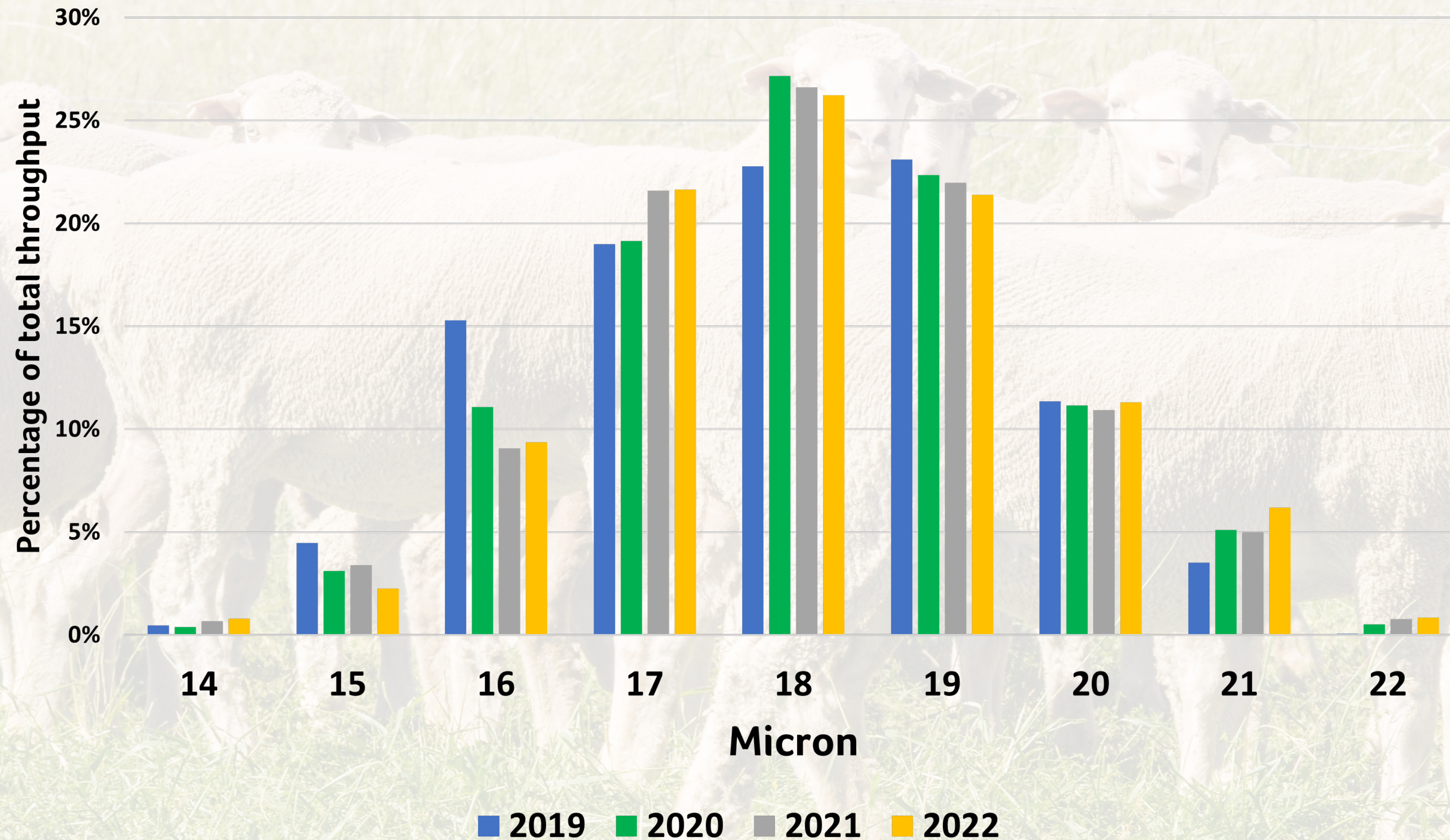


Under the Microscope

An analysis of AuctionsPlus Merino data to investigate trends across the breakdown and distribution of wool fiber types transacted in commercial sales.



