

Topic 6: Wool marketing and clip preparation

UNE (Eds R. Hergenhan)

Learning Objectives

On completion of this topic you should be able to:

- Know the major markets for Australian wool
- been introduced to the general processes involved in wool marketing, particularly clip preparation, specification of the raw product and selling systems;
- become aware of the measured and assessed characteristics of raw wool;
- become aware of the influence of fibre characteristics on the value of the raw product.
- An understanding of the structure of the wool marketing chain
- Understand the importance of classing wool to prepare even lines for sale
- Understand the role of the AWEX Code of Practice for Preparation of Australian Wool Clips in clip preparation

Introduction

Although the volume of wool produced in Australia has been declining (Figure 1), Australia is still the largest producer and exporter of wool in the world. The major export market for Australian wool is China with demand increasing from 38% in 2002 to around 77% in 2012. India is the second largest export market for Australian wool and is projected to increase competition with China for Australian greasy wool. In 2011-12 Australia produced 424 000 tonnes of greasy wool with 405 000 tonnes of this being exported (ABARES 2013) with a value of \$3.07 billion.

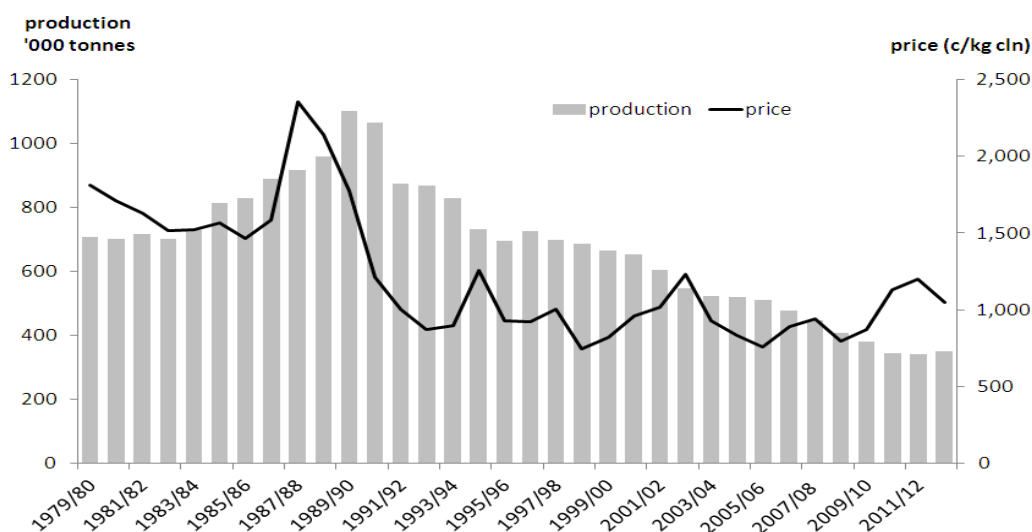


Figure 6.1: Australian Shorn Wool Production and Auction Prices (ABARES, ABS, AWI Production Forecasting Committee, AWEX, The Woolmark Company)

6.1 Description of the wool marketing chain

Demand for wool products is determined by the end user of wool, the consumer. This demand is translated into raw wool requirements in a very complex way. The flow of wool is from the producer to the consumer (Figure 6.2) but the decisions that influence the usage of textile fibres in clothing flow in the reverse direction. The demand for the end-product is the driving factor influencing the specifications and selection of the raw material which in turn influences what fibre types are purchased and the price paid. It must be realised that what takes place when fibre is purchased is the culmination of decisions made up to 2 years prior regarding fibre type.

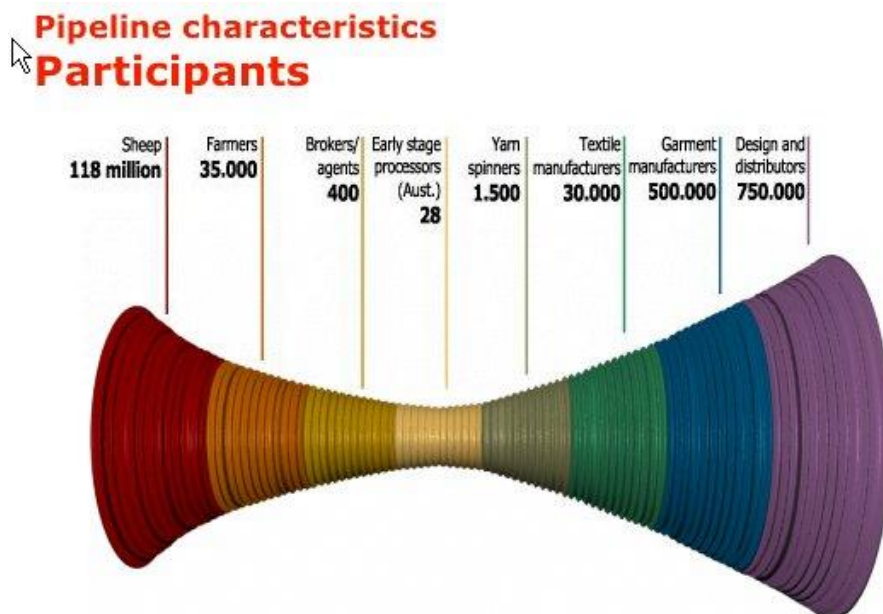


Figure 6.2: Wool pipeline

The Wool Marketing Chain (or wool supply chain or wool demand chain) refers to the series of processes and transactions involved in taking wool from the producer in the greasy state to the supply of garments containing wool to consumers. A significant amount of vertical integration exists within the wool supply chain. This is particularly evident, for example, in exporting, scouring and topmaking. Figure 6.3 illustrates the traditional manner in which the wool supply chain has operated and largely continues to operate today.

