will be fed asparagopsis seaweed supplement mixed with barley for 300 days while the remaining sheep in the trial will be fed straight barley.

The trial is testing the impact on the animals and the wool they grow. All being well, the sheep will be shorn in June and each fleece will be tested to ascertain any differences with the control mob.

About 50 per cent of GHG emissions related to the life cycle of a woollen garment are generated on-farm so a successful trial would hold great hopes for

the future.

Simon already collaborates with M.J. Bale, the Australian menswear retailer, supplying wool from his property, Kingston, for the single-origin suit range, the ‘Kingston Collection’. The company initiated and is supporting the project as part of its own carbon neutral program.

“About 50 per cent of GHG emissions related to the life cycle of a woollen garment are generated on-farm so a successful trial would hold great hopes for the future.”

A fantastic idea but the sceptics will ask is it practical and what impact will it have on the sheep and its fleece.

Simon pulls no punches admitting he doesn't know if the sheep will continue to maintain wool quality and weight.

“The trial sheep will be generating more



Simon Cameron - Kingston

energy and we don't know how this will be used. We are watching for negative impacts on the animal and I am pleased to say there have been none so far. My primary concern is for the welfare of the animals,” he said.

“It is very early days in the life of asparagopsis being grown commercially and used this way. CSIRO has demonstrated asparagopsis can virtually eliminate methane. The next steps are commercial production of asparagopsis, finding effective ways to deliver it to livestock. A trial will soon be commenced in the dairy industry, an easier place to start due to the way dairy cows are fed. Also cost and availability are not yet established. My project is the first for any livestock. I get a bucket of yucky looking brown goop directly from the asparagopsis producer SeaForest's lab/farm each month and I guess as trials go, only time will tell.”

Simon has been an AWN client for about 10 years, joining the company at the same time as Launceston Regional Manager Brett Cox.

“We considered Brett the best person in Tasmania as far as our wool and sheep were concern. We may well have been his first full clip customer,” Simon said.

AWN is considered an innovative company in its own right and, it would seem, Simon also fits this description with his involvement in the carbon neutral wool trial.

(Images courtesy of M.J. Bale)



Asparagopsis seaweed supplement



Barley supplement

# WA producers to benefit from AWN expansion



*WA Staff from Ltr: Rob McMillan (WA Rural Property Manager), Sam Howie (Dyson Jones), Andrew Kittow (Dyson Jones), Don Morgan (Livestock Manager), Jay MacDonald (Muecha Livestock Manager), Greg Wootton (Livestock Agent), Greg Tilbrook (Wool Manager), Christie Felber (Dyson Jones), Stephen Squire (Wool Specialist), Brian Barnsby (Livestock), Rob Climas (Wool Agent) and Ben Sliverman (Wool Agent).*

**AWN's presence in Western Australia has been warmly embraced by growers and buyers alike as we continue to expand our footprint across the nation in the wool and livestock arenas under our very own banner.**

Western Australia Wool Manager Greg Tilbrook and Livestock Manager Don

another livestock option for graziers and buyers.

AWN's expansion into Western Australia was a natural progression for the business which focuses on growth and value-adding to achieve the best return possible for the grower. Its vertical integration and range of unique marketing options will offer huge opportunities for those involved in the West Australian wool industry.

"It's been a very busy time since we launched in August, but we will be looking to roll out AWN programs such as DNA, which are very impressive, with the existing Williams program highly successful and creating much interest," Greg said.

Greg said he was very keen to come on board with AWN as he saw huge clientele potential and

there had been amazing support from clients and buyers seeking to work with an independent business.

"When John Colley spoke to me about this, my immediate thoughts were that we had to have a crack at this and it has been a huge success," he said.

"Steve Squires will be the other senior wool representative on the road looking after the south of the state while the north-east will be my domain."

AWN has had a presence in Western Australia since 2008, partnering with Dyson Jones, and now the two teams will work side by side in both the wool and livestock sectors with AWN selling the Dyson Jones' livestock.

"The point of difference is we don't trade, we are purely brokers and we will operate two separate wool stores," Greg said.

With a farming background and having been involved in the wool industry for more than 15 years, including the last five years as a state manager, Greg was well placed to sit at the helm of the AWN operation in Western Australia and has hit the ground running.

"I pulled down an old warehouse in Bibra Lake and built a new wool store comprising core lines, show floor and

AWN's expansion into Western Australia was a natural progression for the business which focuses on growth and value-adding to achieve the best return possible for the grower.

Morgan are extremely excited at being able to offer wool services in their home state while at the same time introducing



"I am really excited that AWN has come to Western Australia in its own right and am very keen to help it grow over the long term. The culture of this company is amazing and everyone has been so welcoming."

offices. Hayley Sinclair was looking for an avenue to get into the industry and has joined us in the office and is looking after the administrative side of things. Our first sales were held in August and we have been offering about 400 bales a week and since then it has gone from strength to strength," Greg said.

"There are eight permanent and casual staff in the wool store, who are mainly uni students with farming backgrounds, with the bulk of our wool going through the auction system.

"I have been very impressed and pleased to join an Australian-owned, independent business and John Colley has been great in allowing me to set things up how I want them. I have been able to pull it all together very quickly and, having been involved in everything from shearing, wool broking and management, my passion for sheep and wool marketing is as strong as ever.

"I am really excited that AWN has come to Western Australia in its own right and am very keen to help it grow over the long term. The culture of this company is amazing and everyone has been so welcoming. COVID restrictions have made things a little challenging but I have had an overwhelming amount of background support from Sydney to get the systems up and running and it is great to see how everyone works as a team."

Speaking of teams, Don Morgan is leading the livestock team as a manager and having spent all his working life dealing with livestock. He is the perfect man for the job.

"I thought this was a great opportunity, so I grabbed it with both hands," Don said.

"Since we began selling at Katanning in August, we have witnessed excellent support from graziers and growers, and the trade and buyers have really accepted us.

"The Dyson Jones guys have been great

in helping out with the livestock, and everything is full steam ahead. The first week in November we held our first sale at Muchea, north of Perth, and it went really well.

"We have three representatives who have been placed in strategic locations, and the Dyson Jones guys and our wool reps have all been lending a hand.

"We have been sending a lot of sheep east and selling sheep to the trade here for extremely good money. It is a great time to be in the livestock game, and we are seeing excellent returns for growers and graziers."

"Since we began selling at Katanning in August, we have witnessed excellent support from graziers and growers, and the trade and buyers have really accepted us."

The expansion also includes a property division, with licensing arrangements underway, with the plan being to have this up and running before the end of the year.

AWN is also expanding its manufacturing and retail business, Merino & Co, in a joint venture with Perth-based manufacturing company ACLink.

This new agreement has seen Merino & Co production moving from Melbourne to Perth.

Greg said the expansion was very exciting and he expected as further DNA programs roll out, growers would be given the opportunity to connect with wool consumers and tell the bale to retail story as the Williams' woolgrowers continue to do so successfully.

Western Australian woolgrowers have been witnessing the success of the Williams' DNA program where wool growing families from the region are participating in the state's first bale to retail wool provenance program. AWN has worked with the Williams' woolgrowers and the owners of The Williams Woolshed to bring the program together. Williams Woolshed is a family operated multi-brand retail space, café and tourist destination located 150km south-east of Perth in the small rural town of Williams. The grower and retailer have been able to share with customers the story of wool and where it comes from. Tourists are able to watch the grower videos to witness the passion of the woolgrowers who produce the fibre for the luxury MerinoSnug garments which are sold in the woolshed. Growing and selling products in Williams, which have been produced in Australia, has been very rewarding and exciting. It has established a unique and special proven connection for the participating woolgrowers.

"As we expand, we want more of our clients to have these kinds of opportunities which have proven very rewarding," Greg said. "Previously I was always envious of the AWN approach to value-adding to the growers' product through the DNA program, and I can't wait to put it in front of my clients as I know there will be a lot of support."

**Greg Tilbrook**

**Wool Manager**

0407 303 721

**Don Morgan**

**Livestock Manager**

0427 025 667

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**STRUCTURE REPAYMENTS TO MATCH YOUR CASHFLOW**



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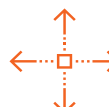
### **True livestock experts**

StockCo doesn't lend for real estate, or equipment – just livestock.



### **Stress-free lending**

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We know you're the experts in your field – and that's why we stand back and let you breed and market your livestock however you choose. If you do need support, however, our dedicated team of local agrifinance managers are on hand to provide expert advice and guidance at every stage of the process.

Call your AWN representative to discuss your livestock funding requirements or visit [awn.net](http://awn.net)



# Parkes expansion for AWN livestock and property



*AWN Langlands Hanlon and Rain & Horne Parkes team from LtR: Susan De Lacy (Property Manager), Kelly Spedding (Administration Real Estate), Marg Porter (Livestock Administration), Sandra Tildsley (Residential Sales), Gaye Lees (Livestock Administration), Kayla Ward (Administration), Cooper Byrnes (Livestock/Auctioneer), Greg Miller (Livestock/Rural Sales), David Hughes (Commercial Property Manager), Renée Rice (Real Estate Manager) & Geoff Rice (Licensee/Auctioneer)*

**The opportunity to be ‘part of something bigger’ with a national grower and employee-owned network has seen Parkes-based Langlands Hanlon join forces with AWN as part of AWN’s expansion of its livestock and property network.**

With more than 20 years’ experience in the industry, Geoff is very excited about the future.

