



**SEASONAL OVERVIEW OF THE SOUTH AFRICAN WOOL CLIP FOR THE
2017/2018 WOOL SEASON**

Document Contents and Purpose

The document provides a summary of the following:

- Regional wool production;
- The wool market and sales;
- Clip profile;
- Processing;
- Exports; and
- Imports.

Production

Total receipts for 2017/18 decreased to 48,9 m/kg, a decrease of 6,6% on 2016/17.

The Eastern Cape remains the top wool-producing province, delivering 17,5 million kg, or 36%, of total receipts, followed by the Free State with 8,5 m/kg (17%), and the Western Cape with 7,5 m/kg (15%).

Production per Province (Kg)		
Area	Mass	%
South Africa		
• Eastern Cape	17 573 506	36
• Western Cape	7 521 265	15
• Northern Cape	5 288 956	11
• Free State	8 555 229	17
• Mpumalanga	2 097 593	4
• Limpopo	12 762	0
• Gauteng	291 747	1
• North West	528 686	1
• Kwazulu Natal	711 422	1
Sub Total: South Africa	42 581 166	87
Namibia		
• Namibia	2 195	
Sub Total Namibia	2 225	0
Lesotho		
• Lesotho	6 369 564	
Sub Total Lesotho	6 566 012	13
Total South Africa	48 952 925	100

Cape Wools Merino Indicator

The 2017/2018 wool season has been one of the best in years, in terms of price. Prices were at healthy levels throughout the season, with the Cape Wools' Merino indicator reaching a seasonal high of R211,99/kg (clean). The market was up 15,5% on the opening sale.

Cape Wools Merino Indicator (c/kg clean)					
Season	Open	Close	High	Low	Average
2016/17	14681	15218	16673	14363	15582
2017/18	18350	21199	21199	17264	18604
%	24,99%	39,30%	27,15%	20,20%	19,39%



Wool Market

The average Merino indicator for the 2017/18 season came to R186,04/kg (clean), which is 19,39% higher than the average for 2016/17. The average price for Merino wool was R113,37/kg (greasy) and for other white wool R78,12/kg (greasy). The overall average price for all wool delivered was R100,24/kg (greasy). Although the improvement in prices was, as expected, to a large extent influenced by the exchange rate, an increase in demand, particularly from China, also contributed significantly to the overall improvement in prices.

The recorded gross value of sales for the season came to R4 803,13 million, an increase of 14,1% compared with the previous season.

Wool Sales			
Description	All Wool	Merino Wool	Other Wool*
Sold (Kg)	48 189 373	30 194 700	17 994 673
Sales Value (R)	R4 803 071 123	R3 408 712 600	R1 394 358 523
Average Price (R/Kg Sold)**	R100,24	R113,37	R78,12
* (Other wool includes Coarse & Coloured)			
**Weighted Average = (Total Realisation Value/Total Mass Sold)			

Of the total offerings at auction 99% was sold.

Clip Analysis

The following table reflects average micron, yield and vegetable matter (VM's).

Average Micron, Yield & VM			
Description	Average Micron	Average Yield	Average VM
Fleeces	19,8	63,3	1,24
Backs	19,4	60,4	3,10
Bellies	19,2	44,3	1,83
Pieces	20,2	54,6	2,84
Locks	19,6	54,8	2,49
Other	19,2	44,3	1,83
Total	19,7	59,68	1,8

A large percentage of the clip, 51%, tested finer than 20 μ . The bulk of the clip (around 42%) still falls in the medium-fine category (20 - 22 μ).

ALL WOOL MICRON DISTRIBUTION																		
	≤17.0 μ	17.5 μ	18.0 μ	18.5 μ	19.0 μ	19.5 μ	20.0 μ	20.5 μ	21.0 μ	21.5 μ	22.0 μ	22.5 μ	23.0 μ	23.5 μ	24.0 μ	24.5 μ	≥25.0 μ	Tot
%	3%	4%	6%	9%	13%	17%	16%	12%	7%	4%	3%	2%	2%	1%	1%	0%	0%	100

The contribution by AWEX style, based on mass, is tabled below.

Contribution by AWEX Style (Based on Mass)						
AWEX Style	≤3	4	5	6	≥7	Tot
%	0%	11%	28%	31%	29%	100%

Contribution by class.

Contribution by Class (Based on Mass)					
Class	Fleeces	Pieces	Bellies	Locks	Tot
%	73%	8%	10%	7%	100%

Contribution by Length

Contribution by Length (Based on Mass)										
Length	≤10mm	20mm	30mm	40mm	50mm	60mm	70mm	80mm	≥90mm	Tot
%	1%	3%	5%	16%	22%	23%	18%	9%	2%	100%



Processing

Processing statistics show a large decrease in local primary processing with the production of Tops falling by 72,2%, while carbonised production increased by 7,3%.

Processing (Kg): 2017/2018 Wool Season						
Season	Scoured		Carbonising	Other		
	Karakul	Merino		Top	Noil	Waste
July 2016 – June 2017	53 177	77 580	1 363 353	2 069 272	413 118	-
July 2017 - 2018	6 290	110 311	1 462 593	575 438	65 994	0
% Change	-88,2%	+42,2%	+7,3%	-72,2%	-84,07%	-100%

Exports

An analysis of export data shows that South Africa is primarily a grease wool exporter, with 49 231,1 metric tonnes of grease wool shipped during the year at a total Free on Board (FOB) value of R4 988,788-million. This represents an 94% market share on the total value of exports of R5 316,651-million. The major destination was China (69% of total) followed by the Czech Republic (15,0%), Italy (10%), India (2%), and Bulgaria (2%).

All Greasy Wool Exports: 2017/2018 Wool Season				
Country	Value (R)	Mass (Kg)	% FOB Value	% Mass (Kg)
China/Macau	R 3 578 845 481	35 268 319	67.1%	69%
Italy	R 697 243 249	5 325 546	13.2%	10%
Czech Republic	R 679 221 397	7 564 152	12.9%	15%
Bulgaria	R 123 266 945	1 188 161	2.3%	2%
India	R 94 310 559	767 323	1.8%	2%
Other	R 143 764 037	1 019 575	3%	2%
Total	R5 316 651 668	51 133 076	100%	100%

Imports

During 2017/18, a total of 267 900 kg's was imported, of which 52% was from Australia.

All Wool Imports: July 2017 - June 2018			
Country	Value (R)	Mass (Kg)	FOB Value
Australia	R 9 725 838	107 353	52.0
New Zealand	R 8 969 403	160 547	48.0
Total	R18 695 241	267 900	100.0