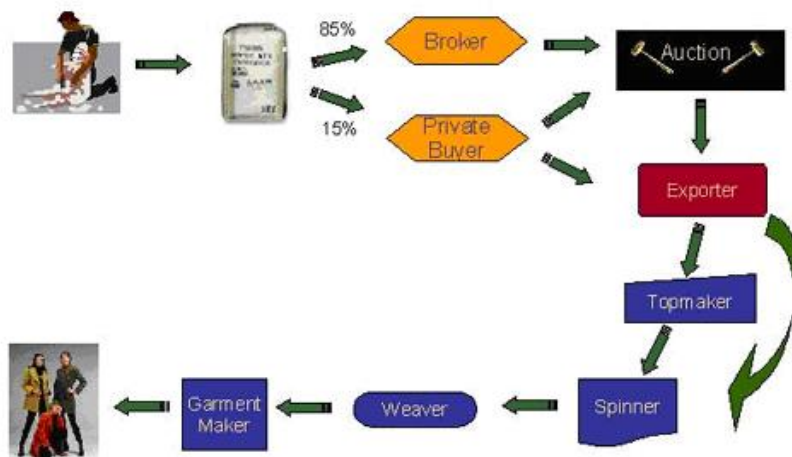


Figure 6.3: The Wool Supply Chain (Platinum Agribusiness, 2006).

The clothing *retailer* determines what garment types will be offered for sale based on predictions of consumer demand and considerations of style and price. The *garment manufacturer* then selects the most appropriate fabric type to meet these specifications. The fabric maker (*weaver* or *knitter*) is then responsible for meeting the specified visual, tactile and performance requirements of the fabric. This requires a choice as to the most appropriate yarn(s) which translates into a set of specifications to be met by the yarn maker — the *spinner*. The properties of the yarn are strongly influenced by the attributes of the component fibres, so it is at this stage that appreciable consideration is given to fibre type. For the spinning of most wool yarns, wool tops are required and these are purchased from the *topmaker*. These tops are made to specifications which include restrictions on fibre diameter, average fibre length (hauler) and variation in fibre length. These attributes of the top are achieved

predominantly by blending particular greasy wool types. Thus the wool *buyer* has the role of purchasing the required wool types to meet the topmaking specifications. The demand for a certain wool type and the price paid therefore depends on how it can be used to satisfy the requirements at each stage along the processing pipeline.

As most processors work to minimal profit margins, processing efficiency is of high priority. A number of factors influence processing efficiency, including the degree to which specifications are achieved, the levels of waste fibre produced and the frequency of machine stoppages, especially during yarn and fabric manufacturing. While problems with machinery and personnel can influence processing efficiency, it is also influenced by the characteristics of the raw material. Price signals in the fibre market therefore reflect the product specifications and profit margins under which processors must operate.

6.2 Clip preparation

Wool classing in the shearing shed is considered to be the start of the wool processing pipeline and as such is a critical step in value adding for the wool grower. Shearing shed classing procedures are governed by the industry-agreed AWEX Code of Practice for Preparation of Australian Wool Clips. The Code forms an integral part of the Australian wool industry's quality assurance program. Clip preparation needs to meet a standard considered acceptable to any potential buyer or end user for that wool clip. This will ensure the grower receives the best price for their wool clip and that the buyer will not find any surprises in the wool when it comes to processing that wool.

The primary objectives of wool classing are to:

- Prepare uniform and predictable lines of wool
- Ensure the product is free of contamination
- Present a correctly packaged product
- Correctly describe the contents of each bale and
- Accurately document the entire clip

The responsibility of meeting these objectives sit with the registered woolclasser who has accepted the role of Woolclasser for a grower/manager.

The general strategies used in the preparation of the wool clip will now be briefly described. Classing standards do, however, vary between sheep breeds, there being a different standard set for Merino, superfine Merino, crossbred, carpet and British shortwool breeds.

When sheep are shorn the belly wool is removed first, resulting in a line of bellies. The entire fleece is then removed in one piece, picked up and thrown onto a slatted classing table. It is skirted to remove inferior wool from around the edges, due to factors including short length, clumpy vegetable matter and urine stain. Neck wool may be removed if water stain or excess vegetable matter is present and back wool removed if particularly degraded by dust. Various lines of skirtings are then formed. The woolclasser then grades the skirted fleece into separate lines on the basis of assessed length, strength (using the “flick” test), fibre diameter (based on crimp frequency) and colour. Additional lines are formed if faults are present, including cotted (entangled) and doggy (lack of crimp) wools, and wools affected by bacterial activity and parasitic infestation. A separate line is also made for lamb/weaner wool, due to its shorter length. Each line is then compressed into packages or bales (each approx. 175 kg in weight) and branded according to its type. The baled line of wool becomes the basis of wool trading, being referred to as a sale lot. On average, there are about 6–10 bales per sale lot.