“Renee and I have thought about expansion and have been doing this slowly with both the livestock and real estate business however expansion comes with a lot of financial risk. We hadn’t even considered partnering with another business however when AWN approached us, I knew the marrying of the two businesses was definitely the right way to go,” Geoff said.

“It is fantastic to be able to take this next step with somebody we absolutely trust. I have 100 per cent faith in AWN’s managing director John Colley – his business acumen is above reproach.”

The entire team has come on board as AWN expands its livestock and property footprint across Australia with a recent acquisition in Shepparton in Victoria and the establishment of new sites in Wangaratta and Western Australia.

Langlands Hanlon are also partners with Raine & Horne to manage and strategically market rural and residential properties as well as residential and commercial managements and this business will now

be known as AWN Raine and Horne.

Geoff is a fully licensed stock and station agent, real estate agent, auctioneer and a level one AuctionsPlus assessor for both sheep and cattle. His likeable nature and professionalism see him highly regarded in the industry and his enthusiasm for this venture is clearly evident.

“It is fantastic to be able to take this next step with somebody we absolutely trust. I have 100 per cent faith in AWN’s managing director John Colley – his business acumen is above reproach.”

“Having previously worked for AWN I’m not sure if I’m the black sheep of the family or the prodigal son returning to the family,” Geoff says with a laugh.

“But I do know this venture will provide more opportunities for our clients and give us an expanded network of staff.”

Geoff and Renee have an energetic team with specialised agents Greg Miller and

Cooper Byrnes having years of experience in rural property sales and livestock buying and marketing. Renee is a licensed real estate, stock and station agent and auctioneer and is credited with growing the real estate side of the business. Renee also worked for CALM (AuctionsPlus) in Sydney prior to the couple returning to Geoff’s hometown in 2004 to purchase Langlands Hanlon. Marg Porter and Gaye Lees have both been with the company since 2013 and are valued members of the team. The friendly and experienced real estate team members included David Hughes, Suey De Lacy, Sass Tildsley and Kelly Spedding.

The couple’s expertise and local knowledge has continued to strengthen Langlands Hanlon and will be a great asset in this new venture. AWN Langlands Hanlon will continue to provide the region with a wide range of services from weekly sheep and cattle sales at the Central West Livestock Exchange at Forbes and the Regional Livestock Exchange at Carcoar to AuctionsPlus and over the hook as well as private on-farm trading.

**Geoff Rice**  
**Licensee/Auctioneer**

0429 629 966

**Renée Rice**  
**Real Estate Manager**

0429 741 128



## For Sale Walcha, "The Tops"

Price on Application  
1800 acres



### For Sale

### "The Tops", Walcha NSW

**View** By Appointment

**Price** Price on Application

**Website** rh.com.au/parkes

**Contact** John Croake  
0428 977 589  
jcroake@awn.net

**Greg Miller**  
0448 433 317  
gmiller@awn.net

#### High Country Grazing at Its Best

Consisting of 1800 acres in total, "The Tops" is being offered in 2 portions, the main block 1300 acres of semi-open undulating grazing country, and 500 acres of rolling hills just a short distance from the main property known as "Branch Creek".

#### The Tops

- 1300 acres
- 2 x tidy 3 bedroom homes, main with established garden
- 9 x 12 Workshop
- 9 x 12 Machinery / Hayshed
- Hayshed

#### Branch Creek

- 500 acres
- Steel sheep yards

- 3 Stand shearing shed (shed 500)
- Sheep yards (cap. 1200 hd)
- Steel Cattle yards (cap.180 hd)
- 11 paddocks
- 14 dams, mostly spring-fed and a spring-fed creek

- Steel cattle yards
- 2 dams and permanent creek (Branch Creek)

Raine&Horne®



## For Sale Alectown, "Goonahra"

Price on Application  
2700 acres



### For Sale

### "Goonahra", Alectown NSW

**View** By Appointment

**Price** Price on Application

**Website** rh.com.au/parkes

**Contact** Greg Miller  
0448 433 317  
gmiller@awn.net

#### Prestigious Blue Ribbon Property

Consisting of 2700 acres on undulating red loam country, with scattered timber of Box and Pine. The high calibre property is 95% arable and has consistently run a successful self-replacing merino operation of 1500 ewes alongside 400 wethers, whilst producing outstanding crops.

- Sold 4 Bedroom home with new large kitchen, 2 spacious living areas. Split systems including the master bedroom with heated flooring. Open plan lounge, kitchen and dining area. Large outdoor entertaining area with covered inground pool.
- 45' x 50' Machinery / Workshop with concrete flooring
- 60' x 80' Hayshed with concrete floor, steel construction

- 30' x 45' Grain shed, with concrete floor
- 27' x 40' American barn, colour bond with concrete floor
- 4 Stand shearing shed
- Steel sheep yards, basic cattle yards
- 2 x 75t Lysaght silo, 2 x 70t Lysaght silos, 4 x 50t HE silos, 2 x 40t Nelson silos, 4 x 12 HE seed silos
- 16 Paddocks
- 22 Dams
- Unequipped bore

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## Expressions of Interest

Close 18th December 2020 at 5:00pm

### "Whyworry" Uralla NSW

All offers considered prior to close of expressions



### EOI

### "Whyworry", Uralla NSW

**View** By Appointment

**EOI** All Offers Considered Prior to close of EOI

**Website** rh.com.au/parkes

**Contact** John Croake  
0428 977 589  
jcroake@awn.net

**Greg Miller**  
0448 433 317  
gmiller@awn.net

#### Productive New England Grazing Country

Located at Uralla, in the renowned New England area is "Whyworry". A productive grazing property held in the family since 1946, "Whyworry" has not only run a highly successful commercial self-replacing merino operation but has been an acclaimed superfine merino stud as well as a being known for growing cold country grapes for wine production with a cellar door. Not many properties come this diversified with plenty of potential.

- 944 Acres of predominately basalt country
- Sold 4 bedroom brick home with tiled roof in extensive garden setting
- Second 3 bedroom brick home on property
- 30m x 10m workshop and chemical room with concrete flooring, lockable
- 60m x 30m machinery shed
- 14m x 9m hayshed
- Cellar door 17.6m x 10m fully furnished for catering and wine sales
- Magnificent landscaped garden setting for functions
- 2 Stand shearing shed
- Wooden sheep yards (capacity 1200)
- Extensive ram shed
- 2 x 30t Nelson silos,
- 1 x 40t Nelson silo
- 30 Paddocks
- 24 Dams

Raine&Horne®



## For Sale Woolbrook, "Couborn Creek"

1200 acres



### FOR SALE

### "Couborn Creek", Woolbrook

**View** By Appointment

**Price** \$1.65 Million

**Website** rh.com.au/parkes

**Contact** John Croake  
0428 977 589  
jcroake@awn.net

**Greg Miller**  
0448 433 317  
gmiller@awn.net

#### Situated just 16km from Woolbrook is the majestic rolling hills of "Couborn Creek"

Consisting of 1200 acres of creek flats stretching up to steep rises of top granite and basalt soil this property is an excellent grazing opportunity. There is scattered timber throughout the property of stringybark and box, with some kurrjong and applewood. It is divided into 8 paddocks serviced by 18 dams, one of which is spring-fed. All the dams have been cleaned out in the last 3 years. There is also a bore on the property which is piped to 4 dams which is a great back up in drier times. Boundary is predominately netting fencing, with the internals plain with a barb, all in stock proof condition. There is crutching shed on the property with a good set of steel sheep yards as well as steel cattle yards.

"Couborn Creek" represents an excellent grazing opportunity for breeding or growing out either sheep or cattle. Owner estimates a carrying capacity of 2400 wethers or equivalent. A great opportunity to secure a grazing block of this scale in the New England.

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# WA stock flock to eastern states to bridge gap



**Supply and demand, and turnarounds in seasonal conditions, are driving the movement of stock from Western Australia to the eastern states.**

Geoff Rice of AWN Langlands Hanlon in Parkes said after years of drought, producers are understocked but have been challenged in coming to grips with the current value of livestock.

“People have access to finance but, in a lot of cases, they still need to get their heads around what it is costing to restock. With numbers so low you need 750 head, not 150 and it takes a bit to comprehend,” he said.

bridge the gap.”

According to Geoff, the changing face of droughts is seeing people more inclined to transport stock long distances to enable them to trade.

“Croppers are going back into livestock and they are looking at trade stock not breeding stock due to the shortages. I think the demand will increase further once the harvest is done. With money in the bank and feed assured through to Autumn, it will be a case of game on.

“It is now up to us to find the numbers to fill the orders. In Western Australia there are concerns about the lack of groundwater

been up and down they are still very dear. However, everything has continued to get better feed-wise, so I hope people have gotten their heads around the values as I believe it’s time to go,” Geoff said.

“The Meat and Livestock Australia (MLA) is saying the demand will continue which is providing confidence but, of course, there is still a level buyers won’t go above as there has to be value at the other end. The wool market is back, but I’ve seen it a lot worse and we would hope we are over the worst of it and looking for a turnaround in the next six to 12 months.

“All these things provide confidence for

“This increased demand has seen stock coming over from Western Australia in big numbers. The demand is going to remain due to the undersupply, to the extent where we will be continuing to bring stock from Western Australia and Queensland to bridge the gap.”