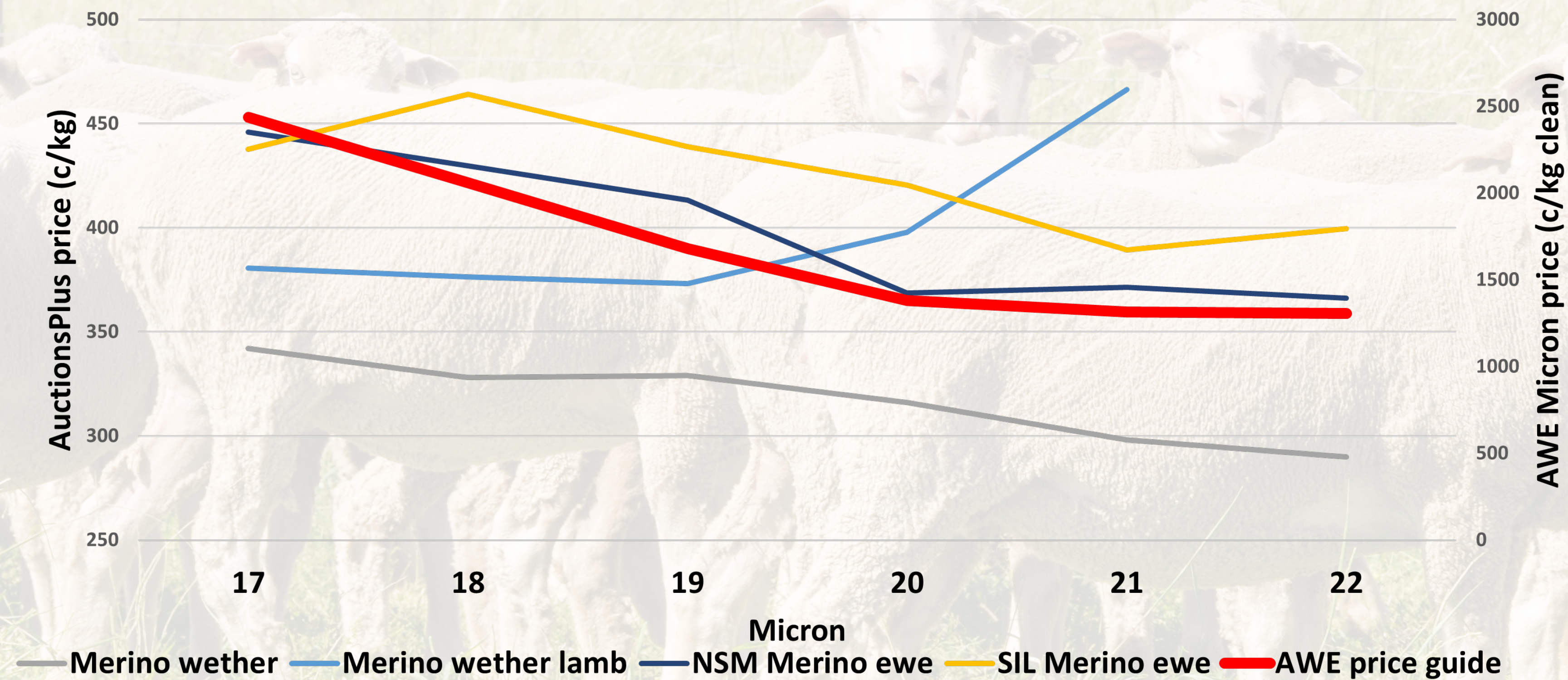
Merino sheep Micron Distribution 2019 - Q1 2022



- The largest shift across the years has been a decrease in the proportion of finer wool microns. 15% of offerings in 2019 was 16um, compared to 9% so far in 2022 YTD.
- 17, 18 & 19 micron categories accounted for 65% of listings in 2019. For 2022 YTD, they account for 70% of listings.

Figure 1: Breakdown of AuctionsPlus Merino sheep and lambs offered between 2019-2022 YTD categorized by wool micron.