Figure 6.4 provides a general breakdown of the National annual wool clip as sold through auction. It indicates that the Merino breed is the major source of wool, fleece wool is the major wool type, and the majority are combing wools (i.e. of length suitable for processing on the worsted system). Carding wools refer to short wool types such as crutchings (wool from around the breech) and locks (short pieces of wool, including “second cuts”), suitable for processing on the woollen system.

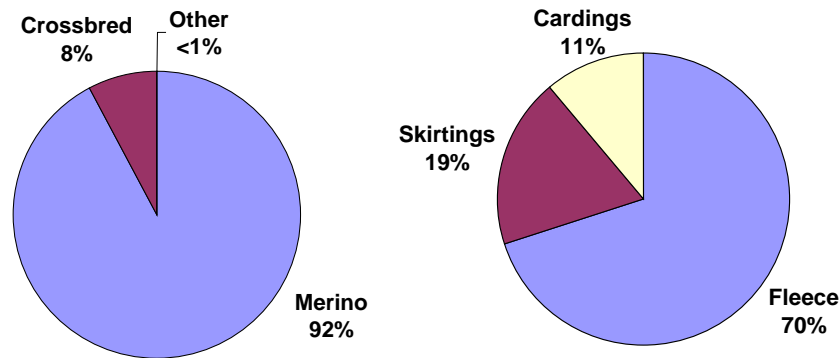


Figure 6.4 General breakdown of the national annual wool clip as sold through the auction system, on the basis of (a) breed and (b) wool type.

Most sale lots are not re-handled until the bales are opened at the processing mill. The woolclasser therefore plays a pivotal role in determining the “quality” of the raw wool product that is delivered. For most wool selling methods, especially selling through the auction system, an essential requirement is that the woolclasser must be registered with the Australian Wool Exchange (AWEX). The presence of a registered woolclasser’s stencil on a bale certifies to all users of the wool further down the processing pipeline that the contents and presentation of the bale have been in accordance with the standards outlined in the AWEX Code of Practice for the Preparation of Australian Wool Clips. However, if wool growers deal directly with processors who provide specific instructions on how to prepare wool, the Code of Practice does not apply.

In some instances, sale lots are re-handled prior to sale. When wool brokers receive small lots from many growers, these lots may be interlotted (i.e. pooled) or bulk classed into large even lines that are then sold under the broker’s brand. These activities can only be undertaken by AWEX registered classing houses, if the wool is to be sold through the auction system. More information on the quality issues associated with wool preparation, packaging and handling is available from the AWEX website www.awex.com.au.

6.3 Wool Selling

There are a number of strategies whereby wool can be sold. The most common method is through the open-cry auction system, with around 85% of all wool being sold this way. Growers can place a reserve price on their sale lots and any lots “passed in” below reserve may then be offered privately to the highest but unsuccessful bidder after the sale or else wait to be re-offered in the next auction. There are three major wool auction centres: Sydney (NSW), Melbourne (VIC) and Fremantle (WA). AWEX has responsibility for setting the national auction selling program each season, which runs on a financial year basis.

The auction system provides an efficient means of aggregating large quantities of wool from numerous geographically dispersed producers, therefore assisting buyers in building their batches to meet processing mill specifications. It is also a selling system that maximises competition. Sale By Sample is the most common method of selling within the auction system. This involves a 2–10 kg representative sample being on display along with the relevant test results, for buyers to inspect prior to the auction commencing. With due consideration to the quality and quantity of wool on offer, their own requirements for filling orders and their bidding limits, buyers then set a price on their requirements which will be their bids at auction.

Wool can also be sold privately. The buyer may be a private treaty merchant (who then sells the wool through a variety of channels), a wool exporter (who purchases wool to meet orders from overseas mills, specifying quantity, quality and delivery date) or a direct representative of the mill. Growers can also move beyond greasy wool trading by retaining ownership of the wool product throughout processing. The basis for trading then becomes the semi-processed product.

For most growers, particularly those selling through auction, a wool broker acts on the grower's behalf by organising sampling, testing and offering the wool for sale (including appraisal and valuing for the setting of a reserve price) as well as invoicing and grower payment post-sale.

6.4 Wool sampling and testing

To assist buyers in their purchasing of raw wool to meet the required specifications, all wool sale lots offered at auction are provided with test results relating to those measured characteristics that impact on processing and product performance. These results are based on wool samples taken from the sale lots in the form of a core sample (up to 1 kg obtained by pushing a tube with a sharpened tip through the bales) and a grab sample (2–10 kg obtained by pushing a grab jaw into the side of the bales and withdrawing full length wool). The grab sample is also used as the display sample at auction.