“Many have been waiting to see what happens at the end of Spring but it has just been getting greener which is a good thing. Everybody has feed and is now confident they can get through to the end of Summer which is driving demand. There are some who will wait until the end of January to see if prices ease after the hot weather, but there’s a bulk of feed out there which will get us through until Autumn.

“This increased demand has seen stock coming over from Western Australia in big numbers. The demand is going to remain due to the undersupply, to the extent where we will be continuing to bring stock from Western Australia and Queensland to

going into summer. You can buy feed but you can’t buy water. I would be very surprised if there’s too many sheep coming from over there which are getting a two-way trip as people are restocking or trading them over here.

“The facts are our numbers are down, the ewes are coming over, being joined and traded.”

This is a far cry from 12 months ago when the eastern states were in a world of pain due to drought, however the turnaround in the seasons has created huge demand for livestock.

“Merino wether lambs are as dear as poison, and while crossbred lambs have

buyers. You’ve only got to look at Merino wether lambs which are now more of a meat sheep than ever and are competing more heavily. Not many wethers now go past the two-tooth stage. They are more muscled and carry more weight and people are prepared to trade in them for a quick turnaround.

“I can see the market staying where it is for quite some time and that is a good thing for livestock producers.”

**Geoff Rice**  
**Licensee/Auctioneer**  
 0429 629 966



# Peter leading growing livestock team



*Peter Weaver, General Manager Livestock and Property*

AWN's expansion into the livestock and property sectors has seen Peter Weaver join the team in the newly created role of General Manager Livestock and Property.

With the company's commitment to diversify into these areas, Peter will be leading the charge to build the livestock and rural property agency business nationally.

"Livestock was the natural fit for the company in what has been a very busy year," Peter said.

"We now have dedicated businesses in Shepparton and Wangaratta in Victoria and there are plenty of opportunities in Western Australia for livestock and property with AWN now selling at Katanning and Muchea saleyards and looking to further expand.

"With the livestock industry dominated by two major players, we see further

opportunities in the pipeline as we become the natural owners of small businesses which want to form partnerships and experience growth. We are a relatively small, family-oriented and employee-owned business which gives us plenty of flexibility and a great culture."

Peter believes the rural sector is currently experiencing unprecedented good times.

"Sure, dairy and sugar ebb and flow but a basket of soft commodities is at a high or record level, especially red meat. Wool has dropped, but only in recent months and is now on the rebound with lambs and cattle experiencing record highs. Land prices are increasing, and agriculture is probably the only sector that is continuing to recruit staff and grow despite the COVID problems. It's really positive stuff," he said.

Based in Melbourne, Peter has certainly faced plenty of challenges coming into a new role with a vision to build and expand while dealing with COVID restrictions. However, he is now keen to get out and about in Victoria, WA and NSW and rub shoulders with people and increase the momentum which is being achieved through the livestock and property expansion.

"I also see great opportunities in Tasmania and continued growth in Western Australia and our diversification ties in well with the existing wool businesses," he said.

Peter comes to AWN with a lifetime of experience having been involved in the agriculture sector all his working career.

"I spent 19 years in the grains sector in South Australia and have also worked in the animal feed sector, built up a national irrigation business and managed various aspects of agricultural businesses," he said.

When AWN approached Peter to take on this national livestock and property role, he said he found the opportunity very attractive and was keen to be part of the journey.

"We want to be a viable business that continues to grow and offer a great integrated service to our clients and I'm really looking forward to playing my role in continuing to make that happen."

"We want to be a viable business that continues to grow and offer a great integrated service to our clients and I'm really looking forward to playing my role in continuing to make that happen."

# AWN offers new perspective for Ruby



Ruby Bradi, Group Finance Manager

**Born in Sri Lanka, followed by a move to Dubai then Sydney, Ruby Bradi could be forgiven for thinking she would never know much about wool but how wrong she was, and she is loving every minute of her newfound appreciation of the people of regional Australia.**

Ruby came to AWN more than seven months ago from the corporate world to take on the role of Group Finance Manager

and, in her own words, is definitely finding the grass greener on the other side.

“This has all been so new and exciting for me,” Ruby said. “I have certainly expanded my horizons and know more about regional Australia than I ever thought I would. Every day I am learning something new about wool.”

Ruby was tasked with implementing a new accounting system within AWN and says it’s a massive relief the transition has been going well.

“Change can be difficult, but it’s been very rewarding,” she said.

Ruby’s boundless enthusiasm and bright, bubbly personality are infectious in a great way.

“People are really shocked when they discover I’m an accountant,” she laughed. “Accountants are seen as very staid and boring, but I’m a real people person.”

Married with two sons, Ruby has a family of her own but said as soon as she came to AWN to be interviewed, she knew she had found another family, and this was where she belonged.

“I have certainly expanded my horizons and know more about regional Australia than I ever thought I would. Every day I am learning something new about wool.”

“There are no big egos, and everyone is really grounded. I threw my heels away and have never worn them since. You can be yourself, and that’s important to me. The people who work here are very proud of this company and how far it’s come, and it has still been growing and expanding in the midst of the COVID pandemic. AWN is at a very exciting stage in its development and I’m thrilled to be part of that.”

# Extended insurance offers peace of mind



In response to growers’ needs and the volatility in the wool market, AWN is now able to exclusively offer an extended period of insurance for wool held on-farm. AWN’s Wool Trading Manager Ben Stace said woolgrowers would now be able to opt for an extra 90 days’ insurance.

“We have seen significant volatility in wool prices where there have been falls due to COVID followed by recent rallies. Many growers are holding wool on-farm longer than normal to market at a later date. This

is pushing them past the standard 90-day limit for Sheep’s Back to Store (SBS) insurance,” he explained.

With some analysts predicting Australia’s growing stockpile of unsold wool reaching almost a third of the national clip by year’s end, there is expected to be significant interest in the new policy.

“As of November 1, AWN is able to offer wool growers an additional 90 days of insurance taking the total coverage time to 180 days. The standard insurance for 90 days will remain unchanged,” Ben said.

“This affordable extension gives growers peace of mind if they wish to hold on-farm longer given the variations in the market and provides an additional level of flexibility. I should point out that this

“As of November 1, AWN is able to offer wool growers an additional 90 days of insurance taking the total coverage time to 180 days. The standard insurance for 90 days will remain unchanged,”

insurance policy has been negotiated by AWN exclusively for the AWN group and its clients and is a sign of AWN’s commitment to providing a service to cater for the evolving needs of our growers.”

**Ben Stace**  
Wool Trading Manager

0409 672 315

# Tough times prompt mental health first aid strategy



Harry Petropoulos, General Manager  
People and Culture

Devastating bushfires, once-in-a-lifetime droughts, floods, trade wars and a global pandemic – 2020 has had it all, and it has been a lot to deal with for even the most resilient among us.

AWN Managing Director John Colley was quick to recognise this and decided something must be done to help staff and clients cope in the face of all these challenges, which is where Harry Petropoulos comes in.

As AWN's General Manager People and Culture, Harry said he travelled around the network and witnessed first-hand the distress being experienced by farmers, particularly those who were living through two and three years of devastating droughts.

"Farming is considered one of the 10 most stressful occupations in the world and if you add the drought to that everything turns pear-shaped very quickly," he said. "I felt it was a very challenging scenario and it soon became clear to me that one person alone wasn't going to be able to intervene effectively but many people trained in mental health could make a tangible difference."

So, an idea was born to train as many people as possible in mental health first aid – especially wool specialists and livestock reps who were constantly coming face-to-face with clients.

Harry said clients trust their reps and reps are in a particularly good position to be able to notice subtle behaviour changes that may signal the presence of mental health problems.

"The program gives average Aussies the skills and confidence to ask RUOK and to know what to do and say if the answer is 'no,'" he said.

"Part of AWN's board's strategy since late last year has been to focus on mental health and we've decided to make the Mental Health First Aid program the cornerstone of our Mental Health and Well Being strategy."

The mental health first aid course would normally be delivered face to face however COVID has made that difficult, so an online course has been developed where participants work at their own pace through self-learning which is followed by two days of Zoom meetings to ensure everyone is across the content and able to sit and pass an exam and gain their certificate.

"We have 13 members of staff from all walks of life and sectors of the business who have completed the course. AWN's Chair, Brendon Lunney is one of those, which is testament to the importance

"Part of AWN's board's strategy since late last year has been to focus on mental health and we've decided to make the Mental Health First Aid program the cornerstone of our Mental Health and Well Being strategy."

the company is placing on mental health and wellbeing. I have now extended an invitation to all AWN staff who would like to complete the course as we would like to have at least one person on each site to have completed the training to enable them to assist colleagues and clients alike. This course doesn't make them a counsellor, but it does give them the confidence to initiate a mental health conversation and refer someone on to professional help if deemed necessary," Harry said.

"Our wool reps consider their clients their friends and vice versa and it is distressing for them to see others going through such difficult times. There are areas such as Longreach in Queensland and Lightning Ridge in NSW which are



**MENTAL  
HEALTH  
FIRST AID**  
Australia

still doing it tough and we need to be there to help where we can." AWN is also considering ways of making training available to some of those affected communities.

Horsham-based Graeme Telfer was keen to complete the course and said it gave him a greater understanding of mental health issues.

"You just never know what clients, colleagues or family may be going through and this may help me point them in the right direction," he said.

