



Wools of New Zealand Shareholder Update No. 107, 14 January 2019



FROM THE CHAIRMAN – MARK SHADBOLT

New Year Message

2019 will be a year of challenges –

- What are we going to do with all the feed that has grown due to a very wet but favourable season?
- Will we get the sheep shorn on time? This is proving to be a challenge in many areas and proving to be a challenge for our shearers.
- How will the wool market perform? The prices are at depressed levels as we go into the high-volume supply part of the year, however prices in the New Year opened much where they finished at the end of 2018.
- The US/ China situation will have an impact on demand from China. WNZ are focused on other markets such as direct to the US, UK and Europe, albeit there are concerns with Brexit.
- Demand for all carpet, including synthetic products, is reducing due to consumer demand for hard flooring. This provides an opportunity for our

wool into high end rugs, apparel and furnishings.

- Our lambswool contract is ahead of the New Year spot prices so I encourage you as growers to consider this contract if you haven't already signed up.
- New markets, differentiation, innovation, and traceability, including telling the story of the virtues of wool, are all ways of creating demand and value and is part of the WNZ strategy.
- Demand won't change through procurement activity. The consumer is the one that determines the demand and the value that we as growers can achieve.
- Our Chief Executive and contract managers are in the market currently and will have more to report by the end of January.
- With every challenge there are opportunities and WNZ will pursue those opportunities where it is commercially viable.
- Good luck as we move into 2019. Your support is valued by WNZ.

Lambswool Contract

Our standard lambswool contract at \$5.50/kg clean (Tier 1), is 35c/kg above the current market price. We would urge you to sign up to this contract to take advantage of this higher price.

Please contact your local Grower Liaison for a contract (details below).

Specifications:

Length: 2-3"
Micron: 28-31.5
Colour: 2.0 Y-Z max
VM: 0.2 max

Price:

Tier 1 - \$5.50/kg clean (28.0-30.0 mic; 0.0 VM; 0.0-1.0 Y-Z)
Tier 2 - \$5.30/kg clean (30.1-31.0 mic; 1.1 VM; 0.1-1.5 Y-Z)
Tier 3 - \$5.10/kg clean (31.1-31.5 mic; 2.0 VM; 1.6-2.0 Y-Z)

If you know of any other wool growers who may be interested in taking up this offer, please pass their details on to your local Grower Liaison.

Business Development Manager Wanted

WNZ are looking for a Business Development Manager – this role would suit someone from within the wool industry who has the technical experience to advise and collaborate with grower shareholders with the view to growing our wool volume. If you know of someone who could be suitable for this role, please direct them to the following link for more information

<https://www.seek.co.nz/job/38065292?searchrequesttoken=92c56802-7ed6-442a-95b8-ad19d984cc09&type=standard>

Specification Sheets

As we come into the busy shearing period, it is an opportune time to remind you to ensure that a copy of your **spec sheet accompanies your wool on the truck** to the scour.

Please email spec sheets to direct2scour@woolsnz.com prior to, or within 24 hours, of your wool leaving your shed.

Contact Us

General: 0800 OURWOOL 0800 687 9665
Email: info.nz@woolsnz.com

Please contact your regional Grower Liaison (GL) directly if you wish to discuss anything

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