All testing is undertaken by the Australian Wool Testing Authority Ltd (AWTA), with laboratories in Melbourne and Fremantle. All procedures are in accordance with established standards and regulations required for international wool trading. Tests conducted at AWTA on 1 kg sample are shown in Figure 6.5. Routine test results obtained from core samples are for:

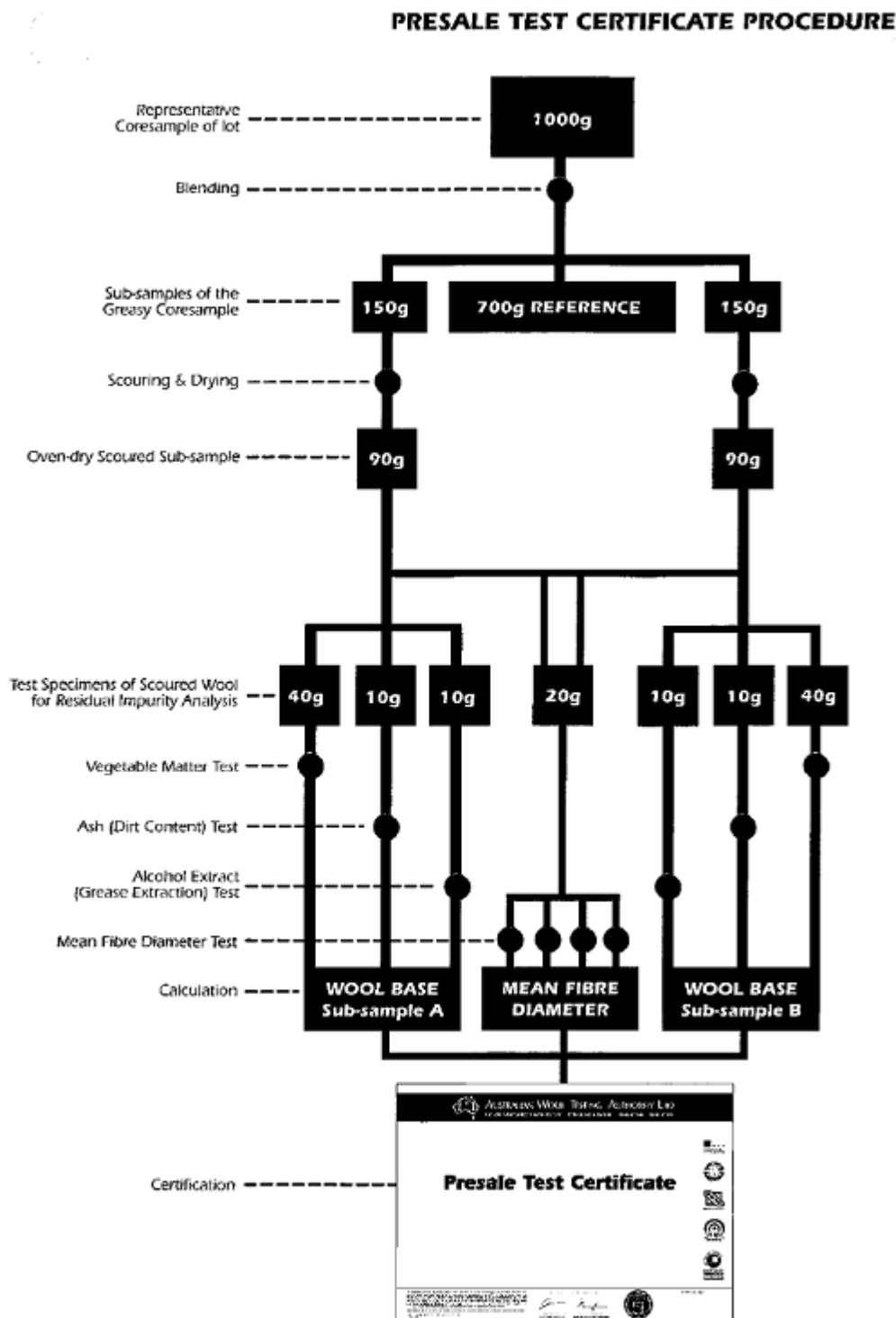
- yield (%) — a measure of the amount of clean fibre that can be obtained from the greasy wool, expressed as a percentage of the greasy weight. For example, a 175 kg bale with a yield of 70% is estimated to contain 123 kg clean fibre. Four yields are normally calculated for commercial trading purposes, but the most commonly used for combing wools is the Schlumberger Dry Top and Noil Yield, which is used to express all wool prices on a clean fibre basis;
- mean fibre diameter (mm) — a measure of the average diameter of the fibre contained in the sale lot. It is expressed in micrometres (i.e. 1 millionth of a metre), or microns;
- vegetable matter base (VMB %) — a measure of the amount of vegetable material (e.g. seeds, burrs, thistles, sticks) present within the core sample, expressed as a percentage of the greasy core sample weight.

In addition, core samples can be tested for clean colour. This is a measure of the colour of the wool after scouring (i.e. washing to remove contaminants such as grease, suint and dirt). It is measured for both brightness and yellowness, but only the yellowness values are reported in sales catalogues — higher values indicate greater levels of residual colour after scouring. This is an optional measurement that is obtained at the grower's expense (currently at \$8–10 per test).

Staple-based tests obtained from grab samples are for:

- staple length (mm) — a measure of the average length of at least 60 staples randomly sampled from the grab sample. The coefficient of variation in staple length is also reported;
- staple strength (Nktex) — a measure of the average strength of the staples that were measured for length. The units of measurement are Newtons per kilotex (Nktex), reflecting the force required to break the staple (i.e. Newtons) adjusted for the amount of clean fibre material bearing the load (ktex = grams per metre);
- position of break (T, M, B%) — this indicates where the fibres are most likely to break during processing. The relative weights of the two broken sections of the staple are used to calculate whether the break occurred in the top third (TIP), mid-third (MID) or bottom third (BASE) of the staple. The percentage of staples with TIP, MID and BASE breaks is reported.