"We are often a sounding board for our clients where we sit down and have a chat, and some clients may open up. This course helps me understand what they are feeling and why. If they are going through difficult times, we can try and talk them through their options and just be aware."

Tasmania's Brett Cox said the course offered a common-sense approach on how to be alert to clients or colleagues who may be struggling.

"This has been a great initiative to give us the tools to be aware and to be able to suggest where help is available."

Group Finance Manager Ruby Bradi agreed, saying the course provided an amazing opportunity to upskill and understand some of the issues farmers face.

Readers seeking support can contact

Lifeline 13 11 14

Beyond Blue 1300 22 4636

Suicide Call Back Service 1300 659 467





*FarmGate in Action: The FarmGate Auctions team providing online competition for the vendor and agent at a renowned SA weaner sale in late November where multiple vendors presented 2,500 cattle across three properties, on the same day.*

## FarmGate Auctions - not just different, better.

The trend toward online livestock selling was gaining considerable pace well before COVID-19 and its associated restrictions on saleyard selling.

Among those to see the trend first hand were second-generation NSW stock and station agent and auctioneer Guy Gallen and financial trading entrepreneur Matt Murphie, who launched the FarmGate Auctions online livestock selling platform at AgQuip, Gunnedah, August 2019.

The directors of FarmGate Auctions established the site as a new, agile option to assess, list, buy and sell store and breeding

stock online, without the livestock having to leave the paddock.

"FarmGate Auctions offers a genuine alternative to traditional livestock selling methods and provides healthy competition in the online livestock selling industry," Mr Gallen said.

## Eyes on the site - Results on the board

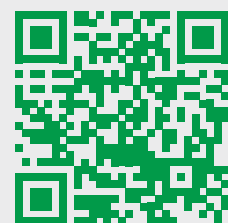
Recently appointed CEO Nigel Gosse said since the inaugural sale in October 2019, FarmGate Auctions has held 33 sales, with seller and buying registrations over 2000 and growing, and stock listed from NSW, VIC, TAS, SA, and QLD.

In late November, the FarmGate Auctions team achieved a significant milestone by providing the online interface for the Amherst Circuit Sale a renowned weaner sale in South Australia's South East region. An impressive yarding of 2,500 Angus and Angus Cross weaners- across three properties and multiple vendors - was a challenge the FarmGate team relished, playing it's part for the vendor by opening the physical sale up to eyes and competition across Australia.

In addition to this feature sale and earlier on in the year, in September, 110 buyers were logged in for FarmGate's online auction which achieved 100% clearance

## Why use FarmGate Auctions

- Independent and Australian-owned
- National audience of buyers
- Mobile app allows offline assessment
- Point-of-weigh data entry
- Reliable assessments
- In app photo and video
- Faster auctions
- Instant sale reports
- Voice to text dictation
- Reliable customer service



[farmgateauctions.com.au](https://farmgateauctions.com.au)



# Independent | Reliable | Australian Owned



for 968 Angus weaners listed, with steers hitting 629.78 c/kg and 6-8-month-old heifers reaching 644.84 c/kg.

FarmGate's anniversary sale held in October this year, saw 175 people logged in - proof that in a relatively short time, the platform has 'eyes on the site' and is leveraging competition on stock listed.

## AgTech that really delivers

Technological advances have helped overcome previous hurdles to online selling which is also contributing to the greater preparedness by producers to give digital auctions a try.

Mr Gosse said FarmGate Auction's app helped buyers and sellers of livestock to eliminate paperwork by providing the technology to input assessment information on-property with, or without, an internet connection.

"We've pioneered the application of technology that allows livestock agents to save information associated with assessing livestock using an iPhone or iPad offline.

"Many producers still have little or no internet connection on-property or in the yards. Having the ability to enter data and save it offline is a huge step forward for buyers and sellers of livestock."

The app allows 'crush side' data entry, including weight, fat score, dentition, horn status and blemishes. The app also allows upload of video and images directly into the FarmGate app, avoiding wasting precious time waiting to upload via other 3rd party video-sharing platforms.

Other practical attributes include on-market lots timing out individually, and voice-to-text dictation.

"In as little as 40 minutes, registered buyers can satisfy their livestock requirements, which allows for faster real-time cattle and sheep auctions. Once

the Lot is bought or sold, buyers and sellers can walk away and get on with their day."

The tech is based on understanding the challenges of the environment a producer or agent is working in, and matching that with a practical solution.

"Sometimes things get messy in the yards and your hands are full. A practical solution to this is voice-to-text dictation - you simply talk into the phone and the FarmGate app will immediately convert your voice to text,

directly into the assessment form."

Mr Gosse said founders Guy Gallen and Matt Murphie's decision to develop an online selling tool, the process of which began some years ago ahead of the launch one year ago, was prescient.

Enter assessment information on-property with, or without, an internet connection.

"You wouldn't thank COVID-19 for anything; however, according to consultants McKinsey, the adoption of technology has advanced five years in just eight weeks because of this pandemic."

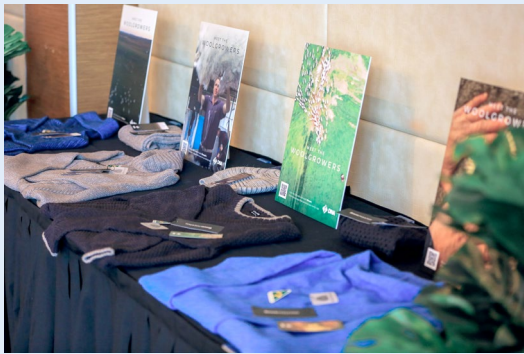
(Source: Beef Central)

AWN is proud to support innovative technology that adds value to the livestock and wool industry, and wish FarmGate well in the expansion of their business.



No WiFi, No Worries: The ability to enter data and save a Lot offline is a huge step forward for buyers and sellers of livestock.

# Nature at its best for Eyre Peninsula DNA launch



DNA Program Eyre Peninsula Launch

**The beauty of the land and the ocean has been captured to showcase Merino wool from the Eyre Peninsula region in AWN's latest South Australian Direct Network Advantage (DNA) program.**

Twelve enterprises are currently represented in the program, which was launched in October. Held at the Port Lincoln Hotel, the COVID-safe launch provided growers with their first viewing of the videos which have been produced to tell the stories of the wool which goes into the Australian-made garments.

AWN South Australian manager Rod

Miller said the growers were very excited to see the videos and the garments in the Eyre Peninsula range.

"The growers are really thrilled to be involved and to see something through from start to finish. It gives them an extra connection to the customers," Rod said.

"These videos show not only the story behind the growers and the environment but also focus on the shearers, classers, cooks and rouseabouts, and the role they play in bringing the wool from the shearing shed right through to the finished product. Some of this country is very remote, and there is a real connection between country and ocean and this is depicted in the videos where the family begins the day fishing before you see the interplay between farming, cropping, sheep and the ocean."

Consumers watch these videos via a QR reader on the swing tag of the garments.

AWN is also proud to be working alongside one of the nation's largest wool producers, AJ & PA McBride as they celebrate 100

years as a family-owned pastoral company. Through the DNA program, the McBride company's logo is being produced on jumpers and scarves being manufactured in their home state capital of Adelaide at the Silver Fleece facility, a bespoke knitter well known for producing woollen vests and baggy green caps for Australian cricketers.

Mr Miller says AWN's DNA program offers wool growers an opportunity to know where their wool will be used and to give provenance to the end product. By having control of the wool from bale to retail, AWN is potentially able to offer a premium for specific wool types and allow growers to take advantage of this direct selling option.

This is an exciting pathway open to AWN's innovative wool growing clients with the program continually expanding across the nation.

**Rod Miller**

**State Manager – SA**

0428 256 495

# Hedrena a natural, sustainable clothing choice



**Eighteen months on since the iconic women's brand Fella Hamilton took over ownership of the Hedrena brand, we thought we would catch up with them and see how they are going.**

Fella Hamilton and Hedrena is the perfect marriage of two high quality, Australian brands. We couldn't be more thrilled in being able to offer the Hedrena quality garments in all of our 35 retail stores and through our website.

Due to the successful introduction of Hedrena into our range and by making these gorgeous Merino garments accessible to all our customers, we have now gone one step further. We've brought the production of all our Hedrena garments back home! So not only is the fabric produced from Australian raised, 100% Merino sheep, but all garments are locally produced right here in Australia using our Ethically Accredited factories and suppliers.

All Hedrena products are designed by us here in Melbourne, and our customers love the elegant range we offer. The benefits of wool for comfort and style through both

warm and cool months has meant we are able to sell this product all year round. The yarn is dyed in seasonal colours to fit back in with the rest of our range. We sell everything from singlets, to jumpers, to cardis to skivvies. Hedrena has even allowed us to venture into menswear with a Crew Neck Tee.

The DNA program offered by AWN has given us that extra ability to share important information with our customers. Having a story that they can follow, a great Australian story is something emotive and gives us pride in our offer.

In a world of synthetic fashion, we provide our customers with a natural, sustainable clothing choice.