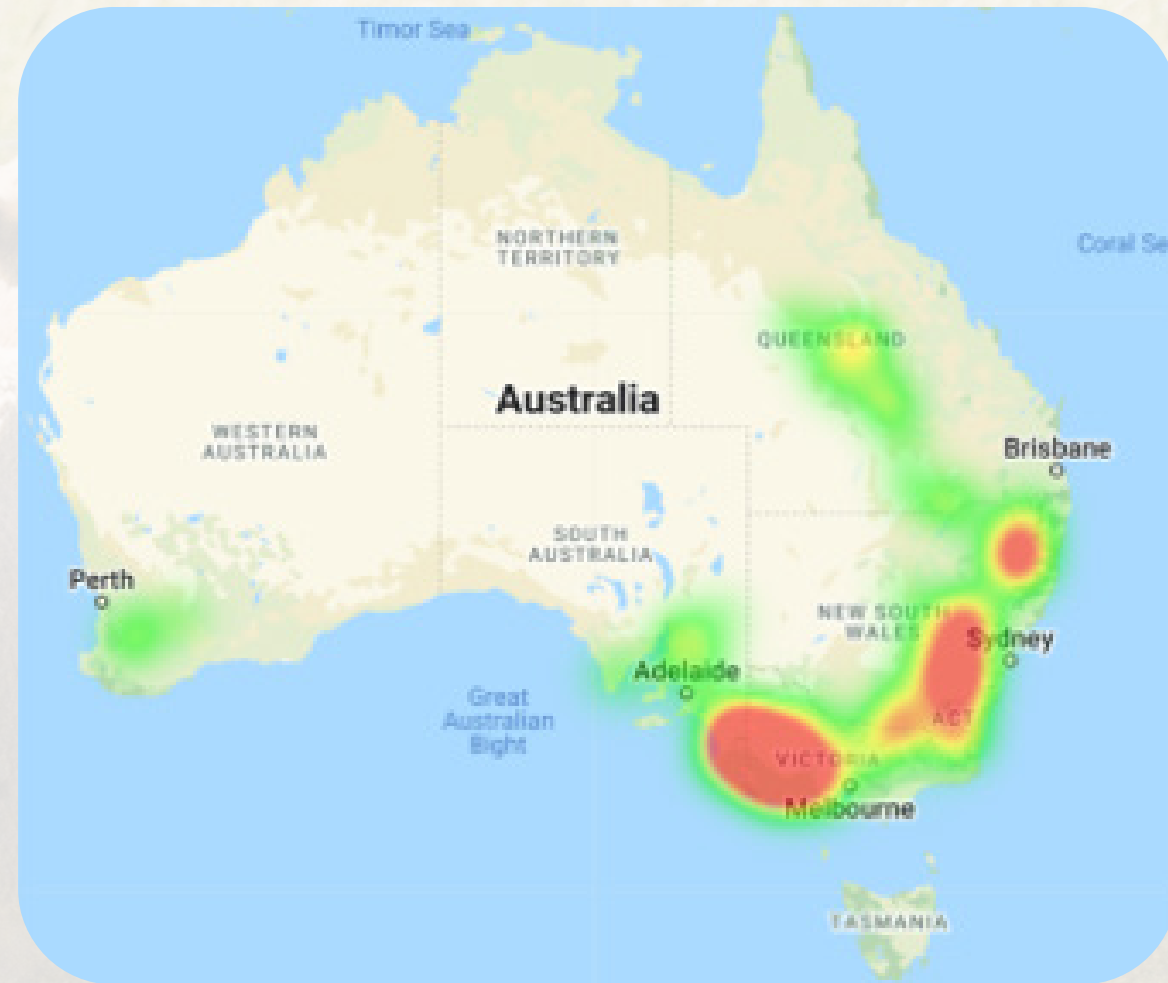
Merino c/kg price vs AWE Micron price guide



- The 2021c/kg lwt value of SIL Merino ewes sold on AuctionsPlus have a 94% correlation to the Micron price guide for the same period (Source: AWE). Breeding ewes are more likely to have a stronger correlation to the AWE price, as buyers pay a premium for quality wool Merino flocks.
- Merino wethers and wether lambs are less correlated to the AWE price largely due to demand preferences pivoted towards weight, quality and frame attributes opposed to Micron.

