



**SEASONAL OVERVIEW OF THE SOUTH AFRICAN WOOL CLIP FOR THE
2018/2019 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 2018/19 decreased to 44,3 m/kg, a decrease of 9,0% on 2017/18. The reduction in volume is attributable to the low volumes of wool offered for sale by Lesotho producers. The South African production is unchanged.

The Eastern Cape remains the top wool-producing province, delivering 17,1 million kg, or 38,5%, of total receipts, followed by the Free State with 10,1 m/kg (22,7%), and the Western Cape with 7,7 m/kg (17,3%).

Production per Province (Kg)		
Area	Mass	%
South Africa		
• Eastern Cape	17 080 950	38,55%
• Western Cape	7 705 485	17,39%
• Northern Cape	5 550 267	12,53%
• Free State	10 098 987	22,79%
• Mpumalanga	2 090 165	4,72%
• Limpopo	8 620	0,02%
• Gauteng	399 305	0,90%
• North West	508 275	1,15%
• Kwazulu Natal	751 682	1,70%
Sub Total: South Africa	44 193 737	99,75%
Namibia		
• Namibia	2 516	0,01%
Sub Total Namibia	2 516	0,01%
Lesotho		
• Lesotho	108 547	0,25%
Sub Total Lesotho	108 547	0,25%
Total South Africa	44 304 800	100

Cape Wools Merino Indicator

The 2018/2019 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 R253,82/kg (clean). The market was up 29,8% on the opening sale, compared to the previous season.

Cape Wools Merino Indicator (c/kg clean)					
Season	Open	Close	High	Low	Average
2017/18	18350	21199	21199	17264	18604
2018/19	23829	20607	25382	20225	21790
%	29,86%	-2,79%	19,73%	17,15%	17,13%



Wool Market

The average Merino indicator for the 2018/19 season came to R217,90/kg (clean), which is 17,13% higher than the average for 2017/18. 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 R112,65/kg (greasy). Although the improvement in prices was, as expected, to a large extent influenced by the exchange rate and an increase in demand, (despite the ban on exports to China) also contributed significantly to the overall improvement in prices.

The recorded gross value of sales for the season came to R4 735,94 million, a decrease of 1,4% compared with the previous season.

Wool Sales			
Description	All Wool	Merino Wool	Other Wool*
Sold (Kg)	43 574 443	27 471 235	11 395 983
Sales Value (R)	R4 735 947 619	R4 004 924 586	R731 023 034
Average Price (R/Kg Sold) **	R112,65	R126,47	R70,45
* (Other wool includes Coarse & Coloured)			
**Weighted Average = (Total Realisation Value/Total Mass Sold)			

Of the total offerings at auction 95% 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	20,1	64,9	0,95
Backs	19,6	59,6	2,58
Bellies	20,5	48,9	1,87
Pieces	20,4	55,9	2,54
Locks	19,9	42,6	2,76
Other	20,5	48,9	1,87
Total	20,0	59,8	1,5

A large percentage of the clip, 45%, tested finer than 20µ. The bulk of the clip (around 47%) still falls in the medium-fine category (20 - 22µ).

ALL WOOL MICRON DISTRIBUTION																		
	≤17.0µ	17.5µ	18.0µ	18.5µ	19.0µ	19.5µ	20.0µ	20.5µ	21.0µ	21.5µ	22.0µ	22.5µ	23.0µ	23.5µ	24.0µ	24.5µ	≥25.0µ	Tot
%	2%	3%	6%	8%	12%	14%	16%	13%	9%	5%	4%	3%	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%	16%	30%	31%	22%	100%

Contribution by class.

Contribution by Class (Based on Mass)							
Class	Fleeces	Pieces	Bellies	Backs	Locks	Other	Tot
%	64%	9%	9%	1%	8%	9%	100%

Contribution by Length

Contribution by Length (Based on Mass)										
Length	≤10mm	20mm	30mm	40mm	50mm	60mm	70mm	80mm	≥90mm	Tot
%	0%	3%	7%	18%	20%	22%	18%	9%	2%	100%



Processing

Processing statistics show a large decrease in local primary processing with the production of Tops falling by 94.50% while carbonised production decreased by 25.41%.

Processing (Kg): 2018/2019 Wool Season						
Season	Scoured		Carbonising	Other		
	Karakul	Merino		Top	Noil	Waste
July 2018 – June 2019	28 955	109 735	1 090 992	31 611	4 709	-
July 2017 – June 2018	6 290	110 311	1 462 593	574 438	65 994	-
% Change	360,33%	-0,52%	-25,41%	-94,50%	-92,86%	

Exports

An analysis of export data shows that South Africa is primarily a grease wool exporter, with 29 771,1 metric tonnes of grease wool shipped during the year at a total Free on Board (FOB) value of R4 360,827 million. This represents an 97% market share on the total value of exports of R4 495,213 million. The major destination was China (44% of total) followed by the Czech Republic (36,8%), Italy (8%), India (5,2%), and Bulgaria (3%).

All Greasy Wool Exports: 2018/2019 Wool Season					
Country	Grease		Total	% Contribution	
	R	kg		FOB Value	Mass (Kg)
China/Macau	1 994 885 775	16 081 043	1 994 885 775	44%	54%
Czech Republic	1 656 335 729	8 784 864	1 656 335 729	37%	30%
Italy	268 893 752	1 632 311	363 752 989	8%	5%
India	231 782 129	1 409 941	233 281 074	5%	5%
Bulgaria	135 117 540	1 314 091	135 117 540	3%	4%
Other	73 812 781	548 874	111 840 686	2%	2%
Total	4 360 827 706	29 771 123	4 495 213 793	100%	100%

Imports

During 2018/19 no wool was imported.