[fellahamilton.com.au](http://fellahamilton.com.au)

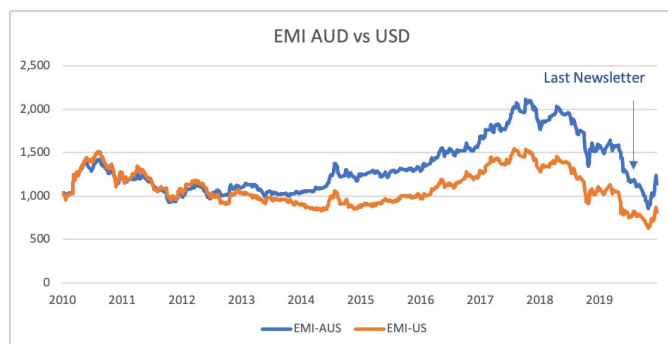


# Wool market reports

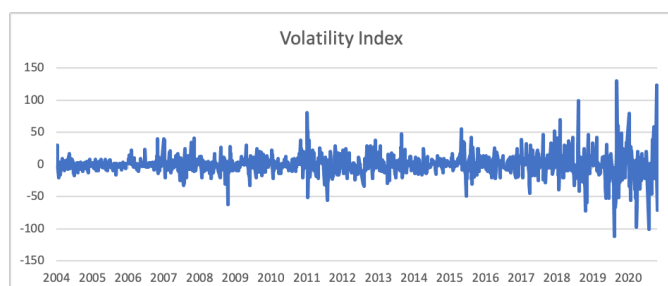


Since writing the previous edition of Network News, the lingering effects of COVID-19 have continued to plague the wool market, with buying sentiment aptly reflected in the extreme volatility of the market.

In early May, the benchmark Eastern Market Indicator (EMI) was trading at 1170c/kg before systematic losses saw it reach a low of 858c/kg in early September, marking its lowest trading level in 11 years. Since then, the market has improved significantly, albeit in a volatile manner, showing increases of over 30%, and at the time of writing is now hovering between 1150 and 1250c/kg.



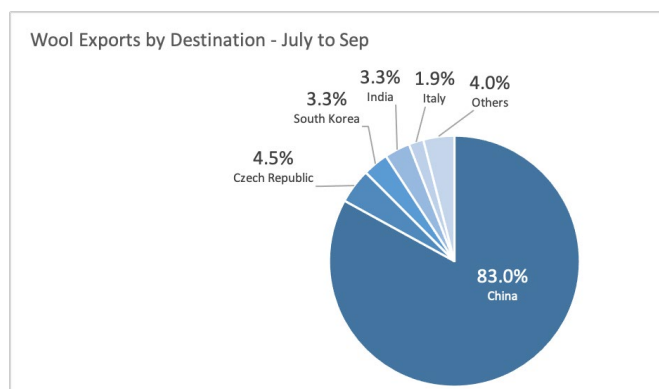
To demonstrate just how volatile the market has been in recent times, we have included a chart which tracks daily movement to the EMI, often referred to as a Volatility Index. The last 18 months have seen more volatility in the market than at any time in the last two decades as both buyers and sellers have struggled to gauge where the market is trending.



## Reliance on China

The Australian wool industry is now more reliant on China than ever before. Export statistics show that this financial year 83% of Australian wool was exported to China for processing. More recently, this figure has been further exacerbated with data indicating that as much as 92% of all raw wool was exported to China during the last month.

Historically the second and third largest export destinations, Italy and India, have significantly decreased their market share as they continue to struggle with COVID-19 lock downs. This has meant that China has largely had a monopoly on the market, with very little commercial pressure from other countries.



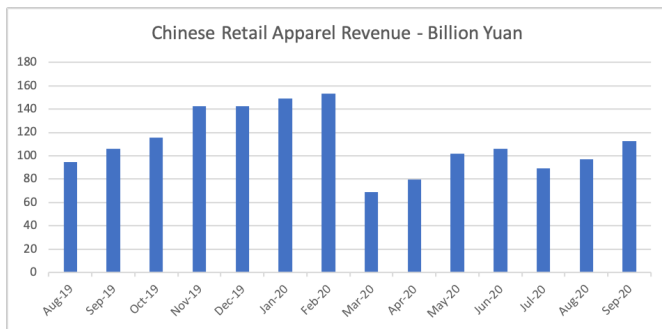
## Retail Demand

Perhaps the best explanation for the recent volatility in the wool market can be found in retail trade revenue data from China. The chart below displays Chinese Retail Trade Revenue from all apparel and is listed in Billion Yuan.

From the data, it is easy to see why the market collapsed at the advent of COVID-19, with retail sales reducing dramatically through March and April.

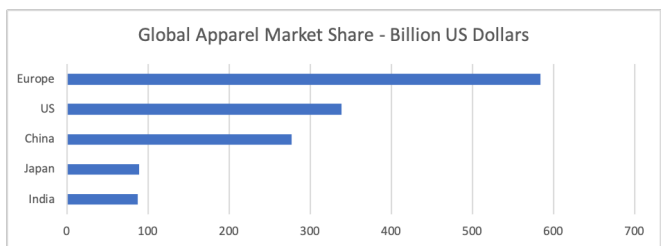
Importantly, the last two months have seen some positive signals with August and September results for 2020 (post COVID), markedly higher than the corresponding months in 2019.

# Wool market reports (Continued)



While China is the single largest importer of Australian wool, much of the imports are purely for processing, before the finished garments are sold into the lucrative apparel markets of Europe and the US.

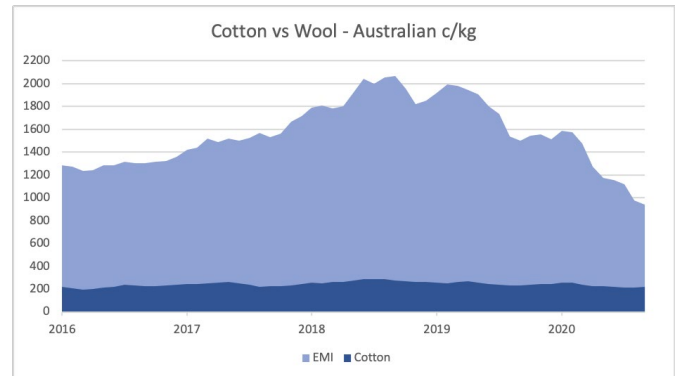
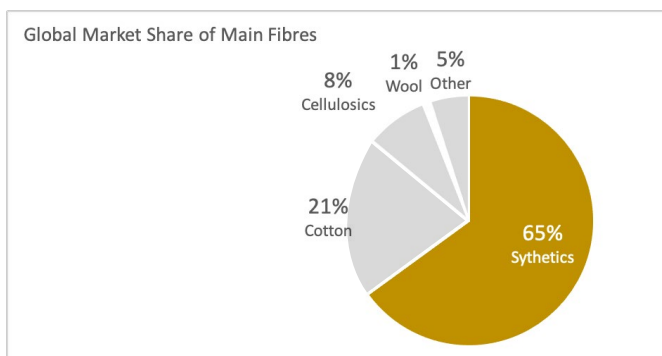
Due in no small part to their cold winters and comparative wealth, European countries are dominant in the global apparel market, spending an average of 584 billion US dollars every year. The US itself is a major player, with an annual spend of close to 340 billion dollars. Rounding out the top three, China, with the largest population in the world has an annual spend of 277 billion US dollars.



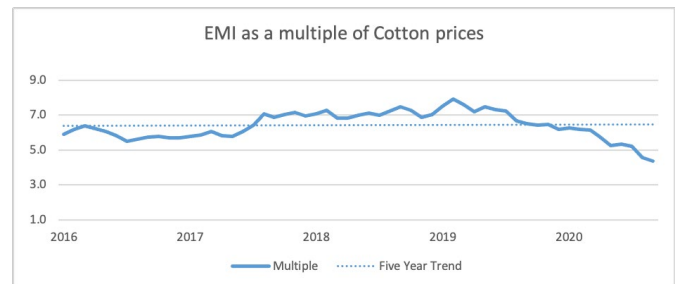
Given the havoc that COVID has wreaked on most European economies, it is not difficult to understand why the wool market retracted so quickly in response to COVID. The genuine increase to retail demand from China may be the first sign of light at the end of the tunnel.

## Wool vs Cotton

Cotton continues to be wool's largest competition in the natural fibre space, and changes to cotton prices are often an indicator of wool market movements.

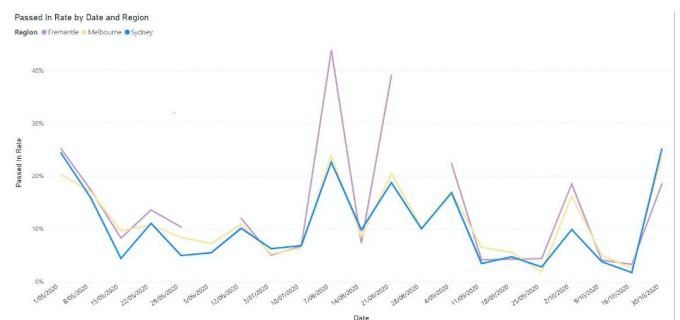


The chart below displays the EMI as a multiple of cotton prices, or in simple terms, how many times greater wool prices are than cotton. The long-term trend has seen wool average at 6.4 times the price of cotton, and generally within a range of 5.5 to 7.5. The notable exceptions occurred in February 2019 when it reached a multiple of 8 on the back of a booming wool market; and the current market, which sees the multiple at only 4.3. This would point to the fact that wool now appears 'cheap' compared to cotton, in historical terms, and may encourage substitution from cotton to wool with manufacturers.