All three tests are obtained at the same time. As they are optional measurements, they are obtained at the grower's expense. The current fee ranges from \$21.50 for 1 bale lots to \$32.50 for 6-bale lots and over.



Weights shown in the chart are typical of the weights of the samples, sub-samples and test specimens which occur in a presale test

Figure 6.5 AWTA Presale test certificate.

6.5 Wool appraisal: AWEX–ID

Not all characteristics of importance to wool buyers are currently measured. They are subjectively assessed by an accredited appraiser based on inspection of the display (grab) sample and include:

- vegetable matter type — the predominant type of vegetable matter contamination;
- style — the appearance of the greasy wool, in particular crimp evenness, crimp definition, staple structure, dust colour, dust penetration and wool colour;
- greasy wool colour — the level of yellowness visible in the greasy wool and expected to remain after scouring;
- faults — these include cotting (in which the fibres are entangled), dermatitis or ‘lumpy wool’ (a skin infection resulting in the formation of hardened structures that encompass fibres and even whole staples), doggy wool (irregular crimping, most commonly associated with aged sheep) and urine–stained fibres.

The Australian Wool Exchange Industry Description (AWEX–ID) system for greasy wool is a standardised system used for describing all non–measured characteristics of a sale lot. It can be included in the sale catalogue along with the objective measurements to provide a complete description of the greasy wool product, but it is not compulsory. Competency standards for appraisers have been established by AWEX and appraisers must be registered with AWEX before they can assign an ID to sale lots.

Figure 6.6 provides a summary of the codes applicable with the most recent version of AWEX–ID. Some codes are mandatory (i.e. breed, wool category, style, VM type) while others are conditional (i.e. used for staple length and strength when measurements are not available) or only applicable when present (i.e. faults). For example, the code: **MF4E.90W1H1** describes a Merino fleece wool of style grade 4 (best) containing seed as the main VM type, assessed to be 86–95 mm in length, assessed to have a slight weakness in staple strength (“part tender”), light unscourable colour but no other faults.

6.6 Wool Market information

Market reports

For most wool growers, the general requirements of the customer are determined from publicly available market information provided by AWEX and derived from auction sales. These reports are split between eastern and western states, there being an Eastern Market Indicator (EMI) and a Western Market Indicator (WMI). The EMI is then further split into the Northern Region Indicator and the Southern Region Indicator. AWEX provides daily and weekly reports for each region and for superfine wool sales. A Regional Fleece Micron Price Guide is also reported, giving the average weighted price paid for fleece wool on a micron by micron basis. An example of a sale catalogue is shown in Figure 6.7.

Premiums and discounts

The various market indicators simply reflect the average weighted price paid on the day of sale for the specific region. The more important information, however, is the attributes of the greasy wool product that influence the price paid. Put another way, which characteristics or levels of performance result in premiums being paid and which result in discounts being applied.

AWEX provides a weekly premium and discount report for fleece, skirting and carding wool types for each region. An example of a Northern Region Premium and Discount Report for fleece wool types is shown in Figure 6.8. While the actual premiums or discounts (cents per kg) vary from week to week, the general trends over the range of Merino fleece wool types can be summarised as follows:

- average fibre diameter has the greatest influence on wool value, with prices increasing as fibre diameter decreases. In general, 50–80% of the variation in clean price is due to fibre diameter. The price relativities (i.e. the change in price per mm increment) are not constant, becoming increasingly larger as diameter declines;
- relative to a staple strength of 35 Nktex, higher strength wool types receive a premium while weaker wool types incur a discount. The discounting increments are much greater than the premium increments (i.e. the price change from 35 to 30 Nktex is much greater than the price

change from 35 to 40 Nktex). Staple strength is the second most important wool trait, generally accounting for 5–14% of clean price variation. The influence of position of break on price variation is not clear, although processors have a preference for tip or base breaks;

- prices generally increase as staple length increases, though discounts can arise once length exceeds 100mm. Staple length generally accounts for around 1–7% of clean price variation;
- VM% generally accounts for 2–5% of price variation, with discounts being applied when vegetable matter is present above 1%. VM type also influences price, with discounts tending to be greater for seed contamination and hard burr types such as Noogoora burr and Bathurst burr;
- prices generally improve with improvements in style grade (from grade 7 to grade 1). Style generally accounts for 1–4% of variation in clean price;
- discounts are applied when unscourable colour is assessed to be present, increasing with the level of discolouration. Greasy colour currently accounts for 1–3% in price variation. It should be noted that while clean wool colour can be measured, the market relies on assessed colour for setting price relativities. Unfortunately, greasy colour is a poor indicator of scoured colour, such that some discounted wools can often scour to an acceptable colour while some non-discounted wools can discolour during scouring;
- faults incur discounts;
- buyers generally pay premiums for sale lots that have been additionally measured for staple length and strength;
- the premium and discount levels generally tend to be greater for fine wool types (<20 µm) compared to broad wool types (>23 µm).

Readings

There are no readings provided for this topic.

Revision Question

1. By referring to Figure 6.8, calculate the average market price paid for:
 - a. MF4E with test results 18.4 mm, 2% VMB, 100 mm, 40 Nktex
 - b. MF4E.90W1 with test results 19.2 mm, 1% VMB
 - c. MF4E.H1C1 with test results 20 mm, 1% VMB, 100 mm, 35 Nktex
2. What is the role of the AWEX Code of Practice in clip preparation?
3. What is the role of AWTA in wool marketing?
4. What are the major methods of sale for Australian wool clips?
5. What are the major export markets for Australian wool and how have these changed over time?

