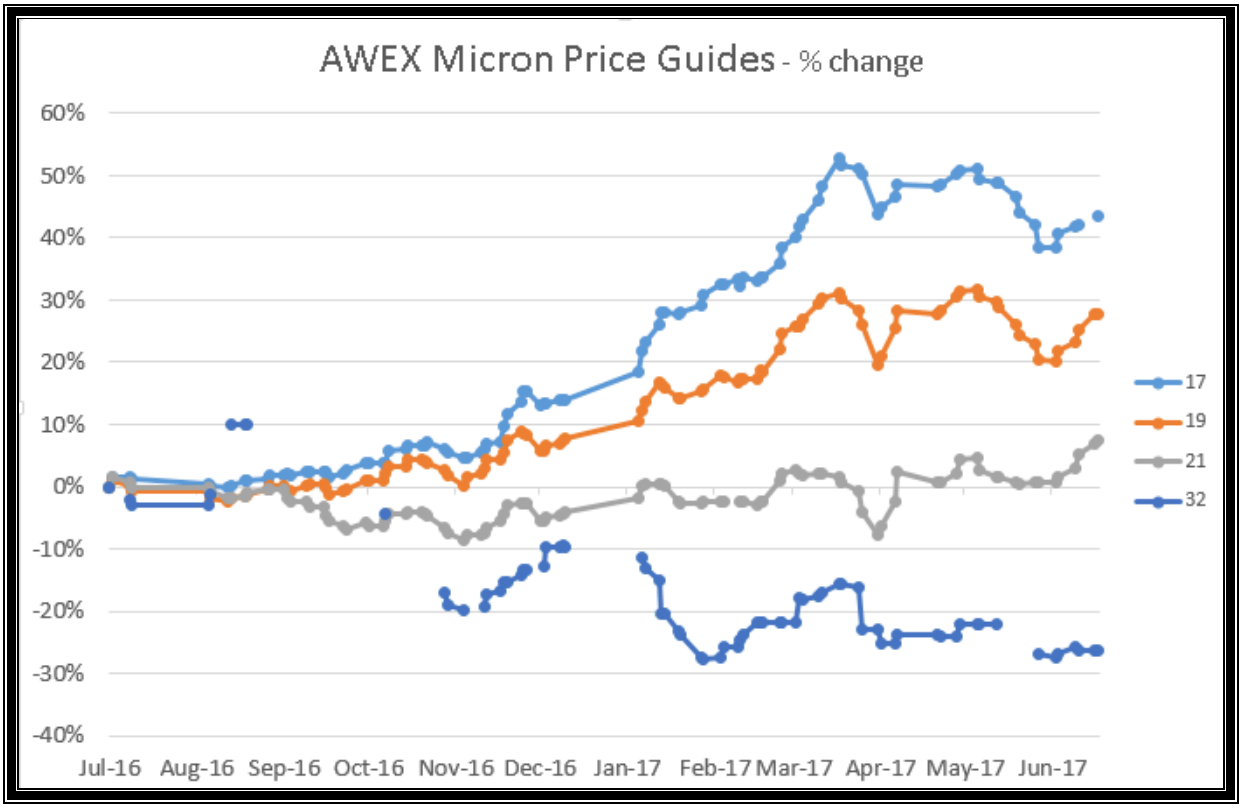
Finally: the market is showing signs of life

Australian Wool Exchange

2016/17 may well be remembered as the year that the superfine wool market finally showed signs of life and it's about time.

Superfine wool prices have finally emerged from several lacklustre years. During 2016/17 the AWEX 17 micron price guide (MPG) closed the season up 43% compared to the start of 2016/17.

Importantly, the spread of prices between the 17 and 19 MPGs reached 340 c/kg clean and a difference of 560 c/kg clean between the 17 and 20 micron MPGs.



e-Bale

AWEX has been investigating machine readable technology for wool bales since the late 1990s. This project is more commonly known today as e-Bale.

e-Bale has grown into so much more than just applying a unique electronic identification ('RFID') into each wool pack. The e-Bale project is also investigating the potential benefits that might be achieved by utilising the RFID in the transfer of electronic data and logistic systems through the

supply chain from pack manufacturer, to farm, to broker, to first stage processor.

The AWEX Board has approved the commencement of the Operational Proof of Concept (OPC) of the e-Bale project which will be introduced and used between farm and receival warehouse (up to point of shipping).

The objectives of the OPC are:

- To scan bales on-farm using a phone/mobile device based app,
- To collate the equivalent of wool book, specification and NWD data on farm and transfer the data securely to the nominated receival warehouse,
- For receival warehouses to import farm data into their inventory systems - and
- For receival warehouses to test e-bale functionality at nominated control points (e.g. receival, core line, shipping) using either mobile or fixed devices.

"AWEX's e-Bale OPC represents a real-time opportunity to evaluate the potential use and impact of adopting machine readable technology in a simulated on-farm to warehouse supply chain." said Mark Grave, AWEX, CEO.

"To be able to capture data from the farm will reduce error rates significantly, potentially increasing efficiencies for everybody in the supply chain and provide greater business decision-making tools for the grower." said Mark Grave. "The other aspect being seriously considered is the traceability of wool bales through the supply chain. This adds impressive biosecurity benefits in the event of an outbreak of an Exotic Animal Disease and puts the Australian wool industry firmly on the front foot in being able to provide a more immediate response in the face of an issue."

Mark Grave added, "From a technical point of view the use of a unique RFID tag that can survive the pipeline, has garnered interest and active participation from warehouses, dumps, exporters and processors. AWEX is working closely with stakeholders in these sectors, most of whom have contributed financially and in-kind to the advancement of this project."

"Western Australia has been chosen as the OPC site for this stage of the project as it is a closed loop environment. Wool packs that enter WA are generally used and exported from WA."

Work on the eBale OPC has commenced with an expected timeline of being implemented in early 2018.

Mark Grave 2017