## Pass-in Rates & Wool on Hold

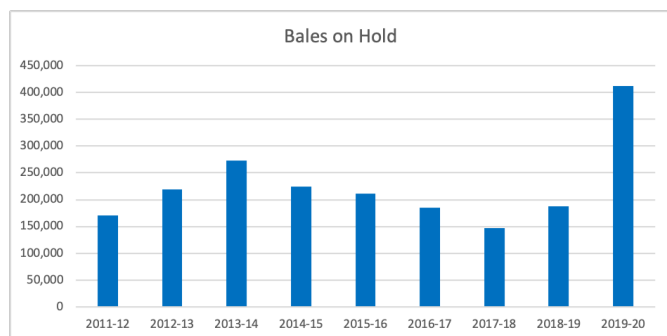
Market volatility over the last six months has led to very high auction pass-in rates. The graph below plots the pass-in rates across Australia's three selling centres. Fremantle saw the pass-in rate peak at 43% in August, with all centres seeing pass-in rates around 20 percent several times.



The high pass-in rates have been one of the factors that has led to a stockpile of wool in broker's stores, with estimates showing

that held wool is now at 10-year highs. The chart below is compiled from AWN's held wool data at the end of each selling season and has been extrapolated out to provide an estimate of wool on hold across the industry. The 412,000 bales on hold at the end of June represented approximately 26 percent of Australia's annual production.

Of course, this data only provides estimates on wool in store and we believe there are still significant amounts of wool in shearing sheds around the country.

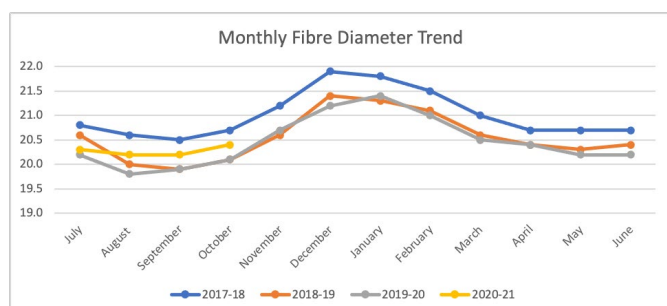


Given all the wool on hold, we would have to wonder why the market has not been flooded in recent weeks, in response to the latest market rally. One change of note that came out of the COVID-19 lock down in Melbourne was the implementation of the 'maximum lot rule'. Under COVID guidelines, wool buyers were only allowed to spend a maximum of 4 hours per day in the sale rooms. With an average selling rate of 250 lots per hour, this led to a daily selling limit of 1000 lots which were prorated to the respective brokers.

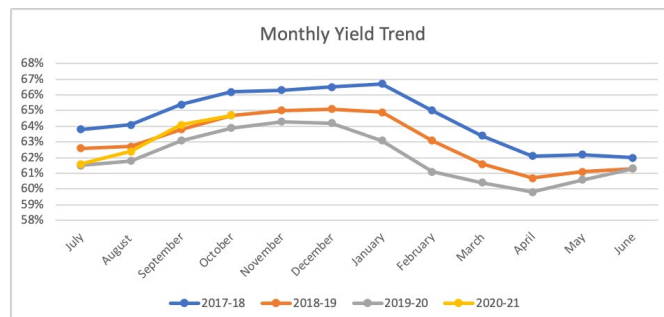
In essence, these measures protected the market by ensuring a limit to the amount of wool that could be sold at auction each week. Several key exporters have agreed that given China is practically the only country active in the market, and any significant increase to the size of weekly offerings would see the market tumble.

## Test Results

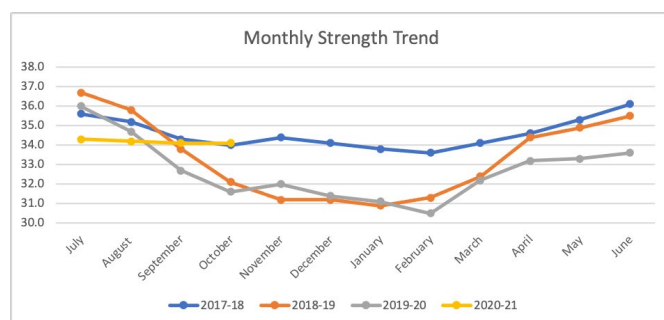
With dramatically improved seasonal conditions around many of Australia's key wool growing areas, Australian Wool Testing Authority (AWTA) data is starting to indicate a return to 'normal'.



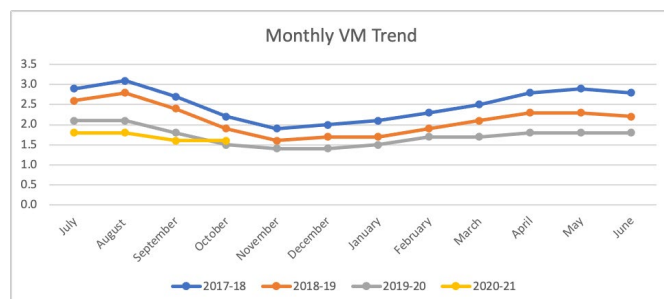
The average fibre diameter across the country is now trending approximately 0.4 micron broader than the drought effected clips of the previous two seasons.



Yields across the country are trending up and are now basically mirroring results achieved during the 2018-19 season. This is good news for early stage processors as processing and shipping costs will reduce.



The biggest improvement to test results this season has been in the strength category. October results were the best in the last four years, a big turnaround when July's results were nearly two newtons per kilotex weaker than previous seasons.



Vegetable matter content remains low as test results are yet to fully reflect the abundance of grass that is now evident across many of the key wool growing areas. We would expect VM content to increase significantly over the coming months.



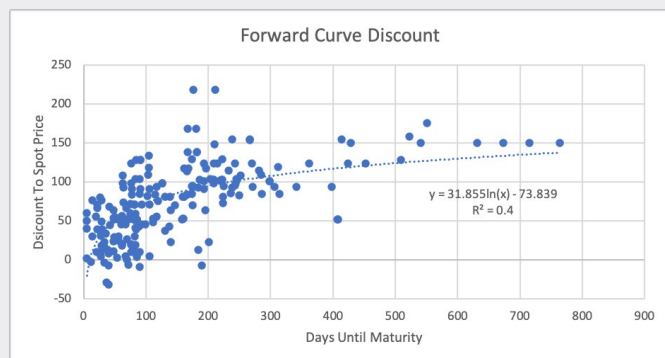
# Wool market reports (Continued)



## Forward Market

**Much like the physical market, the forward market has been extremely volatile over the last six months as both buyers and sellers sought cover in an ever-changing economic climate.**

I have included a scatter chart below that plots the 'forward curve discount' for all forward contracts signed this season. The Vertical, or Y axis, displays the forward contract's discount to the spot market at the time it was signed. The Horizontal, or X axis, plots the number of days until the contract matures. As you will note from the trend line, typically, the further the maturity date the greater the discount to the spot market, although as the statisticians will note, a R2 value of 0.4 demonstrates just how unpredictable trades have been from week to week.



This year's turbulent wool market has provided an excellent example of why wool growers should consider 'locking in' at least a portion of each year's production.

As I have mentioned in previous issues of Network News, I have always been of the opinion that one of the best places to start when considering forward marketing opportunities is to look at the current market value in an historical context. One of the tools that I use regularly are percentile charts. Put simply, percentile charts are a way to measure the period of time an indicator has traded above or below a certain level.

The 10 Year percentile chart listed below makes for interesting reading as it shows that despite the falls this year, the fine end of the merino clip is still above the 10-year average. The same can't be said for the crossbred sector, with 28um at near 10-year lows. For any wool growers looking at forward contracts for the first time, I would encourage you to speak to your local AWN wool specialist, but as a rule of thumb, start to look for hedging opportunities once the percentiles are over 50%.

Obviously, any growers that 'locked in' when the market was at the 80th percentile band 12-18 months ago are now reaping the rewards.

	Percentiles - 10 Years						
	17	18	19	20	21	28	MC
100%	3008	2708	2465	2390	2368	1303	1563
90%	2555	2389	2188	2143	2129	948	1237
80%	2399	2163	1892	1748	1712	871	1145
70%	2182	1996	1759	1583	1498	824	1094
60%	1842	1715	1567	1438	1404	771	1054
50%	1658	1545	1464	1373	1338	718	909
40%	1553	1485	1391	1314	1284	676	817
30%	1464	1379	1302	1236	1226	659	788
20%	1373	1299	1220	1172	1159	637	743
10%	1299	1237	1173	1130	1117	595	694
0%	1213	1148	995	949	898	396	517
High	3008	2708	2465	2390	2368	1303	1563
Current	1741	1516	1313	1191	1158	593	778
Low	1213	1148	995	949	898	396	517
% tile	56%	45%	32%	24%	19%	10%	27%

## Crystal Ball

**With global markets and economies in turmoil it would be naïve to think that we can accurately predict how the market is likely to perform over the coming months. That being said, there are a few signals in the marketplace that we can point to.**

While retail demand from Europe and the US has yet to recover, China has seen significant growth in recent months, and we are now seeing that materialise as genuine demand in the market. The futures market is bullish with several bids above spot (cash) levels for April-May 2021 delivery. As we noted earlier wool now looks cheap in comparison to other natural fibres, and in particular, cotton.