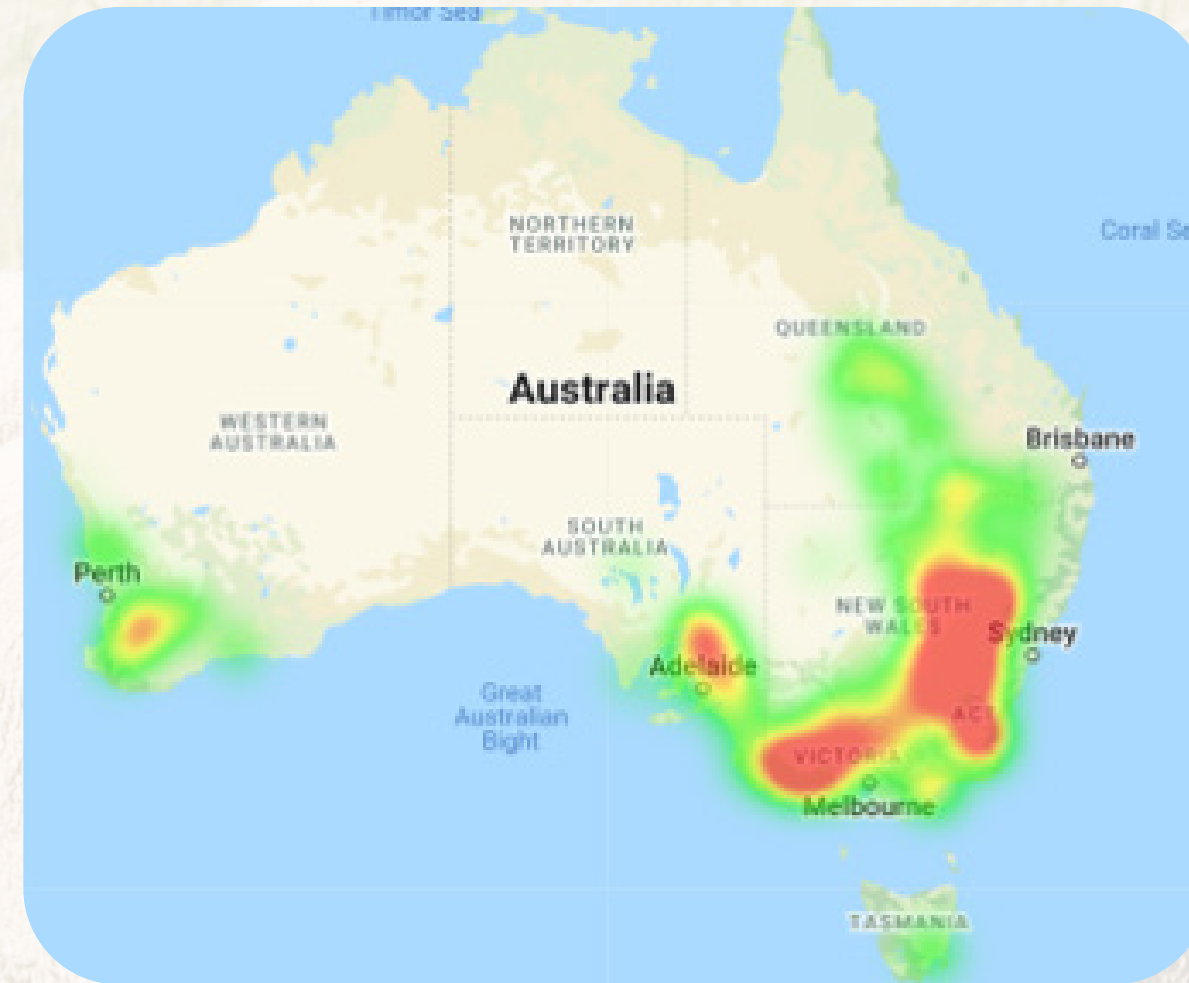
Figure 2: Merino category c/kg lwt price sold on AuctionsPlus in 2021 based on Micron against the AWE 2021 Micron price guide.

