

GROWER UPDATE

#116 - 10 October 2019



**FROM MARK
SHADBOLT
EXECUTIVE
DIRECTOR**

away from plastic and synthetic based products. This awareness is being enhanced rapidly with both social media and news media assisting the messaging.

- Spinners and manufacturers have taken full advantage of the low wool prices and have committed to larger volumes of wool well forward. This will place ongoing pressure on prices until demand for flooring increases. Prices being submitted by some companies are unsustainable.
- Soft flooring, whether it be wool or synthetic, is reducing due to the trend towards hard flooring alternatives. There are, however, developing opportunities in high value rugs.

MARKET REPORT

General

- Brexit continues to disrupt business activity on both sides of the channel. Retail spending has slowed and has had an impact on all wool based products.
- USA/China tariff issues haven't gone away and therefore creates uncertainty for trade between the two nations. The negative is that China has less demand for our wool, the positive is that the USA are looking for "made in the USA" products or products from Europe. WNZ are pursuing both markets.
- Certifications are being requested more and more, particularly in Europe with consumers wanting to understand how wool products are produced - are they sustainably grown, what happens at end of life, are these products good or harmful to the planet? etc.
- Climate change is one of the key issues faced globally and people are reacting with a move

WNZ Related

- Marketing material sent to all growers in booklet form has been well received here and, in the market, particularly by retailers with feedback being – "finally someone is telling the story of wool". WNZ are very pleased with the award received at the National Flooring Show recently but more importantly, the brand recognition WNZ had gained in market. This has stimulated interest from new companies who are now needing to implement more sustainable business models.
- We continue to engage with and grow opportunities with wool users and supply chains in all segments including flooring,

furnishings, bedding, and more recently in apparel. The transport sector, including aircraft, trains, buses, cruise ships and the automobile industry sector, are all key targets.

- What is unique about the WNZ value proposition is that we carry certifications that our customers are now demanding for their products to set them apart from their competitors. WNZ can also provide wool with attributes not necessarily available from other suppliers.
- Our target is to provide more contracts over a greater range of wool types as with our broader range of lambswool contracts. The reasons above make this a challenge in these difficult times.
- Please attend the forthcoming grower meetings to meet some of our overseas customers and learn first-hand why they wish to source wool from WNZ.

GROWER MEETINGS

During the month of November WNZ are hosting two customers in New Zealand and we will have them speak at some grower meetings throughout the country. This is a great opportunity for you to come and listen to what WNZ is doing with these customers and how you can support your company.

There will be more overseas visitors over the next few months and we will endeavour to cover other regions throughout the season. This will give all growers the opportunity to hear directly from the market.

Bedding Companies

Monday 4 November 2019

Hastings – woolshed of Christine and Jim Spall, 2289 Kereru Road

Tuesday 5 November 2019

Hunterville – woolshed of James Kilmister, 657 Aldworth Road

Thursday 7 November 2019

Gore – Heartland Hotel Croydon, 100 Waimea Street

Lambswool Company

Friday 15 November 2019

Masterton – woolshed of Sully Alsop, 579 Stronvar Road

Monday 18 November 2019 - Wools of New Zealand AGM

Farm tour prior to AGM, Nicole and Logan Evans, 967 Otapiri Mandeville Road

AGM - Mandeville – woolshed of Nicole and Logan Evans, 967 Otapiri Mandeville Road

Monday 18 November 2019

Palmerston – Waihemo Lodge Hotel, 13 Runbrake Street

RSVP for meetings to be sent to Avril Jordan at avril.jordan@woolsnz.com

2020 LAMBSWOOL CONTRACT PRICES

Revised upward due to currency

Passing the Benefit to Growers

Thank you to those of you who have already committed to one of our 2020 Lambswool contracts.

We currently have volume remaining in the lambswool contracts below.

2020 Standard Lambswool Contract

Specifications

- Length: 2-3" (50-75mm)
- Micron: 28-31.5
- Colour: 2.0 max
- VM: 0.2 max

Price

- Tier 1 - \$6.00/kg clean (28-30 mic; 0.0 VM; 0.0-1.0 Y-Z)
- Tier 2 - \$5.70/kg clean (30.1-31.0 mic; or 0.1 VM; or 1.1-1.5 Y-Z)
- Tier 3 - \$5.40/kg clean (31.1-31.5 mic; or 0.2 VM; or 1.6-2.0 Y-Z)

Payment

- 50% 60 days after wool accepted into contract
- 50% 180 days after wool accepted into contract

- **All growers who have signed up to the lower priced WNZ 088 contract will automatically convert to the higher prices above.**

2020 Standard High Colour Lambswool Contract

Specifications

- Length: 2-3" (50-75mm)
- Micron: 28-31.5
- Colour: 4.0 max
- VM: 0.2 max

Price

- Tier 1 - \$5.00/kg clean
- (28-30 mic; 0.0 VM; up to-3.0 Y-Z)
- Tier 2 - \$4.80/kg clean
- (30.1-31.0 mic; or 0.1 VM; or 3.1-3.5 Y-Z)
- Tier 3 - \$4.60/kg clean
- (31.1-31.5 mic; or 0.2 VM; or 3.6-4.0 Y-Z)

Payment

- 50% 60 days after wool accepted into contract
- 50% 180 days after wool accepted into contract
- **All growers who have signed up to the lower priced WNZ 087 or WNZ 089 contract will automatically convert to the higher prices above.**

Importance of Using Scourable Markers

The following situation has not applied to any WNZ growers, but we feel this is important enough to advise you of.

The Hawkes Bay Woolscourers (HBWS) have been experiencing a serious problem in main greasy lots where some farms are using a product called Blue Marker Dye by Country Mile.

There may be other brands being used but for the time being it has been narrowed down to this product and it has been confirmed as the product used. The colour is Royal Blue and now a new bright pinkish red has just appeared.

This dye is used for pregnancy testing or another term scanning.

The problem is that once the dye is in the wool it "Bespeckles" through the wool. The dye may be light or dark in colour and the lighter shades do not stand out in the greasy wool.

For the protection of the grower, the HBWS have now taken the stance to reject any lots not marked as 'brands/raddles'. Be aware that there is no way of knowing if lots contain the dye until they are scoured.

Washing samples, bleaching and vigorous opening have all been tried, the dye will **NOT** wash out.

A recent shipment which has the dye throughout may cost the grower tens of thousands of dollars.

This a serious problem for the trade and needs to be addressed urgently,

- A. The Dye is not an approved dye for the wool industry
- B. There may be more still in the system
- C. Any wool sold in the grease with this dye will be a major problem overseas

Examples:



STAY IN TOUCH

Our team are always ready to help. Your best bet is to talk to your local Grower Liaison but you can find all of us at www.woolnz.com/contact-us