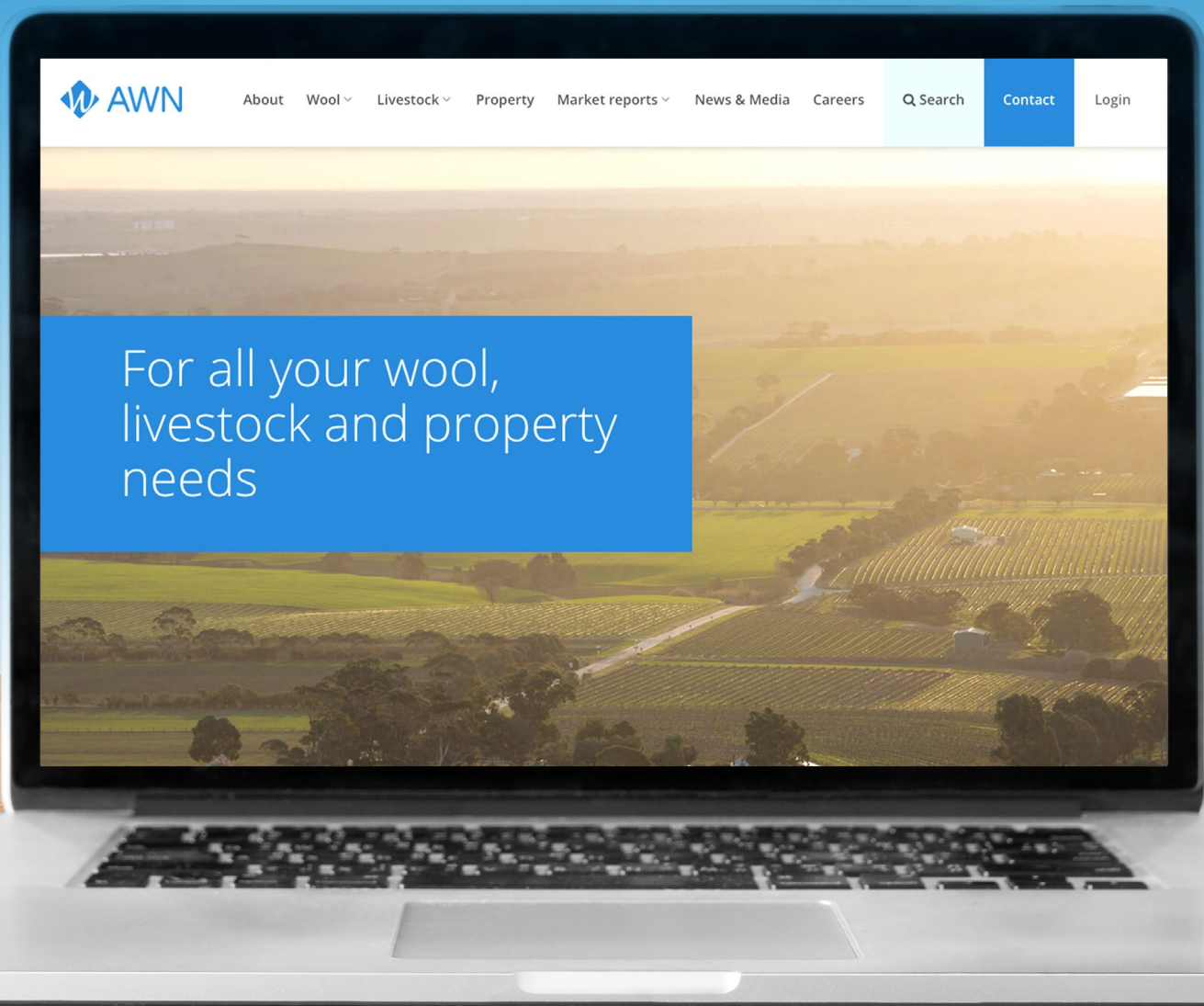
Given the above, all signals are pointing towards some improvement in the market in the short to medium term, but we would caution against too much optimism. The Australian wool industry is extremely exposed to Chinese policy changes and the underlying threat of market sanctions. Globally, consumer sentiment remains focused on natural, sustainable and biodegradable products, with most market pundits hopeful that wool will be well placed to satisfy the increasing demand, once COVID passes.

## Ben Stace

**Wool Trading Manager**

0409 672 315

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# Seasonal turnaround great for producers



**With the excellent season being experienced in the eastern states, it has been evident this year that a large number of Merino ewes are coming across from Western Australia. There have also been a lot of lambs making the trip; however, it is great to see these ewes finding a new home with many having been joined to Merinos for restocking purposes.**

The eastern states have also experienced record lambings. Many of these have found their way into the meat business and, with the small number of ewes around, there are not as many lambs being retained as usual, so this flow of ewes from the west is a good thing. There is no doubt sheep are proving to be a commodity which is providing a quick cash flow for producers coming out of drought.

On another very positive note, we have just come out of a fantastic ram selling season with some new players coming into the market and showing confidence in the industry.

The wool market has seen some sound recovery through October and November. No doubt the Chinese domestic market is playing its part with the Chinese people travelling internally and showing confidence with their spending. We are starting to see this coming through the wool market here in Australia, and we are also starting to see other parts of the world emerge from COVID and showing increased confidence. Let's hope with the change of leader in the US they can get some sort of handle on their COVID situation in the next six or seven months.

A number of new players have come into the wool market in the past five to six months. They are manufacturers who use various textiles in their businesses and are purchasing broad wools for the current good value they represent. This is a positive trend as they utilise these wools in their textile manufacturing businesses.

With the current rally in the wool market, it would certainly be an opportune time for our clients to be looking at forward selling options. There are opportunities to lock wool in and we would encourage clients to work with our staff and assess these options.

For those who are shearing in Summer and Autumn, clip preparation is going to be of the utmost importance with grass seeds back on the agenda. We would ask our clients to liaise with

their contractors and our staff on the ground to ensure correct clip preparation is undertaken. The things we need to be looking at, in particular, are seedy jowls, necks and the level of skirting required for certain types.

We have added another agency business to the fold with AWN Langlands Hanlon in Parkes. We would like to welcome aboard Geoff, Renee, Cooper and Greg as we continue to grow this arm of the business. This enables us to create a north-south link, and vice versa, into southern Australia.

Seasonal conditions in eastern Australia can only be described as textbook. From the north to the south, as well as South Australia and Tasmania, it has been exceptional. This has enabled people to have confidence to look for stock and, in some cases, expand their businesses. If the forecasters are right in saying we are in for a wet summer, if we get even half of what they are predicting it will be a good run. Hopefully these summer rains will bring Queensland into line as there are still some areas there doing it very tough.

Our non-mulesing supply chain with ZQ growers continues to work well. Through the pandemic there has been more confidence with people buying more active outdoor wear. This points things in the right direction for these producers of non-mulesed wool and our brand partners. We are looking forward to having more supply chain arrangements in place in the new year.

At the time of writing this many of our clients are flat out with the grain harvest. Some haven't had a harvest for a number of years, so it is to be hoped they can get in and get these crops off to replenish on-farm fodder supplies and produce some cash flow. Thank you to all our staff who, like everybody else, have had a very challenging year but have risen to those challenges. To our clients, thank you for your continued support, and I hope you all have a well-deserved merry Christmas.

**Mark Quartermain**

**National Wool & Livestock Manager**

0429 466 248

# Regional reports

## Queensland

**It's a very mixed bag as far as seasonal conditions go in Queensland with everything from droughts and grasshopper plagues to the best conditions seen for quite a long time.**

In the far north, the area around Julia Creek was badly affected by flooding in early 2019 but this area has basically not seen rain since and is badly drought affected. To add to the heartbreak, the grasshoppers also moved in. This very dry area extends down to Longreach, west to Winton and east to Barcaldine.

It's a different story south of Longreach in an area including Stonehenge, Jundah, Isisford, Yaraka and Blackall which have benefited from 50-100mm of rain in October and have an average to good season around them. Further south around Quilpie, Toompine, Thargomindah and Eulo, a bumper season is being experienced with the best conditions for some time.

**Greg Hunt Wool & Sheep Specialist** 0429 129 072  
**Stephen Maunder Agent** 0429 460 469

Charleville is only having an average season, and it deteriorates as one goes south to Wyandra and on to Cunnamulla. Moving east to Bollon, the season is only average and further east to St George it does improve slightly however it's very patchy around Dirranbandi. Excellent wheat crops have been harvested in the Talwood and Goondiwindi areas along with the Amby and Roma districts.

Around the Southern Downs, the Warwick, Stanthorpe, Inglewood and Millmerran districts have had recent storm activity and good feed should be coming. In areas experiencing good seasonal conditions, lambing has been great with 100-140 per cent results being achieved.

Some of our main wool growing areas have been turning to Dorper and goat production due to simplicity of management and excellent meat prices.

**Warren Zernike Wool Technical Manager** 0407 169 698

## Northern NSW

**After a great start to the season with rain starting in January that was after the worst year on record, which we all hope not to see again. Come spring the rain dried up with most northern area's only receiving 30 to 40 mm for August and September; however, most area's have had upwards of 80 mm for October and with the talk of more rain on the way.**

Thank goodness we are seeing the best lambing in recent times which will help build sheep numbers, as presently we have the lowest sheep numbers in about 100 years. They are selling at an all-time high price, making it difficult for wool growers to build their numbers by purchasing suitable stock.