References

- ABARES 2013 ABARES, 2012, *Agricultural Commodity Statistics 2012*, CC BY 3.0
- ABS, 2013, *Australian Farming in Brief 1991 – 2012*, Agricultural Businesses
- AWPFC, 2013, *Australian Wool Production Forecast Report, April 2013*. Australian Wool Production Forecast Committee, Australian Wool Innovation
- Australian Wool Innovation, 2002, *Future Fleece CD*, Australian Wool Innovation Ltd.
- AWEX 2012 *The Code of Practice for the Preparation of Australian Wool Clips*, The Woolclasser. 2013 – 2015 *Australian Wool Exchange Ltd.*
- AWEX market reports

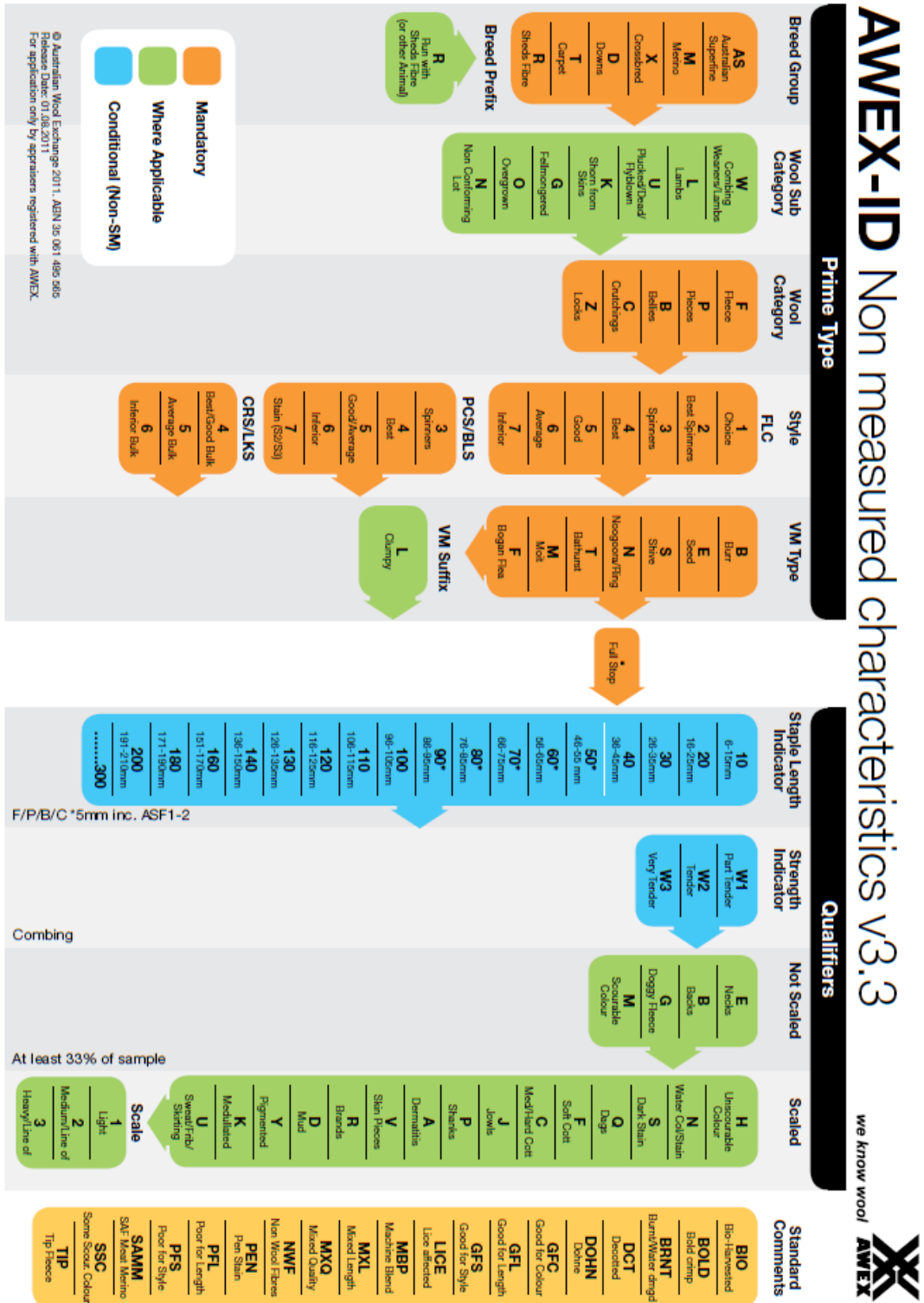


Figure 6.6: AWEX-ID codes

VMC BSH	ACY	JCSY	SCD 17%	SCH DRY	VMC NETT	MIC	S/L MM	S/S CV%	S/S NKT	T	POB M	B	SS25 DMFR	LOT NO	BLS
0.2 4.4 0.0	53.9 191	57.3 203	63.7 225	54.3 192	4.6 354	15.6 23.7%							NA	J501 P	2
							TSC/MRA N19 PCS LMS								
0.2 2.9 0.0	59.1 524	62.7 556	67.4 597	60.4 535	3.0 886	18.1 19.9%	64	13	53	53	43	4	39 NA	J502 P	5
							AAA LMS								
0.2 3.1 0.0	59.2 584	62.8 619	67.8 669	60.3 595	3.3 986	16.9 20.7%	61	16	47	11	74	15	28 NA	J503 P	6
							WEEROONA N23 AAA LMS								
0.1 3.3 0.0	57.1 1175	60.7 1249	65.8 1354	58.1 1195	3.4 2057	16.2 22.2%							NA	J504 P	11
							AA LMS								
1.3 4.2 0.0	51.8 454	55.1 483	62.6 549	51.8 454	5.5 877	16.3 24.5%							NA	J505 P	5
							AA LMS								
2.1 7.1 0.0	46.6 127	49.4 135	61.3 167	45.4 124	9.2 273	16.7 23.4%							NA	J506 P	2
							LMS BLS								
3.3 7.5 0.0	47.0 177	49.6 186	63.3 238	45.3 170	10.8 376	17.2 22.1%	64	20	31	10	59	31	15 ND	J507 P	2
							CS/FAIRYDALE N15 PCS								
4.4 3.3 0.0	41.2 111	44.4 120	54.3 147	40.4 109	7.7 270	19.0 24.2%							NA	J508 P	2
							CRT								
0.2 1.2 0.1	54.8 184	58.6 198	62.5 209	56.3 189	2.5 335	18.5 23.2%							NA	J509 P	2
							SGL/EUG N15 CRT								
0.0 2.0 0.0	54.0 206	57.8 221	61.1 233	55.7 213	2.0 382	18.9 21.2%	57	14	35	82	18	0	24 NA	J510 P	2
							OLD REDBANK/BJE N19 AAA LMS								
1.3 4.3 0.0	50.5 374	53.8 398	61.4 454	50.5 374	5.6 740	18.1 23.2%	75	19	34	14	77	9	20 ND	J511 P	4
							PCS								
0.0 2.2 0.0	64.0 305	67.7 323	71.4 341	65.7 313	2.2 477	18.3 22.7%	54	18	0	0	0	0	NA	J512 P	3
							AAA LMS								
1.1 1.0 0.0	58.0 223	61.7 237	65.3 251	58.7 229	2.1 384	17.9 22.9%	92	15	41	13	44	43	29 NA	J513 P	2
							AAAM WNS								
3.6 3.1 0.0	48.6 189	51.8 201	60.7 236	48.2 187	6.7 388	18.8 21.9%							NA	J514 P	2
							BLS								
11.5 4.5 0.1	48.2 253	49.9 261	70.0 367	45.2 237	16.1 524	18.1 21.5%	82	16	37	13	73	14	20 ND	J515 P	3
							NOC/OAKLEA N36 M PCS								
10.0 3.3 0.0	50.3 157	52.4 164	60.2 217	47.9 150	13.3 313	18.6 21.0%	65	23	33	12	80	8	20 ND	J516 P	2
							M PCS								
18.7 7.2 0.0	39.2 140	39.8 142	69.1 247	34.4 123	23.9 358	18.7 19.3%							NA	J517 P	2
							M BLS								

Figure 6.7: Sale catalogue

The next three pages provide an example of an AWEX market report.



AWEXreports

14-Jul-10
 Week: 02
 Sale: S02

	Mic.	Strength (Nkt)			W1	W2	W3
		42	35	32	28	21	14
Fleece Wool	16.0	1540	1500 n	1460	1400 n		
	.1	+40	1473 n	-40	-100		
	.2		1446 n				
	.3		1419 n				
	.4		1392 n				
	.5	1395	1365 n	1335	1325 n	1245	
	.6	+30	1332 n	-30	-40	-120	
	.7		1299 n				
	.8		1266 n				
	.9		1233 n				
	17.0	1230	1200 n	1180	1160 n	1130	
	.1	+30	1193 n	-20	-40	-70	
	.2		1186 n				
	.3		1179 n				
	.4		1172 n				
	.5	1185	1165 n	1145	1125	1100 n	1060
	.6	+20	1160 n	-20	-40	-85	-105
	.7		1155 n				
	.8		1150 n				
	.9		1145 n				
	18.0	1155	1140 n	1120	1100	1070 n	1020
	.1	+15	1135 n	-20	-40	-70	-120
	.2		1130 n				
	.3		1125 n				
	.4		1120 n				
.5	1125	1115 n	1095	1085	1035 n	990	
.6	+10	1100 n	-20	-30	-80	-125	
.7		1085 n					
.8		1070 n					
.9		1055 n					
19.0	1050	1040 n	1025	1015	990	950	
.1	+10	1025 n	-15	-25	-50	-90	
.2		1010 n					
.3		995 n					
.4		980 n					
.5	970	965 n	950	940	910	890	
MF4E 80mm 1.0%vfm	.6	+5	958 n	-15	-25	-55	-75
	.7		951 n				
	.8		944 n				
	.9		937 n				
	20.0	935	930 n	920	915	890	850
	.1	+5	929 n	-10	-15	-40	-80
	.2		928 n				
	.3		927 n				
	.4		926 n				
	.5	930	925 n	920	915	870	830
18.0	17.5 - 18.5 micron		21.0	20.6 - 22.0 micron		n = nominal	
19.0	18.6 - 19.5 micron		23.0	22.1 - 24.0 micron			
20.0	19.6 - 20.5 micron		25.0	24.1 - 25.0 micron			

NORTHERN REGION

Premium and Discounts		Micron			
		18.0	19.0	20.0	
Length	110mm	-23	-18	-8	
	100mm	-15	-12	-3	
	90mm	+10	0	0	
	80mm	0	0	-5	
	70mm	-30	-22	-8	
	60mm	-150	-110	-55	
Style	Spinners	3	na	na	
	Best	4	0	0	
	Good	5	-18	-8	
	Ave/Inf	6-7	-35	-20	
	Weaner	MWF	-22	-8	-4
Vegetable Matter	1%	0	0	0	
	2%	-60	-25	-15	
	3%	-70	-50	-30	
	4%	-80	-60	-40	
	5%	-90	-75	-60	
	6%	-110	-95	-90	
	8%	-130	-110	-100	
VM Type	Seed	E	0	0	
	Burr	B	+4	+2	
	Shive	S	-10	-5	
	Moit	M	-15	-3	
	Bogan Flea	F	na	na	
	Noog/Bath	N/T	-10	-6	
Colour	Scourable	M	-10	-8	
	Light	H1	-18	-10	
	Med	H2	-60	-40	
	Heavy	H3	na	na	
	Water	N1	na	na	
Cott	Odd	C1	-40	-15	
	Medium	C2	-110	-90	
	Heavy	C3	na	na	
A.M. Derm	Odd	A1	na	-30	
	Medium	A2	na	-35	
Mid break	Yes		0	0	
	No		na	-40	
		<40	+10	+5	
Cert type	Grower	P	0	0	
	Interlot	I	-30	-15	
	Bulk Class	Q	-60	-25	
Lot size	2	-10	-5	-2	
	6	0	0	0	
	16	-5	-2	0	
	30	na	na	na	

Figure 6.8. AWEX market report

PREMIUM & DISCOUNT REPORT - NORTHERN REGION

Week: 02

14-Jul-10

Sale: S02

Fleece Wool

	Mic.	Strength (Nkt)			W1	W2	W3
		42	35	32	28	21	14
MF4E 90mm 1.0%vm	20.5	930	925	920	915	870	830
	.6	+5	924	-5	-10	-55	-95
	.7		923				
	.8		922				
	.9		921				
	21.0	925	920	915	910	850	820
	.1	+5	918	-5	-10	-70	-100
	.2		916				
	.3		914				
	.4		912				
	.5	915	910	905	900	840	
	.6	+5	909	-5	-10	-70	
MF5E 100mm 1.0%vm	.7		908				
	.8		907				
	.9		906				
	22.0	905	905	905	900	810	
	.1		904		-5	-95	
	.2		903				
	.3		902				
	.4		901				
	.5	900	900	900			
	.6		899 n				
	.7		898 n				
	.8		897 n				
.9		896 n					
23.0	895	895 n	895				
.5		870 n					
24.0		840					
.5							
25.0							
.5							
26.0							

n = nominal quote

XF5E 110mm	26.0		610 n			
	.5		580 n			
	27.0		525 n			
	.5		500 n			
	28.0	470 n	465	460		
	.5	+5	455	-5		
	29.0		435			
	.5		420			
	30.0	410 n	405	400		
	.5	+5	395 n	-5		
	31.0		385 n			
	.5		375 n			
32.0		360 n				

Premium and Discounts		Micron		
		21.0	23.0	25.0
Length	110mm	-5	-3	0
	100mm	-3	0	0
	90mm	0	0	-7
	80mm	-5	-6	na
	70mm	-8	-8	na
	60mm	-70	-70	na
Style	Spinners	3	na	na
	Best	4	0	+3
	Good	5	-1	0
	Ave/Inf	6-7	-5	-5
	Weaner	MWF	-5	na
Vegetable Matter		1%	0	0
		2%	-5	-5
		3%	-20	-15
		4%	-30	-20
		5%	-35	-25
		6%	-65	-45
	8%	-95	na	
VM Type	Seed	E	0	0
	Burr	B	-2	+2
	Shive	S	-2	-3
	Moit	M	na	na
	Bogan Flea	F	na	na
	Noog/Bath	N/T	-8	-7
Colour	Scourable	M	-4	-2
	Light	H1	-5	-5
	Med	H2	-15	-25
	Heavy	H3	na	na
	Water	N1	na	na
Cott	Odd	C1	-10	-10
	Medium	C2	-70	-70
	Heavy	C3	na	na
Derm	Odd	A1	na	na
	Medium	A2	na	na
A.M.	Yes		0	0
	No		-35	-33
Mid break		<40	+2	0
		40-60	0	0
		>60	-5	-3
Cert type	Grower	P	0	0
	Interlot	I	-10	-15
	Bulk Class	B	-15	-20
Lot size		2	-1	0
		6	0	0
		16	0	0
		30	na	na

A guide to the Premium and Discount Report.

To calculate a price for your wool:

1. Select the appropriate price from the base micron tables
2. Apply the relevant premiums or discounts
3. Your calculated price will be in AUD cents/kg clean.
4. To calculate greasy price, multiply by yield and divide by 100

If VM Base <= to 1.0 % do not discount for VM type.

When applying premiums and discounts to XF5 (Good style) use 25.0 range. Discounts and Premiums are calculated using a range of data covering the last 2 months of sales in the region.

