



# AUSTRALIAN SUPERFINE WOOL GROWERS' ASSOCIATION INC

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## **PRESS RELEASE**

The ASWGA President, Frank O'Connor and President Elect Kevin Dunn have recently returned from Asia where they met with leading superfine wool users from topmakers to retail in Korea, Japan and China. Topics discussed were many and varied but included a drought update, the ASWGA Production Report, discounts for staple strength, dark & medullated fibre, marketing opportunities for superfine wool, ASWGA promotion material including trademarks, Environmental Management Systems (EMS) animal welfare, mulesing research and the advantages of purchasing ASWGA branded wool.

### ***Price***

The general consensus is that demand is expected to remain strong although there is some resistance to current high prices. The main concern is not so much the level of the price but a worry that it may not be sustainable and leave early stage processors with expensive stock. Continuing deflation of retail prices have resulted in an expectation among retailers that the price will not increase leaving manufacturers in a price squeeze. Over recent years most manufacturers have been moving finer and some will continue to do so but others are now saying that the extra cost of the wool coupled with the extra cost of manufacture is limiting their ability to move finer. The main problem appears to be about Super 150's or 16.0 micron and finer. Hopefully this will not be too serious because volumes below this are small. Mike Kuritani of Itochu is confident that prices will remain strong and he sights the growing number of affluent retirees upgrading from a business work suit to a casual high quality jacket as a growing market in Japan.

### ***Dark and Medullated Fibre***

While the problem is less for superfine wool than the stronger types there is some evidence that it is increasing. Skin pieces and stain were the major complaint but medullated fibre is very important in superfine wool because it is particularly noticeable in dark woven fabric. Growers are encouraged to fill in the risk rating on their classers specification on suitable lines but ASWGA is concerned at the lack of understanding of the system throughout the supply chain. There is a likelihood that the DMFR rating will unjustly penalize some growers. DMFR is not a substitute for good husbandry and clip preparation. If this measurement becomes widely used by buyers and specified by top makers without regard for other factors it could result in unnecessary discounts on well prepared wool. ASWGA urges exporters and users to seek out and support those known quality clips, particularly those bearing the ASWGA logo as the best way to avoid contamination.

### ***Environmental Management Systems***

Interest in environmentally accredited wool is growing and we saw plenty of evidence that manufacturers were seeking to use this to differentiate their product. The word organic is seen as preferable because it is readily recognised by consumers. Unfortunately organic is not ideal for fibre as it is primarily a food label. We need to ensure that what ever it is called any environmental label on wool is soundly based in science and covers all aspects including animal welfare, environmental management systems, chemical usage and residues and fibre contamination. It must also be simple and within reach of most woolgrowers or volumes will be small and neither the environment or wool growers will benefit. Mills are quick to point out that to achieve organic certification of the final product it needs to be accredited throughout the whole supply chain. At present even if they could get organic wool there are still some missing links. We did however visit one weaving mill which was accredited and were seeking to complete the chain.. Although unsuccessful to date they will be seeking 50 tonnes of certified wool this year. Others were tackling scouring and dyeing problems and will also be needing certified wool to take full advantage.

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