With the season being so big and lack of stock, the season going from bare dirt to lush pastures we have seen wool from this region being very tender and carrying the most vegetable matter we have seen in recent times, so not helping wool growers try and recoup some of the money spent on feeding stock last year and a very low wool market due to Covid 19, so pleasing to see a little recovery in wool prices in recent times.

**Harold Manttan Regional Manager - NSW/QLD** 0418 253 976

## Central and Western NSW

**It has been an exceptional start to the 20/21 Spring/Summer season with generous rainfalls recorded across most of the central and western regions of NSW, a welcome change from the last few years. It is great to see the abundance of pastures and crops after the drought, with harvest and hay baling well underway increasing depleted grain and hay reserves.**

The increase in feed on offer is assisting with driving the exceptional livestock prices we are seeing throughout NSW saleyards and online platforms, with many growers looking to restock all livestock types, coming off the back of the drought. At the time of this report being written, Merino and British breed ewes have been averaging above \$200 per head with pregnancy-tested, in-calf cows and heifers averaging about \$2100-\$2200. Ram sales throughout NSW this season

have also been very good with many studs recording above-average prices. In the wools delivered over the last few months, we have seen higher yields (when compared to this time last year) as a result of less dust penetration, with lower vegetable matter present. Staple strength has however suffered with the change in season.

With a fantastic start to the season and a general positive Southern Annular Mode and La Nina underway, we look forward to the increasing likelihood of above-average rainfall for the coming months.

We would also like to thank our clients for their continued support throughout 2020.

**Ally Colwell Wool & Sheep Specialist** 0438 093 759

## Southern NSW

**Since our last regional Autumn/Winter report, it is hard to believe how Southern NSW has turned around. A very mild winter in general, and above average rainfall, has propelled us to where we are now. Coupled with a wet spring in most areas, we have seen the majority of regions covered in a field of green which is a welcome sight. The countryside has responded beyond everyone's expectations with clover, pastures and crops in abundance.**

Water is in plentiful supply with catchments near full to overflowing. Some mature producers have told us it's the best spring they can ever remember, which is just incredible compared to the previous 12 months, which most of us would like to forget. There are a few areas around Yass and Cooma that have some catching up to do, but hopefully, this was achieved before the warm weather arrived.

The wet does come with some concerns, with sheep management

becoming an issue. Due to the conditions, a very real potential flystrike threat exists. The soft, wet ground makes movement of sheep difficult, coupled with the bulky pastures, causing livestock to barely move around. Vegetable matter will become an issue later in the summer months once the season turns. Young lambs will be a concern due to bulky feed and grass seed infestation in the Summer months.

The crops in the South West Slopes and Riverina regions look magnificent and have the potential to yield above expectations.

Livestock sales have seen record prices for those who have livestock to sell - both cattle and sheep. Ram sales have seen strong demand for both Merino and British breed sires on the back of wool growers rebuilding depleted numbers due to conditions in the last 12 months.

**Mark Taylor Regional Marketing Manager** 0448 211 151



# Regional reports (Continued)

## Victoria

**2020 has been one of the toughest journeys I've ever been on with the pandemic. Everything was going so well and all our ducks were in a row going into March and April. The markets were very positive and then COVID hit. Markets decreased at a rapid rate and we went into major lockdowns. While staff were limited, we did ensure we had people to work in the hot zones around Melbourne to enable us to continue to market wool.**

We certainly hit some very low lows but it is very good to see things improving. The market has gained 400-500 cents and we have our staff back on the road. Being COVID-safe enabled us to ensure we saw all our clients as they continued with their shearing programs as it was important to still have people on the ground. We increased our market reporting and auction day audio updates allowing for real time market

intelligence access for our clients. While we learnt a lot throughout the pandemic, we certainly don't want to cross that path again any time soon. On a positive note markets have improved, and we have picked up numerous clients thanks to the way we handled the pandemic and were able to continue to market wool. We sold a lot of wool direct, any day of the week at any time and were still value adding for clients.

We have some really good opportunities in 2021 with the ZQ programs and other marketing options for our clientele.

I would like to wish everyone a merry Christmas and thank our clients and staff for the work they have put in and the way they have supported one another through a very difficult time.

**Kelvin Shelley State Manager** 0427 055 622

## Tasmania

**What a year 2020 has been with the obvious ongoing impacts COVID has had both here and around the world. Thankfully, however, the season in Tasmania could not have been better.**

Record April rainfalls resulted in Tasmania having one of its best Autumns in memory. A relatively mild Winter and dry September was followed by a wet October, reported by the Bureau as being more than 20 per cent above average for most of the state, apart from the south east. October rainfall records were set at a number of sites including Ross, Melton Mowbray, Campania and Bothwell. Hobart had a total of 122mm for the month, double the long-term average, while Launceston had 87mm, more than double the long-term average. All this has resulted in one of the best seasons the state has ever seen. Grass growth has been exceptional, and it has also been a big year for clover.

In general, stocking levels are low; however, this will enable many farmers to rest their native country as well as allow for increased production of silage and hay. It has also been a good lambing season although some lambs were lost due to an abnormally large dump of snow early in August, even resulting in a section of the Launceston wool store collapsing.

Finally, congratulations must go to all farmers, shearing contractors and their staff for the way they worked through the challenges that Coronavirus presented this season. Ultimately the job got done, which is a credit to all involved.

**Brett Cox Regional Manager – Launceston** 0499 772 517

## South Australia

**South Australia is having its best season in five years, aside from the challenges presented by the global effects of the COVID pandemic. Producers and farm businesses in the north of the state have been re-energised after receiving drought-breaking rains. To say it was a long time coming is an understatement as it has changed many people's lives in a most positive way. This has brought optimism into ram sales and patience for the recovering wool market.**

A highlight of the year has been the launch of the Eyre Peninsula DNA brand at a function at the Pt Lincoln Hotel on October 21. Twelve farm businesses were in attendance to see the unveiling of their brand look and feel for the swing tags on the garments. To actually feel their own wools flowing through the garments and see the swing tag stories for consumers was highly satisfying for this group of wool growers.

Peter Hayman (SA Wool Marketing Manager) and myself hosted this event, which was a celebration of all things Eyre Peninsula (The West Coast

or EP to locals). Ongoing development of the Goyders Run DNA brand has been joined by AWN's Jared Philips at Minlaton in conjunction with Peter; we look forward to that launch in 2021.

The northern rains will enable Chris Chatten at AWN Broken Hill to drive the Corner Country DNA program, as well as enjoy his clients coming back into production. Also in 2021, myself and Rob Williams (AWN Naracoorte) will be progressing the Coorong DNA program. For reasonable yielding clips there will be opportunities in the post-COVID market in authenticity schemes in ZQ (NZ Merino/AWN partnership) and Authentico (G Schneider).

**Rod Miller State Manager - SA** 0428 256 495

## Western Australia

**What a whirlwind few months for a start-up business. It has been extremely busy with most wool store operations now bedded down and running efficiently. Processes are in place and sales are running smoothly.**

Seasonally, it will be at least average for most although rainfall has been light during October and most of the crops lacked some moisture to fill to full potential cropping yields. Quality has been good with some screening issues in some areas. Recent rain events however have slowed harvest and, shearing in the south is delayed due to rain and lack of shearers. Lambs probably won't be shorn until summer. Pastures have been generally good until now with good feed in most areas, except the Geraldton zone, and this has been reflected with good wool specifications.

Pasture will go off quickly now with the rain and there won't be much in the stubbles. This has resulted in large numbers of sheep heading east, primarily breeding ewes, however good lambing percentages will mean more sheep coming into the mix next year.

Most clients now have a good supply of water in dams so turn-off of sheep will ease, however availability of feed will be the determining factor. Hand-feeding will be expected to start in the summer months to get stock through.

Ram sales in general were strong, with some clients moving to more meat production while wool values were lower, however Poll Dorset sales really struggled.

**Greg Tilbrook Wool Manager** 0407 303 721

# Why you must complete the National Wool Declaration correctly

Buyers use the information supplied on the National Wool Declaration (NWD) to make purchasing decisions. Non-compliant or incorrectly filled out NWD's may impact on the sale of your wool.

## THE NWD IS THE RESPONSIBILITY OF THE OWNER OR MANAGER – NO ONE ELSE.

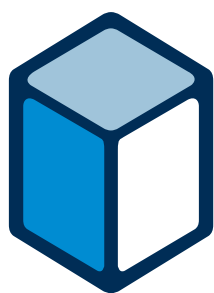
- ◆ It must be filled in correctly.
- ◆ It must be signed by the Owner or the Manager – **no one else.**
- ◆ It must be completed using a pen with neat, **legible writing.**
- ◆ Do not send a photo of your completed form (eg. in a JPG or PNG format).
- ◆ It **must be scanned and emailed** as a PDF to your AWN Wool Specialist.

To **SCAN** using your smart phone we suggest using an app such as **CAMSCANNER.**

## WHERE DO MOST ERRORS OCCUR?

Dot points below are the most common errors to occur when completing the National Wool Declaration;

- ◆ Box not ticked for the questions  
**“Have any lambs born on this property been mulesed in the last 12 months?”**  
**“Have any mulesed (or AA) ewes or wethers been purchased?”**  
**This must be completed.**
- ◆ Mob Breaks have been incorrectly allocated.
- ◆ Owner or Manager has not signed the form.
- ◆ Property Identification number not provided.



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