2022 Q1 AuctionsPlus Merino listings by Micron



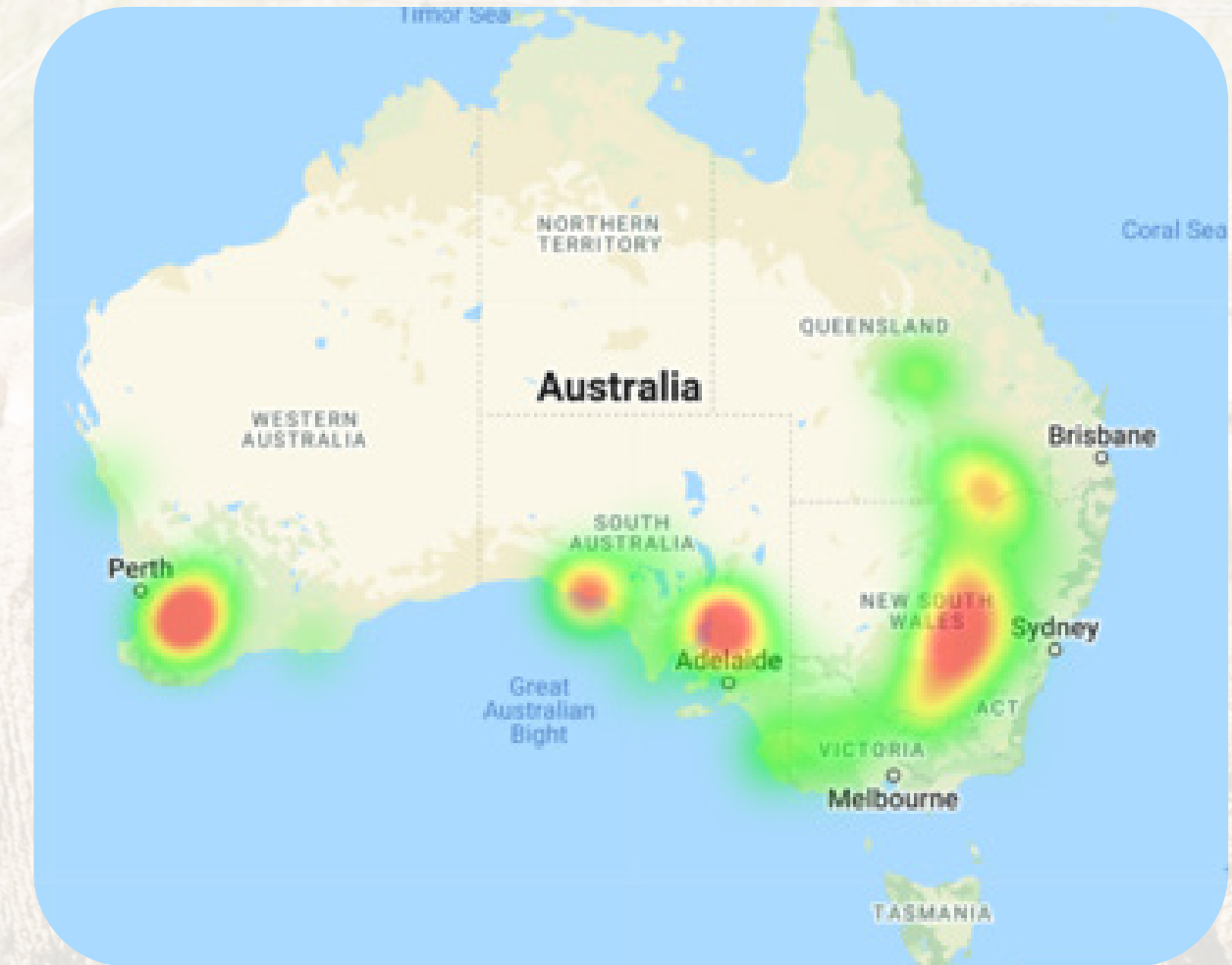
<17 Micron Merino listings

1. SW Victoria (**15,591**)
2. NW Victoria (**8,590**)
3. Western Queensland (**7,585**)
4. Central Western NSW (**7,031**)
5. Northern T'Land NSW (**5,975**)



18-19 Micron Merino listings

1. Central Western NSW (**18,373**)
2. SW Victoria (**10,959**)
3. SW Slopes and Plains NSW (**9,328**)
4. Riverina NSW (**7,043**)
5. Western Queensland (**6,547**)



20-22 Micron Merino listings

1. Central Western NSW (**6,397**)
2. Upper Great Southern WA (**5,735**)
3. Mid and Upper SA (**5,319**)
4. West Coast SA (**5,172**)
5. Riverina NSW (**3,328**)

Merino Clearance rates by Micron 2019-2022

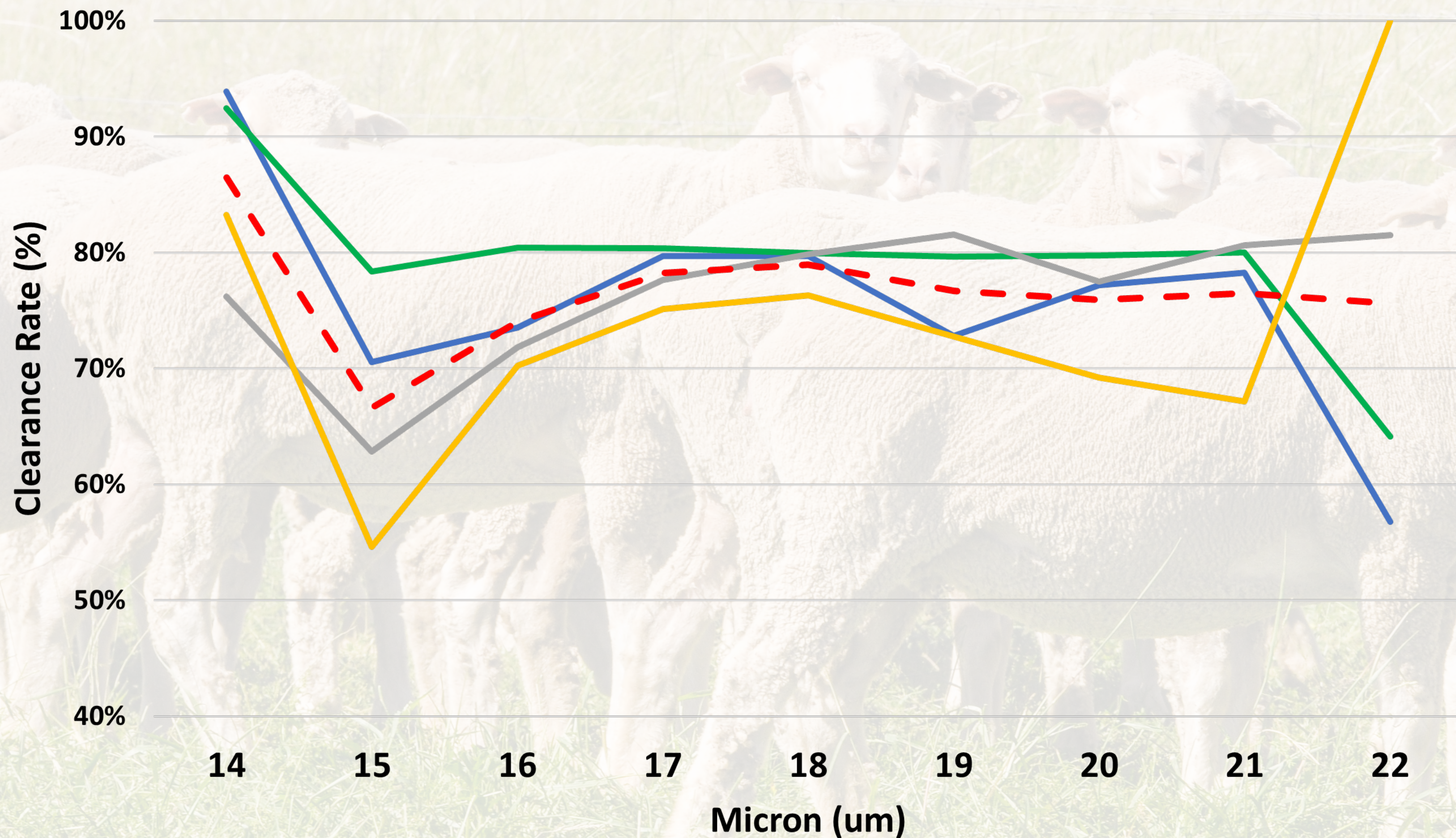
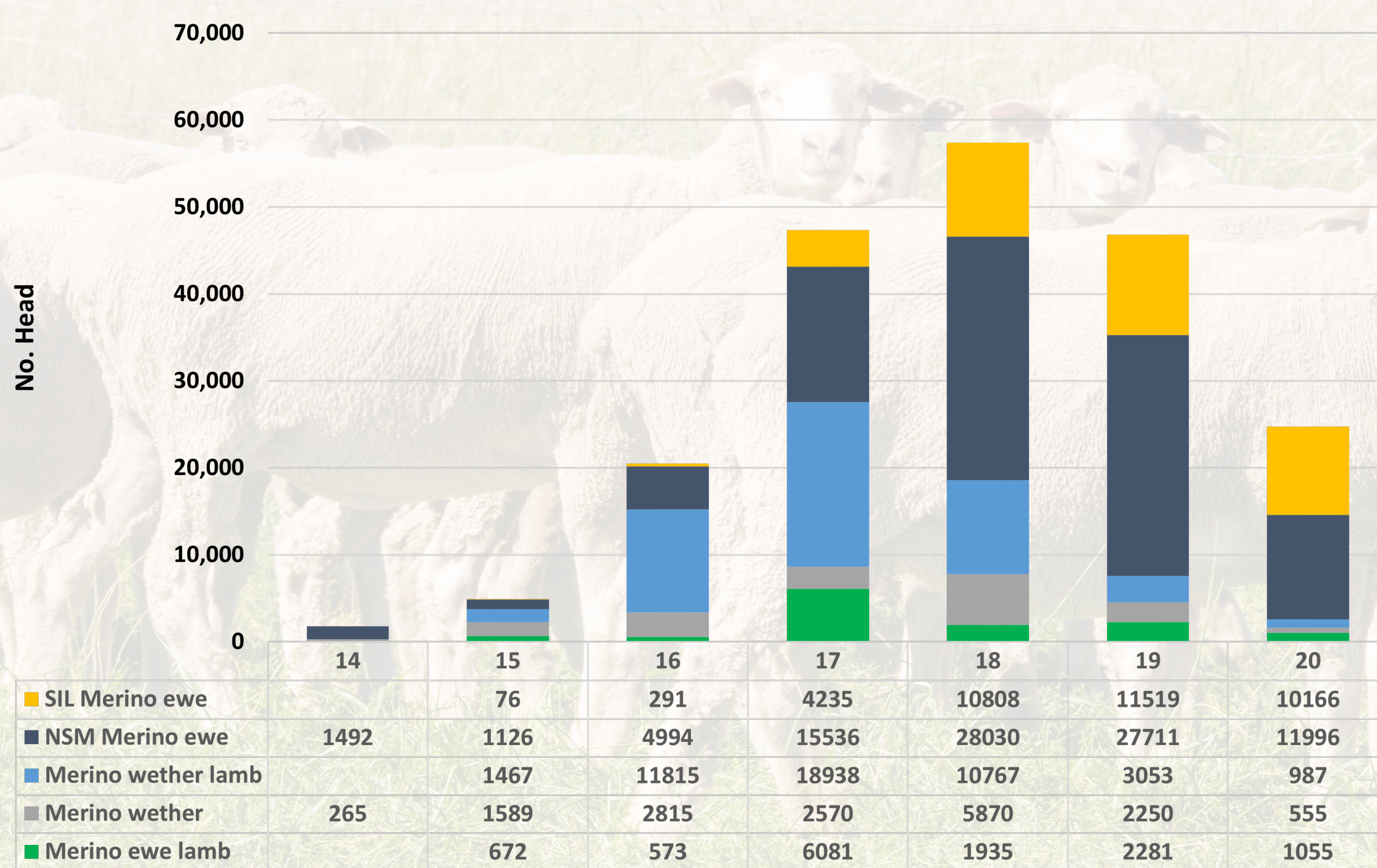


Figure 3: Merino clearance rates according to Micron on AuctionsPlus between 2019- March 2022.

- The 17-19 um range (which accounts for 65% of listings) has the narrowest range in clearance - between 73-82% across the four-year period. This is very similar to annual average clearance rates across all sheep and lamb data.
- Higher clearance rates in 2019 and 2020 for 14-15um of 92% and 94% respectively. 2021 and 2022 have lower clearances for the finer micron category, at 76% and 83% respectively.
- Lower clearance rates for above 20um was recorded in 2019 and 2020, at 57% and 64% respectively. However, clearance rates trended higher in 2021 and 2022 at 81% and 100%.

Distribution of Merino offerings by Micron Jan-Mar 2022



- NSM Merino ewes make up 44% of Q1 2022 Merino offerings, while wether lambs account for 23%.
- 62% and 60%, respectively, of NSM and SIL ewe listings lie in the 18-19um range.
- 65% of wether lambs are in the 16-17um range, while 64% of Merino ewe lambs lie in the 17-18um range.

Figure 4: Distribution of Merino offerings by Micron from Jan-